

Head 018 - Office of the Chief Government Whip of Parliament

1. Financial Statements

1.1 Opinion

The audit of the financial statements of the Head 018 - Office of the Chief Government Whip of Parliament for the year ended 31 December 2022 comprising the statement of financial position as at 31 December 2022 and the statement of financial performance and cash flow statement for the year then ended was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act, No.19 of 2018. The summary report containing my comments and observations on the financial statements of the Office of the Chief Government Whip of Parliament was issued to the Chief Accounting Officer on 15 May 2023 in terms of Section 11(1) of the National Audit Act, No.19 of 2018. The Annual Detailed Management Audit Report relevant to the Office of the Chief Government Whip of Parliament was issued to the Chief Accounting Officer on 31 May 2023 in terms of Section 11(2) of the Audit Act. This report will be tabled in Parliament in pursuance of provisions in Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka to be read in conjunction with Section 10 of the National Audit Act, No.19 of 2018.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Office of the Chief Government Whip of Parliament as at 31 December 2022 and its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibility for the financial statements is further described in the Auditor's Responsibility Section. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Responsibility of the Chief Accounting Officer for the Financial Statements

The Chief Accounting Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and provisions in Section 38 of the National Audit Act, No.19 of 2018 and for the determination of the internal control that is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As per Section 16(1) of the National Audit Act, No.19 of 2018, the Office of the Chief Government Whip of Parliament is required to maintain proper books and records of all its income, expenditure, assets and liabilities to enable the preparation of annual and periodic financial statements.

In terms of Sub-section 38(1)(c) of the National Audit Act, the Chief Accounting Officer shall ensure that an effective internal control system for the financial control exists in the Office of the Chief Government Whip of Parliament and carry out periodic reviews to monitor the effectiveness of such systems and accordingly make any alterations as required for such systems to be effectively carried out.

1.4 Auditor's Responsibility for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate and its materiality depends on the influence on economic decisions taken by users on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Appropriate audit procedures were designed and performed to identify and assess the risk of material misstatement in financial statements whether due to fraud or errors in providing a basis for the expressed audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- An understanding of internal control relevant to the audit was obtained in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Evaluate the overall presentation, structure and content of the financial statements including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Chief Accounting Officer regarding, among other matters significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

1.5. Report on Other Legal Requirements

I express the following matters in terms of Section 6 (1) (d) of the National Audit Act, No. 19 of 2018.

- (a) The financial statements are consistent with the preceding year,
- (b) The recommendations made by me on the financial statements of the preceding year had been implemented.

2. Financial Review

2.1 Expenditure Management

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
The Chief Accounting Officer should prepare accurate estimates as per Financial Regulation 50 and although provision should be made in terms of Financial Regulation 127 (5) to ensure that significant differences between the estimated provision and expenditure are subject to scrutiny, additional provision of Rs. 210,000 had been made in the year by F.R. 66 for the basic expenditure estimate of Rs. 4,000,000 of the expenditure object 18-1-1-0-1301, but the remaining provision of the year under review was Rs. 338,916.	Due to the submission of bills related to vehicle maintenance related to the expenditure object 1301 in the month of January 2023, the amount of provision for the year 2022 was saved in that expenditure object.	Action should be taken to prepare the estimates accurately.

2.2 Incurring into Liabilities and Obligations

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
The liabilities of Rs. 828,745 stated under Annexure (iii) of the financial statements were not included in the statement of obligations and liabilities issued by the Treasury. However, those liabilities were settled in the year 2023.	Data of liabilities entered through CIGAS system on due dates as per Public Accounts circulars. Payments related to liabilities have been made subject to remaining provisions.	Official books should be compared with treasury printouts.

2.3 Non-compliance of Laws, Rules and Regulations

Instances of non-compliance with the provisions in laws, rules and regulations observed during the sample audit tests are analyzed and mentioned below.

Audit Observations			Comments of the Chief Accounting Officer	Recommendation
Reference to Laws, Rules and Regulations	Amount	Non-compliance		
	Rs.			
(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka				
(i) Financial Regulation 137	427,712	09 Vouchers were paid without approval.	Payments were made without approval due to an omission and this has been corrected. The officers were informed to avoid such omissions in future.	Payments should be made for approved vouchers as per the Financial Regulations.

(ii)	Financial Regulation 138 (8)	42,650	Payments had been made for 06 vouchers without certification of expenditure.	Due to an omission, the expenditure of payment vouchers was not certified and it was corrected. The officers were informed to avoid such omissions in future.	Payments should be made only for certified vouchers as per the Financial Regulations.
(iii)	Financial Regulation 225 (4)	127,793	The short signatures had not been put on 07 vouchers in the space provided for short signatures by the officers who are preparing or checking correctness of them.	Officers were instructed to make payments with signatures as that the vouchers were checked in future.	According to the Financial Regulations, the officers who prepare the vouchers or check their correctness should put their short signatures at the relevant place and submit for payment.
(iv)	Financial Regulations 232 (2) and 245 (1)	60,068	The amount paid in 03 vouchers was not mentioned in letters.	This was happened due to an omission. The relevant officers were informed about this.	The paid amount should be mentioned in letters as per Financial Regulations.
(v)	Financial Regulation 267 (1)	37,083,232	There were 14 instances that was not payee's signature to confirm the payment of salary/ remuneration only to payee and received.	The relevant staff was informed in this regard and instructions were given to the relevant officers to suspend the salary of the officers who do not sign the salary lists in future.	Action should be made to put the payee's signature on the relevant pay slip or pay list according to Financial Regulations.

(vi) Financial Regulation 453 (2) (i)	89,201,190	Salaries were paid for 27 vouchers without ensuring that the entries in the personnel pay list were fully stated, checked the total and reconciled.	All vouchers are recommended, approved and certified through the ITMIS system by the relevant officers and this has caused by mistake. Officers were instructed to correct it in future.	Every pay roll should be certified by the Certifying Officer as per the Financial Regulations.
(b) Public Administration Circulars				
(i) Paragraph IV of Public Administration Circular No. 09/2009 dated 16 April 2009	197,273	If time basis is used for allowances paid on time basis after regular working hours, though the time should be verified by finger print machine, the time for allowances paid to one officer from April to December was not verified by finger print machine.	As the duties of the Coordinating Secretary of the Minister of Urban Development and Housing and the post of Secretary of the Chief Government Whip are carried out by the Office of the Chief Government Whip and as well as the office of the Ministry of Urban Development and office in Gampaha, the arrival and departure of this office is not recorded. However, she was instructed to record her arrival and departure through the fingerprint machine and parliamentary allowances and	Should be act as per the circulars.

official allowances are not paid to her from December 2022.

- (ii) Paragraph 6.2 of the guideline No. 2022/05 dated 13 December 2022 of the preparation of financial statements issued by the Public Accounts Department. - Only the Officers were instructed to prepare financial statements in accordance with the relevant circular. expenditure objects related to the reporting institution were not included in the formats and formats not related to their institution were also submitted with the financial statements. Action should be taken as per the circular instructions.

3. Operational Review

3.1 Planning

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
The annual procurement plan to be included in the annual action plan prepared in accordance with paragraph 03 of the Ministry of Finance Circular No. 02/2020 dated 28 August 2020 was not submitted in accordance with the formats in the guideline No. 13 of the circular.	Officers were instructed to prepare the procurement plan as per the relevant model while preparing the action plan.	Should be act as per circulars

3.2 Procurement Plan

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
A copy of the procurement plan for the year under review, which should be submitted as per paragraph 04 of the Ministry of Finance Circular No. 02/2020 dated 28 August 2020, was not submitted to the Auditor General.	The annual procurement plan was included in the action plan for the year 2022 and submitted.	Should be act as per circulars.

4. Good Governance

4.1 Internal Audit

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
According to the provisions of section 38 of the National Audit Act No. 19 of 2018, the Chief Accounting Officer should prepare a necessary system for the proper execution of internal audit duties, but this has not been done.	As this office is a “B” grade department and it has very limited staff and minimum allocation under the expenditure head, the establishment of internal audit committees has been indicated as unnecessary and the post of Accountant has been created to maintain proper financial control of the office.	Should be compiled with the provisions of the Act.

5. Human Resource Management

5.1 Human Resource Development Plan

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
According to paragraph 6.3 of Public Administration Circular No. 02/2018 dated 24 January 2018, the capacity development programmes to be developed to achieve the skill targets identified for each officer level were not prepared. Further, annual performance agreements were not signed for the entire staff based on the format in annexure 01 of the circular.	Instructions had been given not to allocate money for training programmes as per the Circular No. 05/2022 dated 02.09.2022 of the Secretary of the Ministry of Finance. Accordingly, a capacity development programme was not prepared and officers were submitted for the most essential training programmes.	Should be act as per the circular.