

Head -019 Office of the Leader of the Opposition in Parliament - 2024

1. Financial Statements

1.1 Opinion

Head 019 - The audit of the financial statements of the Office of the Leader of the Opposition in Parliament for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024 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 Leader of the Opposition in Parliament was issued to the Chief Accounting Officer on 14 May 2025 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 Leader of the Opposition in Parliament was issued to the Chief Accounting Officer on 11 June 2025 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 fair view in all materials of the financial statements of the Office of the Leader of the Opposition in Parliament as at 31 December 2024 in accordance to the financial position, financial performance and cash flows, the basis of preparation of the financial statements mentioned in Note 1 of the financial statements.

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 Emphasis of Matter – Basis of the Preparation of Financial Statements

It is drawn attention to Note 1 of the financial statements, which described the basis of the preparation of these financial statements. The financial statements have been prepared for the needs of the Office of the Leader of the Opposition in Parliament, the Treasury and Parliament in accordance with Public Financial Regulations 150 and 151 and Public Accounts Guideline No. 06/2024 dated 16 December 2024 as amended on 21 February 2025. Therefore, these financial statements may not be suitable for other purposes. My report is intended only for the use of the Office of the Leader of the Opposition in Parliament, the Treasury and the Parliament of Sri Lanka. My opinion on this matter is not modified.

1.4 Responsibility of the Chief Accounting Officer and the Accounting Officer for the Financial Statements

The Chief Accounting Officer is responsible for the preparation of financial statements that give a fair view in accordance with Public Financial Regulations 150 and 151 and the Public Accounts Guideline No. 06/2024 dated 16 December 2024 as amended on 21 February 2025 and for the determination of the internal control that is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

As per Section 16(1) of the National Audit Act, No.19 of 2018, the Office of the Leader of the Opposition in 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 Leader of the Opposition in 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.

1.5 Auditor's Responsibility for the Audit of 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.

1.6 Comments on Financial Statements

1.6.1 Accounting Deficiencies

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
Although the motor vehicle value of included in non-current assets had been assessed at Rs. 239,550,000, the value of non-current assets in the statement of financial position had been understated by Rs. 54,731,300 due to that the CIGAS assets register was not updated accordingly.	It has been stated that further action will be taken after discussion with the Treasury to update the assessed values of motor vehicles in the CIGAS assets register.	Updated values should be mentioned in the financial statements.

2. 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.

3. Financial Review

3.1 Expenditure Management

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) Although the Chief Accounting Officer has taken special attention to ensure that estimates are prepared in accordance with Financial Regulation 50, the total provision of Rs. 600,000 provided for fuel for other activities under expenditure subject No. 019-1-1-0-1202-10 of the year under review had been saved and out of the total net allocation of Rs. 11,000,000 provided for 05 other recurrent expenditure subjects, a significant amount of Rs. 5,760,598 or 22 percent to 92 percent had been saved.	It is informed that these provisions were saved due to restricting expenditure in accordance with the circular of the National Budget Department, reducing staff due to the abolition of staff due to conducting two elections, transfer of officers who are worked in the time of preparing the estimates and the delay in filling those vacancies in the year 2024.	Expenditure estimates should be prepared accurately in accordance with the referred Financial Regulations,
(b) The net provision of Rs. 2,000,000 provided for software development under expenditure subject No. 019-1-1-0-2106 in the year under review was fully and Rs. 1,238,955 out of the	It has been informed that although the system development was intended to be developed through the provisions for software development, it has been not to do that as it is not certain	Expenditure estimates should be prepared accurately.

total provision of Rs. 2,500,000 provided for 02 other capital expenditure subjects or 36 percent and 59 percent respectively had been saved.

whether it will be suitable for the new situation that will arise after the elections.

- (c) The amount of Rs. 8,099,000 received for other allowances under expenditure subject No. 019-1-1-0-1003 through supplementary estimates had been fully saved without being spent on any expenditure.

It has been stated that although this was a provision for the payment of the increased cost of living allowance, it was not utilized due to the abolition of staff due to conducting two elections.

Expenditure estimates should be prepared accurately.

- (d) Out of the total amount of Rs. 4,000,000 transferred under F.R. 66 for 02 expenditure subjects in the year under review, Rs. 3,451,196 or 82 percent to 100 percent was saved.

Observations are accepted.

Expenditure estimates should be prepared accurately.

3.2 Incurring into the Liabilities and Obligations

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) The total expenditure of Rs. 200,457 relating to the year under review, which had been paid during the month of January 2025, had not been disclosed the under expenditures and liabilities statement (i).	It has been informed that this is due to incur essential expenses related to the year 2024.	All liabilities for the year should be included in the financial statements.
(b) The balance of postal and communication expenses under expenditure subject No. 019-1-1-0-1402 was Rs. 111,050 and due to that liabilities of Rs. 178,531 had been	It has been informed that this is due to incur essential expenses related to the year 2024.	Liabilities should not be incurred beyond the provisions.

incurred for the year under review, liabilities of Rs. 67,,481 had been incurred in excess of the balance.

4. Operational Review

4.1 Annual Performance Report

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
According to the paragraph 12.2 of Public Finance Circular No. 02/2020 dated 28 August 2020 in accordance to guideline 14, the performance indicators of the institute should be submitted by the chapter 4 of the annual performance report based on the action plan, but as it is the performance indicators of the institute had not been submitted based on the action plan.	Observations are accepted and stated that future performance indicators will be submitted as per the circular.	Action should be taken as per the circular.

5. Human Resource Management

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) The institution had spent Rs. 699,795 on staff trainings during the year under review and information on how the training programme contributed to the development of the institution under human resource development had not been submitted in accordance with paragraph 12.2 of the Public Finance Circular No. 02/2020 dated 28 August 2020, format 6.3 of the annexure 01 in guideline No. 14.	The training programme contributed to the development of the institution and it is stated that this information will be submitted in future.	Information should be submitted as per the circular.

- (b) It was observed that the Human Resource Development Plan prepared by the institution was not in accordance with Public Administration Circular No. 02/2018 issued on 24 January 2018.
- It has been noted that the upcoming Human Resource Development Plan will be prepared as per 01/2018.
- Action should be taken as per the circular.