

## **Report of the Auditor General on Head 225- Department of Police- Year 2016**

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The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records on the Head 225 Department of Police for the year ended 31 December 2016 was carried out in pursuance of provisions in Article 154(1) of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Inspector General of Police on 27 June 2017. The audit observations, comments and findings on the accounts and 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 and the Accounting Officer on the Accounts and Reconciliation Statements**

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The Chief Accounting Officer and the Accounting Officer are responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the provisions in Article 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. The responsibility includes, designing, implementing, 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**

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### **2.1 Appropriation Account**

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#### **Total Provision and Expenditure**

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The total net provision made for the Department amounted to Rs.63,604.89 million and out of that Rs.58,852.28 million had been utilized by the end of the year under review. Accordingly, the savings out of the total net provision made for the Department had been Rs.4,752.61 million or 7.47 per cent. Details appear below.

<b>Expenditure</b>	<b>As at 31 December 2016</b>			<b>Savings as a percentage of Net Provision</b>
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	<b>Net Provision</b>	<b>Utilization</b>	<b>Savings</b>	
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	Rs. Millions	Rs. Millions	Rs. Millions	
Recurrent	58,548.50	55,802.51	2,745.99	4.69
Capital	5,056.39	3,049.77	2,006.62	36.68
<b>Total</b>	<b>63,604.89</b>	<b>58,852.28</b>	<b>4,752.61</b>	<b>7.47</b>
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## 2.2 Advances to Public Officers Account

### Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers Account Item No.22501 of the Department and the actual amounts are given below.

<b>Expenditure</b>		<b>Receipts</b>		<b>Debit Balance</b>	
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<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.Millions	Rs.Millions	Rs.Millions	Rs.Millions	Rs.Millions	Rs.Millions
1,200.00	1,034.30	1,350.00	1,413.30	2,000.00	1,384.99

## 2.3 Imprest Accounts

The Imprest Balance of the Department as at 31 December 2016 under the Account No.7002/0000/00/0031/0016/000 had been a sum of Rs.1.02 million.

## 2.4 General Deposit Accounts

The total of the balances of 04 Deposit Accounts under the Department as at 31 December 2016 amounted to Rs.337.31 million. Details appear below.

<b>Deposit Account Number</b>	<b>Balance as at 31 December 2016</b>
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	Rs.Millions
6000/0000/00/0001/0062/000	9.78
6000/0000/00/0013/0050/000	29.81
6000/0000/00/0016/0032/000	296.55

6000/0000/00/0018/0040/000

1.17

**Total**

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**337.31**  
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## **2.5 Audit Observation**

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The Appropriation Account and Reconciliation Statements of the Department of Police 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 significant Audit Observations out of the Audit Observations included in that Management Audit Report appear in paragraph 3.

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

### **3.1 Appropriation Account**

#### **Budgetary Variance**

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The following observations are made.

- (a) The entire net provision amounting to Rs.583 million made for 03 Objects had been saved.
- (b) Excess provision had been made for 12 Objects and as such the savings after the utilization of provisions ranged from 14 per cent to 78 per cent of the net provisions relating to the respective Objects.

### **3.2 General Deposit Accounts**

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The following observations are made.

- (a) Action had not been taken in terms of the Financial Regulation 571 relating to a deposit amounting to Rs.11.5 million which had lapsed over 2 years.
- (b) A sum of Rs.0.64 million provided for pension functions by the Department of Pensions had been retained in the Deposit Account without executing the relevant functions.

### **3.3 Reconciliation Statement on Advances to Public Officers Account**

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The following weaknesses were observed at the audit test check carried out in respect of the Reconciliation Statement as at 31 December 2016 on Advances to Public Officers Account Item No.22501.

- (a) According to the Reconciliation Statement presented to audit, the outstanding balance as at 31 December 2016 totalled Rs.113.13 million. Out of that, the outstanding balance totalling Rs.72.24

million which had remained over 3 years remained recoverable from 4,616 officers. The Department had failed to recover that outstanding balance.

- (b) There was an identified difference of Rs.3.84 million between the debit balance of the Loan Balance of the Loan Control Account of the Department and according to the Individual Balance Classification prepared by the Divisional Offices.
- (c) A difference of Rs.140,890 remained between the books of the Department of Police and the books of the Treasury.
- (d) Court action had been taken relating to forging the loan applications of 16 police officers who had applied for distress loans in the Police Superintendent's Office in Trincomalee in the year 2010 and obtaining cheques valued at Rs.1.27 million and criminally misappropriating and its current position had not been reported to the audit.
- (e) Distress loans amounting to Rs.1.22 million had been issued to 07 officers from June 2012 by the Police Superintendent's Office in Polonnaruwa. A problematic condition had arisen relating to the officers who obtained loans and the loan balances. An investigation remained being carried out by the Criminal Investigations Department in this connection and its current position had not been reported to the audit.

### **3.4 Good Governance and Accountability**

#### **Annual Performance Report**

In terms of the Public Finance Circular No.402 of 12 September 2002, the Performance Report should be tabled in Parliament by the Department of Police within 150 days after the close of the Financial Year. Nevertheless, that report had not been tabled in Parliament even by 30 June 2017.

### **3.5 Assets Management**

#### **Conduct of Annual Boards of Survey**

The Annual Board of Survey that should be carried out in terms of the Public Finance Circular No.05/2016 of 31 March 2016 and the Financial Regulation 756 had not been carried out in Western and Northern Provinces for the year under review even by the end of July 2017.

### **3.6 Performance**

The observations on the progress of the Department of Police in the year 2016 are given below.

**(a) Progress in resolving crimes**

Preventing all crimes, illegal acts and actions that could enable the violation of public peace had been a key function of the Department of Police. The absolute amount in the reporting of crimes in the country and the relative value in resolving reported crimes had been a main parameter that reflects the progress of the Department. Information relating thereto in the year under review and in the preceding year appear below.

<b>Type of Crime</b>	<b>Year 2016</b>			<b>Year 2015</b>		
	<b>Reported Crimes</b>	<b>Resolved Crimes</b>	<b>Percentage of resolving crimes</b>	<b>Reported Crimes</b>	<b>Resolved Crimes</b>	<b>Percentage of resolving crimes</b>
Grave crimes	36,937	26,869	72.74	40,188	23,575	58.66
Minor offences against persons	45,579	30,481	66.87	43,870	30,292	69.05
Minor offences against property	33,349	15,969	47.88	30,685	14,407	46.95
Crimes against children	5,709	3,294	57.70	5,911	5,102	86.31
Crimes against women	9,042	4,986	55.14	8,288	4,579	55.25

The following observations are made in this connection.

- (i) The progress in resolving crimes had been identified on arresting suspects and the progress in resolving minor offences had been identified on either the filing of lawsuits by the Police, Reconciliation Board or by the amount completed by receiving solutions. Even though the progress in resolving minor complaints, made exceeding one million to the police stations in a year had been exceeded 95 per cent, resolving crimes and minor offences had indicated a low progress as given above.

- (ii) The number of complaints that had been actually resolved as at 31 December 2016 out of the complaints reported in the preceding year had not been revealed on the Department not being equipped with a methodology which could bring forward the information relating to the complaints not being resolved in the preceding year. As such, the follow- up process relating to the unresolved crimes relating to the preceding year as well had been weakened.

**(b) Control of Motor Vehicles and Road Safety**

Controlling motor vehicles and preventing accidents by providing road safety is a key function of the Department and the information on road accidents reported relating to the years 2015 and 2016 in Sri Lanka appear below.

	<b>2016</b>	<b>2015</b>
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Number of fatal accidents	2,824	2,600
Number of accidents which had caused serious injuries	8,148	8,186
Number of accidents which had caused minor injuries	14,604	13,595
Number of accidents which had caused damages	13,380	13,726
<b>Total number of accidents</b>	<b>38,956</b>	<b>38,107</b>
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The following observations are made in this connection.

- (i) The number of persons died by fatal accidents had been 2816 in the year 2015 and it had been increased to 3017 in the year 2016.
- (ii) Anuradhapura, Kurunegala, Gampaha, Kelaniya and Ratnapura had been reported as police divisions which had exceeded one hundred in the number of annual fatal accidents in the years 2014, 2015 and 2016. The number of fatal accidents reported in the year 2016 in Kandy, Nugegoda, Matara and Tangalle police divisions as well had exceeded one hundred.
- (iii) The number of serious accidents in 08 police divisions in the three years of 2014, 2015 and 2016 had exceeded three hundred. The percentage of serious accidents occurred in those 8 police divisions out of the 41 police divisions had been increased to 43.8 per cent in the year under review from 39.5 per cent in the preceding year as compared with the total number of serious accidents.

- (iv) The number of motor vehicle accidents of which the suspects had not been identified (accidents caused and fled) in the year under review had been 2,097. Eighty- one accidents out of them had been fatal accidents and the number of serious accidents had been 168.

**(c) Reporting of illegal hypnotic materials, arresting and the filing of lawsuits**

Details of two preceding years relating to illegal hypnotic materials (heroin, cannabis, hashish, cocaine, other), the Police Narcotic Bureau and the Police Stations are given below.

Institution	Amount of kilograms (Kg) arrested							
	Heroin		Cannabis		Hashish		Cocaine	
	2015	2016	2015	2016	2015	2016	2015	2016
Police Narcotic Bureau	22.62	147.73	196.32	108.32	-	4.69	-	1,486.30
Police Stations	16.61	48.72	5,481.14	3,531.82	1.29	35.61	0.19	1.55
<b>Total</b>	<b><u>39.23</u></b>	<b><u>196.45</u></b>	<b><u>5,677.46</u></b>	<b><u>3640.14</u></b>	<b><u>1.29</u></b>	<b><u>40.3</u></b>	<b><u>0.19</u></b>	<b><u>1487.85</u></b>

The following observations are made in this connection.

- (i) The average value of the stock price of the stock of cocaine which had been arrested by the Police Narcotic Bureau in the year under review had been a sum of Rs.22,294.5 million.
- (ii) The number of persons arrested relating to the drug of heroin had been 26,539 in the preceding year and that number had been increased to 27,458 in the year under review. The amount of heroin circulated in the country had taken a high value as compared with the preceding year as per the increase of the number of suspects and the amount of heroin being arrested. The average value of the stock price of the amount arrested in the year under review had been a sum of Rs.982.25 million.

**3.7 Uneconomic Transactions**

The following observations are made.

- (a) One hundred and fifty two items of drugs valued at Rs.483,899 and 85 other items of drugs of which the value had not been disclosed had been stored as expired drugs in the Drugs Store No.1 of the Police Hospital, Narahenpita. Moreover, it was revealed at the audit test check that those

drugs had been stored in the Store of Drugs Stocks in which the drugs that are in use are being stored.

- (b) Even though drugs amounting to Rs.753,789 purchased for the patients specifically named by the Daily Purchasing Unit of the Police Hospital had lapsed over 03 months, those drugs had been retained in the Daily Purchasing Store even by 31 March 2017 on the drugs not being taken by the relevant patients.

### **3.8 Management Weaknesses**

#### **----- Police Medical Services Division -----**

The Police Medical Services Division is operating under 23 various divisions for the execution of its functions and the internal operation of the Hospital is implemented under two sections as the Medical Administration and the General Administration. The following observations are made relating to the Medical Administration.

- (a) The internal control of the Medical Administration remained at a very weak level. Forty items of drugs amounting to Rs.611,552 had been stolen on 30 June 2016 by an officer of the Hospital Staff on a weak method of control being remained in purchasing drugs and surgical equipment, distribution and storage to the Police Hospital.
- (b) Drugs amounting to Rs.286.7 million had been purchased for the Police Hospital in the year under review and daily updating the registers that should be maintained for the key functions such as ordering drugs to the stores, obtaining stocks of drugs and issuing drugs for patients remained at a very weak level.

### **3.9 Weaknesses in the Implementation of Projects**

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The following observations are made.

- (a) Even though provisions amounting to Rs.1,374 million had been made available in the year under review and in 2 preceding years for the development of the National Police Academy, only a total sum of Rs.131 million had been utilized for it. As such, the completion of the project remained being delayed. Moreover, it had been planned to implement 16 projects including the construction of the administration buildings, hostels, playgrounds, auditoriums and internal road networks of the National Police Training Institute in Katana and the Police Training School in Kalutara under the development of the National Police Academy in the year under review. Those projects had not been implemented in the year under review and only 22 per cent of the sum of Rs.200 million saved after transferring a sum of Rs.600 million to other Objects had been utilized, of the provisions amounting to Rs.800 million made available.
- (b) Provisions had been made available in the year under review for the improvement of the capacity in information technology as, a sum of Rs.500 million for the development of the information and communication network of the Police and a sum of Rs.250 million for 05 projects under the



development of computer networking. Sums of Rs.500 million and Rs.157 million of it respectively had been saved from the first and second projects. Even though provisions totalling Rs.1,775 million had been provisioned for the information and communication network of the Police in the year under review and in two prior years, only a sum of Rs.5 million had been utilized for the project.

- (c) Provisions amounting to Rs.485 million had been made available in the year under review for the Project on the construction of prefabricated buildings in the police stations. That project had been implemented under 03 Phases as given below.

Phase	Provision made available for the year 2016	Expenditure for the year 2016	Percentage of the Expenditure
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	Rs. Millions	Rs. Millions	
(1) 177 buildings	50	1.71	3.42
(2) 300 buildings	285	152.12	53.38
(3) 75 buildings (received from the Special Task Force)	150	105.20	70.13
<b>Total</b>	<b>485</b>	<b>259.03</b>	<b>53.41</b>
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The total estimated expenditure of the building project scheduled to be completed by deploying those prefabricated building parts imported from China in the year 2014 had been a sum of Rs.2,542.80 million. The total expenditure by 31 December 2016 had been a sum of Rs.1,647.20 million. Winding up of this project remained being delayed on not achieving the intended targets in the year under review and in the prior years.

### 3.10 Human Resources Management

#### Approved Cadre and Actual Cadre

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	837	469	368
(ii) Secondary Level	4,301	3,226	1,075
(iii) Tertiary Level	88,392	74,771	13,621

(iv) Primary Level	2,565	1,559	1,006
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<b>Total</b>	<b>96,095</b>	<b>80,025</b>	<b>16,070</b>
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The following observations are made in this connection.

- (a) The approval had not been obtained for the Scheme of Recruitment and Promotions for 11 approved posts for the Police Medical Services Division in the Police Supporting Service.
- (b) Even though the approved cadre for the post of Medical Laboratory Technician being 45, the actual cadre had been 9. As such, it had affected to restrict the times on which the laboratory investigation activities are being carried out to 12 hours on the weekdays and to 08 hours on weekend days in the Police Hospital in which the laboratory investigation activities had been in operation in 24 hours up to the year 2014 and to carry out the investigation activities by private institutions.