

**Report of the Auditor General on Head 2–Prime Minister’s Office - Year 2016**

The audit of the Appropriation Account and the Reconciliation statements including the financial records, books, registers and other records of the Head 2- Prime Minister’s Office for the year ended 31 December 2016 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 in the Office on 11 October 2017. 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**

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 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.

**2. Accounts**

**2:1 Appropriation Account**

**Total Provision and Expenditure**

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 The total net provision made for the Prime Minister’s Office amounted to Rs.1,374.19 million and out of that a sum of Rs.1,169.15 million had been utilized by the end of the year under review. Accordingly, the savings from the net provisions made for the Department amounted to Rs.205.04 million or 14.92 per cent . Details appear below.

Expenditure	<u>As at 31 December 2016</u>			Savings as a Percentage of Net Provision
	Net Provision	Utilization	Savings	
	Rs.million	Rs.million	Rs.million	
Recurrent	878.26	754.69	123.57	14.07
Capital	495.93	414.46	81.47	16.43
<b>Total</b>	<b>1,374.19</b>	<b>1,169.15</b>	<b>205.04</b>	<b>14.92</b>

## 2.2 Advances to Public Officers Account

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Limits Authorized by Parliament relating to the Prime Minister's Office under the item No.00201 in respect of Advances to Public Officers Accounts and actual values are shown below.

<b>Expenditure</b>		<b>Receipts</b>		<b>Debit Balance</b>	
<b>Maximum Limit</b>	<b>Actual</b>	<b>Minimum Limit</b>	<b>Actual</b>	<b>Maximum Limit</b>	<b>Actual</b>
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Rs.million	Rs.million	Rs.million	Rs.million	Rs.million	Rs.million
14.00	13.94	7.00	8.42	38.00	36.25

## 2.3 Imprest Account

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Balance of the Imprest Account No.7002/0000/00/0118/0016/000 of the Prime Minister's Office as at 31 December 2016 amounted to Rs.29.11 million.

## 2.4 General Deposit Account

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The balances of 03 General Deposit Accounts of the Prime Minister's Office as at 31 December 2016 totalled Rs. 14.05 million. Details appear below.

<b>Deposit Account Number</b>	<b>Balance as at 31 December 2016</b>
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	Rs.million
6000/0000/00/0013/0090/000	0.22
6000/0000/00/0016/0085/000	13.74
6000/0000/00/0018/0088/000	0.09
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	14.05
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## **2.5 Audit Observation**

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The Appropriation Account and the Reconciliation Statements of the Prime Minister's Office for the year ended 31 December 2016, had been prepared satisfactorily subject to the audit observations, appearing in the Management Audit Report referred to in Paragraph 1.1 above. The material and important audit observations out of the audit observations included in the Management Audit Reports appear in paragraph 3 .

## **3. Material and Significant Audit Observations**

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### **3.1 Allocation of Over Provisions**

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Excess provision had been made for 05 Objects and as such the savings, after the utilization of provisions, ranged between 21 per cent to 83 per cent of the net provisions relating to the respective Objects.

### **3.2 Liabilities**

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In terms of Paragraph 6.4 of the National Budget Circular No.01/2014 dated 01 January 2014, it should be confirmed that adequate provisions available in the relevant Objects before incurred the commitment of liabilities. However, commitment of liabilities of Rs.186.59 million had been incurred exceeding the provisions saved ,without being adequate provisions.

### **3.3 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 2016 had been as follows.

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
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(i)	Senior Level	50	33	17
(ii)	Tertiary Level	08	05	03
(iii)	Secondary Level	177	135	42
(iv)	Primary Level	191	103	88
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	Total	426	276	150
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