

## Head 12 Parliament Office - Auditor General Report 2015

### PART A: FINANCIAL STATEMENT

12.1	Audit Opinion	The audit of the 2015 accounts of the Parliament Office resulted in the issue of a qualified audit report. The basis of qualification was that expenses totalling \$7,612,055 incurred by the Office in 2015 were not classified into respective expenditure groups SEG's 1 - 13. Therefore full financial information has not been disclosed to the users in the Statement of Receipts and Expenditures.
12.2	Statement of Receipts & Expenditure	Total expenditure increased by \$2,503,785 or 49% in 2015 compared to 2014. The increase was attributed to increase in staff establishment from 47 in 2014 to 96 in 2015, increased in claim for subsistence allowance and overseas travel expenses for Members of Parliament and Secretariat. In addition, there were increase in procurement of office equipment, furniture, office supplies and minor building maintenance works.
12.3	Appropriation Statement	The Parliament Office incurred expenditures totalling \$7,612,055 in 2015 against the revised budget of \$8,888,234 resulting in a savings of \$1,276,179 or 14%.

### PART B: AUDIT FINDINGS

HEADING	Audit Issue	Recommendation from OAG	Parliament office response
12.4 Budget Appropriation Classification	<p>The budget papers for a financial year (the "budget year") comprise budget estimate that specify the appropriation categories for each head appropriation in the Bill.<sup>1</sup></p> <p>The Parliament Office was allocated budget provision totalling \$8,888,200 during the year 2015. The total budget allocated to Parliament was recorded under SEG 6 – Operating Grants and Transfers.</p> <p>The Parliament Office in its special purpose financial statements recorded</p>	<p>The Office should ensure that Agency Financial Statement discloses expenditure incurred into SEG 1 - 13.</p>	<p>The purpose of SEG 6 in paragraph 3 is supported. However, this has to be addressed by Ministry of Finance Budget division and FMIS.</p> <p>Given the one – line budget for the first time in 2015, payments were reflected under one allocation under SEG 6 [Operating Grant] in the FMIS system.</p> <p>We maintained a manual expenditure ledger in 2015</p>

		<p>the total expenses incurred in 2015 amounting to \$7,612,055 classified as Operating Grants and Transfers under SEG 6. The audit noted that the Parliament Office did not provide any grant to other agencies and the funds were used for the operating expenses of Parliament Office.</p> <p>The operating expenses incurred were not classified into respective SEG's 1 – 13. Therefore full financial information has not been disclosed to the users of the special purpose financial statements.</p>		<p><i>distributed into SEG 1-13 but did not capture every detailed spending as expected.</i></p> <p><i>The department has improved its recording system by SEGs thereafter.</i></p> <p><i>The budgetary provision for each expenditure item is not a fixed amount but subject to quarterly review depending on the department's current and forecasted spending.</i></p> <p><i>The office of the Secretary – General to Parliament acknowledges the assistance of OAG to officially inform Ministry of Finance of the error and adjust accordingly.</i></p>
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