

Office on Missing Persons 2020

1. Financial Statement

1.1 Opinion

The audit of the financial statements of the Office on Missing Persons for the year ended 31 December 2020 comprising the statement of financial position as at 31 December 2020 and the statement of income and expenditure statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018 and the Finance Act No. 38 of 1971 . My comments and observations which I consider should be report to Parliament appear in this report.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Office as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Office's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Office or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Office's financial reporting process.

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Office is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared, of the office.

1.4 Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Office's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the office to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The scope of the audit also extended to examine as far as possible and as far as necessary the following.

- Whether the organization, systems, procedures, books, records and other documents have been properly and adequately designed from the point of view of the presentation of information to enable

a continuous evaluation of the activities of the Office, and whether such systems, procedures, books, records and other documents are in effective operation;

- Whether the Office has complied with applicable written law, or other general or special directions issued by the governing body of the Office ;
- Whether the office has performed according to its powers, functions and duties; and
- Whether the resources of the office had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

1.5 Non-compliance with Laws, Rules, Regulations and Management Decisions

Draft annual report has not been submitted with financial statements in terms of section 6.5.1 of the Public Enterprises Circular no. PED/12 dated 02 June 2003.

2. Financial Review

2.1 Financial results

The operating result of the year under review amounted to a deficit of Rs 3,052,909 and the corresponding deficit for the preceding year amounted to Rs. 7,445,221. Therefore an improvement of amounting to Rs. 4,392,312 of the financial result was observed. Reducing travel expenses, supplies and consumer expenses and service expenses had mainly attributed to this improvement.

3. Accountability and Good Governance

3.1 Annual Action Plan

Following observations are made.

Audit Observations	Comments of the Management	Recommendation
-----	-----	-----
(a) Although an action plan has been prepared for the year 2020, any of the functions related to the functions referred in section 10 (1) part II of the Office on Missing Persons Act no. 14 of 2016. (Establishment, Administration and discharge of functions)	Action plan has not been able to formulate for the Office on Missing Persons. Further, uncertainty about the existence of the institution, inability to recruit the required staff on time, and the resignation of some of permanent staff recruited were contributed this situation.	Action plan should be prepared including all activities expected to be performed.

- (b) Although 172 requests had been submitted for getting interim reports by relatives of missing people according to the performance report of the Office during the year under review, reports had been issued only 68 families. Further, necessary action had not been taken for 9501 complains out of the total 16140 complains received from the 24 districts from the begging to end of the year under review.
- No. of 68 interim reports had been issued for non-seen people after conducted 148 preliminary investigations in regional offices even under the minimum staff that existed during the year 2020.
- The necessary action should be taken in due course.
- (c) Actual cadre was 32 and 14 were working in the provincial offices as at 31 December 2020. A building had been rented paying such a high rent of Rs. 1,864,802 for balance 18 officers and office equipment and computer accessories had been purchased as at 31 December 2020 at a cost of Rs.35,089,545 without evaluating the necessity. Further, it had been spent Rs. 9,723,655 for electricity, security service and janitorial services during the year under review in comparison to the staff of the institution. It has observed the organization had deviated with matters for government expenditure management and financial discipline as emphasized in the budget circular No 07/2019 dated 4 December 2019.
- Necessary purchasing had been done as per the new recruitment planned for 2020/2021 years. Basic activities pertaining to new recruitment had been done and interview were held posting newspaper advertisement in 2019 and recruitment was delayed due to covid pandemic, and the general election was held in the year 2020 and other practical difficulties.
- The expenditure were incurred for electricity, Security service and janitorial for head office and 04 regional offices.
- Government expenditure management and Financial discipline should be maintained as emphasized in the Budget Circular.

- (d) Though a sum of Rs. 30,520,159 had been spent on salaries and overtime officers attached to the office during in the year under review, the facts could not be accomplished due to non-preparation and implementation of plans for the performance of the functions specified that, to make recommendation to the relevant authorities towards addressing the incidents of missing persons as per the section 10 (b) of part II and the protection at the right and interests of missing persons as provided in the provisions of the act in the section 10 (c) of part II of the act No 14 of 2016 of establishing missing person's office.
- Unable to make sure the objectives due to the uncertainly situations regarding the going concern of the office and unable to recruit the required staff on time and resignation of permanent staff due to uncertainly. District records of missing persons were prepared based on the advices of respective commissioners and action had been taken to issue them the media. Further the preparation of documents was delayed due to the large number of applications in Tamil.
- Make sure to perform the functions mentioned in the act.
- (e) A decision had been taken to pay Rs.6,000 an interim subsidy to a family of missing persons by the cabinet decision of the ministers no අමුණ /19/2401/131/022 dated 10 September 2019. Although a sum of Rs.1,993,180 had been paid for 39 beneficiaries in Jaffna district and Rs. 5,568,200 paid for 114 beneficiaries for Batticaloa district and totaling Rs 7,561,380 had been paid as allowance by the former Ministry allocations as at 31 December 2019 and action had not been taken has the office to recognize the total qualified beneficiaries during the year under review.
- 68 interim reports were issued for the issuance of certificates of missing persons in the year 2020, conducted 148 preliminary inspections at regional offices, even under a minimal staff.
- Action should be taken to identify the beneficiaries entitled.