

Head 320–Civil Security Department - 2024

1. Financial Statements

1.1 Qualified Opinion

Head 320 - The audit of the financial statements of the Department of Civil Security 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 Civil Security was issued to the Accounting Officer on 15 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 09 June 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 of Civil Security 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 of Civil Security, 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 of Civil Security, 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 Comment on the Financial Statements

1.6.1 Accounting Deficiencies

(a) Revenue Receipts

The following deficiencies were observed in accounting for the revenue receipts of the Department.

Audit Observation	Comments of the Accounting Officer	Recommendation
i. The Department collects revenue annually through the sectors of Agriculture, Animal Husbandry and Others, Music and Dance, Security Services, Construction and Maintenance Services, and it was revealed in the financial statements that a total revenue of Rs. 2,173,717,340 was earned from these revenue sources during the year under review. Even in the year under review, steps had not been taken to obtain a separate revenue head by consulting the Department of Public Monitory Policy to account for this income earned annually.	It was decided at the Ministry Audit Management Committee that before approving a revenue head, a bill should be prepared for the department and the task of generating revenue should be included and the bill should be approved. I would like to inform you that the preparation of the bill cannot be done expeditiously due to the restructuring program of the department.	It is necessary to obtain a revenue heading for the purpose of keeping revenue-related accounts.
ii. In the years 2022 and 2023, the amount of Rs. 2,838,522, which was due to the sale of rice to the Medirigiriya Force, Rs. 575,475 to the Uhana Force, Rs. 1,200,000 to the Mahaoya Force, and Rs. 1,063,047, was not recognized and reported by the Project Division and was therefore not included in the financial statements for the year 2023. Therefore, the value of outstanding income was understated by Rs. 2,838,522 in the year under review.	Instructions have been given to identify and report arrears of revenue related to departmental projects, and accordingly, necessary steps have been taken to investigate and prepare a report on all arrears of revenue, and I will prepare that report and provide a copy.	Income must be reported accurately in financial statements.

(b) Property, Plant and Equipment

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

Audit Observation	Comments of the Accounting Officer	Recommendation
i. The double cab vehicle bearing number WPGP-8951, valued at Rs. 4,500,000, was included in the financial statements twice, as a car and as a double cab. Accordingly, the value of property, plant and equipment was overstated by that value.	I would like to inform you that the double counting error of vehicle WP GP-8951, valued at Rs. 4.5 million, recorded on 31/12/2024, has been resolved through the CigaS system.	The values of property, equipment and fixtures must be accurately accounted for.
ii. Out of 341 bicycles in the possession of the department, the values of only 277 bicycles were included in the financial statements and the values of 34 bicycles had not been accounted for.	I would like to inform you that necessary action will be taken to refer this bicycle for disposal.	The value of property, plant and equipment must be accurately accounted for.
iii. The value of property, plant and equipment in the statement of financial position for the year under review was understated by Rs. 17,262,500 due to the total assessed value of 05 plots of land belonging to the department, amounting to Rs. 17,262,500, not being included in ACA 6 of the financial statement.	Accounting completed in the first quarter of 2025.	The value of property, plant and equipment must be accurately accounted for.
iv. By the end of the year under review, 20 plots of land with an area of 10.6313 hectares, the ownership of which had been acquired had not been valued and included in the financial statements.	Requests have been made to the Valuation Department to assess these lands and I will take steps to promptly account for them after receiving the assessment reports.	Measures should be taken to obtain valuation reports promptly and accurately accounted for.

(c) Failure to maintain Books and records

It was observed during sample audits that the Department had not maintained the following records and that some of the records were not maintained properly and up to date.

Audit Observation	Comments of the Accounting Officer	Recommendation
i. Damage Register Although the damage register should be maintained in detail including the relevant values, shortcomings were observed in recording details related to	I would like to inform you that the informal pencil entries in the damage and loss register are currently being corrected, and that steps will be taken	A record of damages must be maintained up to date in accordance with the

damage in the damage register maintained by the control division, such as irregular entries, amendments to entries without proper authority, and the presence of damage and losses not included in the register. to update and maintain the damage and loss register systematically from May 2025. format prescribed under Financial Regulation 110.

ii. **Loan and Advance Register**

In accordance with paragraph 05 of the Public Accounts Circular No. 256/2017 dated 05 July 2017, the Department had not maintained a CC-10 Loan and Advance Register showing the opening balance and the amount of loan and interest accrued each month for each officer and the balance of the loan outstanding as at 31 December and had recorded the loan balance and charges using a computer spreadsheet. The Civil Security personnel in this department are currently around 32,000 and it is not practical to maintain the CC 10 register regarding loans and advances. Therefore, I would like to inform you that the CC 10 will be updated using a computer spreadsheet. In accordance with paragraph 05 of the Public Accounts Circular No. 256/2017 dated July 05, 2017, loan and advance documents should be prepared in Form CC10 and based on that form.

2. **Report on other legal requirements**

I hereby declare the following in accordance with Section 6(1)(d) of the National Audit Act, No. 19 of 2018:

- (a) That the financial statements are consistent with the previous year,
- (b) That the following recommendations I made on the financial statements for the previous year had not been implemented.

Paragraph reference from the report for the previous year	Recommendation not implemented	Paragraph reference in this report
1.6.2 (a) (i)	Action should be taken to obtain a revenue head.	1.6.1 (a) (i)
1.6.2. (a) (ii)	All project revenues should be accurately and up-to-date recognized in the accounts.	1.6.1 (a) (ii)
1.6.2. (b) (ii)	The correct values of property, plant and equipment should be shown in the financial statements.	1.6.1 (b) (iii)
1.6.2. (b) (iii)	Property, plant and equipment should be valued and recorded at the correct value.	1.6.1 (b)(iv)
1.6.2 (c).	Loan and advance documents should be prepared in accordance with the CC10 format and based on that format in accordance with paragraph 05 of the Public Accounts Circular No. 256/2017	1.6.1 (c)(ii)

	dated 05 July 2017	
2.1	The need to recover arrears of revenue promptly.	3.1
2.2 (i)	Expenditure should be managed as much as possible according to the estimates prepared.	3.2 (a)
2.2 (ii)	Efforts should be made to prepare estimates as accurately as possible.	3.2(b)
3.3 (a)	Action should be taken to ensure that there are no discrepancies between the information of the accounting department and the control department.	4.3 (d), (e), (f)

3. Financial Review

3.1 Revenue Management

Audit Observation	Comments of the Accounting Officer	Recommendation
The Civil Security Department had outstanding revenue of Rs. 135,854,993 at the end of the year under review for the provision of security and other services to other public and private institutions. Out of this, Rs. 13,655,053 had been uncollected by the end of the year under review, taking a period of 01 to 07 years.	Legal proceedings are underway regarding CML and the Telecommunications Regulatory Commission, and the remaining institutions have been informed in writing to settle the outstanding amounts promptly, and I will take steps to collect them by sending monthly reminders.	Legal and administrative steps should be taken to promptly recover arrears of revenue.

3.2 Expenditure Management

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
a. Although the Accounting Officer is required to ensure that all services that can be reasonably anticipated are included in the estimates in terms of Financial Regulation 50 and that they can be performed during the financial year and that the estimates are prepared as completely and accurately as possible. The variance in the estimates prepared by the Department for the year under review ranged from 100 percent to 323 percent.	I would like to inform you that in preparing the estimates for the year 2025, efforts have been made to prepare and present estimates based on as accurate forecasts as possible to minimize such shortcomings.	When working according to the prepared estimates, it is necessary to manage as much as possible without variations.

- b. The balance of the provisions of 18 expenditure items ranged from 12 percent to 69 percent, and of these, there was a balance remaining even after the provisions of 07 expenditure items were reduced. Furthermore, there was a balance remaining after the provisions of 04 expenditure items were increased through Financial Regulation 66.
- I would like to inform you that the necessary instructions have been given to optimally manage the provisions so that there are no surplus provisions in the department in the year 2025.
- Efforts should be made to prepare estimates as accurately as possible.

3.3 Non-compliance with laws, rules and regulations

The cases of non-compliance with the provisions of laws, rules and regulations observed during sample audit tests are analyzed below.

	Noncompliance with Laws, Rules and Regulations	Value Rs.	Non-Compliance	Comments of the Accounting Officer	Recommendation
a.	Public Administration Circular No. 30/2016 dated 29th December 2016, Section 3.1	-	Although a fuel test should be conducted after every 12 months or after 25,000 kilometers of running or after a major engine overhaul whichever occurs first. But no such fuel test had been conducted in the year under review in respect of 125 vehicles of the Department.	The number of vehicles owned by the Department that need to undergo fuel testing is 413. Of these, 288 vehicles underwent fuel testing during the year under review, while fuel testing is being carried out in phases on the remaining 125 vehicles.	Fuel combustion testing should be carried out as per the circular and running records should be prepared based on the updated values.
b.	Public Administration Circular Letter 03/2017 dated 19 April 2017 and Public Administration Circular dated 16 April 2009	-	Although steps should be taken to maintain records to verify the arrival and departure of officers using fingerprint machines in all government institutions. But as revealed during the sample audit there was no fingerprint machine in the Horowpathana Force which has 800 officers	The fingerprint machine at the Katunayake Force will be installed as soon as the repairs are completed, and it is planned to install a fingerprint machine at the Horowpathana Force Headquarters in the year 2025.	Fingerprint machines should be used as per the circular regarding the arrival and departure of officers.

and the fingerprint machine in the Katunayake Force which has 813 officers had been out of service for 4 months.

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| c. | In accordance with paragraph 03 (01) of the Cabinet Memorandum No. IAD/GA15/8/අමා.සංදේශ/2 dated 09 February 2015 and the Cabinet Decision No. අමප/15/0089/610/003 dated 05 March 2015 relating to the said Memorandum | 1,292,760,000 | It was recommended and approved to use the departmental workforce for small and medium scale constructions at religious places etc. Contrary to this, the department had deployed a total of 2,394 men and women, comprising 370 for security duties, 1,812 for welfare and maintenance, 202 for driving duties and 10 for other duties, in the year 2024, and spent Rs. 1,292,760,000 on salaries. | This started during the war by providing troops to the temples in the threatened villages, and later on, a large number of religious places were given this way. This process, which has been going on for a long time, was also discussed in the Public Accounts Committee, but so far no specific advice has been received on the action to be taken in this regard. However, a response is expected in the future under the restructuring program of the department. | Steps should be taken to attach soldiers to religious places only under legal approval, in accordance with Cabinet decisions. |
| d. | In accordance with paragraph 03 (01) of the Cabinet Memorandum No. IAD/GA15/8/අමා.සංදේශ/2 dated 09 February 2015 and the Cabinet Decision No. අමප./15/0089/61 | 727,920,000 | A total of 4,044 men and women serving in the Department without legal provision were obtained for a period of 04 months for paddy farming activities during the 2024/2025 Maha season. An amount of Rs. 727,920,000 was spent on salaries for these men and women during this | In previous years, projects were also carried out on a rental basis, and it is more effective to employ soldiers in such projects to generate income rather than having them remain underutilized in the force. The Ministry | Legal provisions need to be obtained. |

0/003 dated 05 period.
March 2015
relating to the
said
Memorandum

has decided to
appoint a
committee to take a
policy decision
regarding
agricultural
projects and rental
projects, and all
income received
has been credited to
the Consolidated
Fund.

3.4 Irregular Transactions

(i) Unauthorized Payments

The Department had made the following payments without authorization.

Audit Observation	Comments of the Accounting Officer	Recommendation
a. The vehicle bearing number PG - 0423 was taken to a private garage for repairs on 18 June 2024 due to a fault in the engine system, and although parts of the vehicle were removed and modifications were made, this was done without formal permission and without the supervision of a technical officer.	Due to excessive oil consumption and an abnormal noise from the head, the vehicle PG – 0423 was sent to a garage for inspection. Since it is an internal fault, the vehicle has been dismantled and inspected to identify the fault. It is hereby informed that an inspection will be carried out under Financial Regulations 103 and 104.	When repairing government vehicles, repairs should be carried out under proper approval and supervision.
b. After a repair to the engine system of the PG – 0425 van was carried out in December 2023, the engine system was completely damaged and it was taken out of service in August 2024 after having running only 1,896 kilometers. No inspection had been carried out on the spare parts used in the first repair and due to the damage to those parts, an estimate of Rs. 1,711,315 had been submitted for the repair of the engine system again. No steps had been taken to identify the officers responsible for this situation.	I would like to inform you that instructions have been given to complete the investigations under Financial Regulation 104(3) and Financial Regulation 104(4) and to submit the investigation reports promptly.	Vehicle repair work should be carried out with proper supervision and responsible officers should be identified.
c. According to the board report සිආදෙ/ආර්ථේච්/ප්‍රවා/කාගො/01(08) dated 19 July 2024, it was stated that	The Transport Division has been instructed to promptly repair and recover this vehicle and to obtain	When paying for vehicle repairs, a certificate from an

	the relevant repairs to vehicle No. 65 – 4873 had been carried out correctly and based on that, an amount of Rs. 2,159,975 had been paid on 14 October 2024. The vehicle was returned to the garage on 14 November 2024 due to a faulty condition and the above amount was paid based on an incomplete board report submitted without checking that the vehicle had been repaired as required.	a one-year warranty period from the date of completion of the repair. Representatives of the repair company have been brought in for discussions. Accordingly, I would like to inform you that steps will be taken to repair and recover this vehicle promptly.	officer with technical knowledge must be obtained that the vehicle has been properly repaired.
d.	The jeep bearing number GD-7248 had been recommended to have its engine completely overhauled but had ran 693 kilometers in 8 months without undergoing the repair and the engine had stopped working due to a defect in the cooling system while driving. Then Rs. 997,300 had been spent on repairing the vehicle, but the parties responsible for its careless driving had not been identified.	A board has been appointed in this regard and steps are being taken to take further action.	It is necessary to ensure that officers related to vehicle repair and maintenance properly perform their duties.
e.	The Department had not recovered the salaries of Rs. 626,027 which had been paid in excess to 30 deceased officers and 24 retired officers from 2015 to 2021 and the salaries of Rs. 1,281,196 which had been paid in excess to 45 officers who had left the service during that period by the end of the year under review.	The Department of Pensions has been informed to recover the balances due from deceased and retired officers from the retirement gratuity, and the relevant officers have been informed through letters about the balances due from officers who have left the service, and if any, their welfare funds are available to recover them.	Internal controls regarding the payment of salaries should be strengthened and steps should be taken to promptly recover overpaid salaries.

3.5 Fraudulent Transactions

The details of fraudulent transactions observed during sample audit tests are given below.

Audit Observation	Comments of the Accounting Officer	Recommendation
a. Two Army officers were provided with fuel and vehicles with drivers by the Army, but the Department also illegally provided fuel and vehicles with drivers contrary to the instructions of the National Budget Department resulting in the	I am kindly informed that the actions to be taken regarding the audit quarry were discussed at the Ministry's Audit and Management Committee meeting, and it was decided to appoint a board by the Ministry.	Vehicles should not be provided to those officials again, contrary to circulars, even though official vehicles have been provided.

expenditure of Rs. 287,473 and Rs. 913,767 on those two officers in the 3 months from July to September 2024.

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| <p>b An officer had spent 375 liters of fuel worth of Rs. 115,875 on 27 trips to his home in Galle without legal provisions. Also, when checking the running charts of a vehicle given to another officer, the audit did not confirm that the officer had traveled to the locations mentioned therein.</p> | <p>I am kindly informed that the actions to be taken regarding the audit quarry were discussed at the Ministry's Audit and Management Committee meeting, and it was decided to appoint a board by the Ministry.</p> | <p>Vehicles should not be provided to those officials again, contrary to circulars, even though official vehicles have been provided.</p> |
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3.6 Advance issuance and settlement

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
a. Although in terms of Financial Regulations 371(2)(b) and 371(5) as amended by 9.1 of the State Finance Circular No. 01/2020 dated 28 August 2020, an interim advance given for a specific task should be repaid immediately after the completion of that task or within 10 days of the completion of the relevant task, the advance amounting to Rs. 1,622,334 given on 41 occasions from January to December 31st of the year under review had been repaid with a delay ranging from 14 days to 346 days.	The relevant people have been informed that the advances received should be repaid within 10 days. I have taken note of the steps to ensure that there are no further delays. I inform you that this matter will be discussed at the Management Audit Committee and further steps will be taken to strengthen internal controls.	Advances should be settled within the prescribed time frame as per the circular.
b. While an advance of Rs. 75,000 was given to the Deputy Director (Procurement) on 30 January of the year under review, before it was settled, another advance of Rs. 100,000 was given to the same officer on 02nd February, and accordingly, Rs. 175,000 was held by the officer during that period, contrary to the financial regulations.	Arrangements have been made to establish a formal internal control system in accordance with financial regulations regarding advances from May 2025 and its progress is expected to be discussed at the Departmental Audit and Management Committee meeting.	Advances should be provided only in essential cases, so as not to violate restrictions.

4. Operational Review

4.1 Annual Performance Report

The Annual Performance Report shall be published 180 days or earlier after the end of the financial year in terms of subsection 47(4) of the Public Finance Management Act, No. 44 of 2024. In terms of paragraph 10.2 of the Public Finance Circular No. 2/2020 dated 28 August 2020, the Annual Performance Report was to be prepared in accordance with the format specified in the Guidelines No. 14 issued by the Department of Public Finance. In terms of Section 16(2) of the National Audit Act No. 19 of 2018, this Performance Report is to be submitted for audit along with the Annual Financial Statements. The following observations are made in this regard.

Audit Observation

Although the draft performance report prepared for the year 2024 stated that “the additional tasks assigned by the government through the Extraordinary Gazette No. 1462/20 dated 13.09.2006 and the Cabinet Paper No. 403/15/0089/610/003 dated 05 March 2015 include strengthening the country's national food production through various large-scale projects such as paddy, grains, vegetables, fruits, etc. throughout the island, supporting the creation of a generation of children through Early Childhood Development Centers established in remote areas with less facilities, providing teachers on a voluntary basis to remote schools where there is a shortage of teachers, and installing and maintaining large-scale water filtration machines covering the northern and north-central areas”, those tasks were not included in the said Gazette and Cabinet Paper.

Comments of the Accounting Officer Recommendation

As per the decisions of the Audit Management Committee, the Ministry has currently taken steps to appoint a committee to resolve the issues of the Department, and it is expected that the scope of the Department will be determined through that committee.

Accurate information should be included when indicating the department's functions in the performance report.

4.2 Procurement

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
a. When analyzing the preparation of estimates and submission of prices for the repair of bus No. 63-4945, it was found that the sheet covering and repair were specific aspects of this procurement. Although these tasks should have been carried out separately by specialized institutions for this purpose the specifications had not been prepared and bids had not been called accordingly.	The Transport Division was instructed to call for quotes for specific repairs in the future and to nominate an officer with knowledge in the relevant field for the technical evaluation committees for such repairs.	It is necessary to ensure that repairs are properly identified, the necessary specifications are prepared, and procurement activities are carried out.
b. Although a Technical Advisory Committee was appointed on 17 January 2024 to purchase 190 Mattresses at a cost of Rs. 1,964,409 in the year under review and was assigned to identify the specifications and requirements required to purchase 220 Double Layer Mattresses of size 6x3x4 and submit them before 22 January 2022, Specifications were not provided on the due date. Furthermore, the Technical Evaluation Committee report given on 12 August 2024 did not include a table indicating the bidders' compliance with the key provisions of the technical specifications as per the "Bid Evaluation Report" in 7.11.1 of the Procurement Manual.	It is hereby informed that instructions have been given to the Technical Evaluation Committees to work within the prescribed time frame, and instructions on the preparation and submission of the evaluation report in accordance with the provisions of the Procurement Guidelines have been provided at the time of appointment of the Technical Committees.	It is necessary to prepare and submit specifications without delay, submit evaluation reports completely and accurately, and act in accordance with procurement guidelines.
c. Although the bid invitation for the purchase of 20,000 pairs of Green Socks at a cost of Rs. 12,282,200 had called for 35,000 Pairs of socks, only 20,000 Pairs of Socks were purchased due to the lack of an accurate estimate of the requirement. Furthermore, there were procurement weaknesses such as not indicating whether one member of the Procurement Committee agreed to	I would like to kindly inform you that controls have been implemented to prevent institutional delays and errors and to prevent such observations from recurring in the future. Accordingly, I would like to state that it is expected that time will be managed according to a schedule.	Requirements should be properly identified prior to procurement in accordance with procurement guidelines, recommendations from all members of the procurement

the recommendations or not, taking more than 03 months to provide the sample, to the Sri Lanka Standards Institute for inspection, taking more than 26 weeks to evaluate the bids, and having to pay an additional amount of Rs. 312,261 as tax due to the fact that the VAT rate had increased to 18 percent when the Procurement Committee decided to purchase for Rs. 11,970,000 on 08 December 2023.

committee should be provided for decisions, and committee reports should be submitted promptly.

- d. Rs. 1,094,779 had been spent on the renovation of the Wennawatte Brigade building, but not one member of the Technical Evaluation Committee had signed the report on that procurement. Furthermore, although the decision had been given by the Procurement Committee on 11 January 2024, it had not been stated whether two members of the Committee agreed to the procurement or not. Accordingly, the above-mentioned amount had been paid for a procurement without proper approvals.

It is hereby informed that the signature of one member of the Technical Evaluation Committee Report in file CSD/LOG/B/346/2023, which was inspected by the audit, has been omitted and instructions have been given to rectify it immediately.

According to the Procurement Guideline Conduct, members of the Technical Evaluation Committee and Procurement Committee must use their signatures to submit committee decisions.

4.3 Asset Management

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
a. According to the financial statements, there were 574 vehicles and equipment, while according to the schedule prepared by transport division there were 32 vehicles and equipment were recorded as a shortage that was only 544. Furthermore, 60 vehicles worth Rs. 28,058,975 included in the financial statements were not included in the same schedule. At the same time 17 vehicles according to the same schedule were not included in the financial statements.	It is hereby informed that the 16 vehicles have not been accounted for in the financial statements as ownership has not been transferred to the Department of Traffic as of 31/12/2024.	Discrepancies between financial statements and supporting documents should be identified and corrected, and steps should be taken to promptly take over ownership of unclaimed vehicles used by the department and account for them.

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| b. | There were 16 vehicles registered in the Department of Motor Traffic under the name of the Civil Security Department that were not included in the reports of both the Transport Division and the Accounts Division. | The Transport Department does not have information on 16 vehicles and is investigating. | The department should urgently investigate vehicles that exist in its name but do not physically exist. |
| c. | The Department did not have legal ownership of 27 vehicles currently in use by the Department and 25 vehicles proposed for disposal. | It will take a long time to take over these, but I would like to inform you that steps have been taken to do so. | Urgent action must be taken to acquire legal rights. |
| d. | According to the information provided by the Administration Division, it was observed that 176 acres, 3 roods and 39.5 perches of land located in 6 areas which had been accounted for by the Accounts Division at Rs. 69,310,000 were in the accounts, but the Department did not have 6 such plots of land. | The Department has taken steps to appoint a board to investigate your observations and the observations of internal audit inquiries regarding the differences in land sizes. | Action should be taken to eliminate discrepancies between the information in the accounting department and the control department and maintain accurate information. |
| e. | The Accounts Division had stated that 4 plots of land in 4 areas which had been accounted for at Rs. 198,846,000 was 121 acres 2 roods 33.12 perches, but according to the information of the Admin Division, the area of that land was 33 acres 2 roods 35.48 perches, so there was a difference of about 88 acres between the reports of the two divisions. | A board will be appointed to investigate the differences in land area and immediate action will be taken. | Action should be taken to eliminate discrepancies between the information in the accounting department and the control department and maintain accurate information. |
| f. | The land of 28.4 perches, 1 rood, located in the Sri Pura Sub-Fort had been accounted for at Rs. 513,000 by the Accounts Division but according to the information from the Admin Division, the above land area of the Sri Pura Sub-Fort had not been indicated. | I would like to inform you that the existing recorded lands will be physically inspected again, and that the Department has taken steps to appoint a board to conduct an inspection regarding your observations regarding the differences in land sizes and the observations of internal audit inquiries. | Action should be taken to eliminate discrepancies between the information in the accounting department and the control department. |
| g. | Out of the 563 plots of land that the Department had been using in various parts of the island for a long time, | I would like to inform you that by the end of the year under review, 284 lands have been identified out | Steps should be taken to promptly acquire the legal ownership of |

only 19.1421 hectares of land corresponding to 32 plots had been taken over and the acquisition of the remaining 531 plots had not been completed by the end of the year under review.

of 531 plots of land that can be formally acquired and work is underway in coordination with the relevant institutions to acquire them.

the lands used by the department.

4.4 Guarantee of government officials

Audit Observation	Comments of the Accounting Officer	Recommendation
73 officers, who were required to provide security for 07 executive positions and 02 secondary positions in the Department, had not provided the relevant security as per Financial Regulations 880 and 891.	I would like to inform you that the officers who have given securities have been transferred and other officers have been attached. Accordingly, I would like to inform you that I have instructed those officers to produce securities in accordance with Finance Regulation 880.	Steps should be taken to obtain bail from officers who are required to provide bail as per financial regulations.

4.5 Losses and Damages

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
a. Although a preliminary report should be submitted within 03 months from the date of the loss or damage as per Financial Regulation 104 (3) if a delay of more than 07 days is expected in submitting a complete report, a full report should be submitted within 03 months from the date of the loss or damage as per Financial Regulation 104 (4) The reports and recommendations relating to 56 incidents of loss or damage that had occurred in the Department were delayed for periods ranging from 60 days to 04 years.	I would also like to kindly inform you that I have instructed you to act promptly in accordance with the M.R. in relation to all damages in the future.	The overdue comprehensive reports should be obtained promptly and the recommendations implemented.

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| <p>b. Although the Board had recommended the recovery of Rs. 6,295,433 from the responsible parties in relation to 10 damage and loss incidents, the Department had failed to recover that amount by the end of the year under review.</p> | <p>The Army is taking steps to inform the relevant Army officer to act in accordance with the law. Accordingly, disciplinary action is being taken by recovering the damages.</p> | <p>Action should be taken to recover the money recommended according to the board reports.</p> |
| <p>c. No note was included in the loss and damage register or in Annexure II of the financial statement regarding the discrepancy in the process of providing food to the troops reported by the external force conducted by the Welisara Special Project and the process of marketing the rice/grains produced by the force and the department was required to recover Rs. 20,795,972 from the officer who committed the financial irregularity, but no action had been taken in this regard.</p> | <p>I would like to inform you that the Criminal Investigation Department has been informed to conduct an investigation into this matter and legal action has been taken.</p> | <p>The parties responsible for the loss should be accurately identified and steps should be taken to recover the money recommended according to the board reports.</p> |

4.6 Management weaknesses

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
a. 61 soldiers attached to the Katunayake Force were deployed for construction, welfare, driving and security work at 25 religious places. Of these, 30 soldiers had been deployed for over 11 years at 12 religious places without written approval. Furthermore, no specific period had been mentioned in relation to 10 soldiers who had been deployed at religious places since 2018 with written approval.	I would like to inform you that the current requirement for the 12 temples where troops have been deployed by the Katunayake Force without written approval has been reviewed and the Operations Division has been instructed to provide written approval on a short-term basis for essential locations and is currently acting accordingly.	Troops should be deployed to other duties for a specific period of time, with proper approval and supervision.
b. Of the troops of the Wilpattu Force, 129 were deployed to 58 religious places for plumbing, driving, security and construction and welfare duties. Of these, written approvals had been given to deploy only 16 troops to 11 religious places and since no specific	At present, written approval has been granted temporarily. The issue of providing military personnel to religious places was discussed at the Public Accounts Committee, and it is expected that a policy decision will be taken in	Troops should be deployed to other duties for a specific period of time, with proper approval and supervision.

- period was specified, they had been serving at those places for a period ranging from 4 months to 5 years. Furthermore, 113 soldiers had been deployed to 47 religious places since 2015 without written approval.
- the future.
- c. 79 soldiers of the Kebitigollewa Force were deployed for construction, welfare and security duties at religious places without any time limit. Of these, three soldiers deployed for welfare work at one place had been deployed at the same place for over 17 years.
- Although this matter has been discussed even in the Public Accounts Committee, no policy decision has been taken yet, and there are practical difficulties in transferring Civil Security personnel who have been assigned to those locations for a long time. However, I would like to state that steps will be taken step by step to address this sensitive issue.
- Troops should be deployed to other duties with proper authorization and supervision, and for a specific period of time, considering the transfer system.
- d. Contrary to the additional functions assigned by the Government through the Extraordinary Gazette No. 1462/20 dated 13 September 2006 and the Cabinet Paper No. අම/15/0089/610/003 dated 05 March 2015, 5 soldiers from the Horowpathana Force, 26 soldiers from the Kebitigollewa Force and 18 soldiers from the Wilpattu Force were deployed for in duties in the schools that were not included in the duties assigned to the Department.
- I would like to inform you that with the end of the war situation in the country, these Civil Security members have been deployed to schools to fill teacher vacancies in difficult schools at the request of the education authorities. Since there are still teacher vacancies, I would like to inform you that the services of these Civil Security members will continue to be obtained from those difficult schools.
- Steps should be taken to assign troops only for approved duties in accordance with Cabinet decisions.
- e. There were over 500 trees such as Kaluwara, Burutha, Weera, Kong, and Welang in the Horowpathana Force grounds, but no steps had been taken to number and document these trees and include them in the accounts.
- The more than 500 trees of timber value in the Horowpathana Force Headquarters premises have been separately classified and the necessary steps are being taken to register them using numbers.
- Steps should be taken to number and document the valuable timber trees on the force lands and to include them in the financial statements.
- f. The Kebitigollewa Force had provided 1,020.6 kg of White Rice, Kurakkan, Peas, Bananas, Green Chillies, Kurakkan Flour, Okra, Cassava, Dried Chillies, 1,815 Sweepers and 932
- I would like to inform you that instructions have been given to the Seva Vanitha Unit to investigate the items handed over to the Seva Vanitha Unit and
- Action must be taken to recover the money promptly.

- Coconuts to the Seva Vanitha Unit in the years 2022 and 2023, but no payment had been made for the same by the end of the year under review. settle those transactions promptly.
- g. There were loan balances of Rs. 7,760,450 due from 215 deceased officers in the advance accounts, which included loan balances of Rs. 1,361,027 due from 12 officers between 5 and 10 years old and loan balances of Rs. 384,630 due from 4 officers between 3 and 5 years old. The Department of Pensions has been informed to recover the debts due to the 215 deceased officers from the retirement gratuity, and it is hereby informed that the Department will take steps to settle the relevant balance after deducting the relevant debts from the gratuity and remitting it. Action should be taken to promptly recover outstanding loan balances.
- h. There were loan balances worth Rs. 3,395,184 due from 159 retired officers in the advance accounts of which Rs. 237,799 due from two officers were old loan balances between 03 and 10 years and Rs. 1,794,470 due from 74 officers were old loan balances between 01 and 03 years. I would like to inform you that steps will be taken to recover the outstanding debt balances of retired officers from the retirement gratuity. Action should be taken to promptly recover outstanding loan balances.
- i. There were outstanding loans of Rs. 1,569,229 due from 59 suspended officers including old loans of Rs. 460,460 due from 4 officers, between 3 and 10 years old, and Rs. 547,247 due from 29 officers, between 1 and 3 years old. After the investigation of the suspended officers is completed, some officers will be reinstated and their loans will be collected. However, I would like to inform you that letters have been sent to the relevant officers asking them to make the balance payments of the loans. Action should be taken to promptly recover outstanding loan balances.
- j. At the end of the year under review, a loan balance of Rs. 27,662,877 was outstanding from 566 officers who had left the service, and within that loan balance, there was a loan balance of Rs. 4,188,543 due between 05 and 10 years from 30 officers and a loan balance of Rs. 5,707,821 due between 03 and 05 years from 43 officers. I would like to inform you that arrangements have been made to promptly recover the loan balance. Action should be taken to promptly recover outstanding loan balances.

- k. 19 stock items worth Rs. 3,267,557 and 22 stock items of unknown value received by the Force in 2021 and 2022 for the Greenhouse Chilli Project of the Kebitigollewa Corps had remained idle for a period of 2 to 3 years.
- I would like to inform you that as of now, steps have been taken to utilize those items for departmental purposes as much as possible. Instructions have been given to distribute the remaining items to places where there is a need as soon as possible.
- Investigate the non-utilization of stock items and take steps to utilize the relevant items for productive purposes.