

Head 227 - Department for Registration of Persons - 2024

1. Financial Statements

1.1 Qualified Opinion

Head 227 -The audit of the financial statements of the Department for Registration of Persons 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 Summary Report containing my comments and observations on the financial statements of the Department for Registration of Persons 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 pertaining to the Department was issued to the Accounting Officer on 07 July 2025 in terms of Section 11 (2) of the Audit Act. This report is presented to Parliament in terms of Section 10 of the National Audit Act No. 19 of 2018 which is read in conjunction with Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

In my opinion, except for the effects of the matters described in Paragraph 1.6 of this report, the financial statements prepared give a fair view in all the material aspects of the financial position of the Department for Registration of Persons as at 31 December 2024 and its financial performance and cash flow in accordance with the basis of preparation of the financial statements set out in Note 1 to the financial statements.

1.2 Basis for Qualified Opinion

My opinion is qualified based on the matters appear in Paragraph 1.6 of this report. I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Emphasis of Matter - Basis of Preparation of Financial Statements

I draw attention to Note 1 of the financial statements, which describes the basis of preparation of these financial statements. The financial statements had been prepared for the requirement of the Department for Registration of Persons, the Treasury and the Parliament in accordance with Financial Regulations 150 and 151 of the Government 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 Department for Registration of Persons, the Treasury and the Parliament of Sri Lanka. My opinion in this regard is not modified.

1.4 Responsibilities of the Chief Accounting Officer and Accounting Officer on Financial Statements

The Accounting Officer is responsible to prepare financial statements that give a true and fair view in all material aspects and to determine 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 in accordance with Government Finance Regulations 150 and 151 and State Accounts Guideline No. 06/2024 dated 16 December 2024 as amended on 21 February 2025 .

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 annual and periodic financial statements to be prepared.

The Accounting Officer shall ensure that an effective internal control system is maintained for the financial control of the Department in terms of Sub-section 38 (1) (c) of the National Audit Act and it should be periodically reviewed the effectiveness of the system and make any necessary changes to keep the system running efficiently.

1.5 Auditor's Responsibility on Audit of Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercised professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of its internal control.

- Evaluate that the underlying transactions and events are appropriately and fairly included in the financial statements for the structure and content of the financial statements that include disclosures.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The Accounting Officer is made aware of important audit findings, key internal control deficiencies and other matters identified in my audit.

1.6 Comments on Financial Statements

1.6.1 Accounting Deficiencies

(a) Revenue Receipts

The following deficiency was observed in accounting for revenue receipts related to the Department.

Audit Observation	Comments of the Accounting Officer	Recommendation
The revenue of Rs. 6,534,356 earned from registration of photography studios by the Department for Registration of Persons for the year under review had been credited to the Revenue Head for Other Receipts 2003.99.00 without being credited under the Revenue Head 2003.02.03 under the Registration of Persons Act .	It has been estimated to collect the revenue of photography studio registration revenue in the year 2024 under the Revenue Head 2003.99.00 and the audit has stated on various occasions that the revenue should be added to the income under the Head 2003.02.03. Accordingly, it had been informed that the instructions were given to the officers to account for that income under the Head 2003.02.03 from the year 2025.	It should be credited under the Revenue Head of the Department, 2003.02.03.

(b) Property Plant and Equipment

The following deficiencies were revealed in the accounting of property, plant and equipment.

Audit Observation	Comments of the Accounting Officer	Recommendation
(i) As the vehicle KB-8577 had been recorded twice in the fixed assets report (SA-82) as at 31 December 2024, the non-financial assets record had been overstated by Rs. 3,400,000 as at 31 December 2024 .	The vehicle KB 8577 has been stated on 01.01.2017 at a value of Rs. 3,400,000 and it was re-recorded at a value of Rs. 7,390,000 on 31.12.2021. It is informed that this was recorded hereby, by a mistake when the asset was revaluated and recorded in the accounts, and instructions have been given to the officers to take steps to correct it immediately.	It should ensure to accurately account for assets.
(ii) Out of the items that were identified through the Board of Survey conducted at the end of the year under review to be disposed ,64 items related to 08 asset types that were disposed in an auction on 26 April 2024 had not been shown in the Fixed Assets Record (SA-82) of the year under review.	There are errors in recording the assets purchased through the E-NIC project and provided to the Department and Divisional Secretariats and since the items stated here are also identified under this, it had been informed that actions are being done to correct those errors by now and immediate steps will be taken to accurately record these items in the Cigas accounting system accordingly.	It should ensure to accurately account for assets.
(iii) Two vans and a motor car registered in the name of the Commissioner General of Registration of Persons had not been entered in to the CigasProgramme.	This is under ENIC Project shown here and actions have been taken to enter the two vans, NB 4809 and NB 4840, in the CigasProgramme of this year and it had been informed that officers have been instructed to immediately enter the CAQ	It should ensure to accurately account for assets.

5803 motor car in the
CigasProgramme.

2. Report on Other Legal Requirements

I declare 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 those of the preceding year.
- (b) The recommendations made by me regarding the financial statements of the preceding year had been implemented.

3. Financial Review

3.1 Revenue Management

Audit Observation	Comments of the Accounting Officer	Recommendation
Since the revenue collected by other departments on behalf of the Department of Registration of Persons was Rs. 461,335,376 as per the Treasury printed notes and Rs. 462,755,280 as per the Revenue Generation Progress Report, there was a difference of Rs. 1,419,904 .	The revenue included in the Treasury printouts is only the revenue actually collected by the Divisional Secretariats.However, since the income collected by the Divisional Secretariats and sent to the Head Office through cheques(including mobile service income) has also been processed as income collected by other departments has been prepared in the Revenue Progress ReportConsidering as revenue collected by other departments, this difference has arisen. Other income, that is, mobile service income, has also been added to the income in the progress report. Therefore, that difference has arisen.	Necessary steps should be taken to be equivalent to the revenue collected by other departments as per computer printouts.

3.2 Expenditure Management

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) The total net provision for the year under review was Rs. 2,855,955,000 and because of the total expenditure was Rs. 1,988,220,703 as per the Treasury printouts (SA 10), the total balance at the end of the year was Rs. 867,734,297 or 30 per cent of the total net provision.	The savings in the following expenditure objects are mainly included within the total savings of the total net provision amounting to Rs. 867,734,297. • Due to the cancellation of the procurement for the purchase of pre-printed polycarbonate cards, a sum of Rs. 694,398,196 under expenditure object 227-01-01-0-2509 had been saved. • A sum of Rs. 62,441,438 had saved in the expenditure object 227-01-01-0-1201 for stationery and office requirements due to non-arisen of expected expenditure. • Due to the revision of bill charges a sum of Rs. 15,661,807 had saved in the electricity and water expenditure object 227-01-01-0-1403. • Due to failure to enter into agreements for service contracts within the stipulated time, a sum of Rs. 23,201,322 had been saved in expenditure object 227-01-01-1409-138.	The Department should pay proper attention when preparing of estimates.

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| <p>(b) Out of the total net provision of Rs. 1,110,885,280 relating to 05 recurrent expenditure objects and one capital expenditure object, a sum of Rs. 764,467,077 had been saved at the end of the year under review and that saving had ranged from 41 percent to 84 percent.</p> | <p>Restriction on foreign travel, expenses not incurred as expected, minimizing of use of generators due to continuous electricity supply, not arising a need to use the estimated security fund considering the risk of contract cancellation, being able to select a company for a lower price than the estimated price when calling for quotations, the procurement for the purchase of pre-printed polycarbonate cards was cancelled and payments have been made during this year for the value of the cards purchased on a re-order and it had been informed that the balance would be paid in the year 2025.</p> | <p>Estimates should be prepared by drawing proper attention to the expenditure object.</p> |
| <p>(c) Provisions had been transferred under Financial Regulation 66 due to not preparing estimates as complete and accurate as possible in accordance with Financial Regulation 50 and since the additional allocations thus transferred had ranged from 32 per cent to 117 per cent of the estimated allocation, proper attention had not been drawn when preparing the estimates.</p> | <p>There were savings in this expenditure item due to the well-managed fuel expenses for the reserve vehicles, in order to pay the increased cost of living allowance for the months of November and December as per the circular instructions of the Secretary to the Minister of Public Administration, Home Affairs, Provincial Councils and Local Government No. 03/2024 and dated 2024/01/10. Decrease of the number of officers who received the uniform allowance than the number expected to receive the uniform allowance, unexpected increase in maintenance costs of Identity Card Units installed in Divisional Secretariats, handing over back the vehicle which was acquired under the lease method</p> | <p>Actions should be taken to prepare estimates with proper attention.</p> |

due to the fact that there was no further need for the service, inadequate provisions required to pay the estimated GramaNiladhari allowances for the year 2024 under this expenditure object as a result of the approval of a lower amount of allocation than the estimated amount submitted by our Department for the year 2024.

4. Operating Review

4.1 Non-achievement of expected output level

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Although it was observed that the percentage of “Number of Applications Received and National Identity Cards Issued under the Annual Normal Service” which was one of the three Key Performance Indicators (KPIs) of the Department of Registration of Persons was 21 per cent in the year under review it had been recorded that the percentage of the aforementioned performance indicator in the draft performance report of 2024 was in between 75-89 per cent.	National Identity Cards were issued to applicants who applied for National Identity Cards under the Normal Service, considering their needs. Due to the shortage of cards and a letter confirming the information that can be used instead of the National Identity Card has been issued for applications that have been completed up to the printing stage, including the information of the National Identity Card. Accordingly, it is kindly informed that stating of the percentage of applications received and National Identity Cards issued under the annual Normal Service between 75-89 percent was the total number of national identity cards and information verification letters issued that year.	Performance indicators should be prepared based on the number of identity cards issued.

- (b) Although the Commissioner General shall issue a National Identity Card as soon as practicable to every person who is a citizen of Sri Lanka and has attained or will attain the age of 15 years in terms of Sections 5 (2) (1) and 15 (14) of the Registration of Persons (Amendment) Act, No. 08 of 2016, there were 1,055,461 applications for which a National Identity Card was not issued as at 01 January 2024. Since the Department received 985,209 applications during the year under review, although National Identity Cards should be issued for a total of 2,040,670 applications, the number of National Identity Cards issued during the year under review was 431,960. There were 1,608,710 applications for which a National Identity Card was not issued as at 31 December 2024 and the number of pre-printed cards remained at the Department as at that day was 667,820 only. Accordingly, the Department did not have enough pre-printed cards. In addition, a number of 588,402 letters of confirmation of information had been issued to school applicants during the year under review.
- It was unable to maintain sufficient stock of pre-printed cards for printing National Identity Cards since several procurements related to the purchase of pre-printed cards for printing National Identity Cards were cancelled due to the matters beyond the control of the Department. As a result, information verification letters were issued for school applicants born in 2005, 2006, 2007, 2008 and 2009. Although National Identity Cards were issued to applicants applying for National Identity Cards through the One-Day Service, since it was done managing the amount of pre-printed cards, information verification letters were issued for applications submitted through the Normal Service so that they could also be used to cast the votes in the election. Since the pre-printed cards obtained through re-order are currently being received by the Department as per a Decision of Cabinet of Ministers, it is informed that National Identity Cards are currently being issued to school applicants born between 01/02/2005 and 31/01/2006. Further, it is kindly informed that National Identity Cards are issued considering the needs of applicants for applications that have expired one month after being entered into the computer system.
- Actions should be taken to maintain sufficient stock levels of blank cards for the issuance of identity cards.

4.2 Other Observations

The following observation is made.

Audit Observation	Comments of the Accounting Officer	Recommendation
Mr. J.M. Buddhi, who served as a Development Officer under the Department of Registration of Persons, had left the service on 29 August 2017. Even though he had obtained a motorcycle when motorcycles were provided to field officers under the implementation of the Budget Proposals 2014/2015, since he had left the service before lapsing 05 years since he received it, though the market value of the motorcycle amounting to Rs. 144,920 should be recovered from him in accordance with the letter of the Director General of National Budget, No. BD/GPS/130/9/14/MC - II dated 07 July 2015, there was no such recovery or writing - off of the value from the books and no information whatsoever about this was disclosed in the financial statements 2024 .	This value has not been included as a value in this Department up to now and it has been agreed at the Audit and Management Committee Meeting to submit it to the Department State Accounts for clarification on how to recognize it as a loss or to seek advice on how to write it off from the books and the relevant officers have been instructed to act accordingly.	Actions should be taken to disclose relevant information in the financial statements.

4.3 Procurements

The following observation is made.

Audit Observation	Comments of the Accounting Officer	Recommendation
Any member of the Technical Evaluation Committee may record their disagreement in the minutes of the meeting, in accordance with 2.11.3 (b) of the Government Procurement Guidelines 2006 and	The failure to record agreement or disagreement with the Technical Evaluation Committee report has mistakenly happened and actions will be taken to avoid	Actions should be taken in terms of Procurement Guidelines.

signatures had been kept by the Chairman in the report of the 01st Technical Evaluation Committee held on 05 February 2024 regarding the purchase of 75 QR readers for a value of Rs. 2,025,000 (excluding tax) without indicating agreement or disagreement.

such mistakes in the future.

4.4 Management Weaknesses

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) The Department may, with the consent of the holder of the National Identity Card, affirm the authenticity of the details of the holder of that Identity Card for a written request made by a designated authority in terms of Section 39(b) (c) of the Registration of Persons Act, No. 32 of 1968, as amended by the Registration of Persons Act, No. 8 of 2016 and the information should be affirmed after obtaining the consent of the National Identity Card holder, institutions that have entered into Memorandums of Understanding (MOU) with the Department. However, information was not revealed during the audit that the Department had conducted a test check on this service from the beginning until the date of	Personal information should be verified after obtaining the consent of the National Identity Card holder in terms of the Registration of Persons Amendment Act No. 08 of 2016. The following points are informed to you regarding the failure of checking whether the contracted institutions obtain the consent of the holder when using the service. i. According to the Registration of Persons (Amendment) Act No. 08 of 2016, it is stated that personal information should be verified after obtaining the consent of the National Identity Card holder. The Department began exchange personal information through a web portal in the year 2020 in order to verify the information of individuals and the information exchange service via API was launched in 2024. Memorandum of Understandings have been signed with 110 institutions to	Actions should be taken in terms of the Act.

the audit whether the consent of the National Identity Card holder has been genuinely obtained when affirming the information of individuals by the contracted institutions.

exchange personal information.

ii. Each institution enters into a Memorandum of Understanding with the Department before providing services and it includes conditions that consent of the National Identity Card holder should be obtained before verifying personal information. Before providing security passwords to the relevant institution, verification is being done by the Information Technology Division of the Department by checking how the institution obtains cardholder's consent through forms or an online interface.

iii. It is expected to exchange data via API service in the future and it is expected that service provider institutions will be regularly inspected and that the institutions will work in conjunction with the Information Technology Department to verify time to time whether they are legally obtaining the cardholder's consent.

(b) The Department had failed to get settled the outstanding balance of Rs. 45,413 in distress and foot-bicycle loans to be received to the Department by an officer for more than 10 years by the end of the year under review.

A case has been filed on 27.04.2018 under Case No. 1689/18 DMR to recover the outstanding balance of this officer's advance "B" account. Accordingly, the court held on 28.04.2025 ordered that the summons be issued against the relevant defendant in this case and that it should be report by

Actions should be taken to recover loan balances promptly.

the Registrar of the District Court on the next court date of 17.10.2025, and the case was adjourned to 17.10.2025 .

5. Human Resources Management

The following observations are made.

Audit Observation				Comments of the Accounting Officer	Recommendation
(a)	The approved cadre of the Department of Registration of Persons as at 31 December 2024 was 1,472, and as the actual cadre was 1,321, a number of 151 vacancies were observed.			i. The information in respect of the approved staff, actual staff and vacancies of this Department is accurate as at the end of the year under review.	Actions should be taken to fill the vacancies of the approved cadre of the Department.
	Service Category	No. of posts approved	Actual number as at 31.12.2024	No. of vacancies	
	Senior	31	23	8	
	Tertiary	4	3	1	
	Secondary	1,288	1,192	96	
	Primary	149	103	46	
	Total	1,472	1,321	151	
				ii. Requests have been submitted to the Director General of Combined Services through letters to fill the vacancies remained as at 31.12.2024 in relation to the posts related to the Combined Service.	
				iii. Further, the 01 Additional Commissioner General vacancy as at 31.12.2024 has been filled so far and it is kindly informed that the actions will be taken to recruit in accordance with the circulars issued by the government and as per the instructions of the Department of	

Management Services in respect of the filling of vacancies for the posts of Deputy/Assistant Director (Information Technology) and Legal Officer and in respect of the filling of vacancies for other posts in the Department.

- (b) The total number of 08 approved posts including Commissioner General of Registration of Persons, Deputy/Assistant Director (Information Technology) and Legal Officer had remained in vacant as at 31 December 2024 .
- i. The information regarding the approved cadre actual cadre and vacancies of this Department is accurate as at the end of the year under review. Actions should be taken to fill the vacancies in the approved staff of the Department.
 - ii. Requests have been submitted to the Director General of Combined Services through letters to fill the vacancies remained as at 31.12.2024 in relation to the posts related to the Combined Service.
 - iii. Further, the 01 Additional Commissioner General vacancy as at 31.12.2024 has been filled so far and it is kindly informed that the actions will be taken to recruit in accordance with the circulars issued by the government and as per the instructions of the Department of Management Services in

respect of the filling of vacancies for the posts of Deputy/Assistant Director (Information Technology) and Legal Officer and in respect of the filling of vacancies for other posts in the Department.