

6. Head 6 – Public Service Commission

6.1 Scope of Audit

The audit of 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 2012 was carried out in pursuance of provisions in 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 of the Commission on 09 January 2013. The audit observations, comments and findings on the accounts and the 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, other Statutory provisions and Public Finance 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

According to the Financial Records and the Books for the year ended 31 December 2012, it was observed that except for the effects of the general observations at (a) and (b) and other major audit findings appearing in paragraphs 6.4 and 6.5 herein, the Appropriation Account and the Reconciliation Statement of the Public Service Commission had been prepared satisfactorily.

(a) **Budgetary Variance**

Excess provisions had been made for 03 Objects and as such the savings after utilization of provisions amounted to Rs.2,452,617 and ranged between 35.6 per cent to 69.4 per cent of the net provisions relating to those Objects.

(a) **Reconciliation Statement of the Advances to Public Officers Account**

According to the Reconciliation Statement as at 31 December 2012 of the Advances to Public Officers Account Item No. 00601 the loan balance of Rs.32,320 of an officer who had vacated post on 01 July 2001 had not been recovered even by the end of the year under review.

6.4 Good Governance and Accountability

6.4.1 Corporate Plan

The Corporate Plan of the Office of the Commission in terms of the letter No. PF/R/2/2/3/5(4) dated 10 March 2010 of the Director General of Public Finance had not been prepared even by 31 December 2013.

6.4.2 Annual Action Plan

The Annual Action Plan that should have been prepared by the Office of the Public Service Commission for the year under review in terms of the letter of the Director General of Public Finance referred to in paragraph 6.4.1 above had not been prepared even by 31 December 2012.

6.5 Human Resources Management

Approved Cadre and Actual Cadre

The position of the cadre as at 31 December 2012 had been as follows.

Category of Employees	Approved Cadre	Actual Cadre	Numbers of Vacancies
(a) Senior Level	44	34	10
(b) Tertiary Level	05	04	01
(c) Secondary Level	98	83	15
(d) Primary Level	48	33	15
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Total	195	154	41
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The Office had failed to take action to fill 41 vacancies even up to the end of the year under review.

7. **Head 7 – Judicial Service Commission**

7.1 **Scope of Audit**

The audit of 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 2012 was carried out in pursuance of provisions in 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 of the Commission on 06 December 2013. The audit observations, comments and findings on the accounts and the 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, other statutory provisions and Public Finance 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

According to the Financial Records and the Books for the year ended 31 December 2012, it was observed that except for the effects of the general observation at (a) and other major audit findings appearing in paragraphs 7.4 and 7.5 herein, the Appropriation Account and the Reconciliation Statement of the Judicial Service Commission had been prepared satisfactorily.

(a) Budgetary Variance

- (i) The entire net provisions amounting to Rs.50,150,000 made for 03 Objects had been saved.
- (ii) Excess provision had been made for 01 Object and as such the savings after the utilization of provisions amounted to Rs.10,287,604 and represented 27 per cent of the net provision relating to the Object.

7.4 Good Governance and Accountability

7.4.1 Corporate Plan

Even though the Commission should have prepared a Corporate Plan at least for a period of 3 years from the beginning of the year 2010 and onwards in terms of the letter No. PF/R/2/2/3/5(4) of 10 March 2010 of the Director General of Public Finance addressed to Secretaries of all Ministries, the Chief Secretaries of Provincial Councils, Heads of Departments, District Secretaries and Heads of Local Authorities, that Plan had not been prepared even by 31 December 2012.

7.4.2 Annual Action Plan

Even though the Commission should have prepared an Annual Action Plan from the year 2010 onwards in accordance with the Corporate Plan prepared in terms of the letter of the Director General of Public Finance referred to paragraph 7.4.1 above, the Action Plan for the year under review had been prepared only on 26 December 2012.

7.4.3 Annual Performance Reports

Even though the Annual Performance Report that should be prepared by the Commission in terms of the Public Finance Circular No. 402 of 12 September 2002 and No. 402(1) of 20 February 2004 referred to the letter of the Director General of Public Finance referred to the paragraph 7.4.1 above should have been tabled in Parliament within 150 days after

the close of the financial year with a copy to the Auditor General the Performance Report for the year under review had not been tabled in Parliament even by 31 August 2013.

7.4.4 Internal Audit

The Commission had not established an Internal Audit Unit.

7.4.5 Implementation of the Audit and Management Committee

The Audit and Management Committee had not held any meetings in the year 2012.

7.5 Human Resources Management

Approved Cadre and Actual Cadre

The position of the cadre as at 31 December 2012 had been as follows.

Category of Employees	Approved Cadre	Actual Cadre	Numbers of Vacancies	Excess
(a) Senior Level	12	11	01	-
(b) Tertiary Level	06	03	03	-
(c) Secondary Level	51	34	17	-
(d) Primary Level	24	17	07	-
(e) Others (Casual)	-	02	-	02
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Total	93	67	28	02
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The Commission had not taken action even by the end of the year under review for filling 28 vacancies and to obtain formal approval for the excess cadre recruited.