

Report of the Auditor General on Head 230 - Department of Legal Draftsman – Year 2017

The Appropriation Account and 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 Department of Legal Draftsman. The financial and physical performance reflected by those accounts and the 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 and the 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 Audit Scope

The audit of Department of Legal Draftsman – Head 230 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 Legal Draftsman of the Department on 21 September 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 Department of Legal Draftsman for the year ended 31 December 2017 revealed in audit appear in 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 2.8 of this report. It was observed that the accountability as the 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 128 of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka.

Accountability of the Accounting Officer in terms of Financial Regulation 128 (1)	Non-compliance of the Accounting Officer to the Provision	Reference to the Paragraph of the report Containing Observations
----- Financial Regulations -----	-----	-----
128(1)(a) The work of his department is planned and carried out with due despatch , having regard to the policy laid down by the Government and the intentions of Parliament in granting him financial provision for the activities authorised and that an endeavour is made to complete the programme of work laid down for the year and / or attain the targets specified.	1. Failure to maintain registers and books 2. Delays in the execution of projects	2.5 2.2.1

128(1)(o)	The procedure laid down in Financial Regulations 103 to 108 is adhered to in case of losses to Government by the delays, negligence, faults or frauds on the part of officers / employees and surcharges are imposed on officers / employees responsible for such losses in terms of F. R. 156 (1). (Making adequate arrangements for ensuring the above matters shall be his responsibility)	Failure to obtain security deposits from the officers who deal with pecuniary.	2.8
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2. Material and Significant Audit Observations

2.1 Key Functions of the Department

- Transforming Government policies into legislation.
- Formulation of drafts in three languages for enacting new legislation and amending existing legislation.
- Providing legal consultation on the Bills for the various Ministries and Departments of the Government.
- Execution of Parliamentary duties on the enactment of legislation.
- Drafting laws for the provincial councils.

2.2 Performance

According to the Note of the Progress Report 2017 of the Department of Legal Draftsman, the number of requests made for drafting legislations (original and amended legislations), revising subsidiary legislations and formulation of Provincial Council enactments was 259, 341 and 27 respectively as at 31 December 2017 and the number of request that further remained with the Legal Draftsman without completing the drafting activities stood at 10,31 and 01 respectively. However, the number of requests remained seeking observations and consultations of the Department of Legal Draftsman or other Departments on completion of initial drafting activities stood at 156,126 and 08. The requests retained with the external parties seeking observations and consultations remained at 60 per cent, 37 per cent and 30 per cent respectively as a percentage of the total requests. Accordingly, it was observed that the above matter had directly posed impact on the performance of the Department of Legal Draftsman which did not have a programme confined to that Department itself.

2.2.1 Failure to execute functions

The following observations are made.

Delays in the execution of projects

The estimated cost for the legislation amending project amounted to Rs.185 million. This project was initiated on 01 July 2014 and scheduled to be completed on 31 December 2017. Nevertheless, the project had not been completed as at that date. Provisions aggregating Rs.8,710,923 comprising Rs.659,934, Rs.2,102,258, Rs.1,939,829 and Rs.4,008,902 had been utilized in the years 2014,2015, 2016 and 2017 respectively and the percentage of the utilization had represented 4.7 per cent of the total net provision.

2.3 Utilization of Provision Made by the Parliament for the Execution of Activities

Information relating to the provision made for the Department during the 05 year period ended as at 31 December 2017, utilization, and the saving along with audit observations thereon, are as follows.

Year	Category of Expenditure	Net Provision	Utilization	Saving	Savings as a percentage of the net provision
		Rs. Millions	Rs. Millions	Rs. Millions	
2013	Recurrent	68.06	58.92	9.14	13
	Capital	50.55	6.09	44.46	88
	Total	118.61	65.01	53.60	45
2014	Recurrent	69.85	67.98	1.87	3
	Capital	42.48	7.86	34.62	81
	Total	112.33	75.84	36.49	32
2015	Recurrent	87.84	76.21	11.63	13
	Capital	70.81	11.92	58.89	83
	Total	158.65	88.13	70.52	44
2016	Recurrent	86.56	76.90	9.66	11
	Capital	31.30	15.86	15.44	49
	Total	117.86	92.76	25.10	21
2017	Recurrent	109.20	95.70	13.50	12
	Capital	30.20	28.74	1.46	5
	Total	139.40	124.44	14.96	11

2.4 Commitments and Liabilities

Without being complied with Paragraph 02 (a) of the Public Finance Circular No.255/2017 dated 27 April 2017, commitments of Rs.0.1 million had been incurred while exceeding the provision of Rs.5 million made for 02 Objects by Rs.0.1 million.

2.5 Non-maintenance of registers and books

It was observed at the audit test checks that the Department had not maintained the following registers.

	Type of the document	Relevant Regulation
(a)	Security Register	Financial Regulation 891(1)
(b)	Vehicle Listing Register	Financial Regulation 1647(e)

2.6 Audit and Management Committee

The meetings of the Audit and Management Committee should be conducted in terms of Management Audit Circular No.DMA/2009(I) (i) dated 28 January 2016 and 04 meeting sessions at one meeting per quarter should have been held in the Department by the end of the year under review. Nevertheless, only 02 meetings had been conducted.

2.7 Human Resource Management

Attached Cadre, Actual Cadre, and Expenditure on Personnel Emoluments

Particulars on the approved, actual, and vacant cadre for the execution of duties specified in Paragraph 2.1 above were as follows. The Department had spent a sum of Rs. 83.18 million for the year under review on personnel emoluments.

	Category of Employees	Approved Cadre	Actual Cadre	No. of Vacancies	Excess
(i)	Senior Level	42	29	13	-
(ii)	Tertiary Level	28	14	14	-
(iii)	Secondary Level	54	40	14	-
(iv)	Primary Level	24	22	02	-
(v)	Contract	-	04	-	04
	Total	148	109	43	04

The following observations are made in this connection

(a) Existence of Staff Vacancies

The approved cadre (Senior and Tertiary level) that makes direct contribution towards drafting legislations while transforming the policies of the Government into legislation to ensure the good governance, stood at 70 as at 31 December 2017 and the number of vacancies stood at 28, thus representing 40 per cent of the total approved cadre. Accordingly, it is observed in audit that the above matter had directly posed impact on the performance of the Department.

Post -----	No. of Vacancies -----
Senior Assistant Legal Draftsman	07
Assistant Legal Draftsman	05
Assistant Director	01
Administrative Officer (Recruited on contract basis)	01
Chief Translator	01
Translator	13

	28
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It was observed that there were no officers who have completed an adequate period of service (10 years) to grant promotion to the post of Senior Assistant Legal Draftsman in the Department, the post of Translator remained in vacant due to lack of candidates who have satisfied the qualifications relating to that post and action had been taken to prepare scheme of recruitment for the post of Assistant Legal Draftsman and obtain relevant approval therefor.

2.8 Security of Public Officers

Action in terms of Financial Regulation 880 had not been taken in respect of 06 officers who is liable to give security.