

Report of the Auditor General on Head 06 –Public Service Commission - Year 2016

The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records of the Head 06 - Public Service Commission for the year ended 31 December 2016 was carried out in pursuance of provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Secretary of the Ministry on 02 June 2017. The audit observations, comments and findings on the accounts and reconciliation statements were based on a review of the Accounts and Reconciliation Statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

1.2 Responsibility of the Chief Accounting Officer for the Accounts and the Reconciliation Statements

The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the provisions in Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other Statutory Provisions and Public Finance and Administrative Regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements, whether due to fraud or error.

2. Accounts

2.1 Appropriation Account

Total Provision and Expenditure

The total net provision made for the Public Service Commission amounted to Rs.344.15 million and out of that Rs.283.48 million had been utilized by the end of the year under review. Accordingly, the savings out of the total net provision made for the Commission amounted to Rs.60.67 million or 17.63 per cent. Details are given below.

Expenditure	As at 31 December 2016			Savings as a Percentage of Net Provision
	Net Provision	Utilization	Savings	
	Rs.Millions	Rs.Millions	Rs.Millions	
Recurrent	159.00	157.01	1.99	1.25
Capital	185.15	126.47	58.68	31.69
Total	344.15	283.48	60.67	17.63

2.2 Advance Account

2.2.1 Advances to Public Officers Account

Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers Account under Item No.00601 of the Commission and the actual amounts are given below.

Expenditure		Receipts		Debit Balance	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
7.50	6.00	3.00	5.13	33.00	20.24

2.3 Audit Observation

The Appropriation Account and the Reconciliation Statements of the Public Service Commission for the year ended 31 December 2016, had been prepared satisfactorily subject to the Audit Observations, appearing in the Management Audit Report referred to in Paragraph 1.1 above. The material and significant Audit Observations out of the Audit Observations included in the Management Audit Report appear in paragraph 3.

3. Material and Significant Audit Observations

3.1 Assets Management

Conduct of Annual Boards of Survey

The following observations are made.

- According to the Public Finance Circular No. 05/2016 of 31 March 2016, the Board of Survey for the year 2016 should be conducted and the reports thereon should be furnished to the Auditor General before 17 March 2017. Nevertheless, the Commission had not furnished those reports even by 30 May 2017. The last Board of Survey conducted had been for the year 2015.
- Even though a stock of scrap items revealed by the Reports of the Board of Survey of the preceding year had been auctioned on 27 November 2015 and 26 May 2016, the reports containing the details of that auction had not been made available to audit. As such, the assets eliminated from books could not be satisfactorily vouched in audit.

3.2 Implementation of Projects under Domestic Financing

Delays in the execution of Projects

The Cabinet of Ministers had approved the award of contract for the construction of a permanent building in respect of the Commission at a cost of Rs.417.83 million to the Central Engineering Services Private Limited on the condition that the Commission should be satisfied with the capability of the relevant Company to complete the contract successfully within the due period. In terms of the Agreement, constructions should be completed within 900 days and the work had been commenced on 02 January 2015, thus it should be completed on 22 June 2017. Nevertheless, the Commission has failed to get the work done according to the work plan submitted by the Contractor. As such, the financial performance even by 19 June 2017 amounted to Rs.278.42 million. Further, the physical performance had not been estimated.

3.3 Human Resources Management

Approved Cadre and Actual Cadre

The position of the cadre as at 31 December 2016 had been as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
(i) Senior Level	47	36	11
(ii) Tertiary Level	09	05	04
(iii) Secondary Level	112	86	26
(iv) Primary Level	52	44	08
(v) Other(casual/temporary/ basis) contract	03	03	-
Total	223	174	49

In discharging the duties assigned to the Commission, even though the legal procedure relating to complaints made to the Administrative Appeals Tribunal and the court cases filed in the Supreme Court and the Appeal Court should be conducted, action had not been taken to fill the 11 vacancies in the Staff Grade Level including the only post of Legal Officer in the approved cadre, and 38 other vacancies.