

Report of the Auditor General on Special Spending Units (Appropriation heads from 1 to 8, 11 to 22 and 229 to 230) - 2010

This report consists in two parts.

Part 1- The consolidated report of the accounts of the appropriation heads under Special Spending Units.

Part 2 - The detailed report of each appropriation head under Special Spending Units.

Part 1

The consolidated report of the accounts of the appropriation heads under Special Spending Units

1. Appropriation heads under Special Spending Units and Related Departments, Offices and Commissions

Head	Name of Department, Office and Commission
1	His Excellency the President
2	Office of the Prime Minister
3	Judges of the Supreme Courts
4	Office of the Cabinet of Ministers
5	Parliament
6	Office of the Leader of the House of Parliament
7	Office of the Chief Government Whip of Parliament
8	Office of the Leader of the Opposition of Parliament
11	Constitutional Council
12	Public Service Commission
13	Judicial Service Commission
14	National Police Commission
15	Administrative Appeals Tribunal

	16	Commission to Investigate Allegations of Bribery or Corruption
	17	Department of Elections
	18	Auditor General
	19	Office of the Parliamentary Commissioner for Administration
	20	Office of the Finance Commission
	21	National Education Commission
	22	Human Rights Commission of Sri Lanka
	229	Department of Attorney General
2.	230	Department of Legal Draftsman

Accounts

2.1 Appropriation Account

(a) Total Provision and Expenditure

The total net provision for 22 Departments, Offices and Commissions was Rs.18,493 million and out of them a sum of Rs. 17,101 million had not been utilized even as at the end of the year under review. Therefore savings out of the total net provision of Departments, Offices and Commissions were ranging between Rs. 0.18 million to Rs. 726.72 million or from 1.48 per cent to 41.69 per cent. Details appear below.

Appropriation Head	Department/ Office / Commission	Net Provision		Utilization		Saving	
		Recurrent	Capital	Recurrent	Capital	Recurrent	Capital
		Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000
1	His Excellency the President	2,871,227	7,260,990	2,860,424	6,545,066	10,803	715,924
2.	Office of the						

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	Prime Minister	171,680	60,650	169,442	52,253	2,238	8,397
3.	Judges of the Supreme Courts	85,220	-	69,920	-	15,300	-
4.	Office of the Cabinet of Ministers	38,774	11,324	37,085	8,707	1,689	2,617
5.	Parliament	1,418,537	150,000	1,287,985	128,570	130,552	21,430
6.	Office of the Leader of the House of Parliament	20,200	1,650	19,299	1,178	901	472
7.	Office of the Chief Government Whip of Parliament	24,975	4,800	22,688	4,065	2,287	735
8.	Office of the Leader of the Opposition of Parliament	54,585	10,100	50,987	9,138	3,598	962
11	Constitutional Council	19,582	200	11,522	12	8,060	188
12	Public Service Commission	113,116	6,944	90,255	1,544	22,861	5,400
13	Judicial Service Commission	34,470	500	27,955	353	6,515	147
14	National Police Commission	45,742	550	30,726	126	15,016	424
15	Administrative Appeals Tribunal	11,935	225	11,884	96	51	129
16	Commission to Investigate Allegations of Bribery or Corruption	116,450	85,860	104,505	35,965	11,945	49,895
17	Department of						

	Elections	4,166,027	52,500	3,995,023	44,350	171,004	8,150
18	Auditor General	583,692	311,150	557,210	234,773	26,482	76,377
19	Office of the Parliamentary Commissioner for Administration	5,908	4,575	5,461	4,523	447	52
20	Office of the Finance Commission	33,950	57,490	32,322	46,015	1,628	11,475
21	National Education Commission	25,880	5,150	22,424	4,557	3,456	593
22	Human Rights Commission of Sri Lanka	104,740	13,865	98,900	10,410	5,840	3,455
229	Department of Attorney General	391,220	35,610	361,472	32,689	29,748	2,921
230	Department of Legal Draftsman	47,150	33,500	45,061	24,529	2,089	8,971
	Total	10,385,060	8,107,633	9,912,550	7,188,919	472,510	918,714
		=====	=====	=====	=====	=====	=====

2.2 Revenue Accounts

Estimated and Actual Revenue

A Department had estimated a Revenue of Rs. 35 million for the year 2010 in respect of one Revenue Code and the revenue of Rs.59.32 million had been collected. Thus the income of Rs. 24.32 million or 69.49 per cent had been able to collect by exceeding the estimated income. Details appear below.

Revenue Accounting Officer	Revenue Code	Estimated	Actual	Excess of Collection	Percentage
-----	-----	-----	-----	-----	-----
		Rs.	Rs.	Rs.	%
Auditor General	20.03.02.01	35,000,000	59,322,219	24,322,219	69.49.

2.3 Advance Accounts

2.3.1 Advances to Public Officers Account

Limits Enforced by the Parliament

The following Limits enforced by the Parliament on behalf of the Advances to Public Officers Account of 18 Departments, Offices and Commissions had been complied with and 02 Departments and Commissions had not been complied with the limits. Details appear below.

Head	Item Number	Expenditure		Receipts		Debit Balance	
		Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
-----	-----	-----	-----	-----	-----	-----	-----
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	00101	25,000,000	15,102,244	12,000,000	16,226,649	90,000,000	74,675,524
2	00201	7,000,000	4,156,430	3,300,000	3,634,205	30,000,000	19,994,996
3	00301	2,200,000	750,000	1,450,000	1,608,605	10,000,000	6,059,507
4	00401	1,600,000	1,147,757	1,500,000	1,998,521	15,000,000	10,736,395
5	00501	37,500,000	36,582,169	18,500,000	26,340,237	165,000,000	145,184,743
6	00601	1,500,000	459,450	900,000	1,180,107	6,000,000	2,387,816
7	00701	2,000,000	1,216,315	900,000	1,103,400	8,000,000	4,259,510

8	00801	2,000,000	920,400	1,100,000	1,453,309	9,000,000	3,989,424
12	01201	7,441,000	5,693,784	3,000,000	5,089,186	31,000,000	23,456,916
13	01301	4,000,000	3,606,708	1,800,000	1,441,199	17,500,000	8,526,718
14	01401	3,500,000	997,222	1,000,000	1,650,939	12,000,000	6,497,522
15	01501	1,334,000	30,000	200,000	252,600	3,500,000	645,750
16	01601	10,131,000	3,600,000	3,000,000	3,766,589	35,000,000	19,744,026
17	01701	30,000,000	13,726,500	19,000,000	15,240,144	80,000,000	62,896,470
18	01801	73,000,000	35,418,258	37,000,000	45,921,260	300,000,000	266,058,896
19	01901	1,000,000	292,410	220,000	306,055	4,000,000	1,410,157
20	02001	5,000,000	2,145,809	1,500,000	1,933,141	15,000,000	9,762,298
21	02101	2,000,000	1,036,127	780,000	1,072,919	7,000,000	3,108,898
229	22901	24,000,000	13,011,681	9,600,000	14,015,650	79,000,000	53,613,622
230	23001	6,000,000	2,830,277	2,000,000	3,183,700	23,000,000	13,687,606

2.3.2 Non-commercial Advance Accounts

Limits Enforced by the Parliament

The following Limits enforced by the Parliament on behalf of the activities of Non-commercial Advance Account of a Commission had been complied with.

Head	Item Number	Expenditure		Receipts		Debit Balance	
		Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
16	01602	7,000,000	2,404,500	1,500,000	2,232,000	7,500,000	6,811,212

2.4 Imprest and General Deposit Accounts

(a) Imprest Accounts

The debit balance of Rs. 137,347,600 and the credit balance of Rs. 101,033 were remained in Imprest Accounts of 22 Departments, Offices and Commissions as at 31 December 2010. Details appear below.

Appropriation Head	Department, Office and Commission	Account Number	Balance as at 31 December 2010 Debit/ (Credit)
-----	-----	-----	-----
			Rs.
1	His Excellency the President	7002/0117/000/0010	211,481
2	Office of the Prime Minister	7002/0118/000/0010	8,858,077
3	Judges of the Supreme Courts	7002/0390/000/0010	4,014,467
4	Office of the Cabinet of Ministers	7002/0119/000/0010	4,092
5	Parliament	7002/0120/000/0010	59,616
6	Office of the Leader of the House of Parliament	7002/0275/000/0010	61,078
7	Office of the Chief Government Whip of Parliament	7002/0276/000/0010	24,774
8	Office of the Leader of the Opposition of Parliament	7002/0277/000/0010	550
11	Constitutional Council	7002/0363/000/0010	128,332
12	Public Service Commission	7002/0297/000/0010	2,862,369
13	Judicial Service Commission	7002/0122/000/0010	2,867,481
14	National Police Commission	7002/0365/000/0010	8,590
15	Administrative Appeals Tribunal	7002/0366/000/0010	1,650
16	Commission to Investigate Allegations of Bribery or Corruption	7002/0139/000/0010	77,621
17	Department of Elections	7002/121/000/0010	29,376,338
18	Auditor General	7002/0001/000/0010	8,243,603
		7003/0089/000/0010	16,522,312
		7003/0100/000/0006	(101,033)

		7003/0372/000/0003	20,000,000
19	Office of the Parliamentary Commissioner for Administration	7002/0278/000/0010	90,528
20	Office of the Finance Commission	7002/0279/000/0010	8,484,582
21	National Education Commission	7002/0256/000/0010	762,662
22	Human Rights Commission of Sri Lanka	7002/0408/000/0010	4,287,073
229	Department of Attorney General	7002/0137/000/0010	24,624,488
230	Department of Legal Draftsman	7002/0138/000/0010	5,775,836

(b) General Deposit Accounts

Balances of General Deposit Accounts of 15 Departments, Offices and Commissions as at 31 December 2010 aggregated to Rs. 1,582,565,480 and Details appear below.

Approp riation Head	Department, Office and Commission	Account Number	Balance as at 31 December 2010 Debit/ (Credit)
-----	-----	-----	-----
			Rs.
1	His Excellency the President	6000/0003/000/0567	372,837,118
		6000/0003/000/0635	571,887,664
		6000/0003/000/0077	7,297,640
		6000/0011/000/0356	43,596,174
		6000/0011/000/0408	146,946,294
		6000/0011/000/0481	162,000,000
		6000/0015/000/0001	150,397,155
2	Office of the Prime Minister	6000/0011/000/0482	21,971,919
		6000/0015/000/0002	10,000
4	Office of the Cabinet of Ministers	6000/0015/000/0003	170,572
5	Parliament	6000/0003/000/0095	373,950
		6000/0003/000/0633	12,000
		6000/0011/000/0359	15,612,112

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		6000/0011/000/0483	450,000
		6000/0015/000/0004	10,486,464
12	Public Service Commission	6000/0015/000/0008	50,000
13	Judicial Service Commission	6000/0002/000/0032	52,008
14	National Police Commission	6000/0003/000/0649	11,181
16	Commission to Investigate Allegations of Bribery or Corruption	6000/0011/000/0484	22,050,000
		6000/0015/000/0010	148,727
17	Department of Elections	6000/0003/000/0090	1,085,316
		6000/0015/000/0011	3,116,622
18	Auditor General	6000/0003/000/0174	549,858
		6000/0015/000/0012	4,864,881
20	Office of the Finance Commission	6000/0003/000/0591	41,638
		6000/0011/000/0358	5,124,483
		6000/0015/000/0013	50,000
21	National Education Commission	6000/0003/000/0583	15,000
22	Human Rights Commission of Sri Lanka	6000/0011/000/0485	4,000,000
229	Department of Attorney General	6000/0003/000/0093	13,733,874
		6000/0011/000/0522	7,918,980
		6000/0015/000/0110	449,342
230	Department of Legal Draftsman	6000/0011/000/0523	15,240,000
		6000/0015/000/0111	14,508

	Total		1,582,565,480
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Part 11

The Detailed Report of each Appropriation Heads

1. Appropriation Head 1 - His Excellency the President

The Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the His Excellency the President for the year ended 31 December 2010 were audited in pursuance of provisions of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Secretary to the President on 03 November 2011. The audit observations, comments and findings on the accounts and reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

1.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka and the Public Financial and Administrative Regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

1.3 Audit Observation on the Accounts and the Reconciliation Statements

According to the Financial Records and the Books for the year ended 31 December 2010, it was observed that except for the effects of the general observations at (a) to (e) and other major audit observations appearing in paragraphs 1:4 to 1:8 herein, the Appropriation Account and the Reconciliation Statement of the His Excellency the President have been prepared satisfactorily.

(a) Presentation of Accounts and Maintaining of Registers and Books

- (i) The following accounts had not been presented to audit by the Office as at 31 March 2011 and those had been presented after the said date.

Head/ Account Number	Name of Account	Date of Accounts Presented
-----	-----	-----
1	Appropriation Account	10 May 2011
00101	Reconciliation Statement of Advances Paid to Public Officers	10 May 2011

- (ii) The following Registers had not been maintained by the Office.

Type of Register	Relevant Regulation
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i. Fixed Assets Register	Treasury Circular No. 842 of 19 December 1978.
ii. Assets Register for Computer Accessories and Soft Wares	Treasury Circular No. IAI/2002/02 of 28 November 2002.

(b) Budget Variance

- (i) The entire capital provisions totalling Rs. 500,028,366 made under 05 Objects had been saved.
- (ii) Out of the net provision made, the saving after utilizing the provision had been ranged from 21.9 per cent to 84.38 per cent due to an overprovision made relating to 04 Objects.

(c) Imprest Account

Issuing and Settling of Ad-hoc Interim Imprest

The followings were observed in sample audit carried out with relate to ad-hoc interim imprest issued by the Office in the year under review.

- (i) The ad hoc imprests issued in 06 instances were kept without being used for the said purpose over periods ranging from 10 days to 11 months totalled Rs.398,000 and had been settled later by cash.
- (ii) As per the Financial Regulation 371 the ad-hoc imprests taken had to be settled immediately after the completion of the said purpose, a total of Rs. 403,000 issued to 06 officers in 06 instances had been settled only after a delay over periods ranging from 10 days to 11 ½ months.
- (iii) Out of the total ad hoc imprest of Rs. 570,000 given to 07 officers in 11 instances, a sum of Rs. 426,487 or 74.8 per cent had been re-deposited in cash only after utilizing of Rs.143,513 or 25.2 per cent. The Secretary to the President informed to audit that the balance was deposited due to the expected expenditure was not met from the given advances

- (iv) As per the Financial Regulation 371 though the maximum amount of ad hoc imprest can be issued at a time had been limited to Rs. 20,000, a total of Rs. 865,000 ad hoc imprest had been paid to 06 officers in 07 instances. The approval of Department of State Accounts had not been taken in this regard.

(d) General Deposits Accounts

Action in terms of Financial Regulation 571 had not been taken on deposit balances aggregating to Rs.416,433,292 older than 02 years.

(e) Reconciliation Statement of Advances to Public Officers Account

- (i) Though the loan balances of 14 and 02 years old and receivable from two transfer out officers in 08 January 1996 and 30 November 2008 respectively had been aggregated to Rs. 83,789 those loan balances had not been able to recover even as at 31 December 2010. Actions had not been taken in this regard as per the National Budget Circular No.118 of 11 October 2004.
- (ii) Loan balances aggregating Rs. 1,062,765 of 07 officers who had retired during the time period from 2006 to 2010 had not been recovered even as at 31 December 2010. The age analysis of those loan balances had been ranged during the time period from 01 year to 04 years.
- (iii) The Loan balances aggregating Rs. 292,443 should have to be received from 05 officers due to vacate their posts during the time period from year 2002 to 2010. Loan balances of two officers out of them is being recovered in installments and the Loan balances aggregating Rs. 281,465 of other three officers could not be recovered even as at 25 July 2011.

- (iv) The Loan balance of Rs. 355,530 receivable from an officer who had died on 27 October 2008 could not be recovered even as at 25 July 2011.

1.4 Assets Management

Conduct of Annual Boards of Survey

Even though the annual board of survey of year 2010 had been concluded by 15 November 2011, that report had not been presented to audit even as at 12 September 2012.

1.5 Non-compliances

Non-compliance with Laws, Rules, Regulations etc.

An instance of non-compliance with the provisions of laws, rules and regulations observed during audit test checks is analyzed below.

Commitments exceeding the provisions should not be incurred in terms of Financial Regulation 94. Even though the savings after utilizing the provision relating to 27 Objects for the year under review amounting to Rs. 189,473,142, liabilities amounting to Rs. 192,560,182 had been incurred exceeding that saving by Rs. 3,087,040.

1.6 Damages and Losses

Instances of losses and damages shown below were observed in audit test checks.

The losses and damages aggregating Rs. 47,189,915 had been occurred to 64 official vehicles due to accidents in 80 instances. Even though actions are being taken regarding those losses and damaged as per F.R. 102, 104, and 109 it had not been able to conclude those actions.

1.7 Human Resources Management

Approved Cadre and Vacancies

The position of the Cadre as at 31 December 2010 was as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Excess
-----	-----	-----	-----
(i) Senior Level	218	218	-
(ii) Tertiary Level	105	105	-
(iii) Secondary Level	310	310	-
(iv) Primary Level	416	416	-
(v) Other (Casual/ Temporary / Contract Base)	-	71	71
Total	1,049	1,120	71
	=====	=====	=====

1.8 Internal Control

(a) Internal Audit

Even though the internal audit unit had been established, its audit program and reports had not been presented to the Auditor General.

(b) Implementation of the Audit and Management Committee

Audit and Management Committee had not been established for the year under review.

2. Appropriation Head 02- Office of the Prime Minister

The Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Office of the Prime Minister for the year ended 31 December 2010 were audited in pursuance of provisions of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Secretary to the Prime Minister on 30 September 2011. The audit observations, comments and findings on the accounts and reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

2.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka and the Public Financial and Administrative Regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

2.3 Audit Observation on the Accounts and the Reconciliation Statements

According to the Financial Records and the Books for the year ended 31 December 2010, it was observed that except for the effects of the general observations at (a) and (b) and other major audit observations appearing in paragraphs 2:4 and 2:5 herein, the Appropriation Account and the Reconciliation Statement of the Office of the Prime Minister have been prepared satisfactorily.

(a) Maintaining of Registers and Books

Fixed Assets Register had not been maintained as per the Treasury Circular No. 842 of 19 December 1978 by the Office of the Prime Minister

(b) Budget Variance

- (i) The entire Capital provisions totalling Rs. 6,500,000 made to 02 Object had been saved.
- (ii) Out of the net provision made, the saving after utilizing the provision had been ranged from 7 per cent to 88 per cent due to an overprovision made relating to 10 Objects.

2.4 Non-compliances

Non-compliance with Laws, Rules, Regulations etc.

An instance of non-compliance with the provisions of laws, rules and regulations observed during audit test checks is analyzed below.

Commitments exceeding the provisions should not be incurred in terms of Financial Regulation 94. Even though the savings after utilizing the provision relating to 08 Objects for the year under review amounting to Rs.42,144, liabilities amounting to Rs.1,304,050 had been incurred exceeding that saving by Rs.1,261,906.

2.5 Human Resources Management

Approved Cadre and Vacancies

The position of the Cadre as at 31 December 2010 was as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
(i) Senior Level	20	17	03
(ii) Tertiary Level	04	04	-
(iii) Secondary Level	76	56	20
(iv) Primary Level	100	78	22
Total	200	155	45

3. Appropriation Head 3 - Judges of the Supreme Courts

The Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Institute of Judges of the Supreme Courts for the year ended 31 December 2010 were audited in pursuance of provisions of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Registrar of the Supreme Court on 20 July 2011. The audit observations, comments and findings on the accounts and reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

3.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka and the Public Financial and Administrative Regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

3.3 Audit Observation on the Accounts and the Reconciliation Statements

According to the Financial Records and the Books for the year ended 31 December 2010, it was observed that except for the effects of the general observations at (a) to (d) and other major audit observations appearing in paragraphs 3:4 and 3:5 herein, the Appropriation Account and the Reconciliation Statement of the Institute of Judges of the Supreme Courts have been prepared satisfactorily.

(a) Budget Variance

Out of the net provision made, the saving after utilizing the provision had been Rs. 9,768,213 and ranged from 20 per cent to 100 per cent due to an overprovision made relating to 12 Objects.

(b) Annual Action Plan

Annual action plan for the year 2010 had not been prepared by the Institute.

(c) Unsettled Commitments

Unsettled commitment for less than one year had been Rs. 2,243,171 as at 31 December 2010.

(d) Damages and Losses

Actions had not been taken in terms of F.R. 104 regarding accidents on 03 vehicles.

3.4 Non-compliances

Non-compliance with Laws, Rules, Regulations etc.

An instance of non-compliance with the provisions of laws, rules and regulations observed during audit test checks is analyzed below.

Commitments exceeding the provisions should not be incurred in terms of Financial Regulation 94. Even though the savings after utilizing the provision relating to one Object for the year under review amounting to Rs. 15,914, liabilities amounting to Rs. 43,268 had been incurred exceeding that saving by Rs. 27,354.

3.5 Human Resources Management

Approved Cadre and Vacancies

Twenty three Supreme Court and Appeal Court judges were include in the approved cadre as at 31 December 2010 and one vacancy was existed as at that date.

4. Appropriation Head - 4 Office of the Cabinet of Ministers

The Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Office of the Cabinet of Ministers for the year ended 31 December 2010 were audited in pursuance of provisions of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Secretary to the Office of the Cabinet of Ministers on 19 August 2011. The audit observations, comments and findings on the accounts and reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

4.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka and the Public Financial and Administrative Regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

4.3 Audit Observation on the Accounts and the Reconciliation Statements

According to the Financial Records and the Books for the year ended 31 December 2010, it was observed that except for the effects of the general observations at (a) to (c) and other major audit observations appearing in paragraphs 4:4 and 4:5 herein, the

Appropriation Account and the Reconciliation Statement of the Office of the Cabinet of Ministers have been prepared satisfactorily.

(a) Maintaining of Registers and books

The following Registers had not been maintained by the Office.

Type of Register -----	Relevant Regulation -----
i. Fixed Assets Register	Treasury Circular No. 842 of 19 December 1978.
ii. Assets Register for Computer Accessories and Soft Wares	Treasury Circular No. IAI/2002/02 of 28 November 2002.
iii. Damages and Losses Register	Financial Regulation 110

(b) Annual Action Plan

Annual action plan for the year 2010 had not been prepared.

(c) Budget Variance

Out of the net provision made, the saving after utilizing the provision had been ranged from 17 percent to 82 percent due to an overprovision made relating to 05 objects.

4.4 Non-compliances

Non-compliance with Laws, Rules, Regulations etc.

An instance of non-compliance with the provisions of laws, rules and regulations observed during audit test checks is analyzed below.

Commitments exceeding the provisions should not be incurred in terms of Financial Regulation 94. Even though the savings after utilizing the provision relating to 10 Objects for the year under review amounting to Rs. 260,442, liabilities amounting to Rs. 718,975 had been incurred exceeding that saving by Rs. 458,533.

4.5 Human Resources Management

Approved Cadre and Vacancies

The position of the Cadre as at 31 December 2010 was as follows.

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
	-----	-----	-----	-----
(i)	Senior Level	11	08	03
(ii)	Tertiary Level	11	08	03
(iii)	Secondary Level	26	23	03
(iv)	Primary Level	26	23	03
		----	----	----
	Total	74	62	12
		==	==	==

5. Appropriation Head 5 - Parliament

The Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Parliament for the year ended 31 December 2010 were audited in pursuance of provisions of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Secretary General to the Parliament on 19 August 2011. The audit observations, comments and findings on the accounts and reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

5.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka and the Public Financial and Administrative Regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

5.3 Audit Observation on the Accounts and the Reconciliation Statements

According to the Financial Records and the Books for the year ended 31 December 2010, it was observed that except for the effects of the general observations at (a) and other major audit observations appearing in paragraphs 5:4 to 5:6 herein, the Appropriation Account and the Reconciliation Statement of the Parliament have been prepared satisfactorily.

(a) Maintaining of Registers and books

A register of losses and damages had not been maintained by the Parliament as per the Financial Regulation 110.

5.4 Non-compliances

Non-compliance with Laws, Rules, Regulations etc.

An instance of non-compliance with the provisions of laws, rules and regulations observed during audit test checks is analyzed below.

**Reference to Laws, Rules,
Regulations**

Non-compliance

(i) Financial Regulation

F.R. 94

Commitments exceeding the provisions should not be incurred. Even though the savings after utilizing the provision relating to 4 Objects for the year under review amounting to Rs.111,264, liabilities amounting to Rs.7,037,888 had been incurred exceeding that saving by Rs.6,926,624.

(ii) Circular Provisions

National Budget Circular No. 128 of
24 March 2006

A procurement plan had not been prepared.

5.5 Assets Management

Conduct of Annual Boards of Survey

Even though the Annual Board of Survey should be conducted and presented that report to Auditor General as per the Public Finance Circular No. 441 of 09 December 2009 and amended by the letter No.PF/Board of Survey/ 01 dated 17 December 2010 of the Director General of Public Finance, those reports of annual board of survey had not been presented to audit by the Parliament.

5.6 Human Resources Management

Approved Cadre and Vacancies

The position of the Cadre as at 31 December 2010 was as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
-----	-----	-----	-----
(i) Senior Level	79	75	04
(ii) Tertiary Level	111	99	12
(iii) Secondary Level	205	178	27
(iv) Primary Level	473	454	19
(v) Other (Casual/ / Contract Base)	73	66	7
	-----	-----	-----
Total	941	872	69
	=====	=====	=====

6. Appropriation Head 6 - Office of the Leader of the House of Parliament

The Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Office of the Leader of the House of Parliament for the year ended 31 December 2010 were audited in pursuance of provisions of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Secretary to the Office of the Leader of the House of Parliament on 22 August 2011. The audit observations, comments and findings on the accounts and reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

6.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka and the Public Financial and Administrative Regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

6.3 Audit Observation on the Accounts and the Reconciliation Statements

According to the Financial Records and the Books for the year ended 31 December 2010, it was observed that except for the effects of the general observations at (a) and other major audit observations appearing in paragraphs 6:4 herein, the Appropriation Account

and the Reconciliation Statement of the Office of the Leader of the House of Parliament have been prepared satisfactorily.

(a) Budget Variance

Out of the net provision made, the saving after utilizing the provision had been ranged from 5.74 per cent to 95.40 per cent due to an overprovision made relating to 09 Objects.

6.4 Human Resources Management

Approved Cadre and Vacancies

The position of the Cadre as at 31 December 2010 was as follows.

	Category of Employees -----	Approved Cadre -----	Actual Cadre -----	Number of Vacancies -----
(i)	Senior Level	03	02	01
(ii)	Tertiary Level	03	03	-
(iii)	Secondary Level	10	09	01
(iv)	Primary Level	12	12	-
		----	----	----
	Total	28	26	02
		==	==	==

7. Appropriation Head 7 - Office of the Chief Government Whip of Parliament

The Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Office of the Chief Government Whip of

Parliament for the year ended 31 December 2010 were audited in pursuance of provisions of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Secretary to the Office of the Chief Government Whip of Parliament on 13 September 2011. The audit observations, comments and findings on the accounts and reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

7.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka and the Public Financial and Administrative Regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

7.3 Audit Observation on the Accounts and the Reconciliation Statements

According to the Financial Records and the Books for the year ended 31 December 2010, it was observed that except for the effects of the general observations at (a) to (c) and other major audit observations appearing in paragraphs 7:4 and 7:5 herein, the Appropriation Account and the Reconciliation Statement of the Office of the Chief Government Whip of Parliament have been prepared satisfactorily.

(a) Maintaining of Registers and books

The following Registers had not been maintained by the Office.

Type of Register

Relevant Regulation

i. Losses and Damages
Register

Financial Regulation 110

ii. Fixed Assets Register

Treasury Circular No. 842 of 19 December
1978.

iii. Assets Register for
Computer Accessories
and Soft Wares

Treasury Circular No. IAI/2002/02 of 28
November 2002.

(b) Annual Action Plan

Annual action plan had not been prepared at the beginning of the year.

(c) Budget Variance

Out of the net provision made, the saving after utilizing the provision had been ranged from 6.35 per cent to 90.93 per cent due to an overprovision made relating to 13 Objects.

7.4 Non-compliances

Non-compliance with Laws, Rules, Regulations etc.

An instance of non-compliance with the provisions of laws, rules and regulations observed during audit test checks is analyzed below.

Procurement plan for the year under review had not been prepared as per the National Budget Circular No. 128 of 24 March 2006.

7.5 Human Resources Management

Approved Cadre and Vacancies

The position of the Cadre as at 31 December 2010 was as follows.

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
	-----	-----	-----	-----
(i)	Senior Level	02	02	-
(ii)	Tertiary Level	06	06	-
(iii)	Secondary Level	16	12	04
(iv)	Primary Level	18	16	02
		----	----	----
	Total	42	36	06
		==	==	==

8. Appropriation Head 8 - Office of the Leader of the Opposition of Parliament

The Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Office of the Leader of the Opposition of Parliament for the year ended 31 December 2010 were audited in pursuance of provisions of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Secretary to the Office of the Leader of the Opposition of Parliament on 08 August 2011. The audit observations, comments and findings on the accounts and reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

8.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka and the Public Financial and Administrative Regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

8.3 Audit Observation on the Accounts and the Reconciliation Statements

According to the Financial Records and the Books for the year ended 31 December 2010, it was observed that except for the effects of the general observations at (a) and (b) and other major audit observations appearing in paragraphs 8:4 and 8:5 herein, the

Appropriation Account and the Reconciliation Statement of the Office of the Leader of the Opposition of Parliament have been prepared satisfactorily.

(a) Maintaining of Registers and books

A register of losses and damages had not been maintained by the Parliament as per the Financial Regulation 110.

(b) Budget Variance

Out of the net provision made, the saving after utilizing the provision had been ranged from 5.6 per cent to 81.0 per cent due to an overprovision made relating to 09 Objects.

8.4 Non-compliances

Non-compliance with Laws, Rules, Regulations etc.

An instance of non-compliance with the provisions of laws, rules and regulations observed during audit test checks is analyzed below.

Commitments exceeding the provisions should not be incurred in terms of Financial Regulation 94. Even though the savings after utilizing the provision relating to 05 Objects for the year under review amounting to Rs. 158,453, liabilities amounting to Rs. 671,639 had been incurred exceeding that saving by Rs. 513,186.

8.5 Human Resources Management

Approved Cadre and Vacancies

The position of the Cadre as at 31 December 2010 was as follows.

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
	-----	-----	-----	-----
(i)	Senior Level	03	03	-
(ii)	Tertiary Level	08	07	01
(iii)	Secondary Level	22	18	04
(iv)	Primary Level	26	23	03
		----	----	----
	Total	59	51	08
		==	===	===

9. Appropriation Head 11 - Constitutional Council

The Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Constitutional Council for the year ended 31 December 2010 were audited in pursuance of provisions of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Secretary General to the Constitutional Council on 08 August 2011. The audit observations, comments and findings on the accounts and reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

9.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the Articles 148, 149, 150 and 152 of the Constitution of the Democratic

Socialist Republic of Sri Lanka and the Public Financial and Administrative Regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

9.3 Audit Observation on the Accounts and the Reconciliation Statements

According to the Financial Records and the Books for the year ended 31 December 2010, it was observed that except for the effects of the general observations at (a) and other major audit observations appearing in paragraphs 9:4 and 9:5 herein, the Appropriation Account and the Reconciliation Statement of the Constitutional Council have been prepared satisfactorily.

(a) Maintaining of Registers and books

A Fixed Assets Register had not been maintained as per the Treasury Circular No. 842 of 19 December 1978 by the Constitutional Council.

9.4 Performance

(a) Appointing of Members until the Eighteenth Amendment to the Constitution

Five members had been had the membership in year 2010 until the eighteenth amendment to the Constitution which was certified on 09 September 2010 and published by the Hon. Speaker in part II of the Gazette as a Supplementary.

(b) Abolished the Constitutional Council

The Parliament by adopting the 18th amendments to the constitution on 8 September 2010, the Constitutional Council was abolished.

9.5 Human Resources Management

Approved Cadre and Vacancies

The position of the Cadre as at 31 December 2010 was as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
-----	-----	-----	-----
(i) Senior Level	02	02	-
(ii) Secondary Level	06	05	01
(iii) Primary Level	04	04	-
	----	----	----
Total	12	11	01
	==	==	==

10. Appropriation Head 12 - Public Service Commission

The Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Public Service Commission for the year ended 31 December 2010 were audited in pursuance of provisions of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Secretary to the Public Service Commission on 26 September 2011. The audit observations, comments and findings on the accounts and reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

10.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka and the Public Financial and Administrative Regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

10.3 Audit Observation on the Accounts and the Reconciliation Statements

According to the Financial Records and the Books for the year ended 31 December 2010, it was observed that except for the effects of the general observations at (a) and (b) and other major audit observations appearing in paragraphs 10:4 to 10:8 herein, the Appropriation Account and the Reconciliation Statement of the Public Service Commission have been prepared satisfactorily.

(a) Annual Action Plan

An annual action plan had not been prepared by the the Public Service Commission.

(b) Budget Variance

- (i) The entire net provisions totalling Rs. 4,160,000 made for 02 Object under the head 12 had been saved.
- (ii) Out of the net provision made, the saving after utilizing the provision had been ranged from 43 per cent and 96 per cent due to an overprovision made relating to 13 Objects.

10.4 Non-compliances

Non-compliance with Laws, Rules, Regulations etc.

An instance of non-compliance with the provisions of laws, rules and regulations observed during audit test checks is analyzed below.

It had been informed by the Australian Government that, 5,000 Australian Dollars is paid as Establishment Allowances to an officer in participating to study a Post Graduate Course under the scholarship granted by the Australian Government. 750 American Dollars equivalent to Sri Lankan Rs. 86,250 had been improperly paid in year 2009 to an officer of Public Service Commission who had gone to abroad, contrary to the paragraph 2.2.2 (iii) of Finance and Planning Ministry Circular No. MF6/1/1/96 of 20 April 1996. Even after the revealing of this situation by the audit, actions had not been taken to recover this amount from the relevant officer even as at 31 August 2011.

10.5 Inadequately Implemented Key Activities

The key activities of Public Service Commission had not been adequately implemented and a number of such instances are shown below.

(a) Conducting Proper Disciplinary Inquiries against Public Servants

Even though the proper disciplinary inquiries against the public servants had to be conduct and finalized as early as possible by the Public Service Commission instances were revealed that most of inquiries had been taken 1 to 4 years time duration to settle. It was observed during the audit test checks that the attention had not been drawn to the instances for that delay in which included the following controllable instances.

- (i) Being taken 4 months to 2 years and 7 months time duration to appoint the officer to conduct proper disciplinary inquiries.
- (ii) Being taken 09 months to 27 months of large time duration to report the Commission even after the completion of conducting the disciplinary inquiries.

Due to non-expeditious of disciplinary inquiries by making attention of the Commission on above fact,

- (i) Being unable to have the service to the country by assigning more important responsibilities and duties to officers who were suspected for many charges.
- (ii) Being unable to have complete service from officers who were suspected for charges.
- (iii) Being happened to pay whole salary for the entire suspended period without having any service to the government due to spending ample time for the inquiry when reinstating for any reason that the suspended officers were not guilty.

It was observed that such unfavorable instances were occurred due to the considerable delays in activities of disciplinary division of the Public Service Commission.

- (b)** An officer represented the Public Service Commission as a consultant had been represented in the same time as a Disciplinary Examiner for a number of disciplinary inquiries against public officers. Accordingly, it had been performed in a way to blame by third party that the proper disciplinary inquiry would not be functioning and the attention of the Office of the Commission had not been drawn in this regard.

10.6 Improper Transactions

A sum of Rs. 498,100 had been paid in 2 years as special allowances without a proper approval to the attended members for preparing of regulation of Public Service Commission and to the office staff for their support in it.

10.7 Uneconomical Transactions

It was revealed that also there were transactions which engaged uneconomically and unfavorable to the Institute. The following instances could be shown as examples.

The implementing of the code of conduct had been initiated in year 2006 and a Consultant had been recruited in year 2009 for a monthly allowance of Rs. 98,000 to act accordingly. Even though the Office of the Public Service Commission had spent a sum of Rs. 1,899,639 for this purpose from the year 2006 to January 2010, the code of conduct had not been approved by the Public Service Commission and it was observed that a non-approved code of conduct is appeared to be implemented. It is indicated that, if the newly appointed Council is not approved or any other alternative approach is made, the amount spent on this would be fruitless.

10.8 Human Resources Management

(a) Approved Cadre and Vacancies

The position of the Cadre as at 31 December 2010 was as follows.

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
	-----	-----	-----	-----
(i)	Senior Level	13	07	06
(ii)	Tertiary Level	27	15	12
(iii)	Secondary Level	92	70	22

(iv)	Primary Level	48	36.	12
		-----	-----	----
	Total	180	128	52
		====	====	====

(b) Idle/ Under utilized Human Resources

Even though the Commission had been inactive for 25 months duration from 08 April 2009 to 19 May 2011, other than the salary and allowances the special allowance of 25 per cent from the salary had been paid without getting an effective service during the above said time period.

11 Appropriation Head 13 - Judicial Service Commission

The Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Judicial Service Commission for the year ended 31 December 2010 were audited in pursuance of provisions of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Secretary to the Commission on 20 July 2011. The audit observations, comments and findings on the accounts and reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

11.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka and the Public Financial and Administrative Regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

11.3 Audit Observation on the Accounts and the Reconciliation Statements

According to the Financial Records and the Books for the year ended 31 December 2010, it was observed that except for the effects of the general observations at (a) to (f) and other major audit observations appearing in paragraphs 11.4 herein, the Appropriation Account and the Reconciliation Statement of the Judicial Service Commission have been prepared satisfactorily.

(a) Presentation of Accounts

The reconciliation Statement of Advances to Public Officers Account No. 01301 for the year under review had not been presented to audit even as at 31 March 2011.

(b) Budget variance

Out of the net provision made, the saving after utilizing the provision had been ranged from 37 per cent to 100 per cent due to an over provision made relating to one Capital Object and 05 Recurrent Objects.

(c) Non- complied with Limits

Even though a sum of Rs. 1,800,000 had been authorized by the Parliament as the minimum limit o receipts, that limit had not been reached by Rs. 358,801 in the year under review. Also this minimum limit of receipts had to be revised from the Parliament by 31 May 2011 and that revision had not been made to happen.

(d) Reconciliation Statement of Advances to Public Officers Account

According to the Reconciliation Statement of the Advances to Public Officers Account No. 1301 the receipts in arrears as at 31 December 2010 aggregated Rs. 713,848 and the follow up actions on recovering of these arrears balances were in poor position.

(e) Annual Action Plan

An annual action plan for the year 2010 had not prepared by the Commission.

(f) Unsettled Commitments

The unsettled commitment of the Commission as at 31 December 2010 was Rs. 206,712.

11.4 Human Resources Management

Approved Cadre and Vacancies

The position of the Cadre as at 31 December 2010 was as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies	Number of Excess
-----	-----	-----	-----	-----
(i) Senior Level	12	08	04	-
(ii) Tertiary Level	03	03	-	-
(iii) Secondary Level	54	29	25	-
(iv) Primary Level	24	16	08	-
(v) Other (Casual/ Temporary/ Contract Base)	-	06	-	06
	----	----	----	----
Total	93	62	37	06
	====	====	==	====

12 Appropriation Head 14 - National Police Commission

The Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the National Police Commission for the year ended 31 December 2010 were audited in pursuance of provisions of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Acting Secretary to the Commission on 22 June 2011. The audit observations, comments and findings on the accounts and reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

12.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka and the Public Financial and Administrative Regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

12.3 Audit Observation on the Accounts and the Reconciliation Statements

According to the Financial Records and the Books for the year ended 31 December 2010, it was observed that except for the effects of the general observations at (a) and other major audit observations appearing in paragraphs 12.4 to 12.7 herein, the Appropriation Account and the Reconciliation Statement of the National Police Commission have been prepared satisfactorily.

(a) Budget variance

Out of the net provision made, the saving after utilizing the provision had been ranged from 30 per cent to 100 per cent due to an over provision made relating to 15 Recurrent and Capital Objects.

12.4 Conducting Annual Board of Survey

The following observations are made.

- (a) Action had not been taken as per the provisions made in Financial Regulation 757(2) with regard to excesses and shortages shown in board of survey reports.

- (b) Action had not been taken as per the provisions made in Financial Regulation 770 (2) and 771(3) with regard to unusable inventories shown in board of survey reports for the year 2010.

12.5 Non-compliances

Non-compliance with Laws, Rules, Regulations etc.

An instance of non-compliance with the provisions of laws, rules and regulations observed during audit test checks is analyzed below.

Although the Performance Report should be tabled in the Parliament within 150 days after the end of the financial year in terms of the Circular No. 402 dated 12 September 2002, Performance Report for the year 2010 had not been prepared even as at 30 July 2011.

12.6 Uneconomical Transactions

The Commission has not been functioned since 09 April 2009 due to non-appointing of committee members of the Police Commission established in terms of the amendments made to the Constitution of the Democratic Socialist Republic of Sri Lanka. Therefore steps had not been taken with regard to 327 public complaints received to National Police Commission during the year under review. Therefore it was observed that the amount spent by the National Police Commission in year 2010 aggregating to Rs. 30,852,096 was fruitless.

12.7 Human Resources Management

The Following observations are made.

(a) Not Appointing a Permanent Secretary

The activities of the Commission had been performed by an Acting Secretary from 08 March 2010 without appointing a permanent Secretary to the National Police Commission.

(b) Approved Cadre and Vacancies

The position of the Cadre as at 31 December 2010 was as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
-----	-----	-----	-----
(i) Senior Level	28	02	26
(ii) Secondary Level	53	35	18
(iii) Tertiary Level	16	13	03
Total	97	50	47
	=====	=====	=====

13. Appropriation Head 15 - Administrative Appeals Tribunal

The Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Administrative Appeals Tribunal for the year ended 31 December 2010 were audited in pursuance of provisions of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management

Audit Report for the year under review was issued to the Chairman of the Tribunal on 16 August 2011. The audit observations, comments and findings on the accounts and reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

13.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka and the Public Financial and Administrative Regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

13.3 Audit Observation on the Accounts and the Reconciliation Statements

According to the Financial Records and the Books for the year ended 31 December 2010, it was observed that except for the effects of the general observations at (a) and other major audit observations appearing in paragraphs 13:4 to 13:6 herein, the Appropriation Account and the Reconciliation Statement of the Administrative Appeals Tribunal have been prepared satisfactorily.

(a) Annual Action Plan

The annual Action Plan for the year 2010 had not been prepared at the beginning of the year by the Administrative Appeals Tribunal.

13.4 Non-compliances

Non-compliance with Laws, Rules, Regulations etc.

An instance of non-compliance with the provisions of laws, rules and regulations observed during audit test checks is analyzed below.

Reference to Laws, Rules, Regulations	Non-compliance
-----	-----
(a) Section (7) of the Administrative Appeals Tribunal Act No 04 of 2002	Though suitable action should be taken by investigating an appeal within 2 months of receipt by the Tribunal, suitable action had not been taken up to 31 December 2010 on 63 appeals that had exceeded the afore mentioned duration.
(b) F.R. 231	Payment voucher had not contained particulars and file numbers in a way that entire details could be obtained without referring to other documents.

13.5 Planning and Performance

Administrative Appeals Tribunal had been established in the year 2003 as per the Section 3 of Administrative Appeals Tribunal Act No 4 of 2002 in order to adjudicate the Appeals submitted against a decision or an order issued by Public Service Commission or National Police Commission. An Analysis on the time consumption in taking suitable actions on 46 appeals received from establishment up to 31 December 2010 is as follows.

Appealing Institute		Time taken to take necessary final action						Total
		Months 1-12	Years 1-2	Years 2 - 3	Years 3-4	Years 4-5	More than 5 Years	
Public Service Commission		4	7	6	3	4	1	25
National Commission	Police	-	13	6	1	-	1	21
Total		4	20	12	4	4	2	46

13.6 Human Resources Management

Approved Cadre and Vacancies

The position of the Cadre as at 31 December 2010 was as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
(i) Senior Level	02	02	-
(ii) Secondary Level	12	11	01
(iii) Tertiary Level	04	04	-
Total	18	17	01

14. Appropriation Head 16 - Commission to Investigate Allegations of Bribery or Corruption

The Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Commission to Investigate Allegations of Bribery or Corruption for the year ended 31 December 2010 were audited in pursuance of provisions of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Chairman of the Commission to Investigate Allegations of Bribery or Corruption on 14 September 2011. The audit observations, comments and findings on the accounts and reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide as an audit coverage as possible within the limitations of staff, other resources and time available to me.

14.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka and the Public Financial and Administrative Regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

14.3 Audit Observation on the Accounts and the Reconciliation Statements

According to the Financial Records and the Books for the year ended 31 December 2010, it was observed that except for the effects of the general observations at (a) and (d) and other major audit observations appearing in paragraphs 14:4 to 14:8 herein, the

Appropriation Account and the Reconciliation Statement of the Commission to Investigate Allegations of Bribery or Corruption have been prepared satisfactorily.

(a) Maintaining of Registers and Books

A Fixed Asset Register had not been maintained as per the Treasury Circular No. 842 of 19 December 1978 by the office of the Commission.

(b) Budget Variance

Out of the net provision made, the saving after utilizing the provision had been ranged from 75 per cent to 99 per cent due to an overprovision made relating to 02 Capital Objects.

(c) Reconciliation Statement on the Government Officers Advance Account

- (i) According to the Reconciliation Statement of the Government Officers Advance Account under the item No 01601 as at 31 December 2010, the total outstanding balance was Rs. 388,829. The follow-up actions to recover those outstanding balances were in poor position.
- (ii) A non moving loan balance of Rs. 302,807 was remained outstanding for more than 3 years and follow-up actions to recover the balance were in poor position.

(d) Advance Account for Bribes to be Used in Raids for Bribery

Un-settled Advances

The total of the outstanding balances as at 31 December 2010 was Rs.6,811,212 as per the accounts presented and the age analysis thereon is as follows.

Time Duration (Years)	Less than 1	1-6	6-10	10-15	15-20	20-25	25-30	More than 30	Total
No. of Cases	08	172	35	14	15	03	06	03	256
Value (Rs.)	233,000	6,036,965	377,770	91,600	68,500	900	2,225	252	6,811,212

Following observation is made.

Verdicts had been for 32 cases with regard to an amount of Rs. 74,477 kept under the officer in charge of court productions. Cash had not been settled for those cases, nor had the suitable action been taken even at the end of the year under review.

14.4 Non-compliances

Non-compliance with Laws, Rules, Regulations etc.

The Instances of non-compliance with the provisions of laws, rules and regulations observed during audit test checks are analyzed below.

Reference	to	Laws,	Rules,	Non-compliance	
Regulations					-----

(a) Public Administration Circular No. 41/90 of 10 October 1990	The fuel consumption of vehicles of the Commission had not been tested.
---	---

(b) Public Finance Circular No. PF/472(1) of 13 March	11 out of 22 vehicles of Commission had not been insured in National Insurance Trust Fund.
---	--

14.5 Performance

An annual Action Plan had not been prepared by the Commission.

14.6 Management Inefficiencies

An agreement had been entered into with a certain cleaning services company on 27 August 2010 in order to get the cleaning services for the office of the Commission. According to the agreement, the VAT exclusive amount of Rs. 75,000 had been paid by the Commission as monthly service charge. An attendance register had not been maintained to verify whether the employees had reported for service in every month prior to making payments to the cleaning service company.

14.7 Human Resources Management

Approved Cadre and Vacancies

The position of the Cadre as at 31 December 2010 was as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
-----	-----	-----	-----
(i) Tertiary Level	30	22	08
(ii) Secondary Level	63	52	11
(iii) Primary Level	53	46	07
	----	----	----
Total	146	120	26
	===	===	==

14.8 Internal Control

(a) Internal Audit

An Internal Audit unit had not been established.

(b) Audit and Management Committees

Audit and Management Committees had not been established.

15. Appropriation Head 17 - Department of Elections

The Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Department of Elections for the year ended 31 December 2010 were audited in pursuance of provisions of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Commissioner of Election on 19 September 2011. The audit observations, comments and findings on the accounts and reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

15.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka and the Public Financial and Administrative Regulations. This responsibility includes; designing, implementing and maintaining internal control

relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

15.3 Audit Observation on the Accounts and the Reconciliation Statements

According to the Financial Records and the Books for the year ended 31 December 2010, it was observed that except for the effects of the general observations at (a) to (c) and other major audit observations appearing in paragraphs 15:4 to 15:9 herein, the Appropriation Account and the Reconciliation Statement of the Advances to Public Officers Account of the Department of Elections have been prepared satisfactorily.

(a) Budget Variance

Out of the net provision made, the saving after utilizing the provision had been ranged from 22 per cent to 85 per cent due to an overprovision made relating to 13 Objects.

(b) General Deposits Accounts

Action in terms of Financial Regulation 571 had not been taken even as at 31 December 2010 on deposit balances aggregating to Rs. 392,195 older than 02 years.

(c) Reconciliation Statement of Advances to Public Officers Account

(i) Even though a sum of Rs. 19,000,000 had been authorized by the Parliament as the minimum limit of receipts for the activities of the Advance to Public Officers Item No. 01701, that limit had not been reached by Rs. 3,759,856 as at 1 December 2010. Also this minimum limit of receipts had to be revised from the Parliament by 31 May 2011 and that revision had not been complied with.

- (ii) Balances of receipts in arrears as at 31 December 2010 were aggregating Rs. 1,760,307 and the follow up actions for arrears recovery were in poor position.
- (iii) The loan balances of transferred out officers had to be settled within 3 months in terms of National Budget Circular No. 118 of 11 October 2004, the loan balances of Rs. 797,639 of 05 transferred out officers during the period of 2000 to 2010 had not been settled even as at 30 June 2011.
- (iv) The loan balance of Rs. 38,879 of an officer who was interdicted in the month of January 2003 had not been recovered even as at 30 June 2011.
- (v) Six officers had vacated their posts from 1999 to 2010 and the receivable loan balances of Rs. 434,721 from those officers had not been recovered either from the officers or the securities even as at 30 June 2011.

15.4 Assets Management

Following observations are made on the assets management of the Department.

- (a) Even though every asset should be inventoried in terms of F.R. 751, 1,355 ballot boxes at the Election Office in Kurungala had not been inventoried
- (b) Hundred and sixty nine ballot boxes obtained from the Election Offices in other districts for the Presidential and Parliamentary elections in 2010 had remained in the Election Office in Kurunegala without being handed over.
- (c) As actions had not been taken on fuel order books with financial value in terms of F.R. 316, receipts books and counterfoils and 10 fuel order books had been destroyed.

(d) The signature and the official seal had been placed without issuing 06 orders in a fuel order book which was returned by the transport committee of the Election Office in Ratnapura and 02 orders of another order book had been misplaced along with the carbon copy.

15.5 Non-compliances

Non-compliance with Laws, Rules, Regulations etc.

An instance of non-compliance with the provisions of laws, rules and regulations observed during audit test checks is analyzed below.

Reference to Laws, Rules, Regulations	Non-compliance
-----	-----
(a) Section 9.1 in Chapter II of Establishment Code	A retired officer had been appointed as an Internal Auditor by the Commissioner of Elections from 16 April to 31 December 2010 without the approval of the Cabinet of Ministers.
(b) Financial Regulation 762	Although surplus of stocks should not be maintained a balance of 99 tyres were in stores even as at 11 February 2011.
(c) Public Administration Circular No. 41/90 of 10 October 1990	Fuel consumption of the vehicles of the Department had not been checked. Monthly summery of the travel details had not been entered in the log books

- (d) Paragraph (iv) of Department of Elections Circular No. TR/11/05 of 10 December 2009 Although registers on the issue of fuel should be taken over by the Assistant Commissioner of Elections within 2 weeks after the elections are over, the registers provided to the committee on the elections held in March and April 2010, had not been taken over at the time of audit in December 2010.

15.6 Transactions of Contentious Nature

Certain transactions performed by the Department of Elections were of contentious nature. Particulars on such transactions revealed in the sample tests are as follows.

- (a) An aggregated amount of Rs. 10,133,717 had been spent for 2 district offices in Kandy and Kurunegala in obtaining temporary connection of electricity for the Presidential and Parliamentary elections held in the year 2010. The expense included an amount of Rs.2,750,204 for non reusable equipment to the Ceylon Electricity Board for which payment had been made. That equipment had not been handed over to the election offices; instead, the equipment had been carried away by the CEB.
- (b) Value of the electricity consumed by district elections offices, other than 3 such offices, had been paid based on non elaborative estimates. The actual number of units of electricity had not been considered.
- (c) The total estimate amount of Rs. 3,731,127 had been paid by Election Office in Kandy District for supply of electricity for Presidential Election in 2010. 65 per cent of the estimated amount or Rs. 2,433,975 of estimated activities had not been performed.

- (d) A large amount of saving had been made to the government by the Election Office in Kurunegala District by getting 40 telephones without any temporary connection fee from a telephone company adopting a competitive approach. Contribution had not been made to minimize government expenditure by implementing this approach in other District Election Offices.

15.7 Uneconomical Transactions

Tyres had been purchased as in bulk stocks at time without evaluating the requirements of the Department. It was confirmed by returning 04 damaged tyres which were sent to Election Office in Ratnapura, that the quality of tyres had been reduced by storing them in longer durations in stores.

15.8 Human Resources Management

Approved Cadre and Vacancies

The position of the Cadre as at 31 December 2010 was as follows.

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
		-----	-----	-----
(i)	Senior Level	36	33	03
(ii)	Tertiary Level	01	01	-
(iii)	Secondary Level	356	307	49
(iv)	Primary Level	136	112	24
		-----	-----	-----
	Total	529	453	76
		===	===	===

15.9 Internal Control

(a) Internal audit

Even though an Internal Audit Unit had been established, internal audit reports had not been presented to the Auditor General.

(b) Implementation of the Audit and Management Committees

The progress shall be reported to the Treasury by establishing Audit and Management Committees in terms of Public Finance Circular No. PF/PE/07 of 15 March 2000. Thus the Audit and Management Committee of the Department had been appointed on 27 July 2007; meetings had not been conducted even as at 30 November 2010.

16. Appropriation Head 18- Auditor General's Department

The Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Auditor General's Department for the year ended 31 December 2010 were audited in pursuance of provisions of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Auditor General on 09 February 2012. The audit observations, comments and findings on the accounts and reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

16.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements of the Advances to Public Officers' in accordance with the Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka and the Public Financial and Administrative Regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

16.3 Audit Observation on the Accounts and the Reconciliation Statements

According to the Financial Records and the Books for the year ended 31 December 2010, it was observed that except for the effects of the general observations at (a) to (d) and other major audit observations appearing in paragraph 16:4, the Appropriation Account and the Reconciliation Statement of the Department had been prepared satisfactorily.

(a) Presentation of Accounts

The following Accounts had not been presented for Audit by the Department even by 31 March 2011.

Head/ Revenue Code/Item No	Name of the Account
-----	-----
18	Appropriation Account
20.03.02.01	Revenue Account
01801	Reconciliation Statement on Advances to Public Officers Account

(b) Budget Variances

The saving due to over provisions for 04 Objectives, subsequent to utilization of provisions, had been in the range of 52 per cent to 84 per cent of the Net Provision.

(c) Revenue Account

According to the Account presented, revenue amounting to Rs. 184,275,655 had been outstanding while the said outstanding revenue was relevant to the time duration between 01 year and 02 years.

(d) Advances to Public Officers Account

According to the Reconciliation Statements as at 31 December 2010, Item No 01801 of Advances to Public Officers Account, outstanding balances recoverable on that day aggregate to Rs. 4,696,808.

16.4 Approved Cadre and Vacancies

A percentage of 42.59 vacancies existed in the posts of Management Assistants and allied services, included in the primary level as at 31 December 2010.

17 Appropriation Head 19 - Office of the Parliamentary Commissioner of Administration

The Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Office of the Parliamentary Commissioner of Administration for the year ended 31 December 2010 were audited in pursuance of provisions of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the

Commissioner of the Office of the Parliamentary Commissioner of Administration on 30 August 2011. The audit observations, comments and findings on the accounts and reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

17.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements of the Advances to Public Officers in accordance with the Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka and the Public Financial and Administrative Regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

17.3 Audit Observation on the Accounts and the Reconciliation Statements

According to the Financial Records and the Books for the year ended 31 December 2010, it was observed that except for the effects of the general observations at (a) to (d) and other major audit observations appearing in paragraphs 17:4 to 17:6 herein, the Appropriation Account and the Reconciliation Statements of the Office of the Parliamentary Commissioner of Administration had been prepared satisfactorily.

(a) Annual Action Plan

An action plan had not been prepared at the beginning of the year.

(b) Presentation of Accounts and Maintenance of Registers and Books

- (i) The following accounts had not been presented by the Office of the Parliamentary Commissioner of Administration as at 31 March 2011.

Head/Item No.	Name of the Account
-----	-----
19	Appropriation Account
01901	Reconciliation Statement on Advances to Public Officers Account

- (ii) It was observed in the tests of samples that the following registers had not been maintained by the Office of the Commissioner.

Type of Register	Relevant Regulation
-----	-----
Register of losses and damages	F.R. 110
Register of fixed assets	Treasury Circular No 842 dated 19 December 1978

(c) Budget Variance

The saving due to over provisions for 06 Objects, subsequent to utilization of provisions, had been in the range from 12 per cent to 49 per cent of the Net Provision.

(d) Reconciliation Statements on Advances to Public Officers Account

- (i) According to the Reconciliation Statements at 31 December 2010, Item No. 01901 of Advances to Public Officers Account follow up action in

respect of recovering the outstanding balance aggregating to Rs. 108,048 was in a weak level.

- (ii) A difference of Rs. 36,752 existed between the total of the summary of analysis of individual balance and control balance of the Department as at the end of the year under review. The relevant causes for this difference had not been revealed by the Reconciliation Statement.
- (iii) According to the Books of the Department and computerized records of the Treasury, a difference of Rs. 4,921 existed in the opening balance of the year and the reasons for this difference had not been submitted for audit.

17.4 Assets Management

Conduct of Annual Boards of Survey

Although Annual Boards of Survey should be held in terms of Financial Regulation 756, they had not been held after year 2003.

17.5 Non-compliances

Non- compliances with Laws, Rules, Regulations, etc.

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

Reference to Laws, Rules and Regulations

Non-compliances

(a) Public Financial Circular No.402 dated
12 September 2002 and Treasury

Performance report had not been tabled
in the Parliament.

Circular No. 01/2004 dated 24
February 2004

- (b) National Budget Circular No. 128 dated 24 March 2006. Annual Procurement Plan had not been prepared.

17.6 Human Resources Management

----- Approved Cadre and Vacancies -----

The position of the cadre as at 31 December 2010 had been as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
-----	-----	-----	-----
(i) Senior Level	01	01	-
(ii) Tertiary Level	02	01	01
(iii) Secondary Level	18	07	11
(iv) Primary Level	08	02	06
(v) Other(casual/contract)	01	01	-
	---	---	---
Total	30	12	18
	==	==	==

18 Appropriation Head 20 - The Finance Commission

The Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Finance Commission for the year ended 31 December 2010 were audited in pursuance of provisions of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Secretary on 05 August 2011. The

audit observations, comments and findings on the accounts and reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

18.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements of the Advances to Public Officers in accordance with the Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka and the Public Financial and Administrative Regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

18.3 Audit Observation on the Accounts and the Reconciliation Statements

According to the Financial Records and the Books for the year ended 31 December 2010, it was observed that except for the effects of the general observation at (a) and other major audit observations appearing in paragraphs 18:4 to 18:6 herein, the Appropriation Account and the Reconciliation Statement of the Finance Commission have been prepared satisfactorily.

(a) Budget Variance

The saving due to over provisions for 07 Objectives, subsequent to utilization of provisions, had been in the range of 23 per cent to 100 per cent of the Net Provision.

18.4 Non- compliances

Non- compliances with Laws, Rules, Regulations, etc.

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

Reference to Laws, Rules and Regulations	Value	Non- compliances
-----	-----	-----
	Rs.	
(a) Financial Regulations 94	143,012	Subsequent to utilization of provisions provided for 03 Objects, the saving had exceeded by Rs. 88,390 and reached to the commitment of Rs. 143,012.
Public Administration Circular		

(b) Paragraph 3.13 of the Public Administration Circular No. 41/90 dated 10 October 1990	412,042	A report from a qualified engineer in respect of the fairness of quotations submitted on internal repairs of 02 vehicles had not been obtained.

18.5 Irregular Transactions

Obtaining a building on Rent

A building had been obtained on rent amounting to Rs. 5,280,000 for a period from 15 May 2010 to 14 July 2013 to function the Office of the Finance Commission, The following observation are made regarding this.

- (a) When calling quotations for obtaining a building on rent, other persons except the Procurement Committee had been able to open the letters of quotations immediately after been received by the institution, due to failure in adherence to conditions 6.3.1 (a) of the State Procurement Guidelines.
- (b) Bid documents had not been in sealed envelopes in terms of section 6.3.1 (b) of Government Procurement Guideline.
- (c) Actions had not been taken to call for bids in terms of section 6.3.1 (d) of Government Procurement Guideline and only one copy had been sent by the bidders.
- (d) In terms of 6.3.3 (b) of the State Procurement Guidelines, although the bids should be opened in the presence of bidders or their representatives, only one representative had participated in the opening of bids of the Commission. In the newspaper advertisement for calling bids, the bidders had not been notified to be present on the date of opening of bids.
- (e) In terms of 6.3.4 of the State Procurement Guidelines, when opening bids, though only the original should be opened without opening the duplicate, only one copy had been called for by the Commission.
- (f) In terms of 6.3.6 of the State Procurement Guidelines, the matters on opening of bids had not been recorded in prescribed specimen form.
- (g) In terms of 7.11.1 of the State Procurement Guidelines, a detailed bid evaluation report according to the relevant format and a bid evaluation summary report in terms of 2.11.3 had not been prepared by the Technical Evaluation Committee.
- (h) The summary of major decisions taken by the Procurement Committee had not been reported in terms 2.11.3 of the State Procurement Guidelines.

- (i) A report from Department of Valuation had not been presented for Audit in respect of valuation of monthly/annual rent for the building.
- (j) Although, the building had been taken on rent from the institute with the minimum rent of the 08 quotations submitted, an additional amount of Rs. 1,297,618 had been spent on renovating the building as required.

18.6 Human Resources Management

Approved Cadre and Vacancies

The position of the cadre as at 31 December 2010 had been as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
-----	-----	-----	-----
(i) Senior Level	11	06	05
(ii) Tertiary Level	07	03	04
(iii) Secondary Level	45	37	08
(iv) Primary Level	10	08	02
(v) Other(casual/temporary/contract)	02	02	-
	-----	-----	-----
Total	75	56	19
	=====	=====	=====

19. Appropriation Head 21 - National Education Commission

The Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the National Education Commission for the year ended 31 December 2010 were audited in pursuance of provisions of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management

Audit Report for the year under review was issued to the Chairman of the National Education Commission on 29 April 2011. The audit observations, comments and findings on the accounts and reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide as an audit coverage as possible within the limitations of staff, other resources and time available to me.

19.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements of the Advances to Public Officers' in accordance with the Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka and the Public Financial and Administrative Regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

19.3 Audit Observation on the Accounts and the Reconciliation Statements

According to the Financial Records and the Books for the year ended 31 December 2010, it was observed that except for the effects of the general observations at (a) and (b) and other major audit observations appearing in paragraphs 19:4 to 19:9 herein, the Appropriation Account and the Reconciliation Statement of the National Education Commission have been prepared satisfactorily.

(a) Budget Variance

The total net provision amounting to Rs. 250,000 provided for 02 Objects had remained.

(b) Reconciliation Statements on Advances to Public Officers Account

According to the Reconciliation Statements as at 31 December 2010, Item No. 02101 of Advances to Public Officers Account, outstanding balances recoverable on that date aggregate to Rs. 3,108,898.

19.4 Assets Management

(a) Conduct of Annual Boards of Survey

Action in terms of Financial Regulation 757 had not been taken in respect of recommendations reported in Board of Survey Reports for the year 2010.

(b) Unsettled Commitments

Unsettled Commitments by the National Education Commission as at 31 December 2010 amounted to Rs. 104,611 and the time period was less than 01 year.

19.5 Non- compliances

(a) Non- compliances with Laws, Rules, Regulations, etc.

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

In terms of Public Finance Circular No. 393 (4) dated 03 April 2003 and No. 446 dated 01 September 2010, all bills had been fully settled without calculating limitations of consolidated telephone charges for officers entitled for official quarters and mobile phones.

(b) Non- compliance with Tax Requirements

Tax amounting to Rs. 704,600 retained from Value Added Tax for rental on lease relevant to the period from June 2007 to 31 December 2010, had been paid to the supplier without remitting to the Commissioner General of Inland Revenue.

19.6 Performance

The observations on the progress of the National Education Commission according to the Annual Estimates / Action Plans for the year 2010 are given below.

(a) Key Functions not Carried out Adequately

The Commission had not carried out the key functions adequately and several such instances observed are given below.

- (i) A sum of Rs. 1, 040,637 or 52 per cent from Rs. 3,174,300 provided by the Secondary Education Mediatory Project and a sum of Rs. 4,633,909 or 96 per cent from Rs. 4,810,200 provided by the Educational Knowledge for Society Project had not been utilized for relevant purposes by the Institute.
- (ii) Delays of time duration from 05 to 10 months had taken place to complete four educational surveys carried out by spending an amount of Rs. 3,071,400.

(b) Planning and Performance

Provisions made for each subject had not been mentioned in the Action Plan for the year under review, while the financial progress of the functions had not been indicated in the Performance Report.

19.7 Irregular Transactions

Certain transactions entered into by the National Education Committee were irregular.

(a) Deviation from the Procedure mentioned in the Procurement Guideline

- (i) The Digital Duplicator amounting to Rs. 937,400 had been purchased instead of a machine amounting to Rs. 442,400 recommended by the Technical Evaluation Committee.
- (ii) Six items for Rs.451,434 had been purchased without appointing the Technical Evaluation Committees and an excess of Rs.43,700 had to be paid due to ignorance of the lowest quotations of 02 items.
The certificates of compliance with relevant specifications and other agreed conditions had not been obtained
- (iii) The opening of quotations had been delayed for 04 and 06 days in two items for Rs.1,051,207
- (iv) The certification of qualified officer had not been obtained that the fairness of the quoted prices of Rs. 103,490 for 02 vehicles in 05 instances and the repair had been done in order and in 03 instances where the prices were higher by a sum of Rs. 16,605 than the minimum quotations had been selected.

19.8 Human Resources Management

Approved Cadre and Vacancies

The position of the Cadre as at 31 December 2010 was as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
-----	-----	-----	-----
(i) Senior Level	04	03	01
(ii) Tertiary Level	13	09	04
(iii) Secondary Level	10	07	03
(iv) Primary Level	12	12	-
	-----	-----	-----
Total	39	31	08
	===	===	===

19.9 Internal Control

(a) Internal Audit

An internal audit had not been implemented.

(b) Implementation of Audit and Management Committees

(i) Audit and Management Committee had been met only once in the year under review.

(ii) The government auditor had not been called for that committee as an observer and the matters had not been discussed which should have to be included in the scope of the audit committee such as follow up and

evaluation of internal control system, monitoring of management letters from Auditor General and implementing by following up of audit reports.

20. Appropriation Head 22 - Human Rights Commission of Sri Lanka

The Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Human Rights Commission of Sri Lanka for the year ended 31 December 2010 were audited in pursuance of provisions of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Chairman of Human Rights Commission of Sri Lanka on 07 September 2011. The audit observations, comments and findings on the accounts and reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

20.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account in accordance with the Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka and the Public Financial and Administrative Regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

20.3 Audit Observation on the Accounts and the Reconciliation Statements

According to the Financial Records and the Books for the year ended 31 December 2010, it was observed that except for the effects of the general observations at (a) and (b) and other major audit observations appearing in paragraphs 20:4 to 20:9 herein, the Appropriation Account of the Human Rights Commission of Sri Lanka have been prepared satisfactorily.

(a) Maintaining of Registers and books

A register of losses and damages had not been maintained by the Human Rights Commission as per the Financial Regulation 110.

(b) Budget Variance

Out of the net provision made, the saving after utilizing the provision had been ranged from 21 per cent to 95 per cent due to an overprovision made relating to 12 objects.

20.4 Assets Management

Conduct of Annual Boards of Survey

The following observations are made.

- (a)** Even though the Commission should conduct Annual Boards of Survey in terms of Financial Regulation 756, a Board of Survey for the year 2010 had not been conducted even as at 31 June 2011. The last Board of Survey conducted had been in respect of the year 2009.

- (b) Even though United Nation Joint Programme on Human Right had granted items to 10 Divisional Offices for a value of Rs.4,643,920 those had not been taken to Head Office Books.

20.5 Non-compliances

Non-compliance with Laws, Rules, Regulations etc.

The instances of non-compliance with the provisions of laws, rules and regulations observed during audit test checks are analyzed below.

(a) **Statutory Provisions**

Human Rights

Commission Act No. 21

of 1996

- (i) Section 15(6) Even though the copy of the recommendations of the Commission should have to be sent to person not satisfied, to the Head of the relevant institute, and the relevant Minister, copy of any recommendation had not been sent to the relevant Minister.

- (ii) Section 15(7) Even though it should be reported to the Commission during the said time period with regard to the steps taken or expected to be taken to that recommendation to make activate by any authority or any person who sent a recommendation, instead of mentioning them in the recommendations issued by the Commission, it had been informed to report "if any reasons available for not to implement the recommendations". As this reason it

could not be expressed how far the recommendations issued to the Commission had been implemented or not, and therefore the effectiveness of investigation of complaints could not be evaluated. Also due to the non-mentioning clearly in the recommendation that the provisions made in the Act with regard to the implementation of recommendations, the same complaints had been presented many times by the defender in requesting to relief / justice.

(iii) Section 15(8)

It should be reported to the Commission during the said time period with regard to the steps taken or expected to be taken to that recommendation to make activate by any authority or any person who sent a recommendation and a comprehensive report on instances where the failures to implement the recommendations by the Commission should be presented to HE the President to remit it to Parliament. But the Commission had not performed according to the Act. Recommendations issued to complaints received in years 2008, 2009 and 2010 and instances of non-implementations of them were as follows.

Year	No. of Complaints received	No. of Recommendations issued	No. of implemented Recommendations	No. of Non-implemented Recommendations
2008	3,692	202	56	146
2009	5,925	298	38	260
2010	4,445	321	14	It was informed that it was

difficult to
mention exactly..

- (iv) Section 20 (1) Though the every warrant should be under the signature of the Chairman of the Commission, according to the segregation of powers approved in year 2000, the power to sign had been granted by the Board of Directors to the Secretary, Additional Secretary or any officer authorized by the Chairman. However, name of the officer, designation had not been mentioned in any of the warrants issued by the Commission and the signature had only been made.
- (b) Section 3.2 of Chapter XV of Establishment Code. Even though the officers in temporary basis should not be participated for foreign travels, the Commission had proceeded against it without calling application from qualified officers.
- (c) Financial Regulation 177 Even though the cash and cheques received to the institute should have to be deposited to the bank on that day or the following day, the receipts of Rs. 209,460 in 15 instances had been banked by delaying during the period from 06 to 17 days.
- (d) Public Finance Circular No. M/F/6/1/3/2000 of 27 March Even though the amount should have to be paid to get the passport was Rs. 2,500 two officers had been paid Rs. 7,500 each for one day service. Therefore the excess amount paid was Rs. 10,000.

20.6 Performance Evaluation

Non-comply with Annual Action Plan

Human Right Commission had prepared an annual action plan at the beginning of financial year and it had not been approved by the Board of Directors. Following observations are made in that regards.

- (a) The physical performance could not be evaluated due to non-presenting the quantitative amount of expectation in achieving those targets out of the most of targets set out during the year by the action plan.
- (b) Also the expected amount of provisions for each activity were not shown separately in the action plan and in this circumstances the financial performance at the end of the year could not be measured.

20.7 Operational Inefficiencies

The following observations are made.

(a) Appointing of the Commission

The Commissioners had not been appointed from 17 May 2009 for the activities of the Commission, which consists 04 Commissioners and a Chairman. The duration of the Chairman had been ended in 16 December 2010. Therefore the Commission was non-performed in the year 2010.

- (b) It was decided by the International Coordinating Committee to the National Institute of Human Right Protection and Promotion to drop Human Rights

Commission of Sri Lanka from rank "A" to rank "B" from October 2007 by considering followings.

- (i) Non-satisfying with the procedure of appointing the Commissioner posts of the Commission.
- (ii) The progress of investigating of complaints is not quantifiable enough.
- (iii) Non-tabling of annual reports in the Parliament up to date.

For above (ii), only the covering letter had been presented to audit saying that the report with regard to missing 2000 in the year 2006 had been sent to Office of the Human Right in Geneva For above (iii), the report of 2008 had been presented to the Parliament and the reports for years 2009 and 2010 had not been presented even as at 05 September 2011.

- (c) Details of Number of complaints had been received during the year under review with regard to violation of fundamental rights and similar to violate, and the progress of solving those complaints and the No. of complaints available in un-solving are shown below.

Balance as at the beginning of the year(Including Divisional Offices)	4584
No. of complaints Received during the year(Including Divisional Offices)	4445

	9029
No. of non-investigated complaints	(679)

	8350
No. of complaints having investigated and recommendations given	4013

No. of complaints to be investigated	4337
	=====

20.8 Human Resources Management

Approved Cadre and Vacancies

The position of the Cadre as at 31 December 2010 was as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies	Number of Excess
-----	-----	-----	-----	-----
(i) Senior Level	35	24	11	-
(ii) Tertiary Level	03	01	02	-
(iii) Secondary Level	105	114	-	09
(iv) Primary Level	52	53	-	01
	----	----	-----	----
Total	195	192	13	10
	====	====	=====	====

- The Management Service Commission had approved 195 as the cadre of the Commission, on 30 June 2010. Though the relevant recruitment procedure had been prepared, it had not been approved.

20.9 Internal Control

Delegation of Financial Authority

- (a) Delegation of financial authority had not been made by the Office of the Commission in terms of Financial Regulation 135.

(b) Internal Audit

An internal audit unit had not been available in the year 2010.

21. Appropriation Head 229 - Department of Attorney General

The Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Department of Attorney General for the year ended 31 December 2010 were audited in pursuance of provisions of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Attorney General on 13 June 2011. The audit observations, comments and findings on the accounts and reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

21.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka and the Public Financial and Administrative Regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

21.3 Audit Observation on the Accounts and the Reconciliation Statements

According to the Financial Records and the Books for the year ended 31 December 2010, it was observed that except for the effects of the general observations at (a) to (c) and other major audit observations appearing in paragraphs 21:4 to 21:7 herein, the Appropriation Account and the Reconciliation Statement of the Department of Attorney General have been prepared satisfactorily.

(a) Presentation of Accounts and Maintaining of Registers and books

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- (i) The following accounts had not been presented to audit by the Department as at 31 March 2011.

Head/ Item Number	Name of Account	Date of Presented for Audit
-----	-----	-----
229	Appropriation Account	18 April 2011
22901	Reconciliation Statement of Advances to Public Officers	03 May 2011

- (ii) The following Registers had not been maintained by the Office.

Type of Register	Relevant Regulation
-----	-----
Fixed Assets Register	Treasury Circular No. 842 of 19 December 1978.
Assets Register for Computer Accessories and Soft wares	Treasury Circular No. IAI/2002/02 of 28 November 2002.

(b) Reconciliation Statement of Advances to Public Officer's Account

Arrears of receipts of balances of Advances to Public Officers Account No 22901 as at 31 December 2010 were aggregating Rs.2,620,805 and the follow up actions for the arrears recovery were in poor position

(c) Unsettled Commitments

The unsettled commitments by the Department as at 31 December 2010 were Rs.381,968 and those were appearing from a period less than one year.

21.4 Non-compliances

Non-compliance with Laws, Rules, Regulations etc.

The instances of non-compliance with the provisions of laws, rules and regulations observed during audit test checks is analyzed below.

Reference to Laws, Rules and Regulations	Non - compliance
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- | | |
|---|--|
| (i) Financial Regulation 135 | Delegation of financial Authority had not been made. |
| (ii) Section 4.8 of Chapter XIV of Establishment Code | A sum of Rs. 324,858 had been paid to 08 officers for more than 03 months as full subsistence. |

21.5 Performance

As per the annual estimate for 2010 the major activity of the Department of Attorney General is to advising to the government and institution belongs to the government, and

to represent the government and its institution in legal matters. The progress for the year 2010 is shown below.

	No.of files Opened	Sending Incitement	Counseling	Non- guilty	No. Competed
	-----	-----	-----	-----	-----
Civil Division	2,383	-	271	-	280
Criminal Offence Unit	6,535	1,888	1,505	984	4,377
State Lawyers Division	105	-	-	-	1,491
Supreme Court Division	700	-	-	-	182
Non-summary Cases	556	-	-	-	05
Corporation Division	1,964	-	-	-	1,879
Women and Child Abused Cases	3,421	729	295	347	1,371
Public Petition Unit	583	-	394	-	189
	-----	-----	-----	-----	-----
Total	16,247	2,617	2,465	1,331	9,774
	=====	=====	=====	=====	=====

21.6 Transactions of Contentious Nature

Some transactions made by the Department were in contentious nature. The details of transactions revealed in sample tests are shown below.

Subsistence, Travelling Expenses and 25 per cent of the subsistence from 01 January 2010 to 31 October 2010 of Rs.739,442 had been paid to staff of office assistance service who are attached to Offices of State Counselors established in outstation Provincial High Courts. These employers are permanent staff of the Department of Attorney General and the above mentioned Rs. 739,442 was an additional expenditure due to not-deploying them in to the Offices of State Counselors attached to relevant High Courts. Also out of the above a sum of Rs. 414,160 had been paid against the paragraph 4.8 of the Chapter XIV of Establishment Code.

21.7 Human Resources Management

Approved Cadre and Vacancies

The position of the Cadre as at 31 December 2010 was as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
-----	-----	-----	-----
(i) Senior Level	07	07	-
(ii) Tertiary Level	196	172	24
(iii) Secondary Level	164	125	39
(iv) Primary Level	176	166	10
	-----	-----	----
Total	543	470	73
	=====	====	====

22. Appropriation Head 230 - Department of Legal Draftsman

The Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Department of Legal Draftsman for the year ended 31 December 2010 were audited in pursuance of provisions of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Head of the Department on 30 June 2011. The audit observations, comments and findings on the accounts and reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

22.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka and the Public Financial and Administrative Regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

22.3 Audit Observation on the Accounts and the Reconciliation Statements

According to the Financial Records and the Books for the year ended 31 December 2010, it was observed that except for the effects of the general observations at (a) and (b) and other major audit observations appearing in paragraphs 22:4 to 22:6 herein, the Appropriation Account and the Reconciliation Statement of the Department of Legal Draftsman have been prepared satisfactorily.

(a) Budget Variance

- (i) The total provision of Rs.5,925,000 made for 02 object codes under the Head 230 had been saving.
- (ii) Fifty eight per cent out of the provision made under an object code had been under-utilized.

(b) Reconciliation Statement of Advances to Public Officers Account

- (i) Arrears of receipts of balances of Advances to Public Officers Account No. 23001 as at 31 December 2010 were aggregating Rs.13,687,605 as

per the Reconciliation Statement and the follow up actions in recovery of arrears were in poor position.

- (ii) The loans of Rs.1,645,876 had been paid without following the provisions which shall be considered by the Department in paying loans.

22.4 Assets Management

(a) Unsettled Commitments

The unsettled commitments by the Department as at 31 December 2010 were Rs.170,283 and those were appearing from a period less than one year.

(b) Lack of Evidence for Audit

The sufficient audit evidence had not been presented to audit to confirm the sole ownership or any other form of ownership of the building which was in placed the office of Department of Legal Draftman and that land.

22.5 Perfomance

According to the annual estimates / action plans for 2010, the obsevatins on the progrss of the Department are shown below.

Planing and Perfomance

The progrss of the Department as per the annual estimates is shown below.

- (a) Seventy five requests had been received for legal drafts and 63 had been completed including the incompleted requeests during the years 2008/2009.

- (b) Hundred and twenty eight requests had been received for Legal Supports and more than half of them had been completed.
- (c) Out of 151 personal bills of Members of Parliament received and 103 had been completed. 08 statutes drafted for Provincial Council had also been completed.
- (d) Sixty three Acts had been prepared and more than 20 out of them had been taken the concent of the Parliament as requested by 45 Ministries.

22.6 Human Resources Management

Approved Cadre and Vacancies

The position of the Cadre as at 31 December 2010 was as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
-----	-----	-----	-----
(i) Senior Level	36	15	21
(ii) Tertiary Level	30	06	24
(iii) Secondary Level	57	32	25
(iv) Primary Level	32	17	15
	-----	-----	-----
Sub Total	155	70	85
	=====	=====	=====