

Head 229 – Attorney Generals’ Department

1. Financial Statements

1.1 Qualified Opinion

Head 229 - The audit of the financial statements of the Attorney General’s Department 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 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 including my comments and observations on the financial statements of the Attorney General’s Department was issued to the Accounting Officer on 30 May 2024 in terms of Sub-section 11 (1) of the National Audit Act, No. 19 of 2018 and the Annual Detailed Management Audit Report in terms of Section 11 (2) of the National Audit Act was issued to the Accounting Officer on 24 June 2024. 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, except for the effects of the matters described in paragraph 1.6 of this report, the financial statements give a true and fair view of the financial position of Attorney General’s Department as at 31 December 2023 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 described in paragraph 1.6 of this report. 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 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 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:

- 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.
- 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

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 regarding on the financial statement of the preceding year had been implemented.

1.6 Comments on Financial Statements

1.6.1 Presentation of Accounts

Audit Observation	Comments of the Accounting Officer	Recommendation
Although the balance in the bank statement as at 31 December 2023 was Rs.9,906,350, the balance was stated as Rs.5,903,350 in the status report on bank accounts in Annexure (viii) of the financial statement.	As at 31 December 2023, the balance of the bank statement is Rs.9,906,350, and it had been informed that the cheque value of Rs.5,903,350 presented to the bank during the month of December was recorded as the balance as per the bank statement by omission.	The status report on the bank accounts in the financial statement should show the balance correctly as per the bank statement.

1.6.2 Accounting Deficiencies

(a) Receipts of Revenue

The following deficiencies were observed in accounting receipts of revenue relating to the department.

Audit Observation	Comments of the Accounting Officer	Recommendation
(i) Although the value of the revenue from the sale of goods amount of Rs.47,600 which was disposed during the year, should be shown under cash flow from investing activities under divestiture proceeds and sale of physical assets in the cash flow statement. But it was shown under cash flow from operating activities.	It had been informed that due to the crediting of revenue of disposed goods to miscellaneous income code 20-06-02-02, it has been shown as income collected on behalf of other income heads under cash flow generated from operating activities	Revenue from the sale of assets should be accurately shown in the cash flow statement.
(ii) In the statement of revenue (ACA-I) for the year ended 31 December 2023, the value of collection of arrears of revenue was Rs.68,459,891, but it was Rs.68,460,691 in the statement of arrears of revenue (ACA-I (i)), hence there was a difference of Rs.800.	The value of collection of arrears of revenue mentioned in (ACA 1) and (ACA 1 (i)) of the income statement should be correct as a Rs. 68,500,966, it had been informed that by omission it was mentioned as Rs.68,459,891 in (ACA 1) and Rs.68,460,691 in (ACA 1 (i)).	The arrears of revenue should be shown correctly in the financial statement.

- (iii) As at 31 December 2023, the opening balance of the Statement of arrears of revenue (ACA I(i)) was Rs.301,540,829, but according to the last year's financial statement, the balance was Rs.302,922,679, therefore the opening balance was shown less by Rs.1,381,850.
- Although the final balance mentioned in the financial statement of the year 2022 is Rs.302,922,679, after correcting the outstanding debit balance, the correct balance as of 01 January 2023 is Rs.304,959,554, but due to an omission, it had been stated as Rs.301,540,829 in the statement of arrears of revenue.
- The opening balance in the statement of arrears of revenue should be shown correctly.
- (iv) Although the arrears related to the year reported in ACA - I(i) the Statement of arrears of revenue is Rs.88,412,643, as per the arrears of revenue register as at 31 December 2023, the amount was Rs.88,257,968, hence there was a difference of Rs.154,675.
- In the statement of arrears of revenue Rs. 88,412,643 was reported that the amount related to the next year should be corrected as Rs. 88,257,968 according to the arrears of revenue register.
- The arrears of revenue should be correctly stated in the statement of arrears of revenue
- (v) After adjustment of (ii), (iii), (iv) changes above, the arrears of revenue balance as at 31 December 2023 was Rs. 322,720,756, but according to the arrears of revenue register the balance was Rs. 324,716,556 hence there was a difference of Rs. 1,995,800.
- It had been informed that after adjusting the above (ii), (iii), (iv) changes, the correct arrears of revenue balance as at 31 December 2023 will be Rs.324,716,556 and accordingly the amount of Rs.321,492,781 mentioned in the statement of arrears of revenue should be changed.
- Correct arrears of revenue balances should be shown.
- (vi) Although ACA - (i) the statement stated that the arrears collected as of the previous year were Rs.23,118,010, as per the 2023 revenue schedule, the balance was Rs.23,117,210 hence there was a difference of Rs.800.
- Although ACA 1(i) statement stated that the collection of arrears before the year of previous year was Rs.23,118,010, but it should have been correct as Rs.23,158,285.
- Recovery of Arrears of revenue should be correctly stated.

- (vii) Although the net income of the year 2023 income statement (ACA-I) was Rs.124,556,616, the actual income in format ACA-I(iii) was shown as Rs.124,597,691. Accordingly, there was a difference of Rs.41,075.
- It had been informed in ACA1(iii) format, the actual income was Rs. 124,597,691 is correct and accordingly the net income mentioned in (ACA1) should be correct as Rs. 124,597,691.
- Net income should be stated correctly.
- (viii) There was a difference of Rs.41,075 as per the revenue report of the year 2023 and the monthly income summary of Treasury prints of SA-20.
- The amount of Rs.124,597,691 mentioned in the Treasury printed SA – 20 Monthly Income Summary was stated to be the correct net income.
- Income should be stated correctly.

(b) Property plant and equipment

The following deficiency was revealed in accounting for property, plant and equipment.

Audit Observation	Comments of the Accounting Officer	Recommendation
In the year 2023, the income from the sale of disposed goods is Rs. 47,600 in the financial statement, but the value of disposed goods amount of Rs.663,396 was not shown as disposed assets in the statement of non-financial assets.	It had been informed that the disposed values related to the year 2023 were correctly accounted for by CIGAS, but due to a technical error, the relevant values were not shown in the statement of non-financial assets obtained through the CIGAS web application.	The non-financial assets statement should accurately indicate the disposed assets.

(c) Imprest Balance

The following deficiencies were revealed in accounting for Imprest Balance.

- (i) According to the departmental trial balance the expenditure incurred by the reporting institution on behalf of other heads was Rs.866,360, but it was stated as Rs. 97,800 therefore it was understated as Rs. 768,560 in the statement of imprest reconciliation.
- It had been informed that the amount of Rs. 768,560 has been mentioned as a debit made to the advance 'B' account by the reporting institute on behalf of other heads.
- Correct Expenditure should be shown in the statement of imprest reconciliation.

- (ii) According to the Departmental trial balance the debits made by the reporting institute to the advance 'B' account on behalf of other heads are Rs. 60,000, but it had been stated in imprest reconciliation statement as Rs. 768,560 which is overstated by Rs. 708,560
- This change is due to the fact that the amount of Rs. 768,560 was shown as a debit made by the reporting institute to the advance 'B' account on behalf of other heads, and the amount of Rs. 60,000 is a correction of the error that had occurred in the accounting, it had been informed that it was removed from the imprest reconciliation statement.
- Debit related to advance 'B' account in imprest reconciliation statement should be stated correctly.
- (iii) the credits made by the reporting institute to the advance 'B' account on behalf of other heads are Rs. 10,937,503 but it had been stated in imprest reconciliation statement as Rs. 10,877,503 which is understated by Rs. 60,000.
- It had been informed that the amount of Rs. 60,000 was removed from the imprest reconciliation statement since it is correction of the error which was used as a cross entry transfer paper.
- Imprest Reconciliation Statement the credit made to Account 'B' should be correctly recorded.

(d) **Non maintenance of Registers and Books**

It was observed during the audit test checks that the department had not maintained the following register in the proper and updated manner.

Audit Observation

The department did not update the log books in relation to 09 vehicles as per Financial Regulations 1645 (a).

Comments of the Accounting Officer

It had been informed that the relevant divisions have been informed to act in such a way that the deficiencies do not occur in the future.

Recommendation

According to the provisions of general format 267 Vehicle log books shall be maintained in respect of every vehicle as per the provisions of Finance Regulations 1645(a).

2. Financial Review

2.1 Revenue management

	Audit Observation	Comments of the Accounting Officer	Recommendation
(a)	In terms of Finance Regulations 128 (2) (e) the State Revenue Accounting Officers should make special arrangements regarding the arrears of revenue due to the Government, but by 31 December 2023, the arrears of revenue due from would be Rs. 324,716,556 That outstanding balance consists of Rs. .105,441,141 over 10 years, Rs. 38,786,239 from 07 to 09 years Rs. 35,561,472 from 04 to 06 years, and Rs. 56,669,736 from 01 to 03 years.	Due to the increase in fees in the year 2023, the total arrears revenue will be higher compared to the previous years, and the department is following various measures to recover the arrears, and the secretary of the Ministry of Justice held a discussion on the balances of the debt on 25 March 2024, It had been informed that the secretaries of the ministries in charge of the related institutions will be informed to the payment of this debt balances.	As per the referred Financial Regulations, arrangements should be made to recover the arrears of revenue without delay.
(b)	According to the financial statements of the year under review, the arrears of revenue related to previous years was Rs. 239,837,828. The recoveries in the reviewed year were Rs. 23,117,210, which were minimum percentage of 10 percent. By the year 2022, the arrears of revenue balance related to the period of more than 10 years, that is 2005-2012, was Rs. 96,802,469, and in the year 2023, only Rs. 5,818,810 or 6 percent had been collected.	The same answer as 2.1(a) above applies.	Arrangements should be made to recover the arrears of revenue without delay.
(c)	According to the Schedule of arrears of revenue, service supply fees of Rs. 35,519,200 would have been charged from the year 2005 to	Since the court cases cannot be rejected in a situation where the institutions which have not paid the debt arrears for a long time are resorting to litigation	Arrangements should be made to recover the arrears of revenue without delay.

- the year 2023 due to the providing services continuously to 13 institutions without charging fees for the services provided since 2005.
- again, it had been informed they have to provide services again and again.
- (d) In terms of Financial Regulations 175(2) the arrears should be done with promptly in accordance with the law, although it had taken 18 years from 03 to 18 years to recover the arrears of revenue Rs.6,777,170 from 60 institutions, but the department had failed to do so.
- Regarding the 60 related institutions, it had been informed that measures have been taken to collect the debt balances and that measures have been taken to collect the debt balances of more than 10 years in this year as a priority and to follow additional measures.
- As per the referred Financial Regulations, arrangements should be made to recover the arrears of revenue without delay.
- (e) According to the debtors' ledger sample check, the opening balance and the closing balance related to the years 2020, 2021, 2023 had not been balanced the debtors' ledgers so that they could be clearly identified, and it was not possible to properly confirm the accuracy of the arrears of revenue related to the year.
- It had been informed Since the account keeping activities of the Corporation Accounts Branch were not carried out according to the computer technology program from the beginning, these debt balances are being entered and maintained by combining the data from several old computers , some debt balances were omitted in the entry, and due to the re-entry of those debt balances, a change in these debt balances has been shown.
- Actions should be taken to balanced debtor accounts so that balances can be identified.
- (f) As per the State Fiscal Policy Circular No. 01/2015 dated 20 July 2015, paragraph 04 of the Guideline on State Revenue Estimation, Collection, Monitoring and Reporting so therefore it is essential to Systematic maintenance of records for improving revenue administration and
- It had been informed that in the future, records will be kept systematically according to the relevant circulars.
- Actions should be taken as per the referred circular provisions.

accounting, monitoring and policy analysis. The department had failed to act as per (a), (b) and (e) mentioned therein.

2.2 Expenditure Management

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Rs.104,510,202 provisions were left out of Rs.327,500,000 allocated for 04 recurrent expenditure objects and 04 capital expenditure objects, and the savings ranged from 27 to 97 percent.	According to Budget Circular 03/2022, it had been informed that due to the control of expenses and restriction of purchases, there will be a saving of provisions in the relevant expenditure objects.	Adequate estimates should be prepared.
(b) The entire net provision of Rs.9,000,000 for one capital expenditure object had been saved.	The same answer as 2.2(a) above applies.	Expenditure estimates should be prepared with proper study.
(c) As per the paragraph 02 (c) (ii) of Budget Circular No. 01/2023 dated 27 January 2023, the expenditure object code for 1403 should be reduced and the expenditure object code for 1201 should be under strict control but respectively Rs 9,000,000 and Rs 7,000,000 that is 18 percent and 58 percent have been obtained provisions and bear the expenses by transferring Financial regulations 66.	It had been informed that the provisions were transferred due to the increase in the cost of electricity and water and the increase in the prices of stationery due to the full utilization of the new building.	Actions should be taken as per the referred circular provisions.

2.3 Incurring of liabilities and commitments

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) As per the paragraph 3.3 of State Accounts Guideline No. 05/2023 dated 30	It had been informed that due to the delay of receiving receipts of water, electricity	Liabilities should be disclosed as per the provisions of the referred

November 2023, the liabilities amount of Rs.7,606,240 were not included in the register of liability and the statement of commitments and liabilities presented with the financial statements. and telephone bills related to the previous year's payments, it could not be included in the register of liability. circular.

- (b) except where provisions are otherwise made under Financial Regulations 94(i), unless provisions are made therefore in the Annual Estimates, and shall not be liable to any expenditure or commitment, but under expenditure object 229-1-1-1409 Savings are Rs. 577,652, but the value of liabilities exceeded the provisions saving by Rs.3,445,301. It had been informed that due to the non-receipt of the full amount of provisions requested under the expenditure object 229-01-01-1409, due to insufficient provisions to make the essential payments, the liabilities exceeding the provisions will have to be agreed upon. Should not be bound by liabilities beyond the provisions as per the referred Financial regulations.

2.4 Certifications of Chief Accounting Officer/Accounting Officer

Accounting Officer should certify the following matters in terms of provisions set out in section 38 of the National Audit Act, No19 of 2018. However, it had not been done.

Audit Observation	Comments of the Accounting Officer	Recommendation
(i) The Chief Accounting Officer and the Accounting Officer should 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. Such reviews should be carried out in writing, and a copy there of	In the letter of the Chief Internal Auditor of the Department, a report has been prepared and submitted to the Accounting Officer containing the suggested points to maintain an effective internal control system for the financial control of the Department, and it had been informed that the review work is being done on the points mentioned therein.	Actions should be taken in terms of provisions in Section 38 of National Audit Act No. 19 of 2018.

presented to the Auditor General. But no statements had been furnished to the audit that the reviews had been carried out.

- (ii) The Chief Accounting Officer and the Accounting Officer shall ensure the timely preparation and submission of annual and other financial statements and in addition, the Chief Accounting Officer shall be required to submit annual reports to Parliament pertaining to the auditee entity. However, the said requirements had not been fulfilled due to the audit observation indicated in Paragraph 3.3(a) in the report.
- It had been informed that there have been delays and necessary arrangements will be made to submit the reports in the relevant periods in the future.
- Actions should be taken in terms of provisions in Section 38 of National Audit Act No.19 of 2018

2.5 Non-Compliance with Laws, Rules, and Regulations

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

observation

Reference to Laws, Rules and Regulations	Value and Rs.	Non-compliance	Comments of the Accounting Officer	Recommendation
(i) Financial Regulations of the Democratic Socialist Republic of Sri Lanka 104(3)		Preliminary reports related to 28 vehicle accidents were submitted with a delay of 14 days to 10 months.	It had been informed that the relevant divisions were informed to carry out the activities according to the Financial Regulations.	Actions should be taken as per the referred Financial Regulations.

104(4)	<p>Regarding 28 vehicle accidents that occurred in the year 2023, the full reports were not submitted as per the financial regulations.</p>	<p>It had been informed that the relevant divisions were informed to carry out the activities according to the Financial Regulations.</p>	<p>Actions should be taken as per the referred Financial Regulations.</p>
137	<p>3,338,973</p> <p>Although the Voucher has to be approved by the approval officer in respect of all payments as per Financial Regulations, however it had not been done in 04 payment vouchers.</p>	<p>It had been informed that the relevant divisions were informed to carry out the activities according to the Financial Regulations.</p>	<p>Actions should be taken as per the referred Financial Regulations.</p>
237 (a) (i)	<p>772,287</p> <p>No arrangements were made to obtain a certificate from a responsible officer as per the Financial Regulations while making payments in respect of 15 servicing and repairs as per the Financial Regulations.</p>	<p>It had been informed that the relevant divisions were informed to carry out the activities according to the Financial Regulations.</p>	<p>Actions should be taken as per the referred Financial Regulations.</p>

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In respect of 06 accidents regarding 03 vehicles were not reported to the police as per the financial regulations. It had been informed that the relevant divisions were informed to carry out the activities according to the Financial Regulations. Actions should be taken as per the referred Financial Regulations.

(ii)Public

**Administration
Circular**

- Paragraph 3.1 of Circular No. 30/2016 dated 29 December 2016

As per the Circular, no fuel consumption test was done in respect of 09 vehicles. It had been informed that fuel tests will be done as per the relevant circulars.

A fuel consumption test should be carried out as per the referred circular.

- Circular No. 05/2008 and 05/2008 (i) dated 06 February 2008 and 24 January 2018

The Department has not yet introduced the Citizens/Clients Charter. It had been informed that the Department's Citizens/Clients Charter has been prepared and forwarded to the Ministry on 13 February 2024 for approval.

Actions should be taken as per the referred circular.

2.6 Issuance and Settlement of Advances.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) As per the Public Finance Circular No. 01/2020 dated 28 August 2020, and Finance Regulations 371(2) after issuing sub imprest for any specific tasks must be settled within 10 days, but in respect of the advances totaling Rs.660,341 during the year under review had not been dealt with accordingly.	It had been informed that the settlement of the sub imprest has been delayed by a few days and the relevant officers have been informed to ensure that such delays do not occur in the future.	As per the referred circular and financial regulations ad hoc sub imprest should be settled without any delay.

- (b) According to Finance Regulations 371(4) advances should not be obtained for specific and unnecessary tasks by Accounting officer, but an advance of Rs.5,000 was taken and the same amount was settled again with cash, and advances were given in 10 cases where the related work was not specified.
- It had been also informed that the relevant officers were informed to specify the required work while getting the advance
- Sub imprest should not be given for unnecessary tasks as per the reference referred Financial Regulations.

3. Operational Review

3.1 Planning

Audit Observation	Comments of the Accounting Officer	Recommendation
According to paragraph 03 of the public Finance Circular No. 02/2020 dated 28 August 2020, an annual action plan should be prepared before 15 December of the recurrent year and submitted to the Chief Accounting Officer. Although the approval should be obtained, the action plan related to the year 2023 had been submitted for audit on 08 March 2023.	Due to an omission, the preparation of the annual action plan related to the year 2023 was delayed, and in the year 2024, it was informed that it had been prepared and presented on the scheduled date.	The annual action plan should be prepared on the scheduled date as per the referred circular.

3.2 Non- achievement of expected Outcome

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) According to the action plan of the year 2023, Rs.2 million, Rs.80 million and Rs. 10 million have been allocated respectively, for training officers, purchase of furniture for the new building and to facilitate the improvement of	It had been informed Non-delivery of goods by the suppliers as per the supply orders submitted for the purchase of furniture for the new building, As per the recommendations of the Central Engineering Bureau,	Allocated funds should be utilized for the activities as per the action plan.

court procedures, process to reduce the delay in cases of child abuse cases. but its' financial progress is Rs.0.98 million, Rs. 49.41 million and Rs.5.23 million, and as percentages were 49 percent, 62 percent and 52 percent.

due to the deficiencies in the goods, the bills had been revised and due to the limitation of the training activities, the relevant provisions were saved , and also the provisions will be saved delay in the release of funds by UNICEF to facilitate the improvement of judicial procedures and process to reduce the backlog of cases of child abuse cases.

- (b) For the construction of the new building Rs. 10 million was allocated, but no activity has been done. No answers have been given. Allocated funds should be utilized for the activities as per the action plan.

3.3 Annual performance report

In terms of paragraph 10.2 of Public Finance Circular No.02/2020 dated 28 August 2020, the Annual Performance Report should have been prepared in accordance with the Format specified in Guideline 14, issued by the Department of Public Finance. The following observations are made in this connection.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) According to paragraph 12.1 of the Public Finance Circular No. 02/2020 dated 28 August 2020, the annual performance report must be prepared in tri languages and submitted to Parliament under relevant provisions for tabling before 150 days of the end of the Financial year, but The annual performance report of the year 2022 was submitted to the Parliament on 06 November 2023 with a delay of 05 months and 06 days.	The presentation of the annual performance report for the year 2023 to the Parliament was delayed due to a late error, and it had been informed that the report will be presented on the scheduled date in the future.	The performance report should be submitted to the Parliament on the due date as per the referred circular.

- (b) Public Finance Circular No. 02/2020 dated 28 August 2020, the annual performance report which should be submitted along with the financial statements in terms of section 16(2) of the National Audit Act No. 19 of 2018 was not submitted along with the financial statements.
- No answers have been given.
- The Annual Performance Report should be submitted along with the financial statements as per the circular.

3.4 Procurements

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) According to the Public Finance Circular No. 02/2020 dated 08 August 2020, recurring expenses were not included in the procurement plan, and the department had been purchased 2350 A4 type photocopy paper packets by spent Rs.3,550,442 on 06 occasions up to 31 October of the year under review without planning. In addition, toner purchases for printers worth Rs.854,550 had been made in 13 times from February to October 2023. Further, the relevant bid documents were not submitted under a sealed envelope as per 6.3.1 of the Procurement Guidelines and the date of receipt of the said bid documents was also not stamped.	According to the circular, as the purchase of stationery was not included in the procurement plan to be prepared, hence the purchase of stationery was not included, and the purchase of toner was made on the basis of urgent needs, and the value of one order was Rs. Purchases less than 100,000. Furthermore, it had been informed that the space available in the warehouse is limited and only two (2) months of photocopy paper can be stored at one time.	Actions should be done as per the Procurement Guidelines and the provisions of the referred circular.
(b) As per Section 3.6.1(c) of the Procurement Guidelines, it is possible to re-order from the original supplier within a short period of time in the background where the prices	According to Section 3.6.1 of the Procurement Guidelines, it had been informed that orders were made from the initial supplier within a short period of time as the same	Actions should be done as per the referred Procurement Guidelines provisions.

- of the goods have not decreased after the initial order. 950 packets of A4 type photocopy papers worth Rs.1,466,090 were procured from the original supplier on 04 occasions without comparing the market prices.
- goods can be ordered again from the initial supplier within a period of six months from the initial order.
- (c) As per Paragraph No. 4.2.1 of the Procurement Guidelines, a master procurement plan containing expected procurement activities for a period of at least 03 years had not been prepared. It had been informed that no main procurement plan including expected procurement activities for a period of 03 years has been prepared, and instructions were given to the subject officers to prepare a main procurement plan in the future. Actions should be done as per the referred Procurement Guidelines provisions.
- (d) As per paragraph no. 3.4.3 of the Procurement Guidelines, a register of registered suppliers updated at least once a year for procurement of economically disadvantaged items had not been maintained. It had been informed that instructions were given to the officers in charge to register suppliers and maintain a register of suppliers in future. Actions should be done as per the referred Procurement Guidelines provisions.
- (e) For the cleaning works for the year 2023, the prices were received from 05 institutions for the newspaper advertisements published in tri languages on 20 January 2023, but as of the date of the report, a contractor had not been selected for the service. It had been informed that the institutions which submitted these prices that they could not select a contractor for the cleaning service in 2023 due to the lack of agreement between the tender board and the technical evaluation committee regarding the deficiencies in the basic requirements presented during the call for prices. Procurement cleaning activities should be done scheduled date.
- (f) Due to the expiration of the agreement made in the year 2022 on 28 February 2023, the procurement committees held on 10 March 2023 and 27 July 2023 had decided to get the service from the company that currently provides cleaning. For the year 2022, bids were called for the cleaning service in the year 2021, and a supplier was selected following the procurement process, but it had been informed that there has been a omission of making written Payments should not be made without a performance bond and written agreement for the relevant period.

services for the period from 01 March 2023 to 20 August 2023, but an amount of Rs.14,194,147 has not paid for the year 2023 without a valid performance guarantee and a formal written agreement for that period.

- (g) Although the security service had obtained from a private company between 15 January 2023 and 10 June 2023, an amount of Rs.4,077,611 was paid to this company without a valid performance guarantee and formal written agreement for that period.
- In 03 cases, due to the extension of the contract period in a short period of time, it was informed that since the relevant institution has provided the service to the department at the same previous price for the relevant period, despite obtaining valid performance guarantees and a formal written agreement between the two parties, it had been informed that payment has been made for the service obtained.
- Payments should not be made without a performance bond and written agreement for the relevant period.
- (h) Although the performance guarantee offered by the institution in terms of clause 5.4.8 (b) of the procurement guidelines for the provision of security services for the year 2023 shall be valid up to 28 days after the expected date of completion of the work, but The relevant institution and department are contracted for a period of one year from 10 July 2023 to 09 July 2024 but the performance guarantee offered was valid only from 28 June 2023 to 27 June 2024.
- The security services contract has been awarded to a private institution for a period of one year from 10 June 2023 to 09 June 2024. Accordingly, performance guarantee should be submitted from 10 June 2023 to 07 July 2024, and the supplier has been notified to correct it.
- Actions should be done as per the referred Procurement Guidelines provisions.

3.5 Asset Management

The following observation is made.

Audit Observation	Comments of the Accounting Officer	Recommendation
The tasks had not been done according to Paragraph No. 11.1 of the Public Finance Circular No. 01/2020 dated 28 August 2020 and Paragraph 756(6) of the Finance Regulation, the appointment of the Board of survey according to the time frame to be completed by the Annual Board of survey, the physical completion of the Board of survey, and obtaining Board of survey report.	It had been informed that necessary actions have been taken to carry out Board of survey in the relevant time frame in the coming years.	Board of survey should be done as per the referred Finance Regulations and circular.

3.6 Losses and damages

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Toilet fittings were missing from the toilet system on the ground floor and first floor, a glass door in the dining room on the 11th floor was destroyed and the floor tiles were destroyed, and in respect of these losses/damages actions had not been taken as per the 103(1) and 104 (1) of the Finance Regulations.	It had been informed that instructions were given to deal with the related finance regulations regarding the damages and losses incurred in the new building.	Actions should be taken as per referred Financial regulations.
(b) Although Rs.2,878,632 for 29 damages exceeding Rs.25,000 as per the register of losses and waivers, but as per the Annexure(i) financial statement of recovery/written off/waived of the statement of losses and waivers 28 damages and the same amount 2,814,537 as Rs. 64,095 were understated.	At the time of preparing the 2023 financial statements, the register of losses and damages was not complete as the transport division did not receive the full details related to the damages, and it had been informed that this change occurred because it was corrected and completed later.	Damages must be accurately recorded in the statement of losses and waivers.

3.7 Uneconomic Transactions

Audit Observation	Comments of the Accounting Officer	Recommendation
The department had paid interest amounting to Rs.372,759 in addition to the monthly consumption expenses due to non-payment of electricity bills on the due date.	Due to the delay in the payment of the electricity bills due to the non-receipt of the relevant imprest on the due date, an interest amount will accrue, and it had been informed that necessary steps will be taken to prevent this situation in the future.	Electricity bills should be paid on the due date without paying interest

3.8 Management Deficiencies

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) The outstanding loan balances of Rs.485,842 of 04 officers who left the service remained uncollected for more than 10 years, the balance of Rs.127,680 of one officer for more than 03 years, and the balance of Rs.113,509 of another officer for years 1-3. Since to recovered.	It had been informed that the loan files have been submitted to the legal department for filing lawsuits to recover the debts of the relevant officers.	Arrangements should be made to recover the loan balances promptly.
(b) The outstanding loan balances of Rs. 164,560 of 03 suspended officers remained unrecovered for more than 10 years.	One of the relevant officers has died and the residential information of another officer has not been traced. The other officer's wife is continuing to pay the loan in installments and it had been informed that a committee has been appointed to take necessary action regarding the unrecoverable loan balances.	Arrangements should be made to recover the loan balances.

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| (c) | Regarding the loan balances to be collected from the suspended and retired officers mentioned in (a) and (b) actions had not been taken as per the Sections 4.5 and 6.3 of Chapter XXIV of the Establishments Code. | It had been informed that for the recovery of the related outstanding loan balances, the proceedings will be carried out in accordance with Sections 4.5 and 6.3 of the Establishments Code. | To recover the old loan balances actions should be taken as per the referred provisions of the Establishments Code. |
| (d) | As per (e), (f) of the guidelines on how to proceed in recovery of loans or advances given by advance “B” account under Finance Regulation 113(6)(b) of Public Finance Circular No. 01/2020, Part I, Paragraph 3.1 No action was taken regarding the loan balance of Rs. 459,837 related to five officers who have left the service and have been suspended for more than 10 years. | A committee consisting of a representative of the Ministry has been appointed to take necessary action regarding the irrecoverable loan balances, and it had been informed that matters have been presented to the committee in this regard. | Loan recovery should be done as per the referred circular and Finance Regulation. |

4. Achievement of Sustainable Development Goals

The following observation is made.

Audit Observation	Comments of the Accounting Officer	Recommendation
According to the letter issued by the Ministry of Sustainable Development and Wildlife No. MSDDW/08/65 dated 27 April 2018, although the department has identified sustainable development objectives Targets for measuring progress in the implementation of the Sustainable Development Goals were not identified, and a sustainable development program was not prepared by appointing officers to coordinate the achievement of the Sustainable Development Goals.	An officer was appointed to coordinate the achievement of sustainable development objectives, various sections of the department will be established and various measures will be taken to achieve the introduced objective, and it had been also informed that a sustainable development program will be prepared in the future.	Actions should be taken as per the referred letter

5. Human Resource Management

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Although the approved staff is 1295 as at 31 December 2023. but the actual staff is 671, so there are vacancies of 624 .it was 48 percent of approved staff.	Interviews have been conducted for the recruitment of 25 new State Counsel and it had been informed that the Public Service Commission and the Director General of Combined Services have been notified on several occasions to fill other vacancies for recruitment in the year 2024.	Actions should be taken to fill the vacancies.
(b) Although there are 523 senior level approved positions that directly affect the performance of the department, as at 31 December 2023 the actual staff is 215 so there are vacancies of 308.it was 59 percent compared to approved staff.	The same answer as 5 (a) above applies.	Since the presence of vacancies affects the performance of the department, steps should be taken to fill the vacancies.
(c) Although the approved number of officers for tertiary and secondary level positions are 15 and 354 respectively, the actual staff as at 31 December 2023 is 07 and 157 respectively, so there are 205 tertiary and secondary level positions vacancy of 205 tertiary and secondary level officers. it was 56 percent compared to approved staff.	The same answer as 5 (a) above applies.	Since the presence of vacancies affects the performance of the department, steps should be taken to fill the vacancies.
(d) Although the approved number of officers for primary level positions are 403, but the actual staff as at 31 December 2023 is 292 so there are vacancies of 111.it was 28 percent compared to approved staff.	The same answer as 5 (a) above applies.	Since the presence of vacancies affects the performance of the department, steps should be taken to fill the vacancies.

- (e) According to paragraph 04 of Public Administration Circular No. 02/2018 dated 24 January 2018, a human resource plan has been prepared and submitted for the approval of the Ministry Secretary, but it had not been approved until the date of the audit report, and according to paragraph 01 of the circular, the signing of annual performance agreements for all staff has not been completed
- It had been informed that the necessary actions are being carried out regarding the signing of annual performance agreements for the entire staff of the department.
- Actions should be taken as per the referred circular provisions.