

Head 333 – Comptroller General’s Office

1. Financial Statements

1.1 Opinion

The audit of the financial statements of the Head 333- the Comptroller General’s Office for the year ended 31 December 2022 comprising the statement of financial position as at 31 December 2022 and the statement of financial performance, and cash flow statements 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 including my comments and observations on the financial statements of the Comptroller General’s Office was issued to the Accounting Officer on 28 April 2023 in terms of Section 11 (1) of the National Audit Act, No. 19 of 2018. The Annual Detailed Management Audit Report of the Office was issued to the Accounting Officer on 28 June 2023 in terms of Section 11 (2) of the Audit Act. This report is presented in Parliament in pursuance of the 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, the financial statements give a true and fair view of the Comptroller General’s Office as at 31 December 2022 and its financial performance and cash flow for the year then ended, in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities for the financial statements are further described in the Auditor’s Responsibilities 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 Responsibility 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 in terms of Section 38 of the National Audit Act, No.19 of 2018 and for such internal control as the Accounting Officer determines 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 Office 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 to be prepared of the Office.

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 Office 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 Responsibility 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 judgment and maintain professional skepticism 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 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

As required by Section 6 (1) (d) of the National Audit Act, No.19 of 2018, I state the followings:

- (a) The financial statements are consistent with the preceding year,
- (b) Recommendations made by me on the financial statements relating to the preceding, had not been implemented.

2. Financial Review

2.1 Management of Expenditure

The following observation is made.

Audit Observation	Comments of the Accounting Officer	Recommendation
Provision had been increased through transfers subject to Financial Regulation 66/69 by a sum totalling Rs.1,739,000 ranging from 35 per cent to 455 per cent of the original estimate due to inadequate original estimated provision relating to 04 Objects.	Additional provision was made due to high increase in prices on fuel and maintenance and unexpected expenditure to be incurred.	In terms of F.R. 50, Annual Estimates of Expenditure should be prepared as accurately and realistically as possible.

3. Operating Review

3.1 Performance

The following observation is made.

Audit Observation	Comments of the Accounting Officer	Recommendation
The Comptroller General's Office was established as per the budget proposal approved by Sri Lanka Parliament in the year 2017 with the objective of overseeing the management of assets of the Government and the cost management of assets through the centralized recording of all assets of the Government. Centralized recording of all local and foreign assets of the Government including lands, buildings, motor vehicles, ships, airplanes, machinery, etc. had been identified as a priority activity to be performed by the Comptroller General's Office. Even though 05 years had elapsed by 31 December 2022 after the establishment of the Comptroller General's Office, the said Office was unable to carry out a centralized recording of all assets mentioned as above.	All Government institutions failed to perform their functions properly during the period of two years from 07 March 2017 to 31 December 2022 due to the Covid pandemic prevailed in the country. No Government institution had supported to submit information which should be submitted as per the Assets Management Circular No. 01/2017 and as such, the Comptroller General's Office had to make a great effort to create a database on motor vehicles, buildings and lands. However, you have been provided with information on those assets. In addition to	Action should be taken to achieve objectives of the establishment of the Comptroller General's Office.

that, the motor vehicle database has been prepared in the year 2017 and updated in the years 2019 and 2021.

3.2 Management of Assets

The following observation is made.

Audit Observation	Comments of the Accounting Officer	Recommendation
Three vehicles owned by the Ministry of Finance, Economic Stabilization and National Policies had been made use of by the staff of the Comptroller General’s Office in the year under review without transferring them formally.	Vehicles owned by the Ministry of Finance, Economic Stabilization and National Policies were used temporarily for the management of transport requirement of the Comptroller General’s Office.	Action should be taken to transfer them properly.

4. Human Resource Management

The following observation is made.

Audit Observation	Comments of the Accounting Officer	Recommendation
There were 09 vacancies in the Comptroller General’s Office as at 31 December 2022 and of them, 05 vacancies were in the senior level.	Vacancies should be filled on exigency of service to perform functions of the Comptroller General’s Office efficiently.	Action should be taken to fill essential vacancies or to revise the approved cadre to perform functions of the Office.