

1.1 Scope of Audit

The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Ministry of Parliamentary Affairs 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 31 July 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.

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 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.

1:3 Audit Observations

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 (e) and other major audit findings appearing in paragraphs 1:4 to 1:6 herein, the Appropriation Account and the Reconciliation Statements of the Ministry had been prepared satisfactorily.

(a) Non-maintenance of Registers and Books

A Register of Fixed Assets in terms of Treasury Circular No.842 of 19 December 1978 had not been maintained by the Ministry.

(b) Appropriation Account

(i) Total Provision and Expenditure

The total net provision made for the Ministry amounted to Rs.425,000,000 and out of that a sum of Rs.422,824,244 had been utilized by the end of the year under review. Thus, the savings amounted to Rs.2,175,756 and that represented 0.51 per cent of the net provision. Details appear below.

Expenditure	<u>As at 31 December 2013</u>			
	Net Provision	Utilization	Savings	Savings as a Percentage of Net Provision
	Rs.	Rs.	Rs.	
Recurrent	373,000,000	372,884,684	115,316	0.03
Capital	52,000,000	49,939,560	2,060,440	3.96
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Total	425,000,000	422,824,244	2,175,756	0.51
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(ii) Budgetary Variance

Excess provisions had been obtained for 04 Objects and as such the savings thereunder after utilizing the provisions ranged between 5 per cent and 55 per cent of the net provisions relating to those Objects.

(c) Advances to Public Officers Account

Limits authorized by Parliament

The limits authorized by the Parliament and the actual amounts of the Advances to Public Officers Account of the Ministry are given below.

Item No.	Expenditure		Receipts		Debit Balance	
	Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
14301	6,000,000	2,938,460	2,000,000	3,690,538	21,500,000	8,324,796

(d) Imprest Account

The total of the imprest balance of the Ministry as at 31 December 2013 amounted to Rs.662,322.

(e) General Deposit Account

The balance of the General Deposit Account of the Ministry as at 31 December 2013 amounted to Rs.1,237,884.

1.4 Assets Management

Unsettled Liabilities

The unsettled liabilities of the Ministry as at 31 December 2013 amounted to Rs.13,605,454 and an age analysis thereon is given below.

Less than 01 Year	Over 01 Year less than 03 Years	Balance as at 31 December 2013
Rs.	Rs.	Rs.
10,343,228	3,262,226	13,605,454

1.5 Non-compliances

Non-compliances with Laws, Rules, Regulations etc.

Instances of non-compliance with the provisions of Laws, Rules, and Regulations observed at audit test checks are analyzed below.

Reference to Laws, Rules and Regulations

Non-compliance

- (a) Financial Regulation 1646 of the Democratic Socialist Republic of Sri Lanka Daily running charts and monthly summary reports relating to a pool vehicle belonging to the Ministry had not been presented to audit.
- (b) Paragraph 3.1 of the Circular No.CS/17/1 of 14 May 2010 of the Presidential Secretariat The maximum number of official vehicles that could be assigned for the use and security purposes of the Honorable Ministers had been 03. In contrary, 04 vehicles had been assigned to the Minister.

1.6 Human Resources Management

Approved Cadre and Actual Cadre

The position of cadre as at 31 December 2013 was as follows.

Category of Employees -----	Approved Cadre -----	Actual Cadre -----	Number of Vacancies -----
(i) Senior Level	08	06	02
(ii) Tertiary Level	03	01	02
(iii) Secondary Level	38	30	08
(iv) Primary Level	20	17	03
(v) Other (casual/temporary/contract basis)	- ----	- ----	- ---
Total	69 ==	54 ==	15 ==

Action had not been taken to fill 15 vacancies even as at the end of the year under review.