

Head 112 – Foreign Ministry

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Foreign Ministry 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 Foreign Ministry was issued to the Accounting Officer on 23 May 2022 in terms of Section 11 (1) of the National Audit Act No. 19 of 2018. The Annual Detailed Management Audit Report of the Ministry was issued to the Chief Accounting Officer on 31 May 2022 in terms of Section 11 (2) of the Audit Act. This report is presented to Parliament in terms of Section 10 of the National Audit Act No. 19 of 2018 which is read in conjunction with Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

In my opinion, except for the effects of the matters described in Paragraph 1.6 of this report, the financial statements prepared give a true and fair view of the financial position of the Foreign Ministry as at 31 December 2021 and its financial performance and cash flow 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 appear in Paragraph 1.6 of this report. 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 the Chief Accounting Officer on Financial Statements

Preparation of financial statements in a manner that reflects a true and reasonable position and determines the internal control required to enable financial statements to be prepared without inadequate false statements that may result from fraud and error in accordance with Generally Accepted Accounting

Principles and the provisions of Section 38 of the National Audit Act, No. 19 of 2018 is the responsibility of the Chief Accounting Officer.

As per Section 16 (1) of the National Audit Act No. 19 of 2018, the Ministry 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.

The Chief Accounting Officer shall ensure that an effective internal control system is maintained for the financial control of the Ministry in terms of Sub-section 38 (1) (c) of the National Audit Act and it should be periodically reviewed the effectiveness of the system and make any necessary changes to keep the system running efficiently.

1.4 Auditor's Responsibility on Audit of 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 skepticism throughout the audit. I also furthermore;

- Appropriate audit procedures were designed and implemented to identify and assess the risk of possibility of quantitative misrepresentations occurred in financial statements due to fraud or errors in providing a basis for the expressed audit opinion. More than the impact of quantitative misrepresentations due to misrepresentation, the effect of fraud is strong because of malpractice, forgery, intentional evasion, misrepresentation, or evasion of internal controls can lead to fraud.
- Although it is not intended to express an opinion on the effectiveness of internal control and obtained an understanding of internal control in order to plan appropriate audit procedures occasionally.
- Evaluate that the underlying transactions and events are appropriately and fairly included in the financial statements for the structure and content of the financial statements that include disclosures.

- Evaluated whether the transactions and events underlying the structure and content of the financial statements are appropriately and fairly consisted in and presentation of financial statements including disclosures as a whole.

The Chief Accounting Officer was made aware of important audit findings, key internal control deficiencies and other matters identified in my audit.

1.5 Report on Other Legal Requirements

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

- (a) The recommendations which I had made with regard to the financial statements of the preceding year had been implemented.
- (b) The financial statements are not consistent with the preceding year due to differences in the following objects.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
<p>(i) There was a difference totalled to Rs. 437,797,441 in between the values of the preceding year and the corresponding values of the year under review with regard to 3 objects.</p>	<p>Instructions have been given to prepare the cash flow statements for the year 2021 with cash and cross entries. Nevertheless, it has been prepared on cash basis for the year 2020. Because of the account has been prepared as per instructions again in 2021, the difference has reflected.</p>	<p>Accurate values should be shown in the financial statements of the year under review to correspond to the values reported by the audit of the financial statements of the previous year.</p>

- (ii) Even though the subsidies and transfers amounted to Rs.437,731,433 had been stated in the cash flow statement of the preceding year, such a figure had not been shown in the cash flow statement of the year under review and even though there was no imprest balance settled to the Treasury in the cash flow statement of the preceding year, the imprest balance settled to the Treasury in relation to the preceding year had been shown as Rs.943,415 in the year under review.
- It is accepted that there was an error in the classification of that amount. That amount has been shown under the personal emoluments and operating expenses. The imprest received has been entered including receipt of Treasury imprest as per accounting circular instructions and the imprest transfers of the preceding year given only to the Foreign Ministry . Accordingly, the account of 2020 has also been prepared again to maintain comparability as per the guidance of 2021 .
- The balances shown in the audited financial statements of the preceding year should be included in the financial statements of the year under review.

1.6 Comments on Financial Statements

1.6.1 Imprest Reconciliation Statement

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
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(a) Although the value of credits made to advance "B" account by Other Heads was Rs. 8,115,205, the value had been adjusted to the imprest reconciliation statement as Rs. 8,106,458 .	Agree.	The values which should be included in the imprest reconciliation statement should be accurately entered.

- (b) Although the value of debits made to advance "B" account by Other Heads was Rs. 304,973, the value had been adjusted to the imprest reconciliation statement as Rs. 313,723 . Agree. -do-

1.6.2 Statement of Financial Performance

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
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(a) Despite the value of deposit receipts amounted to Rs. 2,094,037,896 as per Treasury Computer Print had been shown in the statement of financial performance as Rs.2,076,010,925, the deposit receipts amounting to Rs.18,026,971 had been understated in the statement of financial performance.	The instructions given by the Treasury was that the receipts in the deposit accounts of the CIGAS Desktop Trial Balance should be taken into financial performance. The total of deposit receipts in trial balance is Rs.2,076,010,925. It has been accurately adjusted to the accounts.	The accounts should be prepared in accordance with the Guidelines No. 2021/03 issued by the Department of State Accounts .
(b) Even though the advance receipts of the statement of financial performance had been stated as Rs. 51,762,773 , thus that amount was	It is accepted that a computation error has occurred.	-do-

Rs. 51,771,520 as per the Treasury Computer Printout, advance receipts had been understated by Rs. 8,747 . Further, although the value of advance payment was Rs. 39,134,951, as per the Treasury Computer Printout, as a result of that value was stated in the statement of financial performance as Rs. 39,143,701, advance payments had been overstated by Rs.8,750 .

- (c) Although the deposit payments to be shown in the statement of financial performance as per Treasury Computer Printout was Rs. 2,073,640,054, thus it was noted as Rs. 2,050,025,630, the statement of financial performance had been understated by Rs. 23,614,424 .
- The instructions given by the Treasury was that the receipts in the deposit accounts of the CIGAS Desktop Trial Balance should be taken into financial performance. The total of deposit payments in trial balance is Rs. 2,050,025, 630. It has been accurately adjusted to the accounts.
- The accounts should be prepared in accordance with the Guidelines No. 2021/03 issued by the Department of State Accounts .

1.6.3 Cash flow Statement

The following observations are made.

Audit Observation -----	Comments of the Chief Accounting Officer -----	Recommendation -----
(a) Although the value of personnel emoluments and operating expenses was Rs. 10,837,484,562 as per consolidated trial balance, thus that value was stated in cash flow statement as Rs. 11,183,873,316, a sum of Rs. 346,388,754 had been overstated.	The cash flow statement is prepared based on the figures in the CIGAS Desktop Trial Balance as per Treasury instructions. Accordingly, it is informed that the value has been entered and there is no such difference.	Cash flow statement should be prepared based on the consolidated trial balance.
(b) Although the subsidies and transfers were Rs. 470,003,154 as per the consolidated trial balance, as a result it was shown as no value in the cash flow statement, a sum of Rs. 470,003,154 had been understated.	It is accepted that the error had occurred in the classification of that amount. The amount has been shown under personnel emoluments and operating expense.	The cash flow statement should be prepared by making classification accurately.
(c) Even though a sum of Rs. 187,030,142 had been stated under construction or purchase of physical assets and other investment acquisitions in the cash flow statement, thus that amount was	The capital expenditures incurred by the Ministry have been shown under construction or purchase of physical assets and acquisition of other investments. Accordingly, a sum of	-do-

Rs. 63,415,742, according to the consolidated trial balance, a sum of Rs. 123,614,400 had been overstated.

Rs.187,030,142 has been stated and it is in line with the Desktop Trial Balance as per Treasury instructions.

1.6.4 Lack of Evidence for Audit

The audit evidences had not been submitted in respect of the following transactions .

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
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<p>(a) Except for the values of several recurrent and capital payment voucher bundles relating to 13 Missions, payment voucher bundles pertaining to recurrent and capital expenditure amounting to Rs.6,315,346,016 and Rs.91,171,076 respectively in 54 Missions were not submitted to audit.</p>	<p>Importation of voucher bundles from several Missions had been temporarily stopped due to increase of transport expenses of diplomat baggage. Also, receipt of voucher bundles from several Missions to the country has been delayed.</p>	<p>Arrangements should be made to submit all payment vouchers to the Auditor General.</p>
<p>(b) Documents ascertaining the ownership and the existence of unfinished buildings valued at Rs 55,984,547 were not submitted for audit.</p>	<p>The answer has not been given.</p>	<p>The documents which ascertain the ownership and existence should be submitted for audit.</p>
<p>(c) Although the value of the deposit receipt of preceding year and the</p>	<p>It has been noted to submit the reconciliation statements of the</p>	<p>Reconciliation statements of deposits and</p>

value of advance receipts shown in the financial statements of the year under review were Rs. 1,452,471,015 and Rs.43,380,027 respectively, a reconciliation statement was not submitted for audit because of those values were not consistent with the previous year.

preceding year accurately in future.

receipts of advances should be submitted for audit.

(d) A Register of Fixed Assets that can identify the each asset separately with regard to the office buildings valued at Rs.9,730,692,636, passenger vehicles valued at Rs.1,055,280,776, mixed urban properties amounting to Rs.1,010,362,062 and official quarters valued at Rs. 317,741,508 and the vehicles which were disposed during the year under review amounting to Rs.39,119,254 and the assets acquired valued at Rs. 63,415,740 were not submitted to audit.

Records of fixed assets are not maintained where each asset can be separately identified in line with the commencement of the new CIGAS system as per the instructions of the Treasury and those have been entered in the new CIGAS system.

Records should be maintained so that the asset can be separately identified.

2. Financial Review

2.1 Imprest Management

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
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(a) Imprest Account No. 7002-0-0-035/13		

(i) Although the relevant imprest account balance pertaining to the year 2013 and earlier periods was Rs. 91,530,099 in the preceding year, it had been Rs. 89,919,237 in the year under review and only a minor percentage of Rs. 1,610,863 that is 1.7 per cent had been settled during the year. The balance of imprest account amounting to Rs.89,919,237 had consisted of unsettled advances.	Prompt actions are being taken by the Ministry at present to obtain the relevant details from each Mission to recover the advances of the year 2013 .	Actions should be taken recover outstanding advances promptly or write off with having formal approval.
(ii) The advances paid for 248 security deposits made for housing provided to the staff who have gone abroad for Mission Service	Internal circulars were issued from time to time to Missions for the recovery of security deposits. Further, the inquiries were	A system should be prepared to recover the security deposits which had kept for the houses but not

had consisted of Rs. 60,051,898 . Out of those 248 housing guarantee/security deposits, 247 remaining housing security deposits amounting to Rs.59,572,918 were the security deposits kept for houses which are not being used by Mission Staff except for the security deposit of Rs. 478,980 by now . Out of that deposit value, a sum of Rs. 12,440,021 had exceeded 20 years and a sum of Rs. 43,292,731 ranging from 10 years to 20 years and the rest of Rs.3,840,166 had exceeded 07 years. Even though the Director General of the Overseas Administration Division of the Ministry had instructed by the Internal Circular No. 250 dated 01 September 2009 in respect of the recovery of those deposits, steps had not been taken to recover the deposits by taking actions accordingly.

made from the Embassies and required details have been obtained. Accordingly, actions will be taken to follow a proper method in future to recover those deposits.

used by Mission staff .

<p>(iii) There were 127 ad hoc sub-imprests valued at Rs. 29,867,341 and out of which, a sum of Rs. 699,358 had exceeded 20 years and a sum of Rs. 12,840,889 ranging from 10 years to 20 years and rest of Rs.16,327,094 had exceeded 07 years. Although the ad hoc sub-imprests should be settled immediately after the task is completed in terms of F.R. 371 , it had not been so done. Further, it was not possible to ascertain the purpose of these 72 advances were given.</p>	<p>Although it was not possible to carry out the arrangements to properly recover the sub-imprests given for certain ad hoc matters in the previous years, actions will be taken to get settled such properly at the end of the completion of the tasks.</p>	<p>Actions should be taken to settle the advances immediately after completion of the task.</p>
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**(b) Imprest Account No.
7002-0-0-035/21**

<p>(i) An amount of Rs. 344,210,756 within in the imprest account balance of the year under review had been the security deposits which was kept for the houses given to staff who had gone abroad for the service in Missions. Out of those security deposits, a sum of Rs. 19,536,652 had related</p>	<p>It is indicated that at least from 03 years to more than 20 years have passed to settle the advances paid in the first instance because of the handing over the said houses to the newly arriving officers to the Missions in some cases and also those advances are maintained as security deposits. Further, it is</p>	<p>A system should be prepared to collect the security deposits which had kept for houses of Mission Officers at the time of completion of the service period.</p>
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to 46 deposits that were kept for houses where Mission staff had not settled. Out of that amount, a sum of Rs. 3,020,376 were the value of deposits exceeding 10 years and a sum of Rs. 16,516,276 were the deposits ranged from 04 years to 10 years.

stated that the actions will be taken to recover the unsettled advances on vacated houses.

- (ii) There was an ad hoc sub imprests of Rs.21,024,362 in the outstanding advances of the Missions and in that, there were a sum of Rs. 3,931,910 related to the period before the year 2018 and Rs.2,433,646 related to the year 2019 and Rs.4,272,499 related to the year 2020 . Actions had not been taken in terms of the provisions mentioned in the F.R. 371 with regard to those ad hoc sub imprests.

Actions have already been taken to provide instructions through circulars to Missions to recover such ad hoc sub imprests properly at the completion of the tasks in future.

Actions should be taken to settle the advances just after the completion of the task.

2.2 Expenditure Management

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
<p>Out of the amount allocated for 28 expenditure objects, the provision totalled to Rs.561,669,027 had been underutilized ranging from 51 per cent to 100 per cent.</p>	<p>It is agreed that there has been an underutilization of the provision amounting to Rs. 561,669,027 . It is informed that the need to follow the instructions given by the Treasury and the impact on the Corona pandemic had caused in the non-occurrence of expected expenses.</p>	<p>Estimates should be prepared As completely and accurately as possible in terms of Financial Regulation 50 (II).</p>

2.3 Entered Into Liabilities and Commitments

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
<p>Although the statement of commitments and liabilities under Note No.iii presented with the Financial Statements should be matched with the statement of commitments and liabilities (SA- 92) issued by the Treasury under each Expenditure Head, a sum of</p>	<p>Although the information related to the commitments and liabilities of the Ministry can be obtained accurately , there is a difficulty in obtaining information related to</p>	<p>It should be matched with the statement of commitments and liabilities (SA- 92) under Note No. iii.</p>

Rs. 115,320,800 had been shown under the statement of commitments and liabilities Note No. iii and the balance was Rs. 250,194,868 as per SA – 92 .

commitments and liabilities from Missions as at the date. Therefore, it is informed that a comparison between the relevant 02 Formats has not occurred. All relevant officers of Missions will be informed and efforts will be made to prevent such errors from occurring in the future in this regard .

2.4 Non- compliance with Laws, Rules and Regulations

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

Reference to the Laws, Rules, Regulations etc.	Non-compliance	Comments of the Chief Accounting Officer	Recommendation
(a) Sections 8.1 and 8.2 of Chapter XIX of Establishments Code of Democratic Socialist Republic of Sri Lanka	Although an inventory of electrical appliances in official quarters and an inventory of other equipment and fixtures etc. should be maintained by the authorities entrusted with the responsibility for the maintenance of the quarters , such	Although the arrangements have been made to maintain inventory records in respect of official quarters, it had not been updated. Nevertheless, actions are being taken to update the	Actions should be taken in accordance with the relevant provisions.

records had not been maintained in respect of 27 government quarters of the Foreign Ministry. inventory records by now.

(b) Financial Regulations of Democratic Socialist Republic of Sri Lanka

Financial Regulation 104 (1)

Actions had not been taken in terms of Financial Regulations in respect of 13 vehicle accidents which had passed a period from 01 to 10 years amounting to Rs. 3,990,669 and vehicle thefts occurred in the year 2010 valued at Rs.1,991,695. Further, as soon as a loss or damage occurs, knowing the extent and the cause thereof and although investigations should be conducted to determine those responsible for it, it had not been so done accordingly, in respect of losses of goods

Arrangements will be made to take the necessary steps quickly and to inform that in future.

Actions should be taken in accordance with Financial Regulation 104 .

- amounting to Rs. 403,777 in relation with 05 Missions within a period ranging from 01 to 05 years .
- (ii) Financial Regulation 106 Out of loss of money related to 5 Missions amounting to Rs.17,201,664 within a period ranging from 09 years to 15 years, the legal actions taken in respect of Rs.16,141,919 had not been completed and actions had not been taken in terms of Financial Regulations with regard to the balance. Two cases have been filed in the Colombo High Court related to money theft and the hearings are in the final stage at present. Actions have been taken to make necessary arrangements with regard to the other damages. Actions should be taken in respect of the lost money in accordance with Financial Regulation 106 .
- (iii) Financial Regulation 371 (5) Although sub imprests should be settled as soon as the completion of the task assigned, the unsettled advances given with regard to 12 Missions totalled to Rs. 1,804,674 had ranged a period from 7 years to 28 years. Actions have already been taken to issue instructions to Missions through circulars to recover such ad hoc sub imprests duly at the completion of those tasks in future. The imprests should be settled just after the completion of the task in terms of Financial Regulation 371.
- (iv) Financial Regulation 565 (5) Although a monthly deposit summary statement prepared for each month should be sent to the Auditor It is informed that the updates with regard to the Missions will be made after A monthly deposit summary statement for each month should be prepared and submitted in

		General before the end of the following month, actions had not been taken accordingly.	receiving monthly account summaries and account reports receive from each Mission.	terms of the Regulation.
(v)	Financial Regulation 571	Although the unclaimed deposits for a period of 2 years from the date of deposit should be taken into state revenue, actions had not been by the Ministry in respect of the deposits amounting to Rs. 32,601,682 .	It is informed that it will analyze the deposits quarterly which had exceeded two years and credit to Government Revenue.	Arrangements should be made to settle the deposit balances that had exceeded 2 years.
(c)	Sections 4.3 (e) (i) and (ii) of Department of Public Finance Circular No. PFD/RED/2015/08 General (i) dated 09 October 2015	Although arrangements should be made to recover lapsed advances of government officers in terms of the circular, there was an unidentified debt balance of Rs.1,499,176 remaining for more than 05 years that had not been so recovered.	It has been noted to carry out future activities by checking personal files and loan files of deceased/retired/ suspended/ officers who had left the service .	Actions should be taken to recover the lapsed advances of government officers in terms of the Circular.
(d)	Department of State Accounts Circular No. 262/2017 dated 29 December	Although the advances of retired and deceased officers should be settled promptly, there was a debt balance of	-do-	-do-

2017 Rs. 465,050 from 06 deceased officers and out of which a loan balance of Rs. 273,560 had remained for more than 05 years.

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| (e) | Guidelines 4.2.1 and 4.2.2 of the Government Procurement Guidelines 2006 | A Master Procurement Plan listing the expected procurement activities for a minimum period of 3 years and a Procurement Time Table had not been prepared. | The relevant parties have been informed to correct the existing deficiencies and prepare and implement the Procurement Plan properly. | A Master Procurement Plan and Procurement Time Table should be prepared. |
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2.5 Issuance and Settlement of Advances

 The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
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(a) There was a balance of Rs.215,322 overcharged from 24 officers as per the annual reconciliation statement of advance "B" account and actions had not been taken to settle that balance.	Actions are being taken to re-pay the overcharged money to the relevant officers very quickly during the future period.	Actions should be taken to settle the overcharged debt balances.

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| <p>(b) There is a balance of Rs. 1,098,606 due from 13 officers who had left the service and within that debt balance, there was the balance of Rs. 435, 660 in between 2 years and 3 years, the balance of Rs. 127,275 in between 4 and 5 years and the debt balance of Rs. 535,671 for more than 5 years.</p> | <p>It was noted to check the personal files and loan files of the retired officers who had left the service and to take further actions.</p> | <p>Actions should be taken to settle the arrears of debt balances of the officers who had left the service.</p> |
| <p>(c) There is a debt balance of Rs.299,955 pertaining to 5 officers who had left the service had remained for more than 05 years and actions had not been taken to recover that amount.</p> | <p>It has been noted to take actions to check with regard to the officers who were vacated on posts retired officers.</p> | <p>Actions should be taken to settle the arrears of debt balances of officers who were vacated on posts.</p> |
| <p>(d) An amount of Rs. 130,551 should have been recovered from the interdicted officers and actions had not been taken in respect of recovery of the amount.</p> | <p>It was noted to check the personal files and loan files of the interdicted officers and to take future actions .</p> | <p>Actions should be taken to settle the arrears of debt balances of the interdicted officers</p> |

2.6 Operating Bank Accounts

The deficiencies revealed at the audit test check carried out in respect of Operating Bank Accounts are shown below.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
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<p>(a) Even though 03 cheques valued at 402 AUD of Canberra Mission and a cheque valued at 110 EURO in Berlin Mission were deposited in between period ranging from the year 2010 to the year 2017 , it had not realized even by the end of the year under review.</p>	<p>It is informed that the necessary steps will be taken to settle the unrealized cheques promptly.</p>	<p>Follow-up actions should be done in respect of the unrealized cheques .</p>
<p>(b) Even though an amount of 1583 USD which had theft in the Los Angeles Mission in the year 2011 and a sum of 155 USD as undeposited amounts in Moscow Mission in the years 2002 and 2003 had remained in the bank reconciliation statement, actions had not been taken in respect of that.</p>	<p>Actions will taken to make necessary arrangements as soon as possible to find out about the stolen money at the Los Angeles Mission. Since this amount was an error occurred at the time of accounting in the Moscow Mission, actions will be taken to settle.</p>	<p>Actions should be taken to settle the balance remained in the bank reconciliation statement as theft and undeposited money.</p>

3. Operating Review

3.1 Action Plan

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
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<p>(a) Even though it had been planned to amalgamate the E-Document Assessment System (e-DAS), with the Department of Registrar General and the Department of Examination to facilitate the efficient verification of G.C.E (O/L), G.C.E (A/L) examination certificates and birth, marriage, death certificates which are the services provided by the Ministry of External Affairs. the work had not been completed even as at the date of the report.</p>	<p>Technical discussions on amalgamating with the system of Department of Registrar General are at the final stage and the technical discussions of the Department of Examination have been completed by now.</p> <p>Nevertheless, as a result of the technical errors occurred time to time during the preceding year in the E- Document Assessment System (e-DAS), the system has not been implemented with the expected capacity.</p>	<p>Activities during the year under review should be properly planned and executed.</p>
<p>(b) Even though it had been planned to publish a gazette revising the fees charged for the services provided by the Consular Division of the Ministry in</p>	<p>Even though the revision of consular fees has been postponed considering the matters such as having to run the affairs of the Ministry under different</p>	<p>Relevant actions should be taken to revise the consular fees.</p>

the Action Plan for the year under review, it had not been performed.

movement restrictions due to the Corona situation, loss of jobs for Sri Lankans living in foreign countries at that time, increasing in consular fees due to displacement, increasing of the price of air tickets and the increase in the cost of living in those countries as well is an another distressing situation for Sri Lanka, the activities relating to the fee revision is currently at the final stage.

3.2 Assets Management

Audit Observation

Even though the Ministry had paid a sum of Rs. 70,638,545 to the National Housing Development Authority for the purchase of 20 housing units at 117 Watta Apartment Complex, Elvitigala Mawatha, Colombo 08, arrangements had not been made to get title deeds for 17 housing units out of that even by the date of audit.

Comments of the Chief Accounting Officer

Although the constant requests have been made from the National Housing Development Authority successful response has not been received even by now.

Recommendation

Actions should be taken to get the title deeds.

3.3 Losses and Damages

Audit Observation

As per the age analysis submitted in respect of the losses remained to be recovered or deducted or waiver furthermore with regard to the 55 cases of Sri Lankan Missions in abroad amounting to Rs.29,185,385 under Programme No. 02 in the statement of losses and waivers submitted to audit with the financial statements of the year under review, it was observed that a sum of Rs. 2,254,421 out of that had exceeded 10 years and a sum of Rs. 21,626,285 had ranged in between 05 years and 10 years.

Comments of the Chief Accounting Officer

It was noted to take immediate actions to rectify the deficiencies pointed out.

Recommendation

Arrangements should be made to be investigated and settled.

3.4 Management Inefficiencies

The following observations are made.

	Audit Observation	Comments of the Chief Accounting Officer	Recommendation
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(a)	Although there are buildings belonging to the Sri Lankan government in Australia, Sweden and Kenya where there are Missions actions had not been taken to utilize them in an optimal way.	Instruction circulars have been issued to Missions to utilize government assets in an optimal manner and it is expected to re-issue the instructions as required and to carry out the follow up actions.	Assets should be utilized optimally.
(b)	Even though it had been ordered by the Directive No. 07 of the Committee on Public Accounts held on 07 August 2018 to analyze and submit a report on the formal criteria applied by each country in the appointment of staff for Foreign Embassies, arrangements had not been made to submit the report even by the end of the year under review.	It had been ordered to provide a report including the admission criteria together with the Management Services Department in the appointment of staff for Sri Lankan Embassies abroad. Accordingly, the report prepared by the Ministry has been sent to Director General, Department of Management Services on 16 May 2019 for the observations.	Actions should be taken in accordance with the Directives of the Committee on Public Accounts.

4. Human Resources Management

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
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(a) Although the number of Development Officers and Management Service Officers within the 369 approved secondary level employees are 74 and 169 respectively as at the end of the year under review, thus the actual numbers were 86 and 207 respectively, the excess had been 12 and 38 .	In appointing Graduate Trainees recruited in the year 2019 to Grade III posts in the Development Officer Service, the instructions have been received from the Director General of Combined Services to provide opportunity to all the officers assigned to assume duties and not to consider the officers as in excess . Accordingly, after the completion of the recruitment process, actions will be taken to obtain the approval from the Department of Management Services for the new positions . As a result of completion of period in of Mission Service and reporting of Management Service Officers to the Ministry of Foreign Affairs, it has indicated an excess in staff. Arrangements are being made to manage the excess staff	Actions should be taken to obtain the approval of the Department of Management Services.

through annual transfers.

(b) As per the Section 154 of Chapter xiii of the Procedural Rules of the Public Service Commission of the Democratic Socialist Republic of Sri Lanka in Special Gazette No. 1589/30 dated 20 February 2009 that the authority to re-employ a person who has retired from public service is vested only in the Public Service Commission and according to its Section 157, a person retired from government service can be re-employed only on contract basis and although such an appointment should be limited to a period of one year in one case, a retired woman officer had been appointed on 28 August 2019 for the post of Personal Assistant in Home Basis at the Foreign Mission of Toronto with effect from 01 September 2019 for a period of 03 years without obtaining the approval of the Public Service Commission.

On the appointment of the said officer who had retired from the semi-government service to the post, the covering approval of the Public Service Commission has been asked for the said appointment after ascertaining the requirement for making said appointment and the prior approval of the Public Service Commission was revealed.

The Ministry will take steps to obtain necessary prior approvals from the Public Service Commission in making such appointments in future.

Actions should be taken in accordance with the Procedural Rules of Public Service Commission.