

Head 216 – Department of Social Services - 2024

1 Financial Statement

1.1 Qualified Opinion

Head 216 - The audit of the financial statements of the Department of Social Services 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 of Social Services 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, 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 the Department of Social Services 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 set out in Note 1

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 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 qualified 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 the financial statements. The financial statements have been prepared for the use of the Department of Social Services Treasury and Parliament of the in accordance with Government Financial Regulations 150 and 151 and Public Accounts Guideline No. 6/2024 dated 16 December 2024, as amended on 21 February 2025. Accordingly, these financial statements may not be suitable for other purposes. My report is intended only for the use of the Department, the 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 are responsible for the preparation of financial statements that give a true and fair view in accordance with Government Financial Regulations 150 and 151 and Public Accounts Guideline No. 6/2024 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, 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 judgments 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 Department's 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.

1.6 Comments on Financial Statements

1.6.1 Accounting Deficiencies

(a) Property Plant and Equipment

	Observation	Comment of the Accounting Officer	Recommendation
(i)	The registered ownership of 11 Tractors and 02 Bowsers which has been owned to the social services department, was not included in the transport equipment value of Rs.45,847,500 as at the date of 31 December 2024 and no any information with the department regarding whether these vehicles had been transferred to another institution, disposed of or subjected to any other action.	All the social service officers who are in the district offices are being informed to check and report whether the vehicles own to the department have been attached to the divisional secretariat offices. Future action will be done accordingly the replies received.	Identifying the assets owned to the department should be accounted and disposed as per relevant.
(ii)	The land extent of 73.376 hectares and 5 lands extent of 10.3804 hectares located 5 vocational training institutes, 2 child guidance centers and 2 detention and rehabilitation homes had not been transferred and recorded in the accounts as at the end of the year under review.	After ending the process of transferring and assessing lands, action will be taken to account for.	Lands and buildings should be accounted for transferring and assessing value of its.

2. Report on Other Legal Requirements

I express the following matters in terms of Section 6 (1) (d) and Section 38 of the National Audit Act, No. 19 of 2018.

- (a) The financial statements are consistent with the preceding year,
- (b) The following recommendations made by me on the financial statements of the preceding year had not been implemented.

Referring to the paragraph of the report related to the previous year	Recommendation that had not been implemented	Reference to the Paragraphs of this report
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1.6.1 (a)	Although more than 11 years have passed since the donation of 06 lands with an area of 29 acres which had been donated to the department for the establishment of vocational training institutes, rehabilitation centers and guidance centers, the value of those lands and the buildings had not been assessed and had not been brought into accounts as lands and buildings.	1.6.1.(a) (ii)
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1.6.1 (b)	The legal right of the lands were 07 vocational training institutes had been established had not been vested in the department and the value had not been assessed and the cost of the buildings of which constructions had been completed 11 year ago had not been identified and had not been accounted for as buildings and constructions under non-finance assets.	1.6.1 (a) (ii)
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2.3	If a government vehicle is used as a learning aid, the vehicle should be used as a learning aid after disposing of the vehicle and cancellation of the registration in accordance with the Motor Traffic Ordinance, but the 5 vehicles in the Waththegama Vocational Training Institute had been used as learning aids with their chassis numbers. Further, 19 motorcycles from Waththegama Vocational Training Institute had been taken to Ketawala Vocational Training Institute, but the motorcycles had been kept in that institute with their number plates.	1.6.1.(a) (i)
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3.1.5 It was observed that for the construction of the Kilinochchi Vocational Training Center, of which construction was started in the year 2017 and which was opened on 20 December 2022 Rs.1,280,000 had been spent and the value of the land was Rs.93,630,000. In May 2023, trainees had been recruited for two courses and the courses had been started, however, the courses had been stopped due to lack of instructors by January 2024. This Vocational Training Center, which was built at a cost with all the facilities, is currently remaining idle with only the officers namely, the in charge of the center and the development officer attached to it, and payments are also being made to the security service and the cleaning service. Accordingly, it had been failed to achieve the expected objectives of this institution. 4.2.(a) (ii)

3.2 (d) Considering the recruitment to the 11 Vocational Training Centers for the vocational training courses in the year 2023 the 06 centers were underutilized because only 288 people had received training in the year under review, even though the residential facilities and facilities to receive training in 6 centers were available for 450 people. 4.2.(a) (i)

3. Financial Review

3.1 Certification of Accounting Officer

Audit Observation	Comment of the Accounting Officer	Recommendation
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Accounting Officer should certify the following matters in terms of provisions set out in Section 38 of the National Audit Act, No. 19 of 2018. However, it had not been done so. 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	Discussions are being made regarding internal audit methods and the effectiveness of it in the meetings of the staff officers and in the meetings of the cadre and corrective actions are being made relating to that. Certification of internal control system by the Accounting Officer has been handed over to the National Audit Office by a letter on 11 April 2025.	As per the provisions of the Section 38 of the National Audit Act making any alternations as required for internal control systems effectively carried out and should be submitted a copy of that to the Auditor General.
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make any alterations as required for such systems to be effectively carried out. Such reviews should be carried out in writing, and a copy thereof should be presented to the Auditor General however, no statements had been furnished to the Audit that such reviews had been carried out.

3.2 Non-compliance with laws, rules and regulations

Observation		Comments of the Accounting Officer		Recommendation
Reference to Laws, Rules and Regulations	Value Rs.	Non-compliance		
(a) Chapter XV of the Establishment Code Paragraph 5.2	667,920	An officer who had been on no pay leave being spent out of the island from 21 January 2019 to 20 January 2024 had not reported back to duty by the end of the year under review, and action had not been taken to recover the penalty calculated accordingly.	Due to failure to report for the duty after end of the foreign leave, the notice of vacation of post, dated 05 June 2024 and the letter that informing her to pay the relevant amount as per the agreement which had been sent to the abroad were returned to us. A first reminder letter was sent to her country address on the date of 18 October 2024. For obtaining the confirmation regarding the foreign address of the officer, a letter was sent to the Controller General to the emigration and	Action should be taken as per the provisions of the Establishment Code.

immigration dated 15
May 2025.

(b)	Section 9 of Public Finance Circular No. 01/2020 dated 28 August 2020 as amended under Financial Regulation 371 (2) (a)	95,000 91,200	Although the maximum allowable imprest advances for Social Service Officers is Rs.80,000 in non – compliance with the regulation two officers of the department had obtained Sub-Imprest exceeding that limit.	Since the Officer In Charge had been continuously informed that there was a dire necessity of kitchen equipment for Rideeyagama institute a Sub-Imprest has been issued. It was informed that the relevant officers to take action to correct deficiencies that pointed out through the audit query in the future.	Action should be taken in terms of the Financial Regulations.
(c)	Financial Regulation 371 (2) (b)	144,900	The Officer In Charge of the Kilinochchi Vocational Training Center had obtained sub-imprest exceeding the maximum limit however a prior approval had not been obtained from the Department of Treasury Operations.	The Sub-Imprest has been given to the Kilinochchi Vocational Training Center had been provided in excess of the limit by mistake.	Action should be taken in terms of the Financial Regulations and as per the circulars.
(d)	Financial Regulation 371 (2) (b) and 371 (5)	2,094,063	Although the officers who obtain sub-imprest are required to settle them immediately upon completion of the respective task, officers of the vocational	It was informed that to the relevant officers to take action taking in to consideration the instances of delayed settlement of sub-imprest obtained and to ensure that no such instances	Action should be taken in terms of the Financial Regulations.

training institutes occurred in the
and the head future.
office had delayed
settlement of such
advances obtained
in 65 instances
during the year.
With delays
ranging from 16 to
336 days.

(e) Asset Management Circular No. 05/2024 dated 18 December 2024 Paragraphs 02 (i) (a) and 04	To prevent misplacement and misuse of public property as well to ensure the effective utilization of government funds, proper utilization of all government vehicles documentation and maintenance of recoding, is the mandatory function of the heads of all state institutions.	Action is being taken to dispose of the vehicles that are not in running condition, which are owned by the Department and attached to the Divisional Secretariats.	Action should be taken as per the instructions of the circulars.
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3.3 Issuance and Settlement of Advances

Audit Observation	Comments of the Accounting Officer	Recommendation
On four occasions officers of the department had obtained Sub-imprest totaling of Rs.109,660, one month prior to the period during which the funds were actually required , and more than 50 percent of the advance amount had remained in hand. The balance retained in hand for a considerable period before being settled. Furthermore, some officers had obtained new advance settle the previously granted one. Accordingly, although retaining of money in hand	Since requesting money through the ITMIS system it takes about two weeks for receiving imprest, officers are being informed to submit vouchers before two weeks.	Officers should be informed to take action as per the relevant circulars and Financial Regulations regarding the Sub-Imprest and the internal control should be strengthened.

due to the delays in obtaining and settling of advances, there had been a risk of happening financial fraudulent, the internal control of the departmental management regarding that had been a significantly weak level.

4. Operating Review

4.1 Non- performances of Functions

Audit Observation	Comments of the Accounting Officer	Recommendation
According to the action plan and progress report regarding the rehabilitation plans to which Rs.11 million had been provided under the annual estimates in 2024, Rs.6.10 million that is 55 percent had been provisioned for meetings and 'Swabhimani' programme however, it had been planned to implement 30 special projects and to provide assistive devices to 70 persons with disabilities, implementing 22 special projects and providing assistive devices for 60 persons had been made. The number of identified person with disabilities at 174,369 of which information on only 157,628 individuals had been entered into the Google Sheet. Rehabilitation plans had been prepared only 16,163 for them.	Persons with disabilities had been identified 174,719 in district and divisional secretariats level and for those persons rehabilitation plans should be prepared by the Social Service Officers. Plans should be prepared for two persons for one month from one divisional secretariats and that information should be entered into a Google Sheet. As well through the plans which are being prepared for persons with disabilities, various development programmes are being implemented for them. Rs.3.0 million had been provisioned for development projects and accordingly the estimates of the projects which were submitted by the divisional secretariats only the 22 projects could have been released provisions. Out of the Rs.1.4 million has been provisioned for providing aids, only the 60 persons have been provided as per the requests received and the estimates.	Relevant activities should be fulfilled utilizing provisions allocated.

4.2 Failure to achieve the desired output level

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) The Department of Social Services operates 11 Vocational Training Institutes all over the island for children with disabilities, offering a 51 of residential training programmes. To facilitate these programmes 53 Vocational Training Instructors and 161 other staff are employed in those Vocational Training Institutes.		
(i) In comparing the capacity of enrollment of trainees with the actual utilization of capacity in the Vocational Training Institutes for the years 2023 and 2024, seven Vocational Training Institutes had operated at capacity utilization level of less than 50 percent.	For the Vocational Training Institutes own to the Department of Social Service enroll youths with disabilities between the ages of 16 - 35 scattered all over the island. A majority of them are with intellectual disability community. Social integration of this group is a major challenge. Recruitment is carried out through a formal interview as exceeding the capacity. However, it is beyond the control of the Department that some groups discontinue the vocational training without attending the recruitment event.	Action should be taken to fulfill the expected objectives by maintaining the Vocational Training Institutes.
(ii) According to the number of students who completed courses at each Vocational Training Institutes in 2023 and 2024, the expenditure per student ranged from Rs.335,142 to Rs.1,075,738. However, the expected objectives of establishing these Vocational Training Institutes had not been achieved. Although in the Kilinochchi Vocational Training Institute 15 students were enrolled in 2023 and 33 in 2024, no any student had completed their courses.	Identifying the skills and abilities of each trainee individually, and preparing individual plans and for those trainees who are possible to direct towards self-employment opportunities and preparing business plans and conducting vocational training in accordance with the scientific methodology.	Resources should be utilized to fulfill the objectives of the institute.

Accordingly, giving opportunity to be an active partner of the economic process with a well-equipped personality by empowering through the vocational training.

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| <p>(iii) In the years of 2023 and 2024 when considering the number of students who completed the courses and who were engaged in employment out of the number of students enrolled, in the years of 2023 and 2024 the number of engaged in employment out of the number of completed courses were 38 percent and 23 percent respectively.</p> | <p>Programmes will be implemented to retain the disability persons in the job by the 'Dream Sri Lanka' programme which is being implemented through the ESPD project from this year.</p> | <p>Action should be taken to fulfill the objective of introducing vocational training courses.</p> |
| <p>(b) Although a provision of Rs.5 million had been allocated to provide tool kits to 150 vocational trainees who successfully completed the courses as per the revised annual implementation plan, according to the progress report tool kits had been provided to only 82 trainees at a cost of Rs.3.3 million. In addition to that two trainees who completed vocational training in 2022, under the programme of Asian Development Bank had been provided with tool kits worth of Rs.25,000 and Rs.26,000.</p> | <p>Allocation had been sent to 11 trainees in the year 2025 to provide tool kits relating to the years of 2022-2023. Action will be taken to provide Sawing machines and computers for 50 trainees by the department and under the ADB Project to provide tool kits for 45 trainees. According to that, only the Rs.3.3 million has been incurred out of the provision allocated.</p> | <p>Action should be taken to fulfill the activities planned relevant to the year.</p> |
| <p>(c) Despite the presence of instructors for the inspection of course management at vocational training institutions, issues such as courses were not being conducted whether there were instructors in relevant institutes and where the courses are being conducted no instructors were there. Although vocational training institutions were established and maintained, the department had not carried out proper management, supervision and follow-up of the vocational training institutions. Also vocational training institutions were established and maintained with the aim of integrating disabled people in to society</p> | <p>The website of the institutes has been updated by now and action will be taken to make follow ups and monitoring more formally than this in the future.</p> | <p>Website should be updated and instructors of vocational training institutions have been properly managed, monitoring, conducting and following up courses should be done.</p> |

and providing them with access to economic income generation, the web site maintained on vocational training institutions had not been updated.

4.3 Uneconomic transactions

Audit Observation	Comments of the Accounting Officer	Recommendation
The Navodya Institute had been operated as a rehabilitation center of drug addicts by the Department of Social Service from the year 1992 –2012 and had also paid assessment tax for it. Although the building was vacated in the year 2012 and the Department has had to pay Rs.2,789,684 as arrears of assessment tax to the Municipal Treasury of the Colombo Municipal Council from 2012 to 31 December 2015 due to failure to report the vacating of the building. Further, this building remained idle for more than 12 years due to the fact that the land building were not handed over to an institution that should have been taken action in that regard.	A letter dated 18 December 2024 was being submitted to the Divisional Secretary of Colombo requesting that a notice be placed ‘this land be declared as a state-owned land,’ discussion is to be scheduled to inquire in to the payment of assessment tax from the Municipal Treasury of the Colombo Municipal Council.	The management should reach an accurate decision regarding outstanding assessment tax.

5. Achieving the Sustainable Development Goals

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Under the Sustainable Development Goals, the first development goal has been identified by 2030 aims to eliminate disparities in education based on gender, ensure access to all levels of education and provide	Although there had not been created a data system of persons employed from the vocational training institutions during the year under review, action has now been taken to prepare a data base by collecting information of all	Relevant activities should be carried out as far as possible to achieve the targeted goals by 2030.

opportunities for persons with disabilities, indigenous populations, and children at risk to receive vocational training by 2030 however, the possibility to achieve that goals had been a minimal level through the performance indicators annually due to there were no a data system with the department including information and statistics of the parties which related to this objective such as persons with disabilities and children at risk all over the island.

- (b) Although the second development goal has been identified under the sustainable development goals, is to provide effective and sustainable employment opportunities for all women and men, including persons with disabilities and youth, by 2030 the number of such opportunities provided had not been identified during the year under review. Since there has no the updated data system of which disabilities and youth covering up entire island to fulfill this goals by 2030, and there had not a confirmation as to whether sufficient targets won during the year under review.
- Rehabilitation plans are being prepared for persons with disabilities who have been identified by the officers attached to the Divisional Secretariats in 25 Districts accordingly, after identifying the needy, action has been taken to employed. Since Social Service Officers are given targets annually for employed and there progress is being reviewed quarterly by implementing a follow up methodology, There may be a possibility to verify of achieving targets in the future.
- Expected annual targets covering the entire island should be indicated and the data base regarding achievement of those targets should be maintained.

6. Human Resources Management

Audit Observation	Comments of the Accounting Officer	Recommendation
There were 375 vacancies in the approved and actual cadre as at the date of 31 December 2024. Out of these 232 vacancies in 28 posts had been remained without filling for a period ranging from 1 year to 10 years. While there were 68 excess positions in the Development Officer Service I/II/III- Development Officer (Social Service) grade, and also there were 23 vacancies in the same grade under the Development Officer (Elderly/Social Service) category.	A letter No.SSD/02/07/08/01 (II) dated 14 February 2025 has been forwarded to the committee which had been appointed for reviewing the recruitment procedure and management of cadre by the Cabinet of Ministers, requesting the approval for recruitment for vacancies existing in the posts of the department of social service by that occasion and after receiving the approval for that future action will be taken.	Action should be taken to manage through excess, minimizing the vacancies that have been existed for a long period of time.