

## Report of the Auditor General on Head 9 –Administrative Appeals Tribunal - Year 2016

The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records of the Administrative Appeals Tribunal -Head 9 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 Chairman of the Tribunal on 16 May 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 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. The 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 Tribunal amounted to Rs. 23.05 million and out of that Rs. 21.86 million had been utilized by the end of the year under review. Accordingly, the savings out of the net provision of the Tribunal amounted to Rs. 1.19 million or 5.16 per cent of the net provisions. Details are given below.

Expenditure	As at 31 December 2016			Savings as a Percentage of Net Provisions
	Net Provision	Utilization	Savings	
	Rs. Millions	Rs. Millions	Rs. Millions	
Recurrent	22.20	21.19	1.01	4.55
Capital	0.85	0.67	0.18	21.18
<b>Total</b>	<b>23.05</b>	<b>21.86</b>	<b>1.19</b>	<b>5.16</b>

## 2.2 Advance Account

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### 2:2:1 Advances to Public Officers Account

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#### Limits Authorized by Parliament

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Limits Authorized by Parliament for the Advances to Public Officers Account item No.00901 of the Tribunal and actual amounts are shown below.

Expenditure		Receipts		Debit Balance	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
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Rs.Millions	Rs.Millions	Rs.Millions	Rs.Millions	Rs.Millions	Rs.Millions
1.00	0.97	0.30	0.86	2.50	1.47

## 2.3 Audit Observation

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According to the Financial Records and Books for the year ended 31 December 2016, it was observed that subject to the audit observations appearing in the Management Audit Report referred to in paragraph 1.1, the Appropriation Account and the Reconciliation Statement of the Tribunal have been prepared satisfactorily. The material and significant observations out of the audit observations included in the Management Audit Report appear in paragraph 3 herein.

## 3. Material and Significant Audit Observations

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### 3.1 Non-maintenance of Registers and Books

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The tribunal had not maintained the Register of Fixed Assets in terms of the Treasury Circular No.842 of 19 December 1978 whereas the Register of Fixed Assets of Computers, Software and

Accessories had not been properly updated and maintained in terms of the Treasury Circular No.IAI/2002/02 dated 28 November 2002 .

### 3.2 **Good Governance and Accountability**

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#### 3.2.1 **Annual Procurement Plan**

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A Procurement Plan in terms of the National Budget Circular No.128 dated 24 March 2006 had not been prepared.

#### 3.2.2 **Internal Audit**

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An internal audit unit had not been established.

### 3.3 **Performance**

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#### **Key Functions not Performed Adequately**

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In calling of the officers and the reports relating to the hearing of appeals ,there were instances that non-represent of the officers and non-submission of that reports instantly and as prescribed. Even though made aware of the relevant Commissions relating to the decisions taken in respect of the appeals to be heard , it was revealed that instances had been existed that those decisions had not been implemented. Therefore, 500 appeals received during the period from the year 2012 to the end of the year 2015 had not been completed by taking suitable action even as at 31 December 2016. Further, out of 243 appeals received in the year 2016, only 10 appeals had been completed by taking suitable action and the activities of 233 appeals could not have been completed by taking suitable action.

### 3.4 **Uneconomic Transactions**

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A building for the activities of the Tribunal had been obtained at a rental of Rs.600,000 per month for a long period of 03 years from 01 June 2015. The Government Assessed rent for that purpose had not been received even as at 05 May 2015.The approval had been given by the Secretary to

the President by the letter dated 06 May 2015 to rent out the building able to base the asses rent of the Government Valuer considering as it in urgent to fulfill the activities of the Tribunal. It had been informed by the Government Valuer on 12 January 2016 that the monthly rent of that building was Rs.350,000. An un –economical rent of Rs.250,000 had to be paid per month due to entered into Agreements for a long period of 03 years without taking actions according to the conditions mentioned in the letter of the Secretary to the President.

### 3.5 Human Resources Management

#### (a) Approved Cadre and Actual Cadre

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

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
(i)	Senior Level	02	02	-
(ii)	Secondary Level	22	11	11
(iv)	Primary Level	08	06	02
	<b>Total</b>	<b>32</b>	<b>19</b>	<b>13</b>

The following observations are made.

Nine Officers for 02 posts of Senior Level, 04 posts of Secondary Level and 02 posts of Primary Level on contract basis from the period more than 03 years and 01 post of Primary Level on casual basis had been recruited without taking action to fill 13 vacancies properly in the year under review.