

Report of the Auditor General on Head 17 - Office of the Leader of the House of Parliament - Year 2016

The audit of the Appropriation Account and the Reconciliation Statement including the financial records, books, registers and other records of the Head 17 - Office of the Leader of the House of Parliament 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 to the Leader of the House on 11 July 2017. The audit observations, comments and findings on the accounts and the 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 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 Office amounted to Rs.36.95 million and out of that, Rs.36.30 million had been utilized by the end of the year under review. Accordingly, the savings out of the net provision of the Office amounted to Rs.0.65 million or 1.76 per cent of the net provision. Details appear 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	34.90	34.35	0.55	1.58
Capital	2.05	1.95	0.10	4.88
Total	36.95	36.30	0.65	1.76

2.2 Advance Accounts

2.2.1 Advances to Public Officers Account

Limits Authorised by Parliament

The limits authorised by Parliament for the Advances to Public Officers Account of the Office, Item No.01701 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
2.3	2.00	1.96	0.80	1.64	4.00	3.24

Audit Observation

The Appropriation Account and the Reconciliation Statement of the Office of the Leader of the House of Parliament for the year ended 31 December 2016 had been satisfactorily prepared, subject to the audit observations appearing in the Management Audit Report referred to in Paragraph 1.1 above. The material and important Observations out of the observations included in the Management Audit Report appear in Paragraph 3.

3. Material and Significant Audit Observations

3.1 Reconciliation Statement of the Advances to Public Officers Account

According to the Reconciliation Statement of the Advances to Public Officers Account, Item No.01701 as at 31 December 2016, the remaining outstanding balance of the distress loan as at that date was Rs.128,800. Even though those outstanding balances remained over one year, the Office had failed to recover those outstanding balances.

3.2 Non-compliances

Instances of non - compliance with the provisions of laws, rules and regulations observed during the course of audit test checks are analysed below.

Reference to Laws, Rules and Regulations	Non – compliance
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(a) Public Administration Circular

Paragraph No.5 of Circular No.162 dated 01 April 1980	The salary and allowances amounting Rs. 1,287,333 had been paid for the two offices of co – ordinate secretary position, without any evidence as reporting to the office
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(b) Sub paragraph No.02(iv) of Circular No.9/2009 dated 16 April 2009	Even though it should be confirmed the time duration by the finger printing machine, to pay the allowances for over time, transport allowances amounting to Rs. 361,500 had been paid without confirmation.
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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	03	03	-
(ii) Tertiary Level	01	01	-
(iii) Secondary Level	10	08	02
(iv) Primary Level	16	15	01
(v) Others (Casual/ Temporary/ Contract Basis)	03	02	01
Total	33	29	04