

Head 333 – Comptroller General’s Office - 2024

1. Financial Statements

1.1 Opinion

Head 333- The audit of the financial statements of the Comptroller General’s Office 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 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 summery report containing my comments and observations on the financial statements of the Comptroller General’s Office was issued to the Accounting Officer on 31 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 Office was issued to the Accounting Officer on 24 July 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 of the Comptroller General’s Office for the year ended 31 December 2024 give a true and fair view on the financial position and its financial performance and cash flows and all the materialities in compliance with the basis of preparation of the financial statements set out in Note 01 related to the financial statements.

1.2 Basis for Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibility, 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 Emphasis of Matter - Basis of Preparation of Financial Statements

The 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 use of the Comptroller General’s Office, the General Treasury and the Parliament in accordance with the Government Financial Regulations, 150 and 151 and State 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 only for the use of the Comptroller General’s Office, the General Treasury and the Parliament of Sri Lanka. My opinion is not modified on this matter.

1.4 Responsibilities of 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 all materialities in accordance with the Government Financial Regulations, 150 and 151 and State Accounts Guidelines No. 06/2024 dated 16 December 2024 as amended on 21 February 2025, and for determining such internal control as 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 Comptroller General's Office 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 of the office 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 Expenditure Management

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) During the year under review, out of the estimated provision of Rs. 2,400,000 allocated for an object, a sum of Rs. 43,300 had been transferred to another object through F.R. 66. Even after such transfer, such saving of Rs. 956,670 remained unutilized, that saving representing 41 percent of the net provision.	The savings of provisions have arisen due to the transfer of Several officers from the actual cadre who entitled to transport allowance to other departments, and the while those posts remained vacant thereafter.	Preparation of estimates should be carried out accurately and realistically.
(b) Out of the total estimated provision of Rs. 150,000 allocated for two objects, a sum of Rs. 149,300 had been transferred to other objects through F.R. 66. Those transfers represented 99 percent of the estimated provision of one object and 100 percent of the provision of the other object.	Although a sum of Rs. 50,000 had been allocated for domestic travelling expenses and a provision of Rs. 100,000 had been allocated for the annual service charges and maintenance expenses of the Non-Financial Asset Management System in the year 2023, such expenses had not arisen in the year 2024. Accordingly, those money remained saved . However, in	-Do-

	terms of F.R. 66, these provisions had been transferred to meet unexpected but essential training and maintenance expenses.		
(c)	A sum of Rs. 346,950 had been obtained through F.R. 66 for a recurrent Object, representing 116 percent of the original estimated provision.	In order to unforeseen urgent requirements, provisions from the annual estimates were transferred between objects. Such transfers were made in accordance with the relevant F.R. 66.	-Do-
(d)	A sum of Rs. 577,577 had been obtained under F.R. 66 for a recurrent object for which no provision had been made in the annual estimates.	In the year 2024, it became necessary to incur required foreign travelling expenses in order to facilitate the foreign training opportunities granted to the officers.	-Do-

4. Operational Review

4.1 Non-performance of functions

In order to manage government assets, cost management of assets, and supervise their utilization through centralized documentation, the Comptroller General's Office was established in 2017 in accordance with the budget proposal approved by the Parliament of Sri Lanka. Accordingly, the centralized documentation of all government assets, both locally and internationally including land, buildings, motor vehicles, ships, aircrafts, and machinery has been identified as a priority task of this office. The following observations were made in this regard.

	Audit Observation	Comments of the Accounting Officer	Recommendation
(a)	As at 31 December 2021, the Office had identified 1,773 public institutions (public institutions and public enterprises and provincial councils and Local government authorities) that are required to enter information into the Centralized Database on State Non-Financial Assets.	Since 2017, efforts had been made to implement this centralized data system via online through the Integrated Treasury Management Information System (ITMIS). However, following a letter dated 28.02.2023 stating that this task could not be accomplished through ITMIS, an online non-	Action should be taken to achieve the objectives for which the Comptroller General's Office was established.

- (b) However, thereafter, financial asset management information on land and buildings was not updated under Asset Management in the data system. Circular No. 06/2023, effective from 01.09.2023. From that date, the first module of the system, covering vehicle-related data, was made operational online. Action will be taken to implement the other non-financial asset modules of the Non-Financial Asset Management System in a phased manner. For this purpose, modules relating to construction, buildings, and lands have been prepared and the necessary information has already been submitted to the Department of Information Technology Management for the development of the software of these modules. The vehicle data system has been designed to include both registered and unregistered vehicles of the Department of Motor Traffic. As at 14.05.2025, a total of 7,496 buses and 03 railway engines had been recorded. As at 14.05.2025, the total number of vehicles reported by government institutions amounted to 93,378. In updating the Non-Financial Asset Information System, details relating to purchases and disposals are also updated and reported. The Online Non-Financial Asset Management System is a online information system that reports data on a real-
- (c) Under the vehicle module, information relating to ships, aircrafts, trains, passenger transport buses, and other vehicles owned by the Government had not been entered into and updated in the data system even as at 31 December 2024. Immediate action should be taken to collect the required information and establish the Non-Financial Asset Management System
- (d) In terms of Asset Management Circular No. 01/2017 of the Comptroller General dated 28 June 2017, information relating to plant, machinery, construction, office equipment, and furniture was required to be obtained from government institutions. However, such information had not been updated in the data system even as at 31 December 2024. Immediate action should be taken to obtain information from the relevant institution and update the system.

- (e) As at 31 December 2024, a formal and convenient procedure had not yet been established and implemented by the Comptroller General's Office to obtain information from government institutions regarding purchases and disposals of assets other than vehicles.
- time data reporting. In terms of Asset Management Circular No. 06/2023, under the initially introduced vehicle module, information relating to new purchases, disposals, and other relevant details of vehicles should be reported and updated on a regular basis. the Comptroller General's Office was established the Non-Financial Asset Management System as an information management system covering all government institutions, with the objective of ensuring the proper reporting and governing of government non-financial assets.
- formal and convenient procedure should be established to obtain the relevant information.
- With special attention to the need for centralized recording and updating of all government assets, and in accordance with the instructions issued by the Public Accounts Committee on 09 August 2023, the Comptroller General's Office, with its concurrence, established the following timeframe for completing the data entry into the Non-Financial Asset Management System from 31 December 2023 to 31 December 2025. Accordingly, it was agreed that the construction module would be operational from 01 March 2024 and completed by 30 September 2024, and that the buildings module would be operational from 01 July 2024 and completed by 31 October 2024. However, as at 31 December 2024, these modules had not been completed.
- The relevant modules should be completed in accordance with the timeframe that has been submitted.

- (f) Due to the failure of the Comptroller General's Office to prepare a centralized record including the valuation of all government non-financial assets, it was not possible to verify the accuracy of the non-financial asset balances reflected in the government accounts.

Immediate action should be taken to establish the Non-Financial Asset Management System in order to verify the accuracy of the non-financial asset balances reflected in the government accounts.

Accordingly, as at 31 December 2024, although 07 years had elapsed since the establishment of this office, it had failed to prepare a centralized record encompassing all of the aforementioned assets and to update them.

5. Human Resources Management

Audit Observation	Comments of the Accounting Officer	Recommendation
The department had 41 approved posts, of which 13 were vacant. Among these vacancies, there were 07 senior-level posts, 01 tertiary-level post, 01 secondary-level post, and 04 primary-level posts, representing 13 vacancies or 32 percent of the total approved posts. However, as at 31 December 2024, the institution had not taken formal steps to fill the vacant posts, including the 07 senior-level posts that directly affect its performance, nor had it revised the approved cadre structure as required.	Several opportunities were provided to inform the Ministry of Finance, Ministry of Public Administration, and Ministry of Economic Development to fill the vacant approved posts. In addition, upon reviewing the current requirements, requests have been made to downgrade 01 of the 03 approved posts of Deputy/Assistant Director and 02 of the 06 approved posts in the Combined Driver Service.	The vacancies should be filled or revised .