

13. Head 13 – Human Rights Commission of Sri Lanka

13.1 Scope of Audit

The audit of the Appropriation Account including the financial records, reconciliation statement, books, registers and other records of the Office of the Human Rights Commission of Sri Lanka for the year ended 31 December 2013 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 Chairman of the Commission on 28 August 2014. 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.

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, 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.

13.3 Audit Observation

According to the Financial Records and Books for the year ended 31 December 2013, it was observed that except for the effects of the general observations at (a) and other major audit findings appearing in paragraphs 13.4 to 13.8 herein, the Appropriation Account of the Human Rights Commission of Sri Lanka had been prepared satisfactorily.

(a) Budgetary Variance

The following observations are made.

- (i) The entire net provisions totalling Rs.6,600,000 made under 02 Objects had been saved.
- (ii) Excess provisions had been made for 05 Objects and as such the savings thereunder after utilizing the provisions ranged between 11 per cent and 98 per cent of the net provisions of those Objects.

13.4 Good Governance and Accountability

13.4.1 Annual Procurement Plan

Annual Procurement Plan for the year 2013 had not been prepared even by 31 December 2013 in terms of the National Budget Circular No.128 of 24 March 2006.

13.4.2 Internal Audit

Even though an Internal Auditor had been appointed, sub-ordinate staff had not been appointed.

13.5 Assets Management

The following observations are made.

(a) Idle and Under-utilized Assets

The following matters were observed at an audit test check carried out on assets.

- (i) Action had not been taken either to repair or to dispose of 07 motor bicycles and a van discarded from running which had been given by a project of the United Nations.
- (ii) A stock of computers and office equipment valued at Rs.1,662,550 had been handed over to the Commission's Head office by the United Nations

Development Programme on 07 June, 26 December and 31 December 2013 while the goods allocated to regional offices out of these stocks had not been handed over to such offices and remained idle even by 31 October 2014.

(b) Conduct of Annual Boards of Survey

In terms of the Public Finance Circular No.441 of 09 December 2009 as amended by the letter No.PF/Board of Survey/01 dated 17 December 2010 of the Director General of Public Finance, the Annual Boards of Survey for the year 2013 should be conducted and the reports thereon should be furnished to the Auditor General before 31 March 2014. Nevertheless, the Commission had not furnished these reports to audit even by 31 May 2014. The last Board of Survey conducted had been for the year 2012.

(c) Unrecorded Assets

The particulars of assets directly provided to the Regional Offices of the Commission by a Project connected to the Human Rights of the United Nations Development Programme had not been included in the Main Inventory Register of the Commission.

(d) Assets given to other Parties

Two Laptop computers received by the Commission from a Project had been issued to two officers of the Human Rights Project.

13.6 Non-compliances

Non-compliance with Laws, Rules and Regulations etc.

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

Reference to Laws, Rules and Regulations	Value	Non-compliance
	Rs.	
(a) Statutory Provisions		
Payment of gratuities Act No. 12 of 1983	118,012	The gratuity payable to an officer who leaves the service or retires should be calculated on the last drawn gross salary. Nevertheless the Commission had paid it on the basis of the basic salary and as such the gratuity payment for 04 officers who left the service had been paid less by a sum of Rs.118,012.
(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka		
Financial Regulation 110	-	A Register of Losses and Damages had not been maintained.
(c) Treasury Circulars		
Circular No. 842 of 19 December 1978		A Register of Fixed Assets had not been maintained
(d) Government Procurement Guidelines		
(i) Guideline 2.4.1	1,819,275	A proper Procurement Committee and a Technical Evaluation Committee had not been appointed for procurement activities.
(ii) Guideline 4.3	1,406,025	A total cost estimate had not been prepared for purchase of computers.
(iii) Guideline 8.9.1(b)	-	A written formal agreement had not been signed for contracts for goods and services exceeding Rs.500,000
(iv) Guideline 9.3(b)	227,620	The approval of the Secretary to the Line Ministry had not been obtained for repairs to vehicles exceeding Rs.200,000.

(e) **National Library Services
and Documentation
Board Circular**

No. 2004/Lib./1 of 24 - Appropriate action had not been taken on
January 2004 36 books misplaced in the Library.

13.7 Irregular Transactions

Observations on irregular transactions of irregular nature revealed at audit test checks are given below.

- (a) A new place with an extent of about 2,400 square feet for Kandy Branch of the Commission had been obtained at a monthly rental of Rs.35,000 from 01 January 2013 deviating from provisions of the Government Procurement Guidelines.
- (b) Approval of the Treasury should be obtained in terms of Paragraph 8 of the National Budget Circular No.113 of 31 December 2003 whenever the monthly rent of vehicles exceed Rs.40,000. Nevertheless vehicles had been obtained for 03 Regional offices on rental basis contrary to that Circular.

13.8 Human Resources Management

(a) **Approved Cadre and Actual Cadre**

The position of the cadre as at 31 December 2013 had been as follows.

	Category of Employees	Approved Cadre	Actual Cadre	Number of vacancies	Excess
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(i)	Senior Level	46	20	26	-
(ii)	Tertiary Level	07	01	06	-
(iii)	Secondary Level	154	101	53	-
(iv)	Primary Level	66	53	13	-
(v)	Others (casual)	-	03	-	03
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	Total	273	178	98	03
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(b) Payment of 25 per cent Allowance

During the year under review a sum of Rs.306,707 had been paid as 25 per cent allowance to 05 officers employed on contract basis and 03 officers employed on casual basis under the categories of Senior Level and Tertiary level without complying with the letter No. DMS/A/08/03/1-TEM of Ministry of Finance and Planning dated 24 November 2009.