

19 Head 19- Office of the Leader of the Opposition of Parliament

19.1 Scope of Audit

The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Office of the Opposition Leader in the Parliament for the year ended 31 December 2013 was carried out 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 Ministry on 15 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.

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 in accordance with the provisions of 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.

19.3 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 appearing at (a) to (c) and other major observations appearing in paragraphs 19.4 to 19.10 herein, the

Appropriation Account and the Reconciliation Statements of the Office of the Leader of the Opposition of Parliament had been prepared satisfactorily.

(a) Non-maintenance of Books and Registers

Sample audit checks revealed that the following registers had not been maintained by the Office.

Type of Register	Regulation
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(i) Register of Fixed Assets on computers and software	Treasury Circular No IAI/2002/02 dated 28 November 2002
(ii) Register of Fixed Assets	Treasury Circular No 842 dated 19 December 1978
(iii) Register of Losses and Damages	Financial Regulation 110

(b) Replies to Audit Queries

An audit query issued to the Office during the year under review had not been replied even as at 31 March 2014.

(c) Budgetary Variations

The following observations are made.

- (i) Excess provisions had been obtained for 07 Objects and as such the savings amounting to Rs.1,797,660 thereunder after utilizing the provisions which ranged between 7 per cent and 54 per cent of the net provisions relating to those Objects.
- (ii) Recurrent Expenditure amounting to Rs.117,720 had been accounted under a Capital Object.

19.4 Good Governance and Accountability

19.4.1 Annual Procurement Plan

Annual Procurement Plan had not been prepared even as at 31 December 2013 in terms of National Budget Circular No 128 dated 24 March 2006.

19.4.2 Internal Audit

An internal audit unit had not been established.

19.4.3 Implementation of the Audit and Management Committee

Audit and Management Committee had not been established.

19.5 Assets Management

Idle and Underutilized Assets

Sample audit checks revealed that certain assets had remained idle or underutilized as classified below.

Type of Asset	No of Units	Idle or Underutilized Period
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Motor bicycles	01	2 years
Computer monitors	02	2 years
UPS	05	2 years
Cellular phones	01	2 years
Tape recorder	01	2 years

19.6 Non- compliances

Non-compliances with Laws, Rules , Regulations etc.

The following instances of non-compliance were revealed during sample audit checks.

Reference to Laws , Rules and Regulations	Value	Non-compliance
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	Rs.	
(a) Establishments Code of Democratic Socialist Republic of Sri Lanka		

(i) Section 1.1 of Chapter XXVIII and Paragraph 02 of Public Administration Circular No 58/89 dated 30 November 1989	-	Times of arrival and departure had not been recorded by the Coordinating Secretary of the Secretary
(ii) Section 23 of Chapter XII, Sections 7.1, 7, 2, 7.3 of Chapter V and Section 1.6 of Chapter VII	70,770	Co-ordinating Secretary of the Secretary had not reported for duty without getting the leaves properly approved. Though she had gone abroad during the same period without approval, she had been paid salary and allowances.
(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka		

(i) Financial Regulation 135(1)	-	The financial responsibilities had not been delegated in such a manner so that each transaction could be monitored by several officers.
(ii) Financial Regulation 135(4)	-	The financial control for the year 2013 had been assigned by improperly preparing the register without mentioning the financial limits.
(iii) Financial Regulation 141(3)	-	As per Financial Regulation 139 an officer concerned with payment vouchers had acted as the second signatory of cheques issued for payments contrary to Financial Regulations
(c) Circulars of the Presidential Secretariat		

Section (b) of the Circular No PC/MD/AD/2/1/1/26 dated 09 April 2012	-	The office had not taken timely and prompt actions on the audit queries.

**(d) Public Administration
Circulars**

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- | | | | |
|-------|--|--------|--|
| (i) | Paragraphs 4 and 5 of Circular No 13/2008 dated 26 June 2008 | 36,512 | Fuel had been obtained through Government orders for a vehicle without additional fuel being approved. |
| (ii) | Paragraph 2 of Circular No 09/2009(1) dated 17 June 2009 | - | Finger print machines had not been used whereas; several officers had not signed the attendance register maintained by the office. |
| (iii) | Paragraph 6 of Circular No 13/2008 dated 26 June 2008 | 16,440 | Fuel allowance had been paid to the Coordinating Secretary for a duration of a month during which she had gone abroad. |
| (iv) | Paragraph 3 of Circular No 41/90 dated 10 October 1990 | - | Vehicles had been repaired without obtaining a report from a qualified mechanical engineer. |
| (v) | Paragraph 4.11 of Circular No 41/90 dated 10 October 1990 | - | Amount of fuel consumed and mileage had not been entered in the running charts daily. |
| (vi) | Paragraph 2.11 of Circular No 41/90 dated 10 October 1990 | - | Fuel consumption had not been tested once in 6 months. |

(e) Public Finance Circular

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| | Paragraph 3 of Circular No 431 dated 24 April 2008. | 721,143 | Subsidiary companies of State banks should be involved in purchasing air tickets and organizing flights though this requirement had been unheeded. |
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(f) National Budget Circulars

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- | | | | |
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| | Circular No 138 dated 04 April 2008 | - | The estimated amount for the construction of building for Office of the Opposition Leader had been exceeded by Rs. 2,957,984 without approval from the Cabinet. |
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(g) Government Procurement Guidelines

- (i) Guideline 3.4.3(a) - Purchases in 5 instances had been made contrary to Government Procurement Guidelines.
- (ii) Guideline 3.4.3(d) - Suppliers for the year 2013 had not been registered.

19.7 Transactions of Contentious Nature

Some of the transactions performed by the Office were of contentious nature. Particulars of few such transactions revealed at sample checks are as follows.

- (a) An allowance of Rs. 750 per day, considering the transport problems had been paid to officers who officiated after 6.30 p.m. when meetings were held. This transport allowance had been paid to 3 officers entitled to official vehicles.
- (b) Contrary to conditions stated in the lease agreement entered into for renovation of Office of the Opposition Leader , a sum of Rs. 3,150,000 had been paid in 4 instances.
- (c) Cabinet approval had been granted on 09 June 2011 to obtain Rs. 28,400,000 from the Treasury for Architects fees, Project management fees, purchases of goods and instruments of an additional building to be constructed at the office of the Opposition Leader. Unheeding this approval, a sum of Rs. 31,357,984 had been paid to the Civil Security Department in 31 December 2012 by entertaining the quotation submitted on 01 November 2012 to the value of Rs. 33,924,645 (without VAT)
- (d) One hundred and seventy litres of fuel had been obtained for a vehicle which could perform 8km per litre of fuel. Accordingly, 71 litres of fuel had been obtained in excess.

19.8 Transactions Without Adequate Authority

The following transactions sans authority were observed in audit.

- (a) Contrary to Section 4 of Parliamentary Staff Act No 9 of 1953, officers had been offered 10 additional salary increments in 4 instances without being approved by the Cabinet.
- (b) As for a foreign trip, allowances should be paid on the no. of days from the time of departure from the island to the time of arrival in the island in terms of Public Administration Circular No 01/2010/1 dated 11 October 2010. Nevertheless, an amount of Rs 281,103 had been overpaid.

19.9 Losses and Damages.

A sum of Rs.242,935 had been received as compensation following accidents that took place in 4 instances. Nevertheless, those particulars had not been mentioned in the statement of losses and damages in the Appropriation Account.

19.10 Human Resources Management

Actual and Approved No of Cadres

The Position of cadre as at

Category of Employee	Approved Carder	Actual Carder	Number of Vacancies
(i) Senior Level	03	02	01
(ii) Tertiary Level	11	06	05
(iii) Secondary Level	21	20	01
(iv) Primary Level	17	16	01
(v) Other (Casual/Temporary/Contract)	10	10	-
Total	62	54	08

The following observations are made.

Action had not been taken by the end of the year under review to fill 8 vacancies. The post of Assistant Secretary and the post of Senior Assistant Secretary had remained vacant since 31 August 2011 and 31 December 2012 respectively.