

Head -017 – Office of the Leader of the House of Parliament - 2024

1. Financial Statements

1.1 Opinion

The audit of the financial statements of the Head 017 - Office of the Leader of the House 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 including information related to the material accounting policies 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 House 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 Leader of the House of Parliament was issued to the Chief Accounting Officer on 11 June 2025 in terms of Section 11(2) of the National Audit Act, No.19 of 2018. 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 House 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 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 House 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 Leader of the House 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 Leader of the House 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 Leader of the House 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 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 summary 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.

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

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
It was stated that the allocations for some expenditure subjects mentioned in the estimate had to be increased and decreased due to inflation and uncontrollable factors and that the expenditure subject 017-1-1-0-1701 was created and provision were transferred through F.R. 66 to cover losses incurred due to unexpected accidents.	Action should be taken to prepare expenditure estimates accurately in accordance with Financial Regulations.	

4. Operational Review

4.1 Performance

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) The Action Plan for the next year should be prepared and approved by the Chief Accounting Officer before 15 December of the current year as per paragraph 3 of Public Finance Circular No. 2/2020 dated 28 August 2020, but action had not been taken in accordance with it.	It has been stated that the Action Plan and Procurement Plan could not be prepared and submitted for approval within the relevant dates by mistake and it has been noted that the relevant reports will be submitted within the specific time in future as per the circular instructions.	Action should be taken as per the referred circular.
(b) The Procurement Plan for the next year should be prepared before 10 December of the current year and taken approval from the Chief Accounting Officer and send a copy of it to the Auditor General as per the paragraph 4 of Public Finance Circular No. 2/2020 dated 28 August 2020, but action had not been done accordingly.	It has been stated that the relevant reports will be submitted within the specified time in future as per the instructions given by the Public Finance Circulars.	Action should be taken as per the referred circular.

5. Human Resource Management

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
The approved number of staff in the office was 40 and 05 posts remained vacant.	Public Management Circulars had instructed that a minimum number of staff should be employed to carry out official duties in government offices. Accordingly, it was stated that official work was completed by filling only essential vacancies	Action should be taken to fill vacancies that affect the performance of the institution.