

Head 252 - Department of Census and Statistics

1. Financial Statements

1.1 Opinion

Head 252 - The audit of the financial statements of the Department of Census and Statistics for the year ended 31 December 2023 comprising the statement of financial position as at 31 December 2023 and the statement of financial performance and cash flow statement for the year then ended and the notes to the financial statements, including material accounting policy information 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 Census and Statistics was issued to the Accounting Officer on 29 May 2024 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 23 August 2023 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, the financial statements give a true and fair view of the financial position of the Department of Census and Statistics as at 31 December 2023, 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 (SLAuSs). My responsibility for the financial statements are 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 of Census and Statistics 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 judgment and maintain professional skepticism throughout the audit. I also:

- Designed and performed the appropriate audit procedures, identified and assessed 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.
- Obtained 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 internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Evaluated 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 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.

2. Financial Review

2.1 Expenditure Management

Following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) The provision that had been made for 2 capital objects amounting to a total of Rs.30,000,000 had totally remained without being utilized for any purpose in the year under review.	<p>The Object No. 28-2507(13) Household Unit Survey on the Impact of Economic Crisis – Since the required provision was later provided by the institutions that made the funds for this, the provision of Rs. 25,000,000 remained.</p> <p>The Object No. 23-2507(13): Pilot Study on the Implementation of the Decisions of the 19th International Conference of Labor Statisticians (ICLS) – As the priority was given for the rapid implementation of the Household Unit Survey on the Impact of the Economic Crisis as a national requirement in the year 2023, and the officers of the Department had to be deployed for the duties of Population and Housing Census, this study could not be carried out during the year under review causing the remainder of the provision. This work is expected to be accomplished in the year 2024.</p>	Annual expenditure estimates should be prepared accurately and logically.
(b) Out of the provision amounting to a total of Rs. 1,369,796,961 of another 14 capital objects, the provision amounting to a total of Rs. 456,633,602 had remained as at the end of the year under review, and it was	The ratio between net provision that had been made for 14 capital objects and the provision remaining as at the end of the year under review was in a range between 5% and 73 %, and the factors that caused this situation have been given under the Format ACA-2(ii)	- Do -

observed that it was in a range from 5 percent to 73 percent of the net allocation that had been made for each object.

in the financial statement of the year 2023.

- (c) A sum of Rs. 89,599,299 or 13 percent from the net allocation of the Object for Salaries and Wages; which are the recurrent objects, had been saved, and a sum of Rs. 1,016,829 or 51 percent and from the net provision of the Object for Rents and Local Authority Tax had been remained.
- Since the new recruitments for the year 2023 were not done and the officers went abroad on no-pay leave, the provision of the Object for Salaries and Wages has been saved.
- Although the rents were included for the head office when requesting the provision for the Object; Rents and Local Authority Tax, these savings have occurred due to the non-receipt of the expected tax
- Do -
- (d) The supplementary estimate provision amounting to Rs. 12,155,700 had been obtained for the household survey on the quality of drinking water under Object No. 25-2507(13) out of which a sum of Rs. 10,985,700 had been utilized and a sum of Rs. 1,170,000; which is 10 percent, had been left.
- Even if an amount of Rs.12,155,700 was allocated as provision for this survey under the Object No. 25-2507(13) for the year 2023, the approval to make the relevant payments was received on 04.12.2023. Accordingly, after processing the relevant vouchers, the amount of Rs.10,985,000 that can be paid within that period was obtained as imprests. The said entire amount was paid during that year and the payments related to the remaining provision of about 10% have been planned to be done in the year 2024.
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| (e) | The supplementary estimate provision amounting to Rs. 10,900,000 had been obtained for the Global Survey on Adults' Tobacco Use under the Object No. 26-2507(13) out of which a sum of Rs. 10,286,000 had been utilized and a sum of Rs. 613,400; which is 6 percent, had been left. | The payment activities for the officers were done up to the limit approved by the former Director General from the provision amounting to Rs. 10,900,000 that had been allocated for this survey under the Object No. 26-2507(13), and the remaining money has been sent back to the World Health Organization (WHO). | - Do - |
| (f) | The Supplementary Estimate Provision of Rs. 25,000,000 had been obtained under Object No. 28-2507(13) for the Household Survey on the Impact of Economic Crisis, and the said amount had remained totally unutilized. | Since the required provision had been given by the institutions themselves that have funded for this survey under the Object No. 28-2507(13), the provision of Rs. 25,000,000 have remained. | - Do - |
| (g) | The Supplementary Estimate Provision of Rs. 40,192,857 had been obtained under the Object No. 29-2509(13) for the annual work plan of UNFPA, and a sum of Rs.38,192,857 was utilized and a sum of Rs. 2,000,000; or 5 percent, had remained. | The funds amounting to Rs. 2,000,000 were given for the technical support. As the expenses for the workshop conducted for that purpose were directly borne by UNFPA, the allocated fund was not used. The actions were taken to transfer these funds to the said institution. | - Do - |

2.2 Public Officers' Advance B Account

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) The total amount of outstanding loan balances to be collected at the end of the year under review related to three deceased officers was Rs. 505,339, and it was observed that the said balance include a loan balance of Rs. 92,750 that remained unrecovered for	The amount of Rs 92,750 to be recovered from Mrs. K.Vigneswaran has been entered into the pension management system in order to recover it from the death gratuity of the officer. All the details related to the preparation of pension of Ms. A.P. Singankuttiarachchi have been	The immediate steps should be taken to settle the loan balance.

more than 03 years.

uploaded online on 09.09.2022. Once the pension is prepared, the actions will be taken to recover the relevant amount.

The actions have been taken to deduct the distress loan amount of Rs. 176,429 of Mr. W.A.S. R. Jayalal from the death gratuity. The relevant documents have been forwarded to the Director General of Pensions by letter dated 26.04.2024.

- (b) The loan balances amounting to Rs. 450,014 related to seven officers who have vacated the service during the period from 2005 to 2018 remain outstanding, and the actions had not been taken to collect the said loan balances until the end of the year under review.

W.M.J.C.Weerakoon (27,080) – The details about the residence of this officer cannot be found and a reminder letter dated 15.05.2024 has also been sent to the Department Immigration and Emigration related to the letter sent to find out whether the officer has gone abroad.

W.A.J.S.Kumar (47,150) - A letter dated 17.04.2024 has been sent informing this officer to completely pay the amount due from him before 31.05.2024.

A.G.M.S. Kumara (38,410) – The details about the residence of this officer cannot be found and a reminder letter dated 15.05.2024 had been sent to the Commissioner General of Department of Motor Traffic related to the letter sent to ascertain whether a driving license has been issued in relation to the National Identity Card Number.

M.J.D.K. Priyakelum (104,250) - A letter dated 09.06.2023 has been sent to the personal address of the officer informing to pay the loan amount immediately and thereafter, a reminder letter has also been issued.

- Do -

As it has been informed that the relevant loan file is not available even in the Department of Culture where the officer was serving at the time of taking the loan, a letter has been sent to the Director General of Treasury Operations consulting on how to proceed in this regard.

K.M.D.R.P. Perera (78,200) - The details about the residence of this officer cannot be found and a reminder letter dated 22.02.2024 has also been sent to the Department Immigration and Emigration related to the letter sent to find out whether the officer has gone abroad.

M.B.R.J. Bandara (95,140) - A case is being heard in the Colombo High Court regarding the amount to be recovered from this officer and the case is scheduled to be recalled on 01.08.2024.

M.S.M.Safras (59,784) – The matter has been referred to the Attorney General's Department to file the case and present status has been inquired by the letters dated 03.10.2023 and 31.01.2024.

2.3 Non-compliance with Laws, Rules and Regulations

	Observations		Comments of the Accounting Officer	Recommendation	
	Reference to Laws, Rules and Regulations	Value Rs.			Non-compliance
(a)	104(1), 104 (3) and 104 (4) of the Financial Regulation of the Democratic Socialist Republic of Sri Lanka	-	The proceedings had not been done as per the Financial Regulation regarding a shortage of 242 reams of 80 GSM printing paper stock in the printing division.	A committee was appointed to find the misplaced stock of printing paper and as this task took time, the preliminary report under F.R 104(3) was also delayed.	The proceedings should be done as per the financial regulations.
(b)	756(6) of the Financial Regulation of the Democratic Socialist Republic of Sri Lanka	-	According to the board of survey report, reporting and taking actions on deficiencies and surpluses should be done before 15 April of the following financial year. However, although there were 182 deficiencies in the items of the head office and 66 deficiencies in the items belonging to the district offices amounting to a total of 248 deficiencies as per the board of survey report of the year 2022, the proceedings had not been done regarding this matter in accordance with the financial regulations until the end of the year under review.	The instructions have been given to complete the works on these deficiencies and to carry out the board of survey once again in the divisions where other deficiencies have been reported after the receipt of the reports of the committee appointed under F.R 104. Accordingly, the proceedings will be done as per the Financial Regulations after the relevant reports are received.	- Do -

- (c) 880 of the Financial Regulation of the Democratic Socialist Republic of Sri Lanka - It was observed that there are 66 officers who are required to give security and however have not given security. - Do - The actions will be taken in future to take applications for security from officers who have not given the security so far and to get the security deposits.

2.4 Deposit Balances

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>The balance of the General Deposit Account as at 31 December 2023 was Rs. 7,906,833 and the total of Rs. 5,633,148 related to 2 deposits included in that balance existed from 2 years to 5 years. However, the proceedings had not been done regarding those balances as per the Financial Regulations.</p>	<p>Survey on the children in Children's Home - As the approval of the Director General of Establishments has not been received to make payments for this, it remained as a balance in the general deposit account since the relevant payments were not made. However, as the approval has already been received, the necessary arrangements are being made to make the payments thereof in the future.</p> <p>Global Adult Tobacco and Alcohol Survey - it is a balance allocated to pay for the expenses incurred for maintaining the field office of the officers who fulfilled the field duties in the first round of the GATS survey carried out in the year 2021. The necessary arrangements are being made to make those cash payments this year.</p>	<p>The proceedings should be done as per the Financial Regulation.</p>

3. Operation Review

3.1 Vision and Mission

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Household Income and Expenditure Survey (HIES); which should be conducted every 03 years, had been last conducted in the year 2019 and it should have been conducted in the year 2022. The information revealed from this survey is used to evaluate and introduce the social, economic and development policies and plans as well as to calculate various other socio-economic and poverty indicators of the country. The reference period of the commodities used in the calculation of the Colombo Consumer Price Index (CCPI) and the National Consumer Price Index (NCPI) is covered by this survey, and the data from this survey are also significant for weighting considering about the contribution of each item to the total expenditure of the households for the consumption. It was observed that the inflation rate calculated from CCPI and NCPI prepared based	The arrangements to conduct this survey from January to December 2025 are currently being planned.	The actions should be taken to conduct this survey; which will prepare a number of very significant socio-economic indicators, should be conducted immediately.

on the information of that survey may not accurately reflect the impact of the changes in the economic situation in the recent periods due to the delay of implementing this survey.

- (b) Population and Housing Census 2021 - A preliminary plan made for this census was not presented for the audit, and although it had been planned to be completed in the year 2021 as per the Action Plan of that year, only the enumeration phase had been completed to date. A sum of Rs. 1,233,151,415 was observed to have been borne from the year 2017 to 30 April 2024 in terms of the census activities. In addition, the expenditures amounting to a total of Rs.4,813,352 had been incurred from the Objects of the Presidential Secretariat for this work in the years 2022 and 2023.
- All the arrangements have been made to accomplish the counting phase before October 2024.
- The arrangement should be made to complete the census activities as planned without any delay.

3.2 Non-fulfillment of tasks

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
In comparison of the Annual Action Plan and the draft Annual Performance Report, it was observed that 11 roles that should be fulfilled by 07 Divisions of the Department as stated in the Action Plan had not been fulfilled.	A performance could not be achieved up to the extent planned due to the activities related to the Population and Housing Census 2024.	The efforts should be taken to carry out the works as planned.

3.3 Non-achievement of expected Output Level

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
As per the draft annual performance report, 10 divisions of the department had not achieved the expected levels of completion included in the Action Plan, and the progress of performing the tasks ranged from 5 percent to 75 percent.	A performance could not be achieved up to the extent planned due to the activities related to the Population and Housing Census 2024.	The actions should be taken to achieve the expected output levels as planned.

3.4 Asset Management

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) It is observed that the 12 storey head office building; which has been constructed at a cost of more than Rs. 1,116 million, has not been constructed in line with the required standard and has not been properly maintained, and further it is observed that there is a water leakage from the upper floor to the lower floors of the building, and water flowing into the building through the glass cover in the open area of the 6 th floor enters into the elevator pits, and water is flowing into the office premises along the insulator pipes of the unsafe electrical cables placed in the ground, and the amount of Rs.3.3 million paid to another contractor to repair the front door; that has been broken-down, has become an additional cost to the government as the management did not take actions to obtain the required assurances from the contractor for the building.	As the top surface and side walls of the office building have not been properly waterproofed, there is a leakage of rainwater. Rainwater leaks from the open area of the 06th floor to the front area of the elevator. Some electrical circuits in the office premises where rainwater trickles have been disconnected. Some electrical circuits have been installed separately from the places so as not to get contacted with water. Since there is no As-Built Drawings related to electrical wiring, taking further steps has been difficult.	The arrangements should be made to do the appropriate repairs as soon as possible.

(b) The following observations are made regarding the premises of the Printing Division with an extent of 3 roods and 1.45 perches belonged to the Department and situated at Albert Crescent, Colombo 07.

(i) The actions had not been taken to run the respective premises carrying out proper maintenance and it was observed that the entrance gate was broken and decayed, and the window shutters, doors and roofs of the warehouses were in a run-down condition, the waste materials were piled up all over the land in a very dirty condition, and parts of the decayed buildings were detaching and falling down.

(ii) 52 Air Conditioners had not been properly removed when the office proceedings carried out in this premises were shifted to the main building in Battaramulla and it was revealed that only 12 Air Conditioners were being used.

Once the approval of procurement for the estimates related to repairs is received, the repair of main gate, repair of garage and the repair of the roof of single-storey building will be done immediately.

As the doors, windows and door frames of the buildings used as warehouses have been decayed, it has been proposed to cover such places using bricks, and the further works will be carried out expeditiously after the approval from the head of the Printing Division is received.

The Colombo Municipal Council was informed by a letter to remove the existing waste materials.

In order to prevent water from entering the building where the machines have been installed, the entrance and the exit were covered with sandbags.

Some of the Air Conditioners not being used and existing in the Printing Division premises were already inspected by the Operator of Air Conditioner and some of those machines were in usable condition. As these machines have not been used for a long time, the arrangement will be made to get a quality report prior to the use.

An adequate attention of the management should be given to prepare a formal program so that a due protection is given for the government properties, and to use those with maximum efficiency.

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| (iii) | Although 03 outdoor units of 03 Air Conditioners that had been installed in the Printing Division were missing, the proceedings had not been done as per the Financial Regulations. | The necessary steps to establish a proper internal control system have already been taken. | - Do - |
| (iv) | As a formal document is not maintained including the particulars about the quantities of materials issued for the tasks done by each machine and the notes about the output of that machine, the requirement of servicing the machine and the requirement of replacement had not been able to be identified in advance and it is observed that there is a possibility for the occurrence of irregularities. | After repairing the meters showing the completion readings of the two printing machines, it is expected to take actions to maintain the related documents as appropriate and do the implementation in future. | The adequate control systems should be introduced. |
| (v) | The items such as ink and papers used for printing activities had not been stored properly and the formal documents including Bin Cards had not been maintained. | A Bin Card maintenance for each material stored has not been done so far and the relevant bin cards should be maintained by the store keeper. The proceedings required to implement from 1 June 2024 are being planned. | - Do - |

4. Human Resource Management

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) There were 455 vacancies by the end of the year under review; that is 25 percent from the approved cadre.	There were 455 vacancies; that is 25% of the approved staff, by the end of the year under review. Due to the restriction imposed by the National Budget Circular 03/2022 for the recruitment of employees, the recruitments could not be done in the year 2023 and the actions will be taken to fill the vacancies this year.	The proceedings should be done as per the applicable provisions and the arrangement should be made to fill vacancies or to amend the staff as appropriate.
(b) As per Annexure 02 of the Public Administration Circular No. 02/2018 dated 24 January 2018, the Human Resource Development Plan had not been prepared.	A draft of the Human Resource Development Plan for the years 2023/2024 has been prepared by the Department.	The proceedings should be done as per the Circular.