

Head 022 - Office of the Parliamentary Commissioner for Administration - 2024

1. Financial Statements

1.1 Opinion

The audit of the financial statements of the Head 022 - Office of the Parliamentary Commissioner for Administration 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 Parliamentary Commissioner for Administration was issued to the Chief Accounting Officer on 30 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 Parliamentary Commissioner for Administration 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 materiality of the financial statements of the Office of the Parliamentary Commissioner for Administration 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 Parliamentary Commissioner for Administration, 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 Parliamentary Commissioner for Administration, 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 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 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 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.

- 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

Reconciliation Statement on Advance Account for Government Officers

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
The balance of the Advance Account for Government Officers was Rs. 2,555,506 as per the Treasury computer printouts and as the total of the Single Balance Classification Summary on that date was Rs. 2,518,749, so that it was observed a difference of Rs. 36,757. This was due to an incorrect debit made in the year 2006 and action had not been taken to settle the difference in the year under review.	Discussions were held with the National Budget Department to settle the difference of Rs. 36,357 between the loan balance if the Government Officers' Advance Account and the total of the single balance classification summary and it has been informed that action will be taken to settle it in future.	Action should be taken to identify the difference and adjust in the accounts.

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) The annual budget allocations were increased by transferring of 08 expenditure subjects by F.R. 66 in the range of 03 percent to 35 percent and also decreased the annual expenditure allocation of 05 expenditure subjects by F.R. 66 in the range of 06 percent to 24 percent as not in compliance with Financial Regulation 50.	It has been mentioned that there were situations such as it had to be work overtime due to other vacancies, payment of increased cost of living allowance, payment of uniform allowance, increasing VAT, increase in prices of annual agreements due to increasing stamp duty, telephone bills, water & electricity bills, rentals, service charges and VAT charges also and reduced expenses due to the cessation of fuel price fluctuations, no need to do maintenance of essential vehicles, no need to do maintenance of machineries and no need to renew the contract of the old fax machine due to the purchase of a new fax machine.	Expenditure estimates should be prepared accurately in accordance with Financial Regulations.
(b) The annual budget allocation of 02 expenditure subjects had been completely transferred to three other expenditure subjects under F.R. 66.	It has been stated that it was removed from the estimates for the year 2025 as foreign travels are not occurred during the year and not paid a transport allowance.	Expenses should be accurately assessed and prepared annual expenditure estimates.

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| <p>(c) The Rs.10,000 allocated for building and construction maintenance work in the year under review was remained as savings and out of the total net allocation of Rs. 11,924,000 provided for 09 other recurrent expenditure subjects, remained as savings amounted to Rs.2,394,565 or to percentage of 18-86.</p> | <p>Due to unavoidable reasons that were arisen after the preparation of the expenditure estimates, a certain amount of provisions were remained in save. It has been informed that the provisions were saved due to facts such as the number of vacancies in the institution, expenditure control and no need to further expenses.</p> | <p>Expenditure estimates should be prepared accurately in accordance with Financial Regulations.</p> |
| <p>(d) Out of the total amount of Rs. 1,069,000 transferred under F.R. 66 for 04 expenditure subjects in the year under review, Rs. 578,415 had been remained as savings.</p> | <p>It has been informed that the reasons for this were the lack of expected expenditures from the provisions transferred under F.R. 66, the failure to pay the bills for December and no need to renew the service agreement for the old fax machine due to the purchase of the new fax machine.</p> | <p>Expenses should be accurately assessed and prepared annual expenditure estimates.</p> |

3.2 Incurring into the Liabilities and Obligations

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
Due to the total liabilities of Rs. 266,992 were incurred in the two occasions during the year under review, it was observed that the total savings of Rs. 163,552 was exceeded by liabilities of Rs. 103,440.	It has been stated that the allocations have been exceeded due to the increase in electricity tariffs and security service expenses exceeding the estimated amount and action will be taken to manage the allocations in future.	It should not be incurred into the liabilities beyond the savings.

4. Operational Review

4.1 Planning

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
The performance indicators on the institute had not been submitted based on the Action Plan in accordance with guideline 14 as per paragraph 12.2 of the Public Finance Circular No. 02/2020 dated 28 August 2020.	It has been informed that action will be taken in future to submit the performance indicators of the institute based on the Action Plan in accordance with the Public Finance Circular 02/2020.	Action should be taken as per the referred circular.

4.2 Procurement Activities

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) The prescribed format had not been used for the procurement plan as per Guideline No. 13 of paragraph 4 of Public Finance Circular No. 02/2020 dated 28 August 2020.	It has been informed that the procurement plan will be prepared in the prescribed format from next year and implemented accordingly as per the guideline of the referred circular.	Action should be taken as per the referred circular.
(b) A delay of 6 months was observed when comparing the expected procurement period for the photocopier and projector machine with the estimated time as per the procurement plan.	It has been informed that the relevant agency has stopped manufacturing spare parts for the existing fax machine and that the completion of the procurement has been delayed due to the longer than expected time taken to receive the letter from the relevant agency and to receive quotations from suppliers.	Purchases should be done immediately according to the procurement plan.

5. Human Resource Management

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) A Human Resource Development Plan had not been prepared in accordance with the guidelines included in the schedule of the Public Administration Circular No. 02/2018 dated 24 January 2018.	It has been informed that action will be taken to submit the Human Resource Development Plan in accordance with Public Administration Circular 02/2018.	Action should be taken as per the referred circular.
(b) The approved carder of employees was 32 and the position of Administrative Officer related to Complaints, which was 15 posts were vacant from that, has been vacant from more than 06 years and the audit observed that this could be an obstacle to the implementation of the objectives of the office.	It has been informed that although the requests made from the Ministry of Public Administration to fill the vacancies in the office, it has been sated that those vacancies have not been filled yet now.	Action should be taken to fill the vacancies in essential positions.