

## **Head 018 - Office of the Chief Government Whip of Parliament - 2024**

### **01. Financial Statements**

#### **1.1 Opinion**

Head 018 - The audit of the financial statements of the Office of the Chief Government Whip of 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 Chief Government Whip of 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 Chief Government Whip of 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 Chief Government Whip of 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 for the Audit of Financial Statements 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 Chief Government Whip of 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 Chief Government Whip of 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 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.

#### **1.5 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 judgment 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.

## 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.

- The financial statements are consistent with the preceding year,
- 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) The total net provision of Rs. 1,900,000, which was provided for one recurrent expenditure subject and 02 capital expenditure subjects, had been saved without any utilization. | It has been stated that the provisions of recurrent expenditure subjects were saved due to parliamentary sessions were not held as expected because the election being held in the year 2024 and non-hiring the temporary staff by the newly appointed government. | Expenditure estimates should be prepared accurately in accordance with Financial Regulations. |

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|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| (b) | Due to that over provisions were made for 14 recurrent expenditure subjects and one capital expenditure subject during the year under review, a total of Rs.34,020,050 had been saved after utilization of the net provisions of those expenditure subjects. The net provisions for each remaining expenditure subjects ranged from 23 percent to 84 percent.    | It has been stated that the provisions were saved due to capital expenditures were not incurred as expected due to the dissolution of Parliament for the election of the year 2024 and non-hiring the temporary staff by the newly appointed government. | Expenditure estimates should be prepared accurately.                                  |
| (c) | Out of the Rs.400,000 transferred under F.R. 66 for the expenditure subject 18-1-1-0-1202 in the year under review, only Rs.198,102 had been utilized and Rs.201,898 or 50 percent had been saved.                                                                                                                                                               | It is stated that the provisions transferred under F.R. 66 were not necessary due to that the Parliament was not held as expected due to the dissolution of Parliament in the year 2024.                                                                 | Expenditures should be assessed accurately and prepared annual expenditure estimates. |
| (d) | 58 Percent out of the estimated provision for the rehabilitation and improvement of machinery and equipment had been saved in the year 2023 and the allocated amount of Rs. 300,000 was fully saved in the year under review. Accordingly, it was observed that the estimated provision was not accurately forecasted in the previous year as well as this year. | It is stated that the estimated provisions were saved due to the minimum use of electronic communication and the less in the number of days on which parliamentary meetings were held and the machinery and equipment were not used as expected.         | Expenditures should be assessed accurately and prepared annual expenditure estimates. |

#### **4. Operational Review**

##### **4.1 Planning**

| <b>Audit Observation</b>                                                                                                                                                                                                                                                | <b>Comments of the Chief Accounting Officer</b>                                                                                                                                                                        | <b>Recommendation</b>                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| Although the Action Plan for the next a should be prepared and approved by the Chief Accounting Officer before 15 December of the current year in accordance with paragraph 3 of Public Finance Circular No. 02/2020 dated 28 August 2020, it was not done accordingly. | It is stated that the observation has been accepted and the instruction have been given to the officers to prepare based on the time frames of the relevant circulars when preparing the annual Action Plan in future. | Action should be taken as per the circular. |

#### **5. Human Resource Management**

| <b>Audit Observation</b>                                                                                              | <b>Comments of the Chief Accounting Officer</b>                                                                                           | <b>Recommendation</b>                                                                    |
|-----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| The approved staff of the office was 45 and 11 positions out of that including two senior level officers were vacant. | One appointment from that was given in the year 2025 and it is expected that suitable officers will be recruited for the other vacancies. | Action should be taken to fill vacancies that affect the performance of the institution. |