

## Report of the Auditor General on Head 20 – Department of Elections Year 2015

The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records of the Head 20 – Department of Election for the year ended 31 December 2015 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 Director General of the Department of Elections on 20 September 2016. The audit observations, comments and findings on the accounts and the Reconciliation Statements were based on a review of the Accounts and the 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 in 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.

## 2. Accounts

### 2.1 Appropriation Account

#### Total Provision and Expenditure

The total net provision made for the Department of Elections amounted to Rs. 5,966.40 million and out of that, Rs. 5,848.91 million had been utilized by the end of the year under review. Accordingly, the savings out of the total net provision of the Department amounted to Rs. 117.49 million or 1.97 per cent. Details appear below.

Expenditure	As at 31 December 2015			Savings as a Percentage of Net Provision
	Net Provision	Utilization	Savings	
	Rs. Millions	Rs. Millions	Rs. Millions	
Recurrent	5,913.43	5,802.76	110.67	1.87
Capital	52.97	46.15	6.82	12.87
Total	5,966.40	5,848.91	117.49	1.97

## 2.2 Advance Account

### 2.2.1 Advances to Public Officers Account

#### Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers Account of the Department of Elections, Item No.02001 and the actual amounts are given below.

Expenditure		Receipts		Debit Balance	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
27.75	14.65	16.00	17.34	80.00	56.65

## 2.3 Imprest Account

The balance of the Imprest Account No.7002/0000/00/0121/0015/000 of the Department of Elections as at 31 December 2015 amounted to Rs. 30.96 million.

## 2.4 General Deposit Accounts

The balances of the 04 Deposit Accounts of the Department of Elections as at 31 December 2015 totalled Rs. 5.62 million. Details appear below.

Deposit Account Number	Balance as at 31 December 2015
	Rs. Millions
6000/0000/00/0001/0066/000	0.38
6000/0000/00/0002/0086/000	0.10
6000/0000/00/0016/0038/000	5.02
6000/0000/00/0018/0048/000	0.12
Total	5.62

## 2.5 Audit Observation

The Appropriation Account and the Reconciliation Statements for the year ended 31 December 2015 of the Department of Elections had been satisfactorily prepared subject to the Audit Observations appearing in the Management Audit Report referred to in Paragraph 1.1 above. The material and significant Audit Observations out of the Audit Observations included in the Management Audit Report appear in paragraph 3.

### 3. Material and Significant Audit Observations

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#### 3.1 Non – maintenance of Registers and Books

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It was observed during audit test checks that the Department had not maintained the following register and one register had misplaced

	<b>Type of Register</b>	<b>Relevant Regulation</b>	<b>Observation</b>
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(i)	Register of Fixed Assets	Treasury Circular No. 842 dated 19 December 1978	Not maintained Properly
(ii)	Register of Cheques and Money Orders	Financial Regulation 451	Misplaced

#### 3.2 Advances to Public Officers Account

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The following deficiencies were observed during the course of audit test checks of the Reconciliation Statement as at 31 December 2015 relating to the Reconciliation Statements as at 31 December 2015 relating to the Advances to Public Officers Account, Item No. 02001.

- (a) According to the Reconciliation Statement presented to audit, the balances that remained outstanding as at that date totalled Rs. 1,146,584. Even though those outstanding balances remained over periods ranging from 05 months to 15 years, those outstanding balances had not been recovered.
- (b) Even though, loan balances of 02 officers who vacated of posts totalling Rs. 242,131 remained outstanding for a period of 15 years, action had not been taken to recover those loan balances.

#### 3.3 Assets Management

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The following deficiencies were observed during the course of audit test checks of the assets of the Department.

##### (a) Idle and Underutilized Assets

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It was observed during the course of audit test checks that 02 motor vehicles costing Rs.11,499,999 had remained idle for a period about one year.

##### (b) Irregular use of Assets belonging to other Institutions

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It was observed during the course of audit test checks that the Department had used 03 motor vehicles belonging to other institutions without a formal vesting.

### 3.4 Non – Compliances

#### Non – compliance with Laws, Rules and Regulations

Instances of non – compliances with the provisions in laws, rules and regulations observed during the course of audit test checks are analysed below.

<b>Reference to Laws, Rules and Regulations</b>	<b>Value</b>	<b>Non - compliance</b>
	Rs.	
<b>(a) Statutory Provisions</b>		
Article 104(c) of the Constitution		Even though a Commissioner General of Elections should be appointed by the Commission subjected to the approval of the Constitutional Council, the Commissioner General of Elections had not been appointed.
<b>(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka</b>		
(i) Financial Regulation 237(b)	1,291,873	The payments had been made on 31 December 2015 before supply of 03 Softwares of SQL Server 2014.
(ii) Financial Regulation 1647(b)		A full survey on the vehicles and its equipment belonging to the Department of Elections had not been conducted.

### 3.5 Irregular Transactions

Certain Transactions entered into by the Department had been devoid of regularity Several such instances observed are given below.

#### (a) Deviation from Government Procurement Guidelines Procedure

A sum of Rs. 1,291,873 had been paid on 31 December 2015 to purchase 03 softwares of SQL Server 2014. But it had not been established, that the bids received were opened in the presence of the bid opening committee in terms of the Guideline 6.3.6 of the Government Procurement Guidelines. The money had been paid without a certification of a responsible officer, that the goods supplied were in accordance with the specifications in terms of the Guideline 8.12.3. of the Government Procurement Guidelines.

### **(b) Celebrations of 60<sup>th</sup> Anniversary of the Department of Elections**

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The expenditure of Rs. 10,933,624 made for celebrations of 60<sup>th</sup> Anniversary of the Department of Elections and the 6<sup>th</sup> Session of the Conference of Elections Authorities in South Asian Region Countries had not been authorised by Treasury. Those expenditure had been incurred under the Object of Conducting Elections and Registration of Electors.

### **3.6 Losses and Damage**

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Action in terms of financial Regulation 104(1)(a) had not been taken on losses totalling Rs. 148,229 in respect of two vehicle accidents caused in the year under review.

### **3.7 Uneconomic Transactions**

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The particulars of transactions entered into devoid of economy revealed during the course of test checks are given below.

- (a) Even though a sum of Rs. 128,444 had been spent for the repairs and maintenance works of a Jeep in the year 2015, it had been parked in the premises without using for running in the year under review.
- (b) In purchasing Toners required for printing machines used by the Department of Elections, action had been taken to purchase, without considering the requirement and as such 571 Toners valued at Rs. 7,471,297 (except the value of the 28 Toners Epson 6200 Type) had remained in the stores.

### **3.8 Management Weaknesses**

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The group transport facilities had been provided in the periods of conducting elections for the officers who are not entitled for the utilization of vehicles. Nevertheless that facility had been continued further in the periods engaging in normal duty which were not the periods of conducting of elections.

### **3.9 Human Resources Management**

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#### **Approved Cadre and Actual Cadre**

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The position on the cadre as at 31 December 2015 had been as follows.

<b>Category of Employees</b>	<b>Approved Cadre</b>	<b>Actual Cadre</b>	<b>Number of Vacancies</b>
(i) Senior Level	54	41	13
(ii) Tertiary Level	22	06	16
(iii) Secondary Level	475	374	101
(iv) Primary Level	225	201	24
<b>Total</b>	<b>776</b>	<b>622</b>	<b>154</b>