

## **Head 253 – Department of Pensions - 2024**

### **1. Financial Statements**

#### **1.1 Opinion**

The audit of the financial statements of the Head 253 – Department of Pensions for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024 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 containing my comments and observations on the financial statements of the Department of Pensions was issued to the Accounting Officer on 30 May 2025 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 30 May 2025 in terms of Section 11(2) of the Audit Act. 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 Pensions as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with the basis of preparation of the financial statements as stated in Note 1 to the financial statements.

#### **1.2 Basis for Opinion**

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibility for the financial statements is 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 Emphasis of matter paragraph - Basis for preparation of financial statements**

Attention is drawn to Note 1 to the financial statements, which describes the basis of preparation of these financial statements. The financial statements have been prepared for the needs of the Department of Pension, General Treasury and Parliament in accordance with Financial Regulations 150 and 151 and, Public Accounts Guideline No.06/2024 dated 16 December 2024 as amended on 21 February 2025. Therefore, these financial statements may not be suitable for other purposes. My report is intended solely for the use of the Department, General Treasury and the Parliament of Sri Lanka. My opinion on this matter is not modified.

#### **1.4 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 Financial Regulations 150 and 151 and, Public Accounts Guideline No.06/2024 dated 16 December 2024 as amended on 21 February 2025 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.

#### **1.5 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 due to fraud or error and to issue an Auditor General'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 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 scepticism 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.

## **2. 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.

## **3. Financial Review**

### **3.1 Revenue Management**

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
(a) Although it is stated in paragraph 1(a) of the Pension Circular No.1/2001 dated 15 January 2001 that, a report of the contributions debited and credited of each month should be sent using the account summary to the Director General of Pensions before the 15th day of the subsequent month, action had not been taken to call credit notes of contributions of Rs.26,348 million credited by other institutions of the Central Government during the year under review and call debit notes from the relevant institutions to verify the debits of Rs.1.5 million out of the debits of Rs.3.2 million made during the year in accordance with the said provisions.	Due to certain changes, the additions and deletions of institutions related to each heads also affect these variations, and debit notes have been requested from the relevant institutions regarding debits to the revenue account, and debit notes are already being received.	Action should be taken as per the circular.
(b) Due to not maintaining a database of officials who have contributed to social security contributions (widows/widowers and orphans contributions) under the	Due to the slow coordination of other institutions in the public sector (not all government institutions are	A database system should be maintained to ensure that

revenue accounts of the Central Government and Provincial Councils, on the absence of information regarding the number of members who are expected to receive benefits from the social security system, it was not possible to verify whether the contributions were received consistently in the process of granting benefits such as widow/widower and orphan pensions and contribution payments.

carrying out online beneficiaries have reregistration), the received the exact implementation of this contributions that program has been disrupted. they are entitled to.

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| (c) | Despite two cheques received at the end of 2024 from Central and Southern Provinces worth Rs.183.6 million were realized in January 2025, they were not recognized as arrears of income for the year under review. | The cheques related to the Central and Southern Provinces were deposited on 2024.12.30 and the amount realized in 2025 related to the year 2024, will be adjusted to the total amount collected for the previous year during the preparation of account in 2025. | Arrears of income should be properly identified and accounted. |
| (d) | The rental income arrears to be charged from 12 institutions that had been provided buildings belongs to the Department of Pensions was of Rs.9,405,597 by 31 December 2024.                                       | Actions are being taken to recover the further recoverable amounts.  | Arrears of income should be collected immediately.             |
| (e) | Due to failure to rent out 03 locations at the Maligawatta Secretariat premises for a long period of time resulted in an annual loss of Rs.3,984,000 in government revenue.  | Future actions are being taken to make use of the locations.   | Government property should be used efficiently.                |

### 3.2 Incurring Liabilities and Commitments

#### Audit Observation

#### Comments of the Recommendation Accounting Officer

Liabilities were understated by Rs.264,903 as of 31 December 2024.

Since the vouchers were submitted after the preparation of the 2024 accounts, they were not included in the submitted accounts.

Liabilities should be properly identified and accounted.

### 3.3 Certifications to be made by the Accounting Officer

According to Section 38 of the National Audit Act No.19 of 2018, although the Accounting Officer was required to certify the following matters, it was not act accordingly.

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
The Accounting Officer should certify that an effective internal control system has been established and maintained for the financial management of the department and periodical reviews should be conducted on the effectiveness of this system, necessary changes should be implemented to ensure its effectiveness, and such reviews should be documented and submitted to the Auditor General, it was not done accordingly.	Periodical reviews have been conducted to strengthen internal control and system controls have been implemented. At the beginning of the year, powers were delegated under F.R 135, pension circulars, internal directive letters, and decisions made at audit and management meetings have been communicated to the Auditor General.	Actions should be taken in accordance with Section 38 of the National Audit Act No. 19 of 2018.

### 3.4 Non- compliance to Laws, Rules and Regulations

	Reference to Laws, Rules and Regulations	Amount Rs.	Non-compliance	Comments of the Accounting Officer	Recommendation
(a)	Financial Regulations of the Democratic Socialist Republic of Sri Lanka 237(a)	852,989	Although a certificate should be attached stating that the work has been satisfactorily performed or supplies have been made in accordance with the contract or agreement, and that the recommended payments are in accordance with them, payments were made in 04 cases without confirming that the goods had been received, i.e. before the goods were received.	Although the actions have been made to write the relevant cheques using the provisions set aside until 31.12.2024 that the cheques were handed over after the goods were received at the warehouse, that is, in February 2025.	Financial regulations should be followed.

(b)	<p>Pension Circular No.13/2010 dated 16 December 2010 and No.03/2013 dated 20 September 2013</p>	2,668,686	<p>Although a widow who remarries is entitled to 50 percent of the widow's and orphan's pension and allowances, due to the fact that the whole salary and allowances were paid even after remarriage, the Panadura, Mahara and Galewela Divisional Secretariats had made over payments of pensions and allowances to 06 pensioners.</p>	<p>The Galewela Divisional Secretariat has stated that 3 pensions are being examined, while the Mahara Divisional Secretariat has stated that 1 pension was being collected in installments from February 2025, the Panadura Divisional Secretariat has also informed that one file has been referred to the Internal Audit Division of the Pensions Department for processing.</p>	<p>Action should be taken as per the circular and over payments should be charged.</p>
(c)	<p>Pension Circular No.1/2014 dated 10 January 2014 and Pension Circular No.8/2010 dated 07 September 2010</p>	11,078,250	<p>Although the cost of living allowance should not be paid to dependents with military service salary, due to such payment in 20 cases according to the database and in 21 cases in the Mawathagama, Poojapitiya, Ganewatta, Mahara, Maspotha and Panadura Divisional Secretariats, the cost of living allowance had been overpaid.</p>	<p>The relevant D.S.O has informed that it will be charged from 2025.</p>	<p>Actions should be taken to ensure that overpayments are not occurred in accordance with the circular and overpayments should be charged.</p>
		975,806	<p>Although the cost of living allowance can be received up to Rs.7,800, the cost of living allowance was paid less to 66 pensioners in the Kunadasale, Damana, Poojapitiya, Ganewatta, Mahara, Maspotha, Galewela, Mawathagama,</p>	<p>That the arrears for 19 pensioners were paid during the year 2024.</p>	<p>Actions should be made to pay the due allowances as per the circular.</p>

Welimada, Panadura and  
Puttalam Divisional  
Secretariats.

(d)	Pension Circular No.03/2016 dated 27 April 2016	980,000	Although the interim allowance was not paid to pensioners retiring after 01 January 2016, due to the payment of such allowance to 04 pensioners, the interim allowance was overpaid in the Maspotha, Panadura, Walasmulla/Weeraketiya Divisional Secretariats.	Actions have been made to charge in 2025.	Actions should be taken to ensure that overpayments are not occurred in accordance with the circular and overpayments should be charged.
(e)	Pension Circular No.13/2014 dated 03 November 2014	2,911,500	Although the monthly interim allowance should be paid only to the joint pension in cases where several pensions are jointly received, the interim allowance had been overpaid to 14 pensioners identified through the Mawathagama, Welimada, Kundasale, Poojapitiya, Walasmulla, Weeraketiya, Galewela Divisional Secretariats and the database system.	Arrangements have been made to recover the relevant overpayments in 2025.	-do-
(f)	Pension Circular No.1/2019 dated 11 June 2019	963,100	In the event that a person receives a dependency allowance along with a widow's pension, the interim allowance paid for the dependency allowance should be discontinued after the widow's pension is revised in	That the over payments are being charged in installments.	-do-

			<p>accordance with Pension Circular 01/2019, the interim allowance had been overpaid to 09 pensioners in the Nuwaragampalatha East, Pelmadulla, Welimada, Poojapitiya, Walasmulla/Weeraketiy a Divisional Secretariats due to non- discontinued accordingly.</p>	
		2,675,000	<p>Although the interim allowance paid with the pension should be discontinued after the salary revision as per Pension Circular No. 01/2019 dated 11 June 2019, the interim allowance was overpaid in in 14 cases at the Mahara, Damana, Panadura and Galewela Divisional Secretariat due to payment without discontinued accordingly.</p>	<p>The interim -do- allowance payment has been suspended and data has been entered into the system to charge over payments.</p>
(g)	<p>Pension Circular No.1/2019 Amendment II dated 26 July 2019</p>	4,538,038	<p>While it has been stated that the salary conversion does not apply to pensioners and dependents receiving salaries paid by the Tri-Forces up to the age of 55, pensions had been overpaid due to the fact that the pensions of 06 dependents receiving military salaries and 10 pensioners from the Mawathagama, Welimada, Mahara and Panadura Divisional Secretariats according to the data system had also been revised and paid.</p>	<p>That the action will be taken to recover the over payments due to salary revised. -do-.</p>



(h) Pension  
Circular  
No.01/2022  
dated 20  
January 2022

Paragraph 2	1,200,000	Due to non-payment of the allowance of Rs.5000 entitled for 20 pensioners in the Welimada, Poojapitiya, Ganewatta and Maspotha Divisional Secretariats, that allowance had been under paid.	Payments have been started from 2025.	Relevant payments should be made as per the circular.
Paragraph 2(iii)	915,000	Although it has been stated that the dependents of deceased Tri-Forces officers who were receiving salaries up to the age of 55 will not be entitled to the special allowance of Rs.5,000 along with their pension, the special allowance had been over paid as the allowance was paid along with the service salary for 06 dependents according to the data system, and for 04 dependents in the Mawathagama and Mahara Divisional Secretariats.	That the actions are being taken to check and recover the fees in installments.	Action should be taken to ensure that no overpayments occur and overpayments should be recovered in accordance with the circular.

### 3.5 Government Officers' Advance Account

	Audit Observation	Comments of the Accounting Officer	Recommendation
(a)	As of 31 December 2024, the total outstanding individual balances of the Government Officers' Advance Account was Rs.167,676,744 and, of which the outstanding balance less than one year was Rs.1,559,825. Of that balance, the outstanding loan balance from two officers who transferred to Provincial Council institutions was Rs.611,203, and the outstanding loan balance from three officers who have been interdicted was Rs.622,320, outstanding loan balance from two officers who had vacated the service was Rs.326,302. The outstanding loan balance from years 1-3 was Rs.142,920 and it was an outstanding loan balance from an officer who had vacated the service.	Further work is underway to recover the loan.	The relevant loan balance should be recovered immediately.
(b)	The outstanding loan balance between 3-5 years was Rs.239,812 and that loan balance was from an officer who had been interdicted from work. The outstanding loan balance from an officer who had been interdicted from work for 5-10 years was Rs.153,509. The outstanding loan balance between 10-20 years was Rs.305,220 and of which, Rs.130,728 was due from an officer who had vacated the service and Rs.174,492 was due from an officer who had been interdicted.	Further work is underway to recover the loan.	-do-

### 3.6 Deposits

	Audit Observation	Comments of the Accounting Office	Recommendation
(a)	It was observed that deposits of Rs.4,965,310, which had been outstanding for more than 02 years, had been held in the General Deposit Account without being utilized or credited to the State Revenue as per Financial Regulation 571(3).	This deposit was made by private institutions for the celebrations held on National Retirement Day and was retained for use on National Retirement Day in next year.	F.R should be followed.

- (b) The Department of Pensions received an amount of Rs.5,000,000 from the Telephone Company on 08 May 2024 as the amount payable to the Department of Pensions as per the Memorandum of Understanding dated 01 March 2023 between a private telephone company and the Department and deposited it in the General Deposit Account on 29 May 2024. Although it was stated that this money could be used for the programs mentioned in Annexure 2 of paragraph 4.8 of the relevant Memorandum of Understanding, this money had been held in the deposit account without being utilized until 31 March 2024, the date of the audit.
- That the Department of Pensions has retained funds for future programs in the year 2025.
- Agreements should be followed and the relevant funds should be used effectively.

### 3.7 Operation of Bank Accounts

Audit Observation	Comments of the Accounting Officer	Recommendation
The bank account of the Local Government Services Widows and Orphans Pension Fund and the bank accounts related to the Local Government Services Widows' Widowers' and Orphans' Pensions have remained inactive for many years and, it had not been closed them or any action should to be taken in this regard had not been done.	Answers were not given.	Necessary action should be taken regarding inactive accounts.

## **4. Operational Review**

### **4.1 Procurement**

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
Although the annual procurement plan planned to purchase 85 desktop computers and 10 monitors between 01 April 2024 and 30 June 2024, due to the revision of the procurement plan on 22 November 2024 and the purchase of 20 computers and 06 monitors, Rs.11,091,000 remained from the amount allocated for expenditure item 253-1-2-2509.	Procurement activities have not been carried out since recommendations of the IT department had not been provided.	The procurement plan should be followed.

### **4.2 Losses and Waivers**

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
(a) Out of the losses exceeding 10 years valued at Rs.3.1 million in the Losses and Waivers Register, Rs.2.3 million pertained to overpayments made on behalf of deceased persons and although there is a situation which could not be recovered them, it had been shown as balances in financial statements for over 10 years without taking actions as per the Financial Regulations.	That there are balances which final reports had been called for according to F.R. 104(4), and some balances remained uninvestigated and losses will be addressed in accordance with F.R. procedures during the year 2025.	Financial Regulations should be followed.
(b) The difference between the closing balance of 2023 and 2024 was shown as the recovered amount for 2024 under recoveries made by the Department of Pensions in Losses and Waivers Register. As such, if a pensioner died in 2024 with the balance that has being recovered as at 31 December 2023, the entire amount to be recovered is recognized as 2024 receipts. Accordingly, It was revealed in the	Action will be taken to correct the Losses and Waivers Register from 2025.	Action should be taken to correct systematically.

sample audit that, due to an amount of Rs.662,960 to be recovered from 06 deceased pensioners in Kurunegala district was recognized as receipts in 2024, the balance to be recovered as at 31 December 2024 in the Loss and waivers Register had been understated by that amount.

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| (c) | According to the Department of Pensions reports, an overpaid amount of Rs.7,151,395 which is unrecoverable due to the death of 43 permanent pensioners was not included in the Loss and waivers Register.  | Noted for correction in future. | It should be included in the Loss and waivers Register.                       |
| (d) | Pension payments had been made to the same pensioner for 25 years from 1991 to February 2016, through a temporary file by the Gampaha Divisional Secretariat, and through a permanent file by the Mahara Divisional Secretariat. Accordingly, the Gampaha Divisional Secretariat had made an overpayment of pensions of Rs.1,872,587 under the temporary file, and the Pensions Department had suspended the payment of pensions since April 2016, and he had died on 25 March 2021. At that time, the loss covered by the retained pension was Rs.1,577,343 and the amount to be recovered was Rs.295,044. A clear conclusion had not been reached on how to recover this loss and this loss had not been included in the loss and waivers register under Financial Regulation 110. | Noted for future correction.    | Appropriate actions should be taken immediately.                              |
| (e) | Due to the failure to report the death of a pensioner to the Gampaha Divisional Secretariat, an over payment of Rs.582,423 had been made for a period of 29 months. According to the relevant preliminary investigation report, it was observed that the officers working in the Pensions Division of the Gampaha Divisional Secretariat had allowed outside parties to receive money due to   | Noted for future correction.    | Actions should be taken as per Establishments Code and Financial Regulations. |

the failure to complete the life certificate verification process, Although it had been recommended to act in accordance with the disciplinary procedures of the Establishments Code regarding the loss incurred by the government due to the accountants not carrying out supervision activities, action had not been regarding that and, recommendations had only been made to issue a letter of warning to the officers. Furthermore, this loss was not included in the loss register under Financial Regulation 110 and information was not provided on the actions taken to recover the overpayment.

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| (f) | As of March 2024, investigations had not been conducted and relevant activities had not been completed in accordance with F.R.104 regarding the financial fraud of Rs.7,022,668 that was revealed in 2021 related to the Mathugama Divisional Secretariat.   | To be investigated and responded to in the future. | Necessary actions to complete the relevant work should be taken immediately. |
| (g) | Pension of Rs.2,696,303 had been overpaid for 55 months due to payment after the death of pensioner at the Gampaha Divisional Secretariat, and F.R.104 investigations had not been conducted for this. Based on the primary investigation conducted in this regard, charge sheets were issued against one officer and even though he was acquitted and released following a formal disciplinary investigation conducted for that purpose, the recommendation to investigate the reasons for the other officers under the minor disciplinary procedure had not been implemented. Accordingly, conclusion had not been reached on how to recover the loss. | -do-   | -do-   |

(h)	<p>A former pension officer of the Kegalle District Secretariat while working at the Kegalle District Secretariat, a sum of Rs.6,381,550 was defrauded between 10 June 2010 to 09 June 2011 by fraudulently credited government funds to the personal bank accounts of three non-pensioners by fraudulently altering data in the pension computer system and, the officer had been dismissed from service following a formal disciplinary investigation into this matter. However, although the damage and loss report under F.R.104(4) was submitted by the Board of Inquiry on 21 August 2019, the loss had not been recovered to date, despite the fact that paragraph 10 of the report stated that it should be recovered from the personal immovable and movable property/assets of the officer.</p>	-do-	-do-
(i)	<p>The financial irregularities committed by the Pension Officer of the Galnewa Divisional Secretariat was Rs.1,666,762 and the outstanding balance as of 31 December 2024 was Rs.205,402. Action had not been taken to conduct a F.R. 104 investigation and a formal disciplinary investigation regarding this fraud identified in 2012.</p>	-do-	-do-
(j)	<p>Although the loss of Rs.5,049,611 identified in 2014 in the Polgahawela/Bandaragama Divisional Secretariat and the loss of Rs.5,215,589 identified in 2014 in the Kuruwita Divisional Secretariat were stated in the loss and waivers register, there was no progress in recovery as of 31 December 2024, and F.R. investigation and disciplinary investigations had not been conducted.</p>	<p>Recovery to be made based on court decisions since legal proceedings have been made.</p>	<p>The relevant disciplinary investigation should be conducted by the institution, as stated in Section 27.11 of Chapter XLVIIIi, Part II of the Establishment Code, that judicial proceedings are not an obstacle to conducting and implementing the relevant disciplinary investigation.</p>

### 4.3 Management Weaknesses

	Audit Observation	Comments of the Accounting Officer	Recommendation
(a)	<b>Weaknesses in the process of paying military disability pensions</b>	Noted to be re-examined and responded.	It should be discussed with the Ministry of Defense and take necessary actions.
	Military appointees are retired under the standard procedures as per clause 2.17 of the Pension Minute and start the payment of pensions and, they receive a disability pension if declared unfit by the Army Medical Board and recommended by the Army Commander. A long gap existed between the onset of the disability and submission to the Medical Board and failure to identify the disability by presenting it to the medical board at the time it occurred resulted in the pension department has to make overpayments of basic salary, cost of living, interim allowances, and gratuity. Accordingly, Rs.11,433,021 had been overpaid by the Galewela Divisional Secretariat.		
(b)	<b>Overpayment of military disability pension</b>	Overpayment is to be recovered.	Overpayments should be avoided and recovered.
	The pensioner with pension number 59-1176493 of the Galewela Divisional Secretariat had been over paid of Rs.194,496 in disability pension due to non-integration of 6-59 and due to his disappearance since 07 March 2022, action had not been taken to recover the overpaid amount or take any specific action until December 2024.		
	Although the disability pension entitle to the Armed Services Pension bearing No. 3-1153570 of the Mahara Divisional Secretariat as per the Disability Pension Grant sheet dated 10 October 2013 should have ended on 20 August 2015, Rs.471,332 had been overpaid up to the date of audit without ending accordingly.	-do-	-do-



The pensioner holding the military pension number 3-1168861 of the Mawathagama Divisional Secretariat retired from military service on 12 December 2015 and has been receiving salary and allowances from the Army since 09 May 2016 and although the basic pension has been revised due to the activation of the disability pension from 19 July 2018, due to the non-implementation of those amendments, the gratuity allowance was overpaid by Rs.128,124.00 and the basic pension was overpaid by Rs.517,834.50 from 09 May 2016 to 10 May 2024.

Arrangements have been made to recover as installments from 2025.

-do-

The pensioner of the Mawathagama Secretariat holding military pension number 3-1327628 had retired from 2018/01/19 and although his pension had been revised with disability from 2018/01/19, due to the payment of the initial pension without paying the revised pension, it had been overpaid the gratuity amount by Rs.130,564, the pension by Rs.99,638, and the cost of living allowance by Rs.28,200.

That the action will be taken to recover over payments in the future.

-do-

(c) **Fixed Allowance Payments**

According to MOD/1/2021 and circular dated 18 May 2021, fixed monthly allowances are paid to dependents of police members including tri-forces and special task force members who died during wartime and following observations was made regarding that.

Although it was observed that 05 dependents of warrior who are entitled to fixed allowances were receiving the fixed allowance when checking the database of the Panadura Divisional Secretariat, Since information related to the payment of the fixed allowance was not included in the retirement files, it was not possible to verify the accuracy

It was revealed that the Divisional Secretariats and the Tri-Forces have not acted in accordance with the circular instructions.

Action should be taken as per the circular.

of the value of the fixed allowance paid and the entitlement to receive the fixed allowance.

According to information submitted by the Department of Pensions to audit, Rs.3,884,706 remains unrecoverable as of May 2025 due to no records even some fixed allowance recipients had deceased.

Temporary suspension of overpaid allowances due to non-reporting of deaths of fixed allowance recipients.

Action should be taken to avoid overpayments and recover the over payments.

(d) **Management of military pensions and post-benefits**

The pensioner holding pension number 3-1146072 of the Galewela Divisional Secretariat had retired from service on 09 October 2012 and although the monthly salary of Rs.21,514 should be paid from 09 October 2012 to 09 October 2022 after conversion according to the period of service under 18(1)(a) of the Army Pensions and Gratuities Code, due to the payment of Rs.24,632, which is the monthly salary before the conversion, pensions of Rs.374,162 had been over paid up to December 2024.

It will be corrected in the -do- future.

Due to the failure to properly implement the pension revisions of 05 military pensioners in relation to the Mahara, Ganewatta and Panadura Divisional Secretariats, pension of one pensioner had been underpaid by Rs.178,769, and the pensions of 04 pensioners had been overpaid by Rs.1,275,557.

Corrections have been made in 2025.

Pensions should be accurately calculated and paid.

## **5 Operational Review**

### **5.1 Achieving Sustainable Development Goals**

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
Under the Sustainable Development Goals targeted to be achieved by 2030, the Department of Pensions has identified only one goal. Clear targets were not set for that goal and there was no systematic establishment of baseline data or indicators to measure progress. And also the stakeholders interested or involved in implementing Sustainable Development Goals within the institution had not been identified.	Although achieving this goal cannot be done by the Department of Pensions alone, the fundamental concept and proposals for establishing a broad pension coverage system that spans all levels of society in terms of post-retirement benefits were presented in 2020 through the ‘Retirement for All’ proposal. Furthermore, this policy proposal has been forwarded to the Secretary of the Ministry of Public Administration, and guidance is expected from the Ministry regarding the next steps to be taken.	Actions should be taken to achieve the Sustainable Development Goals.