

Report of the Auditor General on Head 19 – Office of the Leader of the Opposition of Parliament – Year 2016

The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records of the Head 19 - Office of the Leader of the Opposition of Parliament for the year ended 31 December 2016 was carried out in pursuance of provisions in Article 154 (I) 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 Leader of the Opposition on 2017 August 15. The audit observations, comments and findings on the accounts and 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 Office amounted to Rs. 134.12 million and out of that, a sum of Rs. 57.91 million had been utilized by the end of the year under review. Accordingly, the savings out of that total net provision made for the Office amounted to Rs. 76.21 million or 56.82 per cent of the net provision. Details appear below.

Expenditure	As at 31 December 2016			Savings as a Percentage of Net Provision
	Net Provision	Utilization	Savings	
	Rs. Millions	Rs. Millions	Rs. Millions	
Recurrent	84.79	53.30	31.49	37.14
Capital	49.33	4.61	44.72	90.65
Total	134.12	57.91	76.21	56.82

2.2. Advances to Public Officers Account

Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers Account to the Office Item No. 01901 and the actual amounts are given below.

Expenditure		Receipts		Debit Balance	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
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Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
2.50	2.48	1.20	2.21	7.50	5.53

2.3 General Deposit Account

The balance of the General Deposit Account No. 6000/0000/00/0013/0146/000 under the Office as at 31 December 2016 amounted to Rs. 25,381.

2.4 Audit Observation

It was observed that subject to the audit observations appearing in the Management Audit Report referred to in Paragraph 1.1 above, the Appropriation Account and the Reconciliation Statements of the Office of the Leader of the Opposition of Parliament for the year ended 31 December 2016, have been prepared satisfactorily. The material and important observations out of the observations included in the Management Audit Report appear in Paragraph 3 herein.

3. Significant and Material Audit Observations

3.1 Non maintenance of Registers and Books

The office had not updated the following registers shown below.

Type of Registers	Relevant Regulation
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a. Register of Fixed Assets	Treasury Circular No. 842 of 19 December 1978.
b. Register of receiving cheques, money orders etc.	Financial Regulation 451
c. Register of Counterfoil Books	Financial Regulation 341

3.2 **Imprest Account**

Following observation is made.

As per the Financial Regulation 371(5) “Ad hoc” Sub Imprest should be settled within the ten days soon after the completion of the intended task it was given. Even though, “Ad- hoc” imprest issued in 7 instances amounting to Rs. 132,000 had been settled in delay of 16 days to 2 months of period.

3.3 **Assets Management**

The following deficiencies were made during the course of audit test checks of the office.

Conduct of Annual Board of Survey

The following observations are made.

- (i) The shortage in twenty four items pointed out in the annual board of survey 2015 had been deleted from the inventory books without applying Financial Regulation 757.
- (ii) Board of Survey appointed in 2015 and 2016 has identified as unusable items in 57 categories. These items had not been disposed in a formal manner as per provision in F.R. 770 and No. 438 public Finance Circular dated 13 November 2009.

3.4 **Non – compliance**

Non – compliance with Laws, Rules and Regulations

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

Reference to Laws, Rules and Regulations

Non – compliance

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- (a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka.

Financial Regulation 237(c) and 138(4)

A formal approval had not been obtained for 21 payment vouchers submitted for the reimbursement of sums totalling Rs.117,827 paid by petty cash.

(b) Public Administration Circular No. 09/2009 and dated 16 April 2009 No. 09/2009(i) dated 17 June 2009

Even though, transport allowance Rs. 1,648,875 and overtime and holiday pay Rs. 475,382 had been paid, finger scanning machine had not been installed to record the arrival and departure to office.

(c) **Other**

Decision of the staff Advisory Committee of Parliament dated 21 October 2010
Paragraph 05

Only the days which Parliament meetings held after 6.30 p.m. including Parliament staff and officers who were in 3 office in the premises of the Parliament can be paid meeting allowances. Even though ninety eight officers who departed before 6.30, were not working in the premises of the parliament totalled of Rs. 122,625 had been paid as meeting allowances.

3.5 Non formal Transaction

Deviation from the Government Procurement Guideline

Eight laptop computers had been purchased for total cost of Rs. 956,000 at Rs. 119,500 each for the year under review and shopping method apply to select the supplier. Although, the procurement activities like price quotation, receiving, opening, evaluation, selection had not been done according to the Government Procurement Guideline, the contract was awarded to the institution which forward the maximum quotation among them.

3.6 Unresolved Audit Paragraph

Deficiencies relevant to office pointed out in the audit paragraphs included in the report which were not corrected. References are given below.

Reference to the Audit Report**Reference to the Subject**

Year	Paragraph No.	
2013	1.6(d)(ii)	Finger Scan Machine had not been used to record the arrival and departure.
	1.6(g)	Provisions on procurement guideline had not been used in procurements.
2014	1.1	Fixed Assets Register had not been updated as per the instructions in Circular.
	1.8	Provisions on procurement guideline had not been used in procurements.

3.7 Human Resources Management**Approved Cadre and Actual Cadre**

The position of the cadre as at 31 December 2016 had been follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
(i) Senior Level	04	04	-
(ii) Tertiary Level	03	03	-
(iii) Secondary Level	12	10	02
(iv) Primary Level	18	13	05
(v) Others (Casual/ Temporary/ Contract Basis)	41	14	27
Total	78	44	34