

Report of the Auditor General on Head 20 - Election Commission – Year 2017

The Appropriation Account and the Reconciliation Statement under Head and Item Number stated in the First Schedule and Third Schedule of the Appropriation Act, No. 24 of 2016 as amended by the Appropriation (Amendment) Act, No.32 of 2017 were presented to Audit by the Election Commission. The financial and physical performance reflected by those accounts and reconciliation statements were audited in terms of Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

1.2 Responsibility of the Chief Accounting Officer for the Financial Management and Accountability

The Minister of Finance is charged with the raising of Revenue and the collection of other Government monies as well as with the general oversight of all the financial operations of Government in terms of Financial Regulation 124 of the Democratic Socialist Republic of Sri Lanka. The Chief Accounting Officers have been appointed by the Minister of Finance to discharge the above responsibility in terms of Financial Regulation 124(2). The Head of the Department will be the Accounting Officer in respect of all the financial transactions of his Department in terms of Financial Regulation 125(1)(a) and the Revenue Accounting Officer has been appointed by the Treasury. This responsibility includes designing, implementing and maintaining internal controls relevant to the maintenance, preparation and fair presentation of Accounts and Reconciliation Statements presented within the limitations imposed by Parliament 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, Government Financial Regulations and Administrative Regulations.

1.3 Scope of Audit

The audit of the Election Commission– Head 20 for the year ended 31 December 2017 was carried out in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka in respect of designing of financial and physical performance, Government expenditure, Government revenue, management of human and physical resources, apply of internal control systems, compliance with laws, rules and regulations and maintenance of books, registers, records and reconciliation statements in an updated manner, preparation and presentation of accounts in timely manner, issuance of performance reports to respective parties based on the performance indicators. The Management Audit Report for the year under review was issued to the Director General of the Commission on 24 July 2018. The audit observations, comments and findings on the accounts and the reconciliation statements were based on a review of the plans, accounts, reconciliation statements and performance reports 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.

1.4 Audit Observation

The audit observations of the Election Commission for the year ended 31 December 2017 revealed in audit, appear in the Management Audit Report in detail, mentioned in paragraph 1.3 above. The material and significant audit observations out of the audit observations included in the Management Audit Report appear in paragraph 2.1 to 2.7 of this report. It was observed that the accountability as the Chief Accounting Officer had been satisfactorily executed, to ensure the adequacy of the financial administration subjected to the following summarized audit observations revealed in the execution of the provisions of the Financial Regulation 127 of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka.

Accountability of the Chief Accounting Officer in terms of Financial Regulation 127	Non-compliance with that Provision by the Chief Accounting Officer	Reference to the Paragraph of the report which included the Observation
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Financial Regulations

127(1)(a)	All financial work should be planned so as to ensure the business is transacted with correctness and financial propriety.	1. Non-preparation of the Action Plan accurately. 2.2.1 2. Delays in performing the role. 2.2.2 3. Savings of provisions 2.5 4. Non-maintenance of registers and books 2.7
127(1)(b)	A system which provides adequate controls over expenditure and the collection of revenue should be evolved.	1. Non-compliances 2.6 2. Unresolved audit paragraphs 2.4
127(3)	That all cases of doubt or difficulty are referred to him so that he may bring his own administrative experience and judgement to bear on them.	Underutilized assets 2.3

2. Material and Significant Audit Observations

2.1 Key Functions of the Commission

- (a) Registration of voters and preparation of the Voter Register
- (b) Conducting presidential elections, referendums, Parliamentary, Provincial Council and Local Authority elections
- (c) Making the voters aware of universal franchise and the right of vote

2.2 Performance

2.2.1 Planning

The Commission had not prepared the Action Plan for the year 2017 in terms of Public Finance Circular No.01/2014 of 17 February 2014.

2.2.2 Performance of Functions

The following observations are made.

The Project on Development of the Election Complaints Tracking System for providing speedy solutions for the complaints received to the Election Commission had been commenced and the total estimated amount of Rs.1,952,500 had been paid at once. Even though this Project should have been completed by 15 August 2017, the said purpose could not be completed even by 08 June 2018.

2.3 Assets Management

Underutilized Assets

It was observed during the course of audit test checks that the following assets had remained underutilized.

- (i) A cab motor vehicle valued at Rs.7,500,000 had been parked in the premises of the Commission in an idle manner over a period of 2 years after being subjected to unserviceable condition due to an accident occurred on 08 September 2015. The relevant insurance company had agreed to pay a sum of Rs.5,500,000 on full indemnity basis for this motor vehicle, by the letter dated 17 July 2018 and the activities of cancellation of registration had not been finalised.
- (ii) Twenty five air conditioners purchased for 03 regional offices by spending a sum of Rs.2,645,500 had remained idle for a period of about 03 months due to the delay in supply of power. Action had not been taken even by 24 July 2018 to supply power for 12 air conditioners out of them.

- (iii) A sum of Rs.11.6 million had been spent by 31 December 2017 to arrange a computer disaster recovery centre at the Hambantota Election Office for the protection of data existing in the computer database system of the Commission relating to preparation of the Voter Register. Even though payments had been made, the installation of relevant servers had delayed by 07 months up to 13 July 2018 due to the delay in installation of parts of the fire protection system.
- (iv) The Project on Development of the Election Complaints Management System had not been established. The 27 television sets valued at Rs.891,000 purchased for the Project as planned, had remained underutilized without being used for the relevant purpose.

2.4 Unresolved Audit Paragraphs

Action is being taken to vest the land belonging to the Heen Ela Reserve with the ballot box stores constructed by spending a sum of Rs.966,969 included in paragraph 3.3 of the Report of the Auditor General on the Commission for the year 2016, in the Commission and the activities on vesting had not been finalised up to now.

2.5 Utilization of Provisions made by Parliament for Performance of Functions

Details on provisions made for the Commission during a period of 05 years ended 31 December 2017, utilization and savings and audit observations thereon appear below.

Year	Type of Expenditure	Net Provision ----- Rs.Millions	Utilization ----- Rs,Millions	Savings ----- Rs,Millions	Savings as a Percentage of Net Provisions
2013	Recurrent	1,328.90	1,313.67	15.23	1.15
	Capital	41.00	40.61	0.39	0.95
	Total	1,369.90	1,354.28	15.62	1.14
2014	Recurrent	2,113.45	2,099.12	14.33	0.68
	Capital	81.00	79.71	1.29	1.59
	Total	2,194.45	2,178.83	15.62	0.71
2015	Recurrent	5,913.43	5,802.76	110.67	1.87
	Capital	52.97	46.15	6.82	12.88
	Total	5,966.40	5,848.91	117.49	1.97
2016	Recurrent	3,581.80	577.56	3,004.24	83.88
	Capital	57.51	55.28	2.23	03.88
	Total	3,639.31	632.84	3,006.47	82.61
2017	Recurrent	4,456.01	788.62	3,667.39	82.30
	Capital	110.83	105.86	4.97	4.48
	Total	4,566.84	894.48	3,672.36	80.41

The following observation is made in respect of the year under review.

Even though a supplementary estimate of Rs.4,800,000 had been made for conducting workshops on making school children aware of universal franchise, in collaboration with the Ministry of Education, the entire provision had been saved.

2.6 Non-compliances

Even though a full survey should be conducted on the motor vehicles and the equipment thereof owned by the Election Commission in terms of Financial Regulation 1647 (b), no such survey had been conducted.

2.7 Non-maintenance of Registers and Books

Assets Management

A Register of Fixed Assets had not been maintained in a proper and updated manner in terms of Treasury Circular No.842 of 19 December 1978 relating to the assets of the Commission.

2.8 Human Resources Management

Approved Cadre, Actual Cadre and the Expenditure on Personal Emoluments

The position on the approved cadre, actual cadre, vacancies and excess cadre as at 31 December 2017 in the performance of functions mentioned in paragraph 2.1 above is given below.

Category of Employee	Approved Cadre	Actual Cadre	Vacancies	Excess
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(i) Senior Level	52	49	03	-
(ii) Tertiary Level	21	09	12	-
(iii) Secondary Level	476	420	56	-
(iv) Primary Level	222	190	32	-
(v) Casual/Contract Basis	01	809*	-	808
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Total	772	1,477	103	808
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*Hundred and three vacancies had existed by the end of the year under review and 809 persons comprising 682 employees and 127 retired officers had been recruited on casual and contract basis on the approval of the Election Commission from 05 December 2017 to 28 February 2018 for election purposes.