

## **Head 9- Report of the Auditor General of Administrative Appeals Tribunal– Year 2015**

---

Head 9- The audit of the Appropriation Account and Reconciliation Statements including the financial records, books, registers and other records of the Administrative Appeals Tribunal 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 Chief Accounting Officer of the Tribunal on 03 June 2016. 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 Responsibilities 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. The responsibility includes; designing, implementing, 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 Tribunal amounted to Rs.24,330,000 and out of that Rs.23,475,078 had been utilized by the end of the year under review. Accordingly, the savings out of the net provision of the Tribunal amounted to Rs.854,922 or 4 per cent of the net provision. Details are as follows.

Expenditure	As at 31 December 2015			Savings as a percentage of Net Provisions
	Net Provision	Utilization	Savings	
	Rs.	Rs.	Rs.	
Recurrent	23,130,000	22,917,292	212,708	1
Capital	1,200,000	557,786	642,214	54
<b>Total</b>	<b>24,330,000</b>	<b>23,475,078</b>	<b>854,922</b>	<b>4</b>

## 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 Tribunal under Item No.00901 and the actual amounts are given below.

Expenditure		Receipts		Debit Balance	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,170,000	645,954	355,000	732,764	2,800,000	1,370,675

### 2.3 Audit Observation

-----

Subject to the audit observations appearing in paragraph 1.1 of the Management Audit Report, the Appropriation Account and the Reconciliation Statements of the Administrative Appeals Tribunal for the year ended 31 December 2015 have been prepared satisfactorily. The material and important observations out of the observations included in this Management Audit Report appear in paragraph 3 herein.

### 3. Material and Important Audit Observations

-----

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

-----

It was observed during audit test checks that the Tribunal had not maintained the following registers.

<b>Type of Register</b>	<b>Relevant Regulation</b>
-----	-----
Register of Fixed Assets on Computers, Accessories and Software	Treasury Circular No.IAI/2002/02 of 28 November 2002
Register of Electric Equipment	Financial Regulation 454(2)

#### 3.2 Good Governance and Accountability

-----

##### **Annual Procurement Plan**

-----

The Annual Procurement Plan in terms of National Budget Circular No. 128 of 24 March 2006 had not been prepared.

### 3.3 Performance

#### ----- Key Functions not executed adequately -----

Even though it had been stated in terms of Section 7 of the Administrative Appeals Tribunal Act No.4 of 2002 that the Tribunal shall hear and finally dispose of any appeal referred to it within two months from the date of receipt of that appeal, 588 appeals had not been disposed of out of the appeals received in the preceding years and 244 appeals received in the year under review, totalling 832 appeals had to be disposed of in the year under review after being inquired. Out of those, 166 appeals had been finally disposed of by inquiring in the year under review. The following observations are made in this regard.

- (i) Out of 588 appeals received by the Tribunal before the year 2015, the Tribunal had failed to inquire and dispose of 428 appeals which had lapsed over 2 months even by 31 December 2015. Among those appeals, there were 05 appeals lapsed over 05 years.
- (ii) Two hundred forty- four appeals had been received in the year 2015 and only 06 appeals out of them had been finally disposed of by inquiring. As such, 238 appeals received in the year under review had not been disposed of.
- (iii) The recurrent expenditure in the year 2015 of the Tribunal had been a sum of Rs.22,917,292. Since the number of appeals which had been disposed of amounted to 166, the amount spent by the Government for disposing of one appeal had been a sum of Rs.138,055.
- (iv) One hundred seventeen appeals out of the 166 finally disposed appeals had been dismissed and the number of appeals that the concessions referred to in the appeal given had been 35, in terms of the Performance Report of the year 2015.

### 3.4 Uneconomic Transactions

-----  
The Tribunal had entered into agreements to obtain a building based on the payment of monthly rental of Rs.600,000 for a period of 03 years from 01 June 2015. As such, a sum of Rs.3,250,000 comprising a sum of Rs.1,750,000 as the monthly rental and a sum of Rs.1,500,000 as the key money had been paid in the year under review exceeding the Government valuation. The government assessment monthly rental of which was Rs.350,000. Provisions had not been made to release advances to external parties in Financial Regulations and 6 months rental (key money) of Rs.3,600,000 had been paid as advances in obtaining the building on rent. It had been brought to account as an expenditure in the year under review instead of bringing to account as advances.

### 3.5 Management Weaknesses

The following weaknesses were observed during the audit test checks.

- (a) A sum of Rs.511,500 had been paid in the year under review for the supply of cleaning services. Even though bids had been presented by 03 institutions under the Shopping Method before awarding the contract to the service provider, it was confirmed at the site inspection that 02 institutions did not provide cleaning services.
- (b) An agreement had been entered into, by the Tribunal for the provision of security services and a sum of Rs.401,500 had been paid relating to the year 2015 in this regard. The following are instances where action had not been taken in terms of the conditions referred to in the agreement.
- (i) Even though a certificate with the names of the officers deployed in service, their addresses, initials, National Identity Card Numbers, obtained from the Grama Niladari of their area of residence should be produced, it had not been so done.
- (ii) Even though attendance certificates of the Security Officers should be checked by the Chief Clerk in making payments, payments had been made without checking attendance certificates.

### 3.6 Human Resources Management

#### Approved Cadre and Actual Cadre

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

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies	Excess
(i) Senior Level	05	–	05	–
(ii) Tertiary Level	–	–	–	–
(iii) Secondary Level	12	09	03	–
(iv) Primary Level	05	02	03	–
(v) Others (Contract Basis)	–	10	–	10
<b>Total</b>	<b>22</b>	<b>21</b>	<b>11</b>	<b>10</b>

The following observation is made.

There were 11 vacancies in the Approved Cadre by the end of the year under review. As such, staff had been recruited on contract basis for 10 posts, comprising 04 posts in the Senior Level, 03 posts in the Secondary Level and 03 posts in the Primary Level.