

Head 08 – National Police Commission

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Head 08 – National Police Commission 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 notes to financial statements including a summary of significant accounting policies, 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 10 April 2024 in terms of Sub-section 11 (1) of the National Audit Act, No. 19 and the Detailed Annual Management Audit Report relating to the National Police Commission in terms of Sub-section 11 (2) of the National Audit Act, No. 19 of 2018 was issued to the Accounting Officer on 25 June 2024. This report will be presented in 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 financial statements give a true and fair view of the financial position of the Head National Police Commission 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 (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 the Chief Accounting Officer and the Accounting Officer for the Financial Statements

The Chief 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 determines 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 National Police 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 National Police 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 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:

- 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 internal control of Sri Lanka Police.
- 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 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 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

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) In terms of Budget Circular No. 01/2023 dated on 27 January 2023, it has been informed that all Chief Accounting Officers and Accounting Officers should work to cut off at least 6 percent of the total allocation for all recurring expenses except for 07 expenditure subjects but the National Police commission had not been acted according.	As the necessary provision for the increased role was not given to the National Police Commission for the year 2023, it had to get the provision under F.R.208 from the Public Service Commission and get supplementary provision from the National Budget Department. However, it was informed that the National Budget Department had given verbal consent to reduce the amount of allocation by 2 percent, but the amount of allocation had not been revised in the ITMIS system.	According to the Budget Circular No. 01/2023 dated on 27 January 2023, action should be taken to use the government expenses more sparingly and reduce unnecessary expenses as much as possible.
(b) Additional allocations totaling Rs.5,755,825 had been made under Financial Regulation 208 for 5 expenditure subjects. Under this, additional allocations of Rs.1,975,525 and Rs.450,000 had been made for the expenditure subject of other allowances (1003) and other (1409) respectively, but Rs.475,000 and Rs.384,000 respectively had been transferred to other expenditure subjects.	The provision for payment of salaries and allowances to the staff is Rs.1,975,525 under F R 208 was taken for item number 1003, but the amount was completely exhausted. Which the provision was essential transferred under F R 66 that the budget subject expected to be left at the end of the year for the budget subjects under 1003 and 1409.	Provisional requirements should be identified and transfers of provisions should be done.

3. Operational Review

3.1 Not achieving the desired level of output

The following observations had been done

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) Investigation of public complaints		
(i) The 1887 public complaints 77 percent of the investigations had not been completed out of 2448 public complaints received in the year 2023. There were 8 provinces that could not make at least 25 percent progress during the year through the investigation of public complaints received by province.	Investigations of 1090 public complaints received from 2016 to 2022 along with 561 public complaints received in the year 2023 have also been completed in the year 2023. The 14 investigations have been completed related to Uva province out of 129 public complaints had been received. The police investigation reports had been called for 102 complaints by the Uva Provincial Office and for 08 complaints by the main office for the remaining number of complaints,	Investigation of public complaints should be done at optimum level.
(ii) According to the nature of the public complaints received, the highest percentage of the total number of complaints had been received of non-action by the police, abuse of power, bias, and it was about 33, 30 and 18 percent of the total number respectively. The progress of completing those complaint investigations was at a low percentage of 24, 25 and 17 percent respectively.	Investigations have been started and carried out according to the date of receipt of public complaints, and although the investigation has not yet been sorted out according to the nature of the complaint, it has been informed that instructions will be given to the relevant officials to complete the investigations by giving priority according to the nature of the complaints.	Investigation of public complaints should be done at optimum level.

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| (b) | As on 31 December 2023, there were 216 pending cases in the Supreme Court and the Court of Appeals and apart from which there were 596 pending cases under the Administrative Appellate Authority and the observation had been given to only 99 cases. | The final decision regarding such cases should be given by the honorable Supreme Court or the Court of Appeal. It has been informed that a special program will be prepared and implemented to provide prompt observation in cases where observation has not been given. | Actions should be taken to provide necessary observations immediately regarding pending cases. |
| (c) | Decisions had been given in 53 out of the 150 disciplinary files initiated in 2023 which was about 35 percent progress. Out of these 82 complaints related to the highest disciplinary matters have been received in relation to Assistant Superintendents of Police and out of them, the progress on providing decisions for the 23 complaints has taken a low figure of 23 percent. | Reluctance of disciplinary investigation officers to take over the investigations of police officers, as well as the fact that an investigation officer conducts a number of disciplinary investigations and takes a long time to appoint investigation officers and it has been informed that the delay in reports has led to slow progress, and although the work on the disciplinary investigation files has not been completed, work is being done on those files. | Complaints related to disciplinary matters should be promptly examined and decisions should be given. |

3.2 Losses and damages

The following an observation had been done.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
In the year 2023 the 03 vehicles had been involved in accidents but according to Financial Regulation 110 and the damage had not been recorded in the damage register and the information about the value of the damage and the insurance reimbursement of the damage had	That it was informed although investigations were carried out in accordance with the financial regulations regarding one accident the damages had not been entered in the register by mistake and regarding the other 2 accidents, a investigation	The entries should be entered in the damage register regarding the damages as per financial regulation 110.

not been revealed.

board has been appointed to deal with them in accordance with F.R. 10 and 104, and the report will be submitted to the audit as soon as it is received.

3.3 Management Inefficient

The following an observation had been done.

Audit Observation

Although an interview for the selection of suitable officers for the posts of Headquarter Police Inspector/ Police Officer In Charge was held in the year 2023 but it was decided to cancel due on the interview was held on the decision of the Commission on 15 February 2024, considering the facts of the Inspector General's letter No. DIG/HRM/OW/127/224 and dated 05 February 2024. In this situation, a formal procedure had not been followed in the selection of officers related to the appointments of Headquarters Police Inspector/ Police Officer In Charge which had been made so far in the year 2023 and 2024 and there was a chance that the most suitable officers were not appointed for the positions of Headquarters Police Inspector/ Officer In Charge.

Comments of the Chief Accounting Officer

It has been notified to the Inspector General by the letter of DIG/ HRM/ OW/ 11127/ 2024 dated on 05/02/2024 recommending to cancel the interview for the selection of suitable officers for the posts of Police Officer In Charge held in the year 2023 after considering all the facts to give approval to the request made by the Inspector General and that it was decided by the National Police Commission which met on 15/02/2024.

Action should be taken for giving promotions and posts to a formal procedure.

4 Good Governance

4.1 Internal Audit

The following an observation had been done.

Audit Observation	Comments of the Management	Recommendation
Internal audit had not 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 was requested to appoint an officer for the post of Internal Auditor on several times and it was not 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 Resources Management

The following observations had been done.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) Senior Assistant Secretary, Director, Chief Investigating Officer and Internal Auditor each had one officer vacant.	It has been informed that the number of vacancies mentioned is correct and that the concerned authorities have been informed and requested on many times from time to time to fill up the relevant vacancies immediately and because of these vacancies it is problematic to carry out the activities of the institution.	Adequate staff should be assigned to increase efficiency.
(b) 08 Assistant Director posts were vacant. That these positions should be filled expeditiously in order to avoid delay by expeditious completion of pending public	It has been informed that the number of vacancies mentioned is correct and that the concerned authorities have been informed and requested on many times from time to time	Adequate staff should be assigned to increase efficiency.

complaints, appeals and disciplinary files under various sections of the Commission and to fulfill the objectives of the establishment of the Commission and the audit also observed that the existence of vacancies is severely affecting the performance of the commission.

to fill up the relevant vacancies immediately and because of these vacancies it is problematic to carry out the activities of the institution.