

Head 232 - Department of Prisons

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Department of Prisons for the year ended 31 December 2021 comprising the statement of financial position as at 31 December 2021 and the statement of financial performance and cash flow statement for the year then ended 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. The summary report containing my comments and observations on the financial statements of the Department of Prisons was issued to the Accounting Officer on 30 May 2022 in terms of Section 11(1) of the National Audit Act, No.19 of 2018. The Annual Detailed Management Audit Report relevant to the Department was issued to the Accounting Officer on 17 June 2022 in terms of Section 11(2) of the National Audit Act, No.19 of 2018. This report will be tabled in Parliament in pursuance of provisions in Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka to be read in conjunction with Section 10 of the National Audit Act, No.19 of 2018.

In my opinion, except for the effects of the matters described in paragraph 1.6 of this report, the financial statements give a true and fair view of the financial position of the Department of Prisons as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Qualified Opinion

My opinion is qualified based on the matters described in paragraph 1.6 of this report. I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibility for the financial statements is further described in the Auditor's Responsibilities Section. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Responsibilities of the Chief Accounting Officer and the Accounting Officer for the Financial Statements

The Accounting Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and provisions in Section 38 of the National Audit Act, No.19 of 2018 and for the determination of the internal control that is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In terms of Sub-section 38(1)(c) of the National Audit Act, the Accounting Officer shall ensure that an effective internal control system for the financial control exists in the Department and carry out periodic reviews to monitor the effectiveness of such systems and accordingly make any alterations as required for such systems to be effectively carried out.

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 summary 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 and its materiality depends on the influence on economic decisions taken by users on the basis of these financial statements.

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

- Appropriate audit procedures were designed and performed to identify and assess the risk of material misstatement in financial statements whether due to fraud or errors in providing a basis for the expressed audit 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.
- An understanding of internal control relevant to the audit was obtained in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.
- Evaluate the 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.
- Evaluate the overall presentation, structure and content of the financial statements including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accounting Officer regarding, among other matters significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

1.5. Report on Other Legal Requirements

I express the following matters in terms of Section 6 (1) (d) of the National Audit Act, No. 19 of 2018.

- (a) The financial statements are consistent with the preceding year,
- (b) The recommendations made by me on the financial statements of the preceding year had been implemented.

1.6 Comments on Financial Statements

1.6.1 Non-compliance of Financial Statements with Circular Provisions

Although the financial statements are required to be prepared in accordance with Guideline No. 2021/03 issued by the Department of public Accounts, the following instances are contrary to those requirements.

Audit Observation	Comments of the Accounting Officer	Recommendation
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<p>(a) Public Accounts Guidelines No. 2021/03 dated 26 November 2021</p> <p>(i) Paragraph 7.4 (ACA-F) in the Statement of Financial Performance “Remittances to the treasury” should be included the remittances made to the treasury during the year at the end of the year. But although the remittances to the treasury in the year 2021 were indicated in the presented financial statements, remittances of Rs. 4,169,656 to the treasury were not included in the reconciliation statement for the year 2020.</p>	<p>Instead to the correct entry of 54,000 due to a clerical error in recording the net changes in cash in the cash flow statement of the year 2020, there is also noted an amount of 4,169,656 settled to the treasury.</p>	<p>Remittances made to the treasury amounting to Rs. 4,169,656 should be included in the reconciliation statement for the year 2020.</p>

- (ii) Although the comparative figures of the previous year have been re-adjusted in respect of the changes made in accordance with paragraphs 7.2 and 7.5 of the Public Accounts Guidelines, it was not disclosed. The financial statement prepared by the Department of Prisons for the year 2021 has been prepared ACA-F or Statement of financial performance according to the guidelines for the preparation of financial statements under 7.2 and 7.5 of the Public Accounts Guidelines 2021/03 dated 26.11.2021 and submitted to the audit. Should be disclosed the re-adjustment to the previous year comparative values.
- (iii) Although the cash flow statement for the year under review has been prepared as that cash remitted to the treasury during the period is not included in the cash balance at the end of the period in accordance with the changes made in the financial statement format in accordance with paragraph 7.9 of the Public Accounts Guideline, An imprest value of Rs. 4,169,656 which was settled to the treasury was included in the closing cash balance of the previous year restated cash flow statement. An amount of Rs. 4,169,656 settled to the treasury was recorded instead the correct entry of 54,000 due to a clerical error when recording the net changes in cash in the cash flow statement of the year 2020. The cash flow statement should be prepared as the way of that the amount of Rs. 4,169,656 which was settled to the treasury in the previous year re-adjusted cash flow statement and not included in the closing cash balance.

1.6.2 Accounting Deficiencies

(a) Property Plant and Equipment

The following deficiencies were disclosed when accounting of the property plant and equipment.

Audit Observation	Comments of the Accounting Officer	Recommendation
(i) A new opening balance of Rs. 9,552,572,659 had been obtained by adjusting	Since there was no prescribed format form for comparative adjustments of	This change should be made as a re-adjustment of the

Rs. 320,088,484 to the opening balance of Rs. 9,232,484,175 as per the treasury printed report (SA82) of the year under review. The balance of property, plant and equipment at the end of the year 2020 was Rs. 9,033,979,239 according to the financial statements presented in the year of under review. Accordingly, A difference of Rs. 518,593,420 was observed in the opening balance of non-financial assets in the financial statements of the previous year and the financial statements of this year. But this change should have been made as a re-adjustment of the comparative figures of the previous year in the statement of financial position, but it was not done accordingly.

(ii) The value of other machinery and equipment at the end of the year as per treasury SA82 format was Rs. 420,955,588, but that value was Rs. 420,321,788 as per departmental CIGAS programme. Accordingly, a difference of Rs. 633,800 was observed in the value of non-financial assets as at 31 December 2021 according to the treasury SA82 format and the departmental CIGAS programme.

(iii) The land of 346 acres and 89.6 perches were owned by the Department of Prisons, but that were not accounted due to lack of valuation.

the values of previous year, I have informed to the audit that the treasury SA-82 printed report related to the reviewed year was included in the financial statement.

The reason for this difference is that although information about assets removed from departmental books is reported to treasury through the CIGAS web interface, the values are not adjusted in the treasury SA-82 format. I would like inform to the audit that the treasury has been informed this and the relevant correction has been made.

Although the relevant papers have been forwarded to the Valuation Department to assess the value of the 346 acres and 89.6 perches of land owned by the Department of Prisons, I would like inform to the audit that the relevant assessment reports have not been received by the Department of Prisons yet

comparative figures of the previous year in the statement of financial position.

The value of non-financial assets as at 31 December 2021 should be equivalent to treasury SA82 format and departmental CIGAS programme.

The value of the land owned by the Department of Prisons should be assessed and accounted.

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| | and have not been accounted. | |
| (iv) | Lands worth Rs. 347,875,000 had been accounted under the name of the department without taking ownership. The department had not recognized that those values had been accounted. | Although it was stated the land worth Rs. 347,875,000 has been accounted under the name of the department in the audit report, I inform to the audit that such value has not been accounted in the departmental books. |
| | | The ownership should be transferred before accounting the lands which were not taken over under the name of the department. |
| (v) | Although the acquisition, valuation and accounting of land area of 392 acres and 132.8 perches have not been done, these lands were used by the Department of Prisons as prisons, prison cells, open air prison camps, rehabilitation centers and farms. | I would like inform to the audit that necessary arrangements are being made to transfer the ownership of 392 acres and 132.8 perches of land to the Department of Prisons, the assessment reports will be obtained after the relevant handover and these lands will be used as prison cells, open air prison camps, rehabilitation centers and farms as per the need. |
| | | The ownership of these lands should be taken over, value assessed and accounted. |

(b) Failure to maintain records and books

Audit Observation	Comments of the Accounting Officer	Recommendation
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Failure to update and properly maintain the register of damages as per Financial Regulations 110 format.	A register of damages is maintained according to the F.R. 110 format and since the updates of that register have not been done properly, the officials have been instructed to update the relevant register immediately.	The register of damages should be updated and properly maintained as per Financial Regulations 110.

(c) Deposits

Audit Observation	Comments of the Accounting Officer	Recommendation
Deposits of Rs. 84,696,013 in 05 general deposit accounts that exceeded 02 years had not been acted according to the Financial Regulations 571.	Instructions have been given to the Prison Superintendents of all institutions comply with FR 571.	Should be acted in accordance with Financial Regulations 571.

1.6.3 Lack of Audit Evidences

Audit Observation	Comments of the Accounting Officer	Recommendation
Evidence required to ascertain the debt balance of Rs. 26,376,961 out of the balance of Rs. 49,563,423 indicated in the industrial and agricultural advances account of the year under review.	The debtor balance value is recorded as Rs. 26,376,961.00 in the audit query under the evidence not submitted. But the debtor balance of the final account related to the year 2021 (up to 30.12.2021) is Rs. 49,563,423.00 and the debtor balance related to the year 2021 has been reported as 19,725,349.81.	The debtor should be submitted the necessary evidence to establish the entire balance.

2. Financial Review

2.1 Revenue Management

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) The rental income to be received from the canteens maintain in the Department of prisons were not identified and those income were not credited to the government revenue as a tax rental income under the revenue	Since not enough money was allocated from the government budget to enhance the training and sport skills of officers and cadres, it has been credited to	Should be act in accordance with Financial Regulations 83.

code No. 20-02-01-01 of the government revenue head No. 05 in accordance with the Financial Regulations 83. the accounts of revenue associations from a very long time.

- (b) These canteens earn lot of income by selling goods and food to prisoners and suspects. The Bogambara prison canteen had earned more than Rs. 10 million only from the sale of goods to the prisoners and suspects within 08 months of the year 2021 according to the inspection conducted on a sample basis. But, even though an amount of Rs. 1,423,853 was paid for the salaries and allowances for the officers assigned to the canteens during this period and expenses for water and electricity were also incurred, none of these expenses were deducted from the income of the canteen and reimbursed to the government. In addition to this, the canteen was provided with necessary inventory items and the service of two prison inmates. There were 63 officers assigned to the canteens of the prison department from August to December 2021 and an amount of Rs. 16,495,141 was spent from the consolidated fund as salaries and allowances for those officials. In addition, 103 prison inmates were assigned to canteen service.
- Services cannot be obtained from external parties due to the security of prison institutions. Prison officers have to work here.
- These expenses should be deducted from the net income of the canteens and reimbursed to the government.

2.2 Expenditure Management

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
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(a) Out of the estimated allocation of Rs. 417,200,000 made for 10 capital expenditure subjects, more than 30 percent which was Rs. 126,447,218 was remained and savings in each of those expenditure subjects ranged from 21 percent to 100 percent.	The provisions were saved due to the following reasons. <ul style="list-style-type: none">• Non-receiving of imprests.• Increasing the price of spare parts, inability to complete expected repairs due to shortage of spare parts.• Incurred liabilities for entire provisions with obligations.• Non-submission of bills for settlement before the end of the year.• Due to the work of the prison relocation project is carried out by the Urban Development Authority; the expenditure on that behalf of is not incurred.• Insufficient capital imprests received to pay related bills.• Non-completion of procurement activities before the end of the year.	Annual estimates should be prepared as per Financial Regulations 50.

- Not being able to carry out the relevant courses properly as planned due to the Covid-19 epidemic situation.
- Fluctuating market prices in widely.

- (b) According to the Appropriation act No. 07 of 2020; the initial budgeted provision under the expenditure subject 232-01-01-0-2104 was Rs. 22 million and further Rs. 145 million had been provided through the supplementary estimated provision. The supplementary estimated provisions were not spent for the intended purpose due to Rs. 37.552 million from the allocations made for this expenditure subject were transferred under the F.R. 66. Rs. 37.55 million of deficient expenditure subjects for necessary expenses during the year was made under the F.R.66 transfers due to the observations that it is not possible to utilize the provision given at the end of the year as expected. Accordingly, I would like to point out that although it can be agree with the audit observation regarding the non-use of provisions for intended purposes of the provisions; actions have been taken on a case-by-case basis. Provisions of supplementary estimates are to be expended for the intended purpose.
- (c) The initial budgeted provision under the expenditure subject 232-01-01-05-2104, although Rs. 30.2 million had been transferred under the provision of F.R. 66, 100 percent of the allocations transferred under F.R. 66 were not spent. The relevant provisions were not utilized due to the inability of the treasury to provide the expected imprest at the end of the year. Should be act in accordance with financial regulations 50.

2.3 Exceeding Limits

The following are the audit observations on exceeding and not reaching the limits imposed by the parliament for the advance work of the government.

Audit Observation -----	Comments of the Accounting Officer -----	Recommendation -----
The minimum receiving limit of the government officers' Advance B account (232011) of the Department of Prisons was Rs. 135,000,000 as per the Appropriation Act No. 07 of 2020, the minimum receiving limit was not reached due to the actual receiving were Rs. 118,352,926. It was informed that the recommendation to the Minister of Finance to amend the approved limits of this advance account by the letter No. BD/AA/LR/01/2022 dated 31 December 2021 addressed to the Secretary of the Ministry of Justice by the Director General of the National Budget Department.	A request to the treasury for revision of limits by the letter No. B/13/cabinet memorandum/2016 dated 12.10.2021 and in response to that request, the National Budget Department has given a covering approval by letter No. BD/AA/LR/01/2022 dated 31.12.2021 for the revision of the minimum receiving limit of Advance B account. Accordingly, the said limit is Rs. 105,000,000 in the EMA-5 form of the financial statement.	A formal approval should be obtained for revision of approved limits of the advance account.

2.4 Certification to be done by the Accounting Officer

According to the provisions of Section 38 of the National Audit Act No. 19 of 2018, the Accounting Officer had to certify the following matter but, had not acted accordingly.

Audit Observation -----	Comments of the Accounting Officer -----	Recommendation -----
The Accounting Officer should be ensured that an effective system of internal control is developed and maintained for the financial control of the department and the effectiveness of that system should be reviewed from time to time and accordingly, the necessary changes should be made to carry out the system effectively. Those review should be done in writing and a copy of the same should have been	The audit and management committee meetings have been held once every quarter to create formal financial control in order to prepare an effective internal control system for the financial control of the department and I would like to inform that a copy of the review report related to those activities will be submitted to the Auditor General in future.	Should be followed the provisions of Section 38 of the National Audit Act No. 19 of 2018.

submitted to the Auditor General, but statements that such reviews were made were not submitted to the audit.

2.5 Non-compliance with Laws, Rules and Regulations

Instances of non-compliance with the provisions in laws, rules and regulations observed during the course of audit test checks are analyzed below.

		Observation -----	Comments of the Accounting Officer -----	Recommendation -----
Reference to the Laws, Rules and Regulations -----	Amount (Rs.) -----	Non-compliance -----		
(a) 25(1) of the Motor Vehicle Act	-	91 vehicles of the Prisons Department was driven without a valued revenue license.	The Prison Superintendents have been informed to obtain proper revenue licenses and make arrangements for it to be driven after handing over the relevant vehicle to the name of the department.	Should be obtained a valid revenue license and drive the vehicle.
(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka				
(i) Financial Regulations 502(b)	26,376,961	The following debt balances, which have been coming from a long time, have not been recovered promptly.		

- Out of the receivable balance of Rs. 50,009,035 for sales made by the prison to the public sector, the balance of Rs. 1,640,307 over 20 years old and Rs. 24,701,036 receivable balances between 5-20 years. Most of these outstanding bills are from before 2015. It is difficult to get accurate figures due to missing old bills. Necessary arrangements have been made to pay the outstanding bills of Rs. 66,500.00 in the year 2018 and institutions have been instructed to expedite the settlement of outstanding bills for the years 2019 and 2020. Receivable balances should be dealt in accordance with Financial Regulations 502(b).
- Out of the balance of Rs. 35,618 for sales made to the private sector, Rs. 19,034 more than 20 years old and Rs. 16,584 receivable balances between 10-20 years. It has not been possible to obtain correct information regarding the amount of Rs. 35,618.00 receivable from the private sector. Receivable balances should be dealt in accordance with Financial Regulations 502(b).

(ii) Financial Regulations 751 (5) - Although adequate arrangements should be made for the protection of the goods by taking measures to prevent damage from decay and wastage, due to The store keeper has been instructed to take measures to prevent damage due to decay and wastage and make adequate arrangements for the safety of the Should be act in accordance with Financial Regulations 751(5).

not doing so, 108 goods.
liters of paint in
Welikada prison
and 2005 units
related to 03
subjects in the
medicine store of
Pallekele open air
prison had
expired.

(iii) Financial Regulations 770(4)	72 vehicles which have been removed from service for a period of 1-10 years have not been disposed.	14 vehicles related to the Colombo prison are being disposed now and out of which 05 vehicles have been given to the vocational training authority and schools and I will arrange for the disposal of all the remaining vehicles to be carried out expeditiously.	Should be act in accordance with Financial Regulations 770(4).
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2.6 Issuance and Settlement of Advances

----- Audit Observation -----	----- Comments of the Accounting Officer -----	----- Recommendation -----
Although an advance is to be settled immediately after completion of the work as per Financial Regulations 371 (2), advances of Rs. 240,795, which were given on 25 occasions for various functions of the prison department, were settled between 02 weeks and 07 months late from the due date.	There has been a delay in settlement of advances due to the Covid-19 epidemic situation and minor delays in official works and it was advised to settle the interim imprest as soon as the relevant work is completed.	Should be act in accordance with Financial Regulations 371(2).

2.7 Operation of Bank Accounts

Audit Observation	Comments of the Accounting Officer	Recommendation
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<p>37 cheques total amounting to Rs. 165,559 which was not presented to the bank more than 06 months from the date of issue in 12 bank accounts as at 31 December 2021 had not been act in accordance with the terms of Financial Regulations 396(d).</p>	<p>It has been instructed to proceed in accordance with Financial Regulations 396(d).</p>	<p>Should be act in accordance with Financial Regulations 396 (d).</p>

3. Operational Review

3.1 Planning

Audit Observation	Comments of the Accounting Officer	Recommendation
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<p>While preparing the action plan, the prison department identified the actual activities related to the projects implemented during the year and prepared the cost estimates and according to that, the provisions for dummy activities were assessed without preparing the plans and the action plan was prepared. The action plan was revised according to the activities carried out during the year at the end of the year. Due to preparation of the action plan accordingly,</p> <ul style="list-style-type: none"> ➤ Inability to utilize the action plan as a management tool used to complete all tasks (goods, services and projects) undertaken by the entity. ➤ Inability to achieve desired objectives of planning in a timely manner and according to an economical, efficient and effective manner. 	<p>Allocations are nominally allocated to the expenditure subject 2001, 2002, 2003 without identifying the specific tasks of the action plan of the Department of Prisons. The tasks related to it are identified and not based on the related cost estimates, but only the amount of provision required by the institution is applied for it because the authority allocates the provision to an amount expected to be spent by the institution based on the experience of the past years.</p>	<p>Efforts should be made to use the action plan as a management tool to prepare plans in a timely manner and according to an economical, efficient and effective manner to achieve the desired objectives.</p>

3.2 Non-performance of functions

Audit Observation	Comments of the Accounting Officer	Recommendation
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(a) One of the main objectives of the prison department is to make the prison inmates into law-abiding humanitarians and contribute to creating a civilized society by formally rehabilitating them and accordingly, one of the main tasks of the department is to rehabilitate prisoners according to the needs of the time and set up the social background necessary for them to leave as good citizens. But instead of complying with it, the proposal brought by a private institution to rehabilitate the prisoners was agreed to be accepted and complied with that and cabinet approval was obtained with preparing a cabinet memorandum. The following observations are made in this regard.	There were no comments.	It should be done in accordance with the objectives and main functions of the Department of Prisons.
(i) The relevant private company had employed the prisoners for a period of 50,103 man-days in various workplaces under this training project during the period from 15 June 2020 to 09 May 2022. For this, the private institution pays Rs. 400 per day to a prisoner as remuneration and in addition, Rs. 50 each is credited to the Prisoners' welfare fund and the government revenue. But if it is possible to make a profit of at least Rs. 1,000 per day (man-day) from one prisoner, then the private company had the opportunity to earn more than Rs. 50 million profits in the above period.		

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| (ii) | Although every prisoner should be given three months basic training in the relevant field before being employed in the work sites with a view to making him fully competent in the relevant selected field, basic training was not given to 104 prisoners who were taken to the work sites. | There were no comments. | It should be done in accordance with the objectives and main functions of the prison department. |
| (iii) | Although arrangements should be made to provide a National Vocational Level Training Certificate (NVQ) to the prison inmates who have completed training under the proposed project, 236 prisoners who have completed the training have not been given such competency certificates yet. | There were no comments. | It should be done in accordance with the objectives and main functions of the prison department. |
| (iv) | The prisoners should be given proficiency in foreign languages like English, French, German and Arabic with the aim of being given jobs in abroad according to this programme, but this had not been done sufficiently. | There were no comments. | It should be done in accordance with the objectives and main functions of the prison department. |
| (v) | The performance of the industrial sectors had not been achieved due to lack of sufficient trained and untrained prisoner labor needed for the industrial sector projects in the prisons. | There were no comments. | It should be done in accordance with the objectives and main functions of the prison department. |
| (vi) | The prisons department had to face various problems in using the prisoners for the above project, despite the possibility of formal rehabilitation by providing professional training to the prisoners in the industrial sector projects in the prisons. | There were no comments. | It should be done in accordance with the objectives and main functions of the prison department. |

<p>(vii) The prisoners had not been taken to the work sites for this project up to the date of audit after the situation on 09 May 2022 and it was observed during the physical inspection conducted by the audit on 27 May 2022 that the prisoners had engaged in agricultural work in the work camp and performed a significant part of the work during that period.</p>	<p>There were no comments.</p>	<p>It should be done in accordance with the objectives and main functions of the prison department.</p>
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(b) One of the main functions of the Department of Prisons is to receive all levels of prisoners imprisoned under the jurisdiction of any court and provide for their protection, care and maintenance in accordance with the prison rules and regulations. But, such cases of non-compliance were observed during the audit, Details are given below.

(i) Inadequate space facilities in wards and cells.

Although the number of prisoners to be detained in the wards of each prison cell should be maintained with suitable space for their mental and physical fitness according to the accepted international standards (According to the united Nations standards) and according to the provisions of chapter 178 of the amendments made in the year 1956 in relation to the paragraph 54 of the Prison Ordinance, more than 1,667 inmates were detained inconsistently in Bogambara (Dumbara), Mahara prisons and Pallekele open air prison camp.

The lack of space in the wards and cells has affected this due to the daily increase in the number of inmates admitting to prisons. Therefore, the building space is utilized to the maximum extent to detent the inmates who are referred for the rehabilitation process.

Should be act in accordance with accepted international standards and the provisions of chapter 178 of the amendments made in the year 1956 in relation to paragraph 54 of the Prisons Ordinance.

(ii) Detention of prisoners without classification

It is a principle of necessity to classify prisoners and suspects separately according to the nature of the crime/offense, legal requirement and remedial requirement according to the United Nations standards regarding prisoners and each type of prisoner should be detained separately according to the available space in the prison according to the paragraph 178 of the amendments made in the year 1956 in relation to paragraph 54 of the Prison Ordinance. But, 3253 inmates were detained in Bogambara (Dumbara) and Mahara prisons without complying.

There is a very limited space to accommodate the inmates has been the main problem in classifying and detaining the inmates.

Should be act in accordance with accepted international standards and the provisions of chapter 178 of the amendments made in the year 1956 in relation to paragraph 54 of the Prisons Ordinance.

(iii) Prison cells being in dilapidated condition

The cells and wards of Mahara prison, which were built many years ago, were in a dilapidated condition due to lack of timely repairs. It was observed during the audit that the inmates do not have an adequate sanitary environment due to the dilapidated prisons wards, the dilapidated toilet system of the prison wards, the dirty environment in the prison cells and wards and the presence of animals like mosquitoes, bugs and rates. In addition this, the prison wards in Pallekele open air prison camp were not maintained and in a dilapidated condition and the toilet facilities in the wards were not sufficient.

The prison superintendents have been instructed to pay attention to audit observation and take necessary measures to repair the dilapidated prison cells and to keep the environment around the cells cleaner.

Prisoners at all levels of imprisonment should be provided with protection, care and maintenance in accordance with the prison rules.

(iv) Repeated imprisonment of prisoners

One of the main functions of the prison department is to rehabilitate the inmates to suit the needs of the time and create the social background necessary for them to leave as good citizens. But there is no proper system in the prisons to identify people who are imprisoned repeatedly and the prisons collect this information informally based on the information obtained verbally from the prisoners. The number of prisoners who were previously sentenced and released and re-sentenced was 220 in Bogamabra, Mahara prisons and Pallekele open-air prison.

It has become an extremely challenging situation to identify people who are repeatedly imprisoned. The department does not have a formal system for this and cases where a person goes to prison using different names are regularly reported. Attention was paid to the installation of a biometric data system of prison inmates under the prison information system and the initial work regarding the establishment of that system is already being done.

The inmate information management system should be installed and implemented in order to carry out inmate administration formally and efficiently.

(v) Inability to take judicial action due to non-receiving the analyst test reports
520 suspects were detained in Mahara and Bogambara (Dumbara) prisons for a period between 06 months and 02 years due to the relevant analyst test reports to the prisoners who have been imprisoned by the court under section 54 on drug cases. Although the prison bears a huge maintenance cost for these inmates, the prison has not been able to get their labor contribution as they are suspects. But this unnecessary maintenance cost could be reduced by getting the relevant analyst test reports without delay and by imposing punishments on the guilty and releasing the innocent suspects. Evidence confirming that adequate measures have been taken to prevent this problematic situation was not submitted to the audit.

It is pointed out that the prisons department cannot control the situation of them being in prison for a long time due to the delay in providing the analyst reports of these suspects by the government analyst department.

The social background necessary for the departure of the inmates as good citizens should be arranged according to the needs of the time.

3.3 Abandoned Projects without completion

Audit Observation	Comments of the Accounting Officer	Recommendation
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Although items related to 32 subjects worth Rs, 208,716 were purchased on 27 November 2020 for repair of toilets near the prisons headquarters canteen, the relevant repairs have not been carried out till now.	Only a part of the goods related to this repair had been purchased and I would like to point out that it is not possible to start the repair without the remaining goods as the shops were closed due to covid epidemic situation.	The relevant repairs should be carried out without further delay.

3.4 Annual Performance Report

Audit Observation	Comments of the Accounting Officer	Recommendation
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The performance report of the Prison Department for the year 2020 had been prepared in accordance with the format mentioned in Guideline No. 14 issued by the Public Finance Department according to paragraph 10.2 of the Public Finance Circular No. 2/2020 dated 28 August 2020. The compliance report was submitted under chapter 7 of the report and it was wrongly reported in the annual performance report that the prison department acted in accordance with the requirement to be applied under it for 06 occasions.	<ul style="list-style-type: none"> • It has been informed that an officer will be assigned to continue the proceeding related to damages and losses. • The damage and loss register will be prepared and submitted immediately. • A counter cheque has been issued for the said cheque according to F.R. 396 (c) and the said cheque has cleared now. • Prison Superintendents have been instructed to proceed as per F.R. 571. 	Correct information should be reported in the performance report.

- Instructions have been made to settle the relevant work immediately after completion while issuing the ad-hoc interim imprest.

It is advised rectify deficiencies pointed out by the audit paragraphs.

3.5 Procurements

Audit Observation	Comments of the Accounting Officer	Recommendation
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No expected procurement plan has been prepared for a period of at least 3 years with reference to the year 2021 in terms of section 4(2) 2006 of the Code of Government Procurement Guidelines.	The Commissioner of Prisons (Supply) has instructed the Director (Engineering) and the Director (Planning) to prepare a procurement plan for a period of at least 03 years from the year 2022.	Should be act in accordance with the section 4(2) of the Code of Government Procurement Guidelines.

3.6 Assets Management

Audit Observation	Comments of the Accounting Officer	Recommendation
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There was a shortage of 12 stock items worth Rs. 273,051 and an excess of 18 stock items worth Rs. 105,786 during the physical inspection of equipment warehouses of Mahara and Welikada prisons and medicine warehouses of Dumbara prison hospital.	These deficiencies have occurred due to some omissions as there is no scale for weighing small quantities in the institution. Also this deficiency has been indicated by the failure to update the stock book accordingly while releasing the ink. I would like	Any deficiency or discrepancy regarding the stock should be dealt with in terms of Financial Regulations 757 (2).

to point out that this excess has occurred due to the accumulation of such small quantities for a long time because, that quantities less than a kilo are not released in instances during the release of materials.

3.7 Damages and Losses

The following observations are made.

Audit Observation -----	Comments of the Accounting Officer -----	Recommendation -----
(a) There was no action taken in accordance with Financial Regulations 103(1) and continuously disclosed in the financial statements about the loss of Rs. 9,331,078 related to 103 incidents including 100 vehicle accidents that have been coming from more than 10 years, the loss of Rs. 38,191,911 related to 54 incidents including 52 vehicle accidents that have been coming from a period of 05 to 10 years and the loss of Rs. 12,130,450 related to 118 incidents including 22 vehicle accidents in the year 2021 and 94 vehicle accidents that have been coming from less than 05 years.	It has been observed that the loss of the majority of related cases has been recovered from the insurance companies and also, I will forward the cases to the committee that has been appointed to cut off the losses from the books.	Losses including vehicle accidents should be act as mentioned in the Financial Regulations 103 (1).
(b) Although there were 26 losses from 2017 to the end of 2021 out of 275 losses and cases to be recovered or cut off or waived under notes (i) in the financial statements of the year 2021, the loss was not assessed.	I will refer to the assessment committee appointed by the department and get the relevant assessment values quickly and proceed for the 26 vehicle accidents that occurred from 2017 to the end of 2021.	Should be act as mentioned in Financial Regulations 103(1) in respect of losses including vehicle accidents.

3.8 Uneconomic Transactions

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>All the details related to arrivals and departures are correctly entered in the books and maintained in the books in the entrance gates of the prisons in order to properly maintain the security of the prisons. Accordingly, arrival and departure of medical officers working in prison hospitals are also formally recorded in those books and documents. When the payment of salaries and allowances to the medical officers based on the arrival and departure information mentioned in the duty day-book of the medical officers, payments were made the times when the medical officers did not report to work were also considered as the time when they reported to work according to the books in the prison. In the sample test conducted by the audit, Rs. 2,013,263 was paid as salaries and allowances to three graded medical officers and seven registered medical officers working in the hospitals belonging to Dumbara prison and Pallekele open air prison during the month of October 2021. The following observations are made in this regard.</p>		

- (i) Although a total of 1140 man-hours should have been worked during the 19 working days of the month of October, only 229 man-hours and 05 minutes had been worked. The number of man-days without taking leave and not reporting to work was 85 during this period.
- It has been informed that while certifying the allowances of the medical officers and registered medical officers, the duty day-book of the said medical officers should be certified according to the letter dated 14/02/2003 of the Director General of Health services. It can also be pointed out that the duty day-book of the medical officers is an accepted document as the documents that record the attendance of the medical officers.
- Medical officers should report for duty during scheduled duty hours and if they do not report for duty, they should take leave for this period. Should be act in accordance with Financial Regulations 156 (1) in this regard.
- (ii) Although 192 man-hours should be worked in the 32 man-days reported for duty during weekends and public holidays, only 82 man-hours and 30 minutes had been worked.
- It has been informed that while certifying the allowances of the medical officers and registered medical officers, the duty day-book of the said medical officers should be certified according to the letter dated 14/02/2003 of the Director General of Health Services. It can also be pointed out that the duty day-book of the medical officers is an accepted document as the documents that record the attendance of the medical officers.
- If report to work on weekends and public holidays and receive holiday pay on that day, it should be worked within the prescribed time. Should be act in accordance with Financial Regulations 156 (1) in this regard.
- (iii) Overtime allowances amounting to Rs. 622,061 had been received during this period without engaging in duty over the regular working hours.
- A payment paid to the medical officers is an allowance for on-call duty and not an overtime allowance. Accordingly, the emergency call dates of each medical officer have been
- They should actually be on duty during that period when receiving overtime allowances in addition to regular working hours. Should be act in accordance

mentioned in the duty day-book and the relevant allowances have been applied for only on the dates mentioned therein. with Financial Regulations 156 (1) in this regard.

3.9 Management Inefficiencies

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
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(a) There was no formal system to measure the number of liters available in the fuel oil storage tank in Welikada prison.	There is no method to measure the capacity of the fuel storage tank when needed until now. But, instructions have been given to the Director of Prisons (Engineering) and Welikada Prison steam boiler professional consultant to establish a suitable method to measure the capacity of the tank now.	Should be act in accordance with Financial Regulations 715.
(b) The Department of Prisons had not taken steps to obtain the Certificate of Registration (CR) for 56 vehicles that had been taken over from various institutions to the Prisons Department.	Out of the 87 vehicles that were handed over to the prisons department from various institutions, 31 vehicles have received their registration certificates yet and remaining are being taken over.	Arrangements should be made to obtain the certificate of registration for the remaining 56 vehicles under the name of the Department of Prisons.

4. Human Resources Management

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
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The approved number of posts in the Department of Prisons as at 31 December 2021 was 7,872 and the actual number of employees on that date was 6,301. Accordingly, there were 1,571 vacancies in the entire staff.		
(i) A Senior Superintendent of Prisons had been appointed to cover the work without following the directions of the Public Service Commission to fill up the vacancy in the post of Additional Director of Prisons in the Prisons Department.	It was not possible to carry out the recruitment within the proper period due to the presidential election, the general election and covid epidemic situation.	The instructions of the Public Service Commission should be followed.
(ii) Adequate steps have not been taken till 31 December 2021 to fill 02 vacant posts of Commissioner of Prisons (Sri Lanka Administrative Service I), Assistant Commissioner of Prisons (Sri Lanka Administrative Service II, III).	• The Prisons headquarters has sent a letter to the State Ministry of Prison Reforms and Prisoners' Rehabilitation regarding the vacancies by letter No. D1/70/2001-1 dated 03.12.2020.to fill these two posts	Adequate steps should be taken to fill up the vacancies in the respective posts.
(iii) Although the Director (Planning) of the Prisons Department has appointed an Acting Director for full time duties from 01 January 2021 to date for Grade I post in the Sri Lanka Planning Service, no arrangements were made to appoint officers to the respective posts on a full time basis as per section 13(3) of chapter II of the Establishment Code.'	The Ministry of Public Services, Provincial councils and Local Government has been informed by letter No. D1/70/2013 dated 17.09.2020. He has requested to be employed as the officer agrees to acting work.	Should be act in accordance with section 13(3) of chapter II of the Establishment Code.

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| (iv) | There were 47 vacancies in posts ranging from Prison Superintendent (Special Grade) to Chief Jailor due to non-provision to be given to approved cadres in internal recruitment on due dates according to the terms of section 184 of paragraph xvii of the first category of procedural rules for the Public Service Commission of the Democratic Socialist Republic of Sri Lanka. | Interviews are being conducted by the ministry to fill these vacancies and further work is being done. | Should be act in accordance with section 184 of paragraph xvii of the first category of procedural rules for the Public Service Commission of the Democratic Socialist Republic of Sri Lanka. |
| (v) | Due to 66 vacancies in positions directly related to work sites, industries and constructions located in various parts of the island controlled by the prisons department, the efficiency, effectiveness and quality of projects in constructions, industries and work sites remained at a low level. | It is practically not possible to conduct interviews only for initial vacancy of industrial work and finally, the vacancies have been filled on 18.12.2020. 16 vacancies of industrial administration post are completed. The recruitment of second class vocational counselors has been temporarily suspended. | Should be filled the vacancies in respective post. |
| (vi) | Officers have not been appointed since the year 2013 for the posts of Deputy Director/ Assistant Director (Sri Lanka Agricultural Service II, III) in the approved cadre of the Prisons Department. | The Department of Agriculture has informed that an officer can be provided by letter No. P/2/9/3/1-2014 dated 01.08.2014, but no officer has been appointed yet. | Vacancies in respective posts should be filled. |
| (vii) | 07 Counseling officer posts were approved in the approved cadre of the department and there were vacancies in this position for a long time due to non-arrangement of a recruitment procedure to fill these 07 positions. | Public Service Commission letter No. PSC/ES.T/06-01/05(ii)/09/2021 dated 05.01.2022 has informed that a draft of new recruitment procedure has been prepared and sent for the approval. | Vacancies in respective posts should be filled. |

- (viii) There were 874 disciplinary proceedings from the year 2016 to the year 2021 in the Prisons Department related to the offenses mentioned in chapter XLVIII of Section II of the Establishment Code and out of that, the disciplinary process had not even initiated preliminary investigations in 352 cases.
- All institutional authorities have informed to send a detailed report to inquire about the actions taken regarding the current situation of preliminary investigations in all institutions of the department.
- Action should be taken to submission of excuses for the disciplinary proceedings of the Prisons Department, conducting formal disciplinary investigations, termination and issuance of disciplinary orders without delay in relation to the offenses mentioned in Chapter XLVIII of Section II of the Establishment Code.