



වාර්ෂික වාර්තාව
වருடාந்த அறிக்கை
Annual Report
2016

ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ
විගණන සේවා කොමිෂන් සභාව

இலங்கை சனநாயக சோசலிசக் குடியரசின்
கணக்காய்வு சேவைகள் ஆணைக்குழு

**Audit Service Commission of
Democratic Socialist Republic of Sri Lanka**



Audit Service Commission

Annual Report

2016

No 35 A

Dr. N.M. Perera Mawatha

Colombo 08

Telephone : 0112-674659/0112-674660

Fax : 0112-674657

e-mail : secretaryasc@slt.net.lk

: ascoffice@slt.net.lk

Vision

Excellent Audit Service for enhancement of Public Accountability
and Public Interest

Mission

To ensure Accountability of Public Resources by
establishing Professional , Competent and Good governance based
State Audit Service

Our Values

- Independence
- Impartial
- Integrity
- Innovation
- Transparency
- Accountability
- Professionalism

Members of the Audit Service Commission

Chairman

Mr. H.M. Gamini Wejisingha

Members

Justice Nihal Sunil Rajapaksha

Mr. I. Gamini Abeyarathna

Mr. V.Kandasamy

Mr. W. A. Somapala Perera

Index

Serial No	Reason	Page No
1.	Introduction	1
2.	Powers, functions and duties of the Audit Service Commission	1-2
3.	Performance of the Audit Service Commission -2016	3-6
3.1	Progress in relation to the powers and functions of the Commission under the Article 153C of the Constitution	3
3.2	Other activities of the Commission	3-4
3.3	Administration and finance Activities	4-6
4.	Staff	6-8
4.1	Organization Chart	6
4.2	Composition of Staff	6-8
5.	Commission Meetings	8
6.	Acknowledgement	8-9
7.	Annexes	
	1. Letter sent to Attorney General	10-11
	2. Reply of the Attorney General	12-13
	3. Cabinet decision	14-17
	4. Financial report from 01.01.2016 to 31.12.2016	18
	5. Organization Chart of the Audit Service Commission	19

Audit Service Commission

1. Introduction

Audit Service Commission was established under Article 153A (1) of the Chapter XVII of the Constitution

According to the Article 153A (1) of the Constitution, Commission consisted of the Auditor General who shall be the Chairman of the Commission, and the following members appointed by the President on the recommendation of the Constitutional Council.

- a. Two retired officers of the Auditor General's Department who have held office as a Deputy Auditor General or above
- b. A retired Judge of the Supreme Court, Court of Appeal or the High Court of Sri-Lanka
- c. A retired Class I officer of the Sri Lanka Administrative Service

In accordance with the provisions in Article 153 H of the Constitution, The Audit Service Commission is required to submit an annual report to the Parliament in each calendar year. This report is submitted for the year 2016 accordingly.

2. Powers, functions and duties of the Audit Service Commission

The powers of appointments, promotions, transfers, disciplinary control and dismissal of the members belonging to the Sri Lanka State Audit service shall be vested in the Commission under the provisions in Article 153 C (1) of the Constitution.

In accordance with the provision in Article 153A (2), Commission shall make rules pertaining to schemes of recruitment, the appointment, promotion, transfer, disciplinary controlled and dismissal of the members belonging to the Sri Lanka State Audit Service, subject to any policy determined by the Cabinet of Ministers pertaining to the same.

Further, preparation of annual estimate of the National Audit Office, exercise, perform and discharge of such other powers, duties and functions as may be provided for by law are empowered to the Commission.

In terms of the section 49(5) of the 19th amendment to the Constitution, all matters relating to the appointment, promotion, transfer, disciplinary control and dismissal of the members of the Sri Lanka State Audit Service and pending before the Public Service Commission on the day preceding the date on which the 19th Amendment of the Constitution comes in to operation shall, with effect from that date stand transferred to the Audit Service Commission and shall be determined by the Audit Service Commission accordingly.

Since the Sri Lanka State Audit Service has not been established as referred to in Article 153B (2) of the Constitution, advice has been sought from Attorney General for implementation of the powers vested with the Commission. (Letter sent to Attorney General is annexure as annexes 1)

Attorney General, by his letter dated 4th January 2016 has informed that the Public Service Commission would have to exercise powers over the officers of Sri -Lanka Audit Service and Sri -Lanka Audit Examiners Service until the establishment of Sri -Lanka State Audit Service. (Reply of the Attorney General is annexure as annexes 2)

Subsequently, Cabinet decision dated 27 January 2016 was received by stating that establishment matters pertaining to the officers of Sri-Lanka Audit Service and the Sri Lanka Audit Examiners' Service be attended to by the Public Service Commission, until such time the officers of the Sri-Lanka Audit Service and the Sri Lanka Audit Examiners' Service are absorbed in to Sri-Lanka State Audit Service to be established in the future. (Cabinet decision related to such matter is annexure as annexes 3)

Due to non-establishment of Sri-Lanka State Audit Service, Audit Service Commission could not fully exercise its powers and functions vested in the Constitution to-date.

3. Performance of the Audit Service Commission -2016

3.1 Progress in relation to the powers and functions of the Commission under the Article 153C of the Constitution

Powers	Progress
<ul style="list-style-type: none"> ➤ Appointment ➤ Promotion ➤ Transfers ➤ Disciplinary Control ➤ Dismissal <p>of the members belonging to the Sri Lanka State Audit Service</p>	<p>Action has not been taken due to non-establishment of the Sri Lanka State Audit Service</p>
<p>Make rules pertaining to Scheme of Recruitments, appointment, transfer, disciplinary control and dismissal of the officers belonging to Sri Lanka State Audit Service</p>	<p>Draft Rules comprising eleven (11) chapters have been prepared for appointments and related matters to be implemented with relevant changes after establishment of the Sri Lanka State Audit Service.</p>
<p>Preparation of Annual Estimate of the National Audit Office</p>	<p>Action has not been taken due to the delay in enactment of the National Audit Act, which includes the establishment of National Audit Office as well</p>

3.2 Other activities of the Commission

- (a) Office of the Audit Service Commission commenced functioning at the building of the Auditor Generals' Department, was shifted in April 2016 to No 35 A, Dr. N.M. Perera Mawatha, Colombo 08.
- (b) The powers and functions of the Audit Service Commission could be fully implemented only after establishment of the Sri Lanka State Audit Service and the provisions for establishment of the Sri Lanka State Audit Service have been included in the proposed National Audit Act. Therefore, observations of the Commission relating to provisions in the draft National Act were sent to the Auditor General.

- (c) The Commission has also sent its observation on draft National Audit Act to the Secretary of the Ministry of Special Assignment for their consideration and submission to the Cabinet Sub Committee to review the draft National Audit Act.

3.3 Administration and finance Activities

- (a) Two divisions such as Administration and Finance Divisions have been established for handling day to day activities of the Audit Service Commission

Administration Division

Overall administration, human resources management and information management are being handled by the Administration Division.

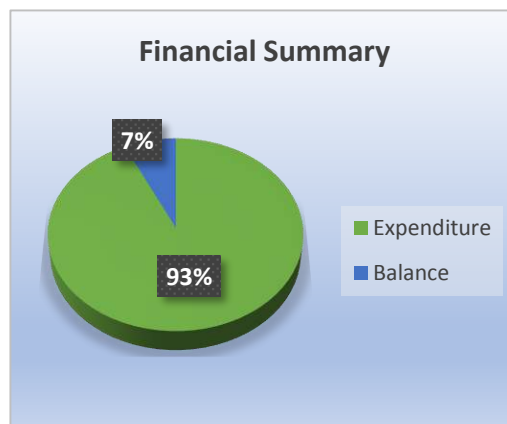
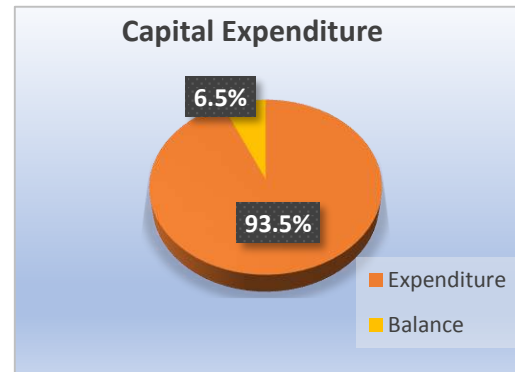
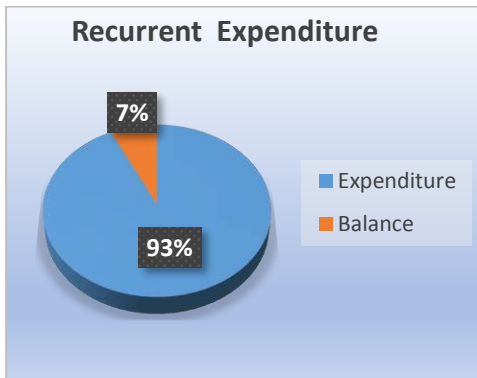
Accounts Division

Accounts division performs all functions related to financial matters and fixed assets records.

- (b) Financial allocation of rupees 35.5 Million for year 2016 was received from the Treasury comprising rupees 29 Million for Recurrent expenditure and balance rupees 6.5 Million for Capital expenditure.
- (c) The summary of the financial allocation, actual expenditure and balance for the year 2016 are as follows. (Total financial report at annexes 4)

	Allocation Rs.	Expenditure Rs.	Balance Rs.
Recurrent	29,000,000	26,934,065	2,065,935
Capital	6,500,000	6,072,392	427,608
Total	35,500,000	33,006,457	2,493,543

Expenditure of the Audit Service Commission (2016)



- (d) Preparation of Data Base including actions taken in respect of the communications received by the Commission
- (e) Eight (8) officers have under gone training on staff training programme as detailed below.

	Name of the Training Programme	Designation of the officer	Number of officers
1	Two days' work shop for Efficiency Bar Exams	Public Management Assistant	02
2	Maintenance of Accounts Books	Public Management Assistant	01
3	Upgrading the professional knowledge and attitudes of Office Assistants	Office Assistant	02
4	Upgrading the professional knowledge and attitudes of Drivers	Drivers	02
5	Secretarial training	Public Management Assistant	01

(f) Action is being taken to design a website for Audit Service Commission.

4. Staff

4.1 Organization Chart

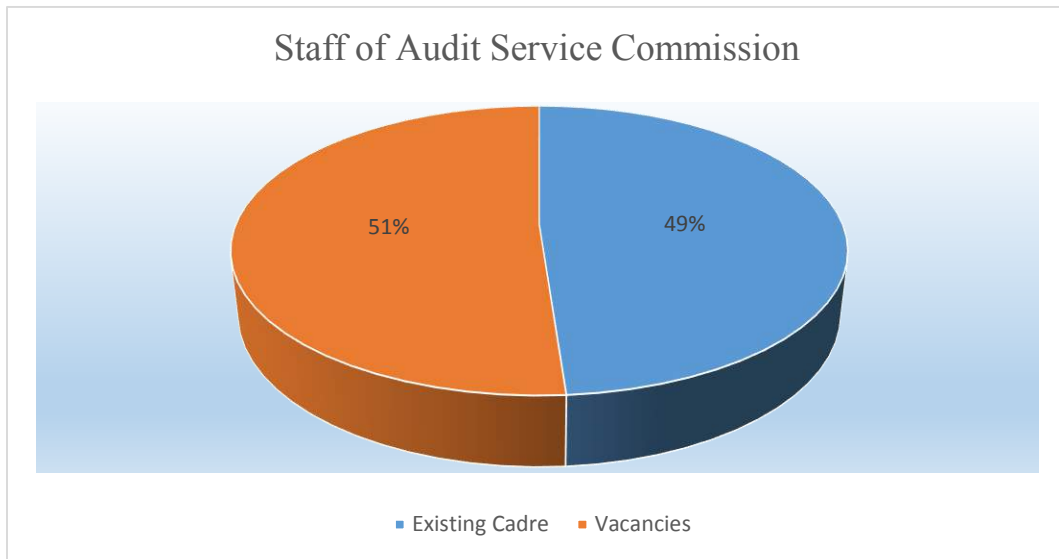
Organization chart of the Audit Service Commission is at annexes 5

4.2 Composition of Staff

During the year 2016, the approved cadre of the Audit Service Commission is 43 officers. However, only 21 staff have been employed considering the present workload. The details of the staff composition as follows.

**Approved Cadre , Existing Cadre and Vacancies of Audit Service Commission as at
31.12.2016**

Service Level	Designation	Service	Grade/ Class	Approved Cadre	Existing Cadre	Vacancies against the approved Cadre
Senior Level	Secretary			01	01	0
	Additional Secretary	SLAS	Special	01	0	01
	Senior Assistant Secretary	SLAS	I	01	0	01
	Director	All Island Services	I	01	0	01
	Assistant Secretary	SLAS	III /II	02	0	02
	Assistant Director	All Island Services	III /II	01	0	01
	Audit Superintendent	SLAuS	III /II	01	0	01
	Accountant	SLAcS	III /II	01	01	0
	Legal Officer	Departmental	III /II	01	0	01
	Total				10	02
Tertiary Level	Administrative Officer	PMAS	Supra	01	01	0
	Translator	TS	II/ I	03	0	03
	ICT Officer	SLICTS	Class 2 II/ I	01	01	0
	Total			05	02	03
Secondary Level	ICT Assistant	SLICTS	III /II/ I	01	0	01
	Public Management Assistant	PMAS	Class 3 III /II/ I	15	07	08
	Total			16	07	09
Primary Level	Driver	DS	III	06	05	01
	KKS	OES	III	06	05	01
	Total			12	10	02
Total				43	21	22



5. Commission Meetings

Sixteen (16) Commission meetings have been held during the year under review.

6. Acknowledgement

The Audit Service Commission acknowledge with profound gratitude the co-operation and assistance extended by Presidential Secretariat, Secretary General Parliament, Ministry of Public Administration and Management, Ministry of Finance ,Auditor General’s Department and entire staff of the Audit Service Commission .

Mr. H.M. Gamini Wejarsingha

Chairman



Justice Nihal Sunil Rajapaksha

Member



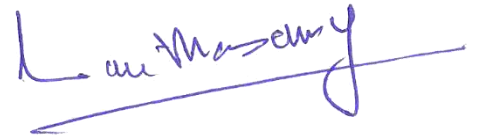
Mr. I. Gamini Abeyarathna

Member



Mr. V.Kandasamy

Member



Mr. W. A. Somapala Perera

Member



Annexure - 01

ASC/1/2015

29 December 2015

Hon. Attorney General
Attorney General's Department

LEGAL ISSUES IN CONNECTION WITH THE POWERS VESTED IN THE AUDIT SERVICE COMMISSION

The Audit Service Commission which is constituted under Article 153(A) of the Nineteenth Amendment to the Constitution of the Democratic Socialist Republic of Sri Lanka Commenced its function from 23 November 2015 after appointing its members by H.E the President.

According to Article 153(c) (1) of the Nineteenth Amendment to the Constitution, the powers of appointment, promotion, transfer, disciplinary control and dismissal of the members belonging to Sri Lanka State Audit Service is vested in the Audit Service Commission.

After passing the Nineteenth Amendment to the Constitution by the Parliament and Certified on 15 May 2015 the matters relating to appointment, promotion, transfer, disciplinary control and dismissal of the officers of the Sri Lanka Audit Service and Sri Lanka Audit Examiners Service have not been attended by the Public Service Commission as advised the Attorney General by his letter dated 25 May 2015.

According to Article 49 (5) of the Nineteenth Amendment to the Constitution all matters relating to the appointment, promotion, transfers, disciplinary control and dismissal of the members of the Sri Lanka State Audit Service and pending before the Public Service Commission on the day preceding the date on which this Act comes into operation shall be transferred to the Audit Service Commission and shall be determined by the Audit Service Commission.

The Cabinet of Ministers had decided as a matter of policy on 23/12/2014 to establish the Sri Lanka State Audit Service and to absorb officers of Sri Lanka Audit Service and Sri Lanka Audit Examiners Service into proposed new Service. but the National Audit Act incorporating the establishment of Sri Lanka State Audit Service has not been passed in the Parliament.

The Sri Lanka State Audit Service referred in the Nineteenth Amendment to the Constitution has not been defined or its Composition Stated. In the absence of such definition question arises whether Audit Service Commission newly constituted could exercise powers of the appointment, promotion, transfer, disciplinary control and dismissal of the officers of the Sri Lanka Audit Service and Sri Lanka Audit Examiners Service.


On such situation the Audit Service Commission directed me to obtain your opinion and views as to know whether Audit Service Commission could act in relation to the appointment, promotion, transfer, disciplinary control and dismissal of the officers belonging to the Sri Lanka Audit Service and Sri Lanka Audit Examiners Service until the State Audit Service established.

Since the matters relating to appointment, promotion, transfer, disciplinary control and dismissal matters related to officers in Sri Lanka Audit Service and Sri Lanka Audit Examiners Service are pending, I shall be thankful if you give advice as to know whether the Audit Service Commission could exercise its powers till the National Audit Act passed or alternative arrangement as an interim measure.

I enclosed the following documents for your convenience.

- (i) Draft National Audit Act
- (ii) Copy of the Cabinet decision dated 23/12/2014
- (iii) Copy of the letter sent to you by the Public Service Commission and your reply dated 25 May 2015
- (iv) Cabinet decision dated 10 June 2015

Your early response is highly appreciated.


M.W Kanthi Gunathilake
Secretary
Audit Service Commission

Annexure 02

මගේ අංකය
எனது இல.
My No. } AG/61/2015

ඔබේ අංකය
உமது இல.
Your No. } ASC/1/2015

දුරකථන අංක
தொலைபேசி இல.
Telephone Nos. } 2147888
2433967
2433769
2320800
2327919

විද්‍යුත් තැපෑල
மின்-அஞ்சல்
E-mail } administration@attorneygeneral.gov.lk

ෆැක්ස්
தொலைநகல்
Fax } 2436421



නීතිපති දෙපාර්තමේන්තුව
சட்டமா அதிபர் திணைக்களம்
ATTORNEY - GENERAL'S DEPARTMENT

මගේ අංකය
எனது இல.
P.O. Box No. } 502

කොළඹ 12
கொழும்பு 12
Colombo 12.

04th January, 2016.....

Ms. M. W. Kanthi Gunathilake,
Secretary,
Audit Service Commission,
306/72, Polduwa Road,
Battaramulla.


LEGAL ISSUES IN CONNECTION WITH THE POWERS VESTED IN THE AUDIT SERVICE COMMISSION

I refer to your letter dated 29 December 2015, requesting an opinion on whether the Audit Service Commission could exercise powers relating to the appointment, promotion, transfer, disciplinary control and dismissal (hereinafter collectively referred to as "powers") of the officers of the Sri Lanka Audit Service and Sri Lanka Audit Examiners Service and the subsequent correspondence and discussions.

In terms of the 19th Amendment to the Constitution, the Audit Service Commission has powers over the members of the Sri Lanka State Audit Service. The Sri Lanka State Audit Service is a new service that has been proposed, and the Cabinet has taken a policy decision on 23 December 2014 to establish such a new service. However, as at present, the Sri Lanka State Audit Service has not been established. In any event, in terms of Article 153B(2) of the Constitution, Parliament has to provide by law for the establishment of the Sri Lanka State Audit Service.

As indicated to the Public Services Commission by our letter dated 25 May 2015, a copy of which has been forwarded by you along with your letter under reference, the Public Service Commission cannot exercise any powers over members of the Sri Lanka State Audit Service and it would have to transfer all matters relating to the Sri Lanka State Audit Service pending before it to the Audit Service Commission. However, until the establishment of the Sri Lanka State Audit Service, it is the Public Services Commission that would have to exercise powers over the officers of the Sri Lanka Audit Service and Sri Lanka Audit Examiners Service. It would have been helpful had the Cabinet been apprised of the distinction between the Sri Lanka Audit Service and Sri Lanka State Audit Service.

In the above circumstances, it would be necessary to apprise the Cabinet of the contents of this letter prior to taking any further steps in this regard.


Nirmalan Wigneswaran
Senior State Counsel

Sgd./ Y.J.W. Wijayatilake, P.C.
Attorney General

A Decision of the Cabinet meeting held on 2016-01-27

Annexure - 03

(C) Supplementary Agenda Items:

48. The Report No.01 containing recommendations on Nine (09) Cabinet Memoranda from among those taken up for discussion by the Cabinet Sub-Committee on Establishment Matters at its meeting held on 2016-01-26 at the Ministry of Buddhasasana, annexed to the Note to the Cabinet dated 2016-01-26 by the Minister of Buddhasasana and the Minister of Justice and the Chairman of the Cabinet Sub-Committee on Establishment Matters, numbered as Cabinet Paper No.16/0146/755/001 were considered by the Cabinet and the following recommendation contained in the said recommendations, was approved:

48.09 Cabinet Paper No.15/0852/634/003-I, being the letter dated 2016-01-05 by the Secretary, Audit Service Commission addressed to the Secretary to the Cabinet on “**Dealing with Establishment Matters pertaining to the Officers of the Sri Lanka Audit Service and the Sri Lanka Audit Examiners' Service, by the Sri Lanka Audit Commission established in terms of the provisions of the 19th Amendment to the Constitution**” - approval was granted to the following recommendation of the Cabinet Sub-Committee:

“the above letter was considered by the Cabinet Sub-Committee along with the following documents:

- (I) the letter dated 2015-05-21 by the Secretary, Public Service Commission addressed to the Attorney General on “Implementation of the Nineteenth Amendment to the Constitution”;
- (II) the letter dated 2015-05-25 by the Attorney General sent to the Secretary, Public Service Commission, in reply to the letter referred to at (I) above;

Contd. 2/.

A Decision of the Cabinet meeting held on 2016-01-27

- 2 -

- (III) the Cabinet decision dated 2015-06-10 on CP No.15/0852/634/003 stipulating that, establishment matters pertaining to the Police Officers and Officers of the Sri Lanka Audit Service should be dealt with by the Cabinet of Ministers, until such time the National Police Commission and the Audit Service Commission are established, in terms of the provisions of the Constitution as amended by the Nineteenth Amendment to the Constitution;
- (IV) the letter dated 2015-12-29 by the Secretary, Audit Service Commission addressed to the Attorney General on 'Legal issues in connection with the powers vested in the Audit Service Commission';
- (V) the Attorney General's letter dated 2016-01-04 sent to the Secretary, Audit Service Commission, in reply to the letter referred to at (IV) above; and
- (VI) the Attorney General's letter dated 2016-01-25 sent to the Secretary, Public Service Commission, intimating that establishment matters pertaining to officers of the Sri Lanka Audit Service and the officers of the Sri Lanka Audit Examiners' Service should be dealt with by the Public Service Commission, until such time the Sri Lanka State Audit Service is established and the present staff is absorbed to the said Service in terms of the provisions of the Nineteenth Amendment to the Constitution.

After discussion, the Cabinet Sub-Committee observed -

Contd. 3/.

A Decision of the Cabinet meeting held on 2016-01-27

- 3 -

- (a) that, a clarification has subsequently been made by the Attorney General's letter dated 2016-01-25, to the effect that the advice given by the Attorney General to the Public Service Commission referred to at (II) above is to be applicable only to the officers of the Sri Lanka State Audit Service which is to be established in the future, and not to the presently serving officers of the Sri Lanka Audit Service and the Sri Lanka Audit Examiners' Service;
- (b) that, as per the advice given in the Attorney General's letter referred to at (VI) above, establishment matters pertaining to the officers of the Sri Lanka Audit Service and Sri Lanka Audit Examiners' Service, should be dealt with by the Public Service Commission, until such time the Sri Lanka State Audit Service is established in terms of the provisions of the Nineteenth Amendment to the Constitution; and
- (c) that, it would be appropriate to obtain the concurrence of the Public Service Commission pertaining to the decisions taken by the Cabinet of Ministers, as per the Cabinet decision referred to at (III) above, in relation to the officers of the Sri Lanka Audit Service and the Sri Lanka Audit Examiners' Service.

After further discussion, it was decided to recommend to the Cabinet to make a request from the Public Service Commission as follows:

- (i) to give concurrence to the decisions taken by the Cabinet of Ministers as per the Cabinet decision referred to at (III) above dated 2015-06-10 on CP No.15/0852/634/003 pertaining to the officers of the Sri Lanka Audit Service and the Sri Lanka Audit Examiners' Service; and

Contd. 4/.

A Decision of the Cabinet meeting held on 2016-01-27

- 4 -

- (ii) that, establishment matters pertaining to the officers of the Sri Lanka Audit Service and the Sri Lanka Audit Examiners' Service be attended to by the Public Service Commission, until such time the officers of the Sri Lanka Audit Service and Sri Lanka Audit Examiners' Service are absorbed into the Sri Lanka State Audit Service to be established in the future."

It was also decided to treat this decision as confirmed and to authorize the Secretary to the Cabinet of Ministers to convey same to the relevant authorities for necessary action accordingly.

Action by: **Secretary to the President** - copy each of the relevant documents annexed.
Secretary, Public Service Commission
Secretary, Audit Service Commission

Copied to: **Attorney General**
Secretary to the Prime Minister - copy each of the relevant documents annexed.
My/Finance
My/Public Administration and Management
Auditor General

Audit Service Commission
Total Provision and Expenditure as at 2016.01.01 to 2016.12.31

Object	Description	Annual Budgetary Provision 2016 Rs.	Supplementary Provision 2016 Rs.	FR 66 Transfers Rs.	Approved Net Provision for year 2016 Rs.	Total Expenditure for 2016-01-01 to 2016-12-31 Rs.
21-01-01-02-1405	Recurrent Expenditure	29,000,000.00	-	-	29,000,000.00	26,934,065.51
	Personal Emoluments					
1001	Salaries and Wages					3,589,464.56
1002	Overtime and Holiday payments					84,277.14
1003	Other Allowances					7,913,636.33
	Travelling Expenses					
1101	Domestic					5,646.00
	Supplies					
1201	Stationery and Office Requisites					1,004,665.52
1202	Fuel					1,555,381.53
1203	Diets and Uniforms					96,096.29
	Maintenance Expenditure					
1301	Vehicles					306,013.10
	Services					
1402	Postal and Communication					788,730.58
1403	Electricity and Water					266,973.98
1404	Rents and Local Taxes					9,437,500.00
1405	Other					1,677,350.94
	Transfers					
1506	Property Loan Interest of Public Servants					208,329.54
21-01-01-02-2501	Capital Expenditure	6,500,000.00	-	-	6,500,000.00	6,072,391.69
	Rehabilitation and Improvement of					
	Capital Assets					
2001	Buildings and Structures					31,319.00
2003	Vehicles					56,000.00
	Acquisition of Capital Assets					
2102	Furniture and Office Equipment					5,905,947.69
	Human Resource Development					
2401	Staff Training					79,125.00
	Total	35,500,000.00	-	-	35,500,000.00	33,006,457.20

