

Head 08 - National Police Commission

1. Financial Statements

1.1 Opinion

Head 08 - The audit of the financial statements of the National Police Commission 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 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 including my comments and observations on the financial statements of the National Police Commission was issued to the Chief Accounting Officer on 23 May 2022 in terms of Sub-section 11 (1) of the National Audit Act, No. 19 of 2018. The Detailed Annual Management Audit Report relating to the Commission in terms of Section 11 (2) of the National Audit Act , No. 19 of 2018 was issued to the Chief Accounting Officer on 28 June 2022. This report will be presented to Parliament in pursuance of provisions in Article 154 (6) of the Constitution to be read in conjunction with Section 10 of the National Audit Act, No. 19 of 2018.

In my opinion, the accompanying financial statements prepared give a true and fair view of the financial position of the National Police Commission as at 31 December 2022, and its financial performance and cash flows 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 (SLAuS). 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 Chief Accounting Officer and 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 such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As per Sub-section 16(1) of the National Audit Act No. 19 of 2018, the Commission 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.

As per Sub-section 38 (1) (c) of the National Audit Act, the Chief Accounting Officer shall ensure that effective internal control system for the financial control of the Commission exists, 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 misstatements, 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 the economic decisions of users taken on the basis of these financial statements.

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

- Appropriate audit procedures were designed and performed identify and assess the risks 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 audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission’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 the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Chief 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 and Regulatory Requirements

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

(a) The financial statements are consistent with the preceding year.

(b) Recommendations made by me on the financial statements for the preceding year had been implemented.

2. Financial review

2.1. Incurring of Liabilities and Commitments

Audit Observation	Comments by the Chief Accounting Officer	Recommendation
In the financial statement, as at 31 December 2022, liabilities and commitments amounting to Rs.20,916 were understated.	It has been informed that the officials have been informed to include the vouchers related to the month of December in the due date.	Financial statements should be prepared as per Public Accounts Guidelines.

3. Operational review

3.1 Non achievement of expected output

The following observations are made.

Audit Observation	Comments by the Chief Accounting Officer	Recommendation
a) Although there has been progress in investigating complaints which exceeded 70 percent in 2020 and earlier years, the progress in completing investigation of complaints as at 31 December 2022 were 27 percent. The lowest progress in closing investigations as at 31 December of the year under review was 7 percent in the Northern Province and 16 percent in the Central Province.	Based on the crisis situation in the country since the beginning of the year. according to the public administration circular, the Calling of officers to work is restricted, and there are transportation difficulties, even though the duties of the files are done from home there is no computer facility required to print the necessary reports, letters, etc., so they have to come to the office for that, and there is only one investigation officer to carry out all investigation activities in the central provincial office.	Investigation of public complaints should be done at optimum level

<p>b) Western I, II, South and North-West provinces received the highest number of complaints, that were 21 ,18, 15 and 10, percent out of total respectively while the progress of the investigation was as low as 27, 31, 29 and 27 percent respectively.</p>	<p>It was informed that according to the number of complaints received at the offices of Western Provinces 1 and 11, there are not enough officers to carry out their duties.</p>	<p>The investigation of public complaints in provincial offices should be optimized.</p>
<p>c) According to the nature of the complaints, out of the total complaints there were more complaints of non-action by the police, abuse of power and instances that acted as bias. At the same time out of complaints received were as above can be identified as 31,24 and 20 respectively. At the end of the year under review, the progress in resolving those complaints was as low as 24, 23 and 22 percent respectively.</p>	<p>There are many cases where there is delay in obtaining further information from the complainants and the extracts and reports called from the police stations are almost always not received on time and there are deficiencies in them. It was informed that the Inspector General of Police has been informed about this.</p>	<p>Investigation of public complaints should be optimized.</p>

3.2 Annual Performance Report

The Annual Performance Report should have been prepared in accordance with the format mentioned in Guideline No. 14 issued by the State Finance Department as per paragraph 10.2 of State Finance Circular No. 2/2020 dated 28 August 2020. The following observations are made in this regard.

Audit Observation	Comments by the Chief Accounting Officer	Recommendation
As per the circular, the annual performance report should be submitted along with the financial statements, but it was not done accordingly.	It was informed that the annual performance report will be prepared as done in previous years including the audit report and will be submitted to the parliament and the audit in the future	To proceed in accordance with paragraph 10.2 of the Public Finance Circular No. 2/2020 dated 28 August 2020.

3.3 Losses and Damages

The following are observed

Audit Observation	Comments by the Chief Accounting Officer	Recommendation
An official Cell Phone went missing on 12 April 2022. In the preliminary investigation on 18 November 2022, and the current value of the lost mobile phone was identified the value as Rs. 71,249, but the loss was not reported as at 31 December 2022 as per FR 105.	At the time of preparing the financial statements, although the initial investigation was done, it was stated that the amount to be recovered was not decided, so the year 2022 was not included in the financial statements.	The related loss should be reported in the financial statements.

4. Good governance

4.1 Internal Audit

The following are observed

Audit Observation	Comments by the Chief Accounting Officer	Recommendation
No internal audit was conducted for the year under review as an internal audit unit was not established for the commission in accordance with the provisions of section 40 of the National Audit Act No. 19 of 2018.	It was informed that although the Appointing Authority has been requested to appoint an officer for the post of Internal Auditor on several occasions, it has not been possible to establish an Internal Audit Division due to non-provision of an officer.	The provisions mentioned in Section 40 of the National Audit Act No. 19 of 2018 should be followed.

5. Human Resource Management

The following observations are made.

Audit Observation	Comments by the Chief Accounting Officer	Recommendation
a) Number of 15 of the 30 senior level positions of the Commission or 50 percent were vacant, of which the positions of Senior Assistant Secretary, Deputy Director, Chief Investigator, Legal Officer, and Internal Auditor were vacant. It was observed that this situation may also	From the Cabinet Officer for reviewing the recruitment process in the Public Service from the Secretary to the President, Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government to give	Adequate staffing should be employed to enhance performance.

lead to delay in complaints and investigations

approval for recruitment for a period of one year or on contract basis until the vacancies are filled up for the smooth running of the work of the Commission has been was informed that approval has also been sought from the committee, but that approval has not been received so far.

b) 34 percent of the secondary level posts were vacant and the posts of Development Officer, Management Service Officer and IT Assistant were vacant and it was observed that it affected the performance of the institution.

It was informed that the vacancies have been notified to be filled on a number of occasions, but so far not enough officers have been assigned and the Management Service Officers have only filled 12 posts so far.

Adequate staffing should be employed to enhance performance.

c) As per paragraph 02 (iv) of Public Administration Circular No. 03/2018 dated 20 February 2018 for re-employment of retired government officers, no person who has attained the age of 67 years for any reason shall be appointed to a

That the officer who obtained the highest marks in the waiting list for the Western Province was appointed on contract basis for a period of one year as the Director of the Western Province of the National Police Commission from

To act as per Public Administrative Circulars.

post in the public service. But retired officer who completed 67 years of age was appointed to the position of Western Regional Director of the National Police Commission from 2 March 2022 to 1 March 2023, and was paid Rs. 720,000 for the relevant year at Rs. 60,000 per month against the circular.

01 March 2022 on the approval of the National Police Commission and Police Commission.