

## **Head 212 - Department of Examinations - 2024**

### **1. Financial Statements**

#### **1.1 Qualified Opinion**

Head 212 - The audit of the financial statements of the Department of Examinations 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 Examinations was issued to the Accounting Officer on 27 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 15 July 2025 in terms of Section 11(2) of the audit Act. This report will be tabled in Parliament in pursuance of provisions in Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka to be read in conjunction with Section 10 of the National Audit Act, No.19 of 2018.

In my opinion, except for the effects of the matters described in paragraph 1.6 of this report, the financial statements give a fair view in all materials of the financial statements of the Department as at 31 December 2024 in accordance to the financial position, financial performance and cash flows, the basis of preparation of the financial statements mentioned in Note 1 of the financial statements.

#### **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 Responsibility Section. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **1.3. Emphasis of Matter – Basis of the Preparation of Financial Statements**

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

#### **1.4 Responsibility of the Chief Accounting Officer and the Accounting Officer for the Financial Statements**

The Accounting Officer is responsible for the preparation of financial statements that give a fair view in accordance with Public Financial Regulations 150 and 151 and the State Accounts Guideline No. 06/2024 dated 16 December 2024 as amended on 21 February 2025 and 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 Responsibility 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 judgement and maintain professional skepticism throughout the audit. I also:

- Appropriate audit procedures were designed and performed to identify and assess the risk of material misstatement in financial statements whether due to fraud or errors in providing a basis for the expressed audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- An understanding of internal control relevant to the audit was obtained in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

I communicate with the Accounting Officer regarding, among other matters significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

## **1.6 Comments on the Financial Statements**

### **1.6.1 Accounting Deficiencies**

#### **(a) Property, Plant and equipment**

	<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
(i)	Action had not been taken yet to complete the acquisition of the legal ownership of the land of 1.3596 hectares, where the head office of the Department is located, and assessed at a value of Rs. 630,000,000 and included in the statement of non-financial assets.	Due to Cabinet Paper had been sent to acquire this land at the value of Rs. 101,902,618.85, funds were requested from the Department of Finance. Currently, necessary actions are being taken to discuss with the Urban Development Authority to remove the interest. After that discussion, the cabinet paper will be revised again and further action will be carried out.	Action should be taken to acquire the legal ownership of the land.
(ii)	The land of 0.328 hectares including the Riverside Estate bungalow and other buildings in the Kothmale division, which was handed over to the Department of Examinations by the Mahaweli Authority on 24 April 2021, had not been assessed and included in the financial statements even by 31 December 2024.	A request has been made to the Chief Valuer of the Central Province by letter No. 1/10/09 dated 22 April 202 to calculate the assessed value of the land and provide a report. Action will be taken to account for after being assessed.	The land should be assessed and included in the statement of the financial assets.

- |       |   |  |  |
|-------|---|--|--|
| (iii) | The Wide Web Digital Printer, which was purchased to the printing division of the Department in the year 2018 valued at Rs. 546,264,452, had not been included in the statement of non-financial assets and accounted for as an asset in the year under review. | Officers were instructed to add this item to the statement of non-financial assets of the CIGAS programme. Accordingly, it has been included as asset into the CIGAS programme in the month of April 2025. | Asset should be accounted for accurately.  |
| (iv)  | Out of the 24 vehicles owned by the Department, 9 vehicles had not been assessed and accounted for.   | Actions will be taken to correct.  | Vehicles should be assessed and included in the statement of non-financial assets.   |
| (v)   | The value of completed work which was indicated as work- in - progress in the non-financial assets mentioned in the CIGAS computer programme during the year under review amounting to Rs. 275,174,790 had not been disclosed in the financial statements.      | -do-   | Matters that have a material impact on the decisions of decision-making parties in preparing the financial statements should be disclosed in the financial statements. |

**(b) Advance Account Balances**

	<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
(i)	Actions had not been taken in accordance with section 4.4 of the Chapter XXIV of the Establishment Code to recover the balance of the distress loan of Rs. 211,323 to be charged from an officer who died two years ago while working in the Department	The Department of Pensions has been informed about the loan balance through the non-claim certificate. Due to an ongoing investigation of the Department regarding the payment of pensions, the death gratuity has not been paid yet.	Every effort should be taken to recover loan balances in accordance with the Establishment Code. Actions should be taken to recover the due account balances with confirming whether the necessary data has been received to recover the relevant loan balances in the payment of death gratuities from the Department of Pensions.

- (ii) According to the Financial Regulation 113(6) (b) as amended by paragraph 3.1 of Finance Circular No. 01/2020 dated 28 August 2020, Rs. 226,738 to be charged from three officer who had left the service had been failed to be recovered and these loan balances were between 3 and 25 years.
- The Ministry of Education has been informed to write-off the outstanding amount of one person and inquired again since there has been non- response and the notification letters have been returned because the address of another debtor is incorrect. Since the correct residential address is essential for future loan recovery procedures, the necessary actions are being taken and the debtor has agreed to pay off the outstanding loan balance of the other debtors as installments within 4 months.
- Necessary actions should be taken to recover loans and advances.

**(c) Imprest Balance**

	<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
(i)	Although the total receivings from other sources according to the treasury computer printout was Rs. 626,530,588, there was a difference of Rs. 571,038,589 because that value was Rs. 55,491,999 according to the statement of imprest accounts submitted by the Department for audit.	Actions will be taken to prepare the ACA-3 format of the financial statements in next year as proposed.	Financial statements should be prepared in accordance with State Accounts Guidelines.
(ii)	Although the total receipts from other sources and the expenditure made from treasury receipts as per the Treasury printout was Rs. 7,472,347,593, there was a difference of Rs. 571,038,593 because that value was Rs. 6,901,309,000 according to the statement of imprest accounts submitted by the Department for audit.	-do-	-do-

**(d) Non-maintenance of Registers and Books**

	<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
(i)	The fixed assets register had not been updated in accordance with Treasury Circular No. 842 dated 19 December 1978.	Officers were instructed to update the account books.	The fixed assets register should be maintained in an updated manner.
(ii)	Vehicle log books were not updated in accordance with Financial Regulation 1645 (a).	-do-	Vehicle log books should be maintained in an updated manner.
(iii)	The register of losses and damages had not been maintained in accordance with Financial Regulation 110.	-do-	A register of losses and damages should be maintained.
(iv)	When making payments to an officer in accordance with Financial Regulation 138, the relevant divisions and the accounts division had not taken actions to prepare and maintain the registers not pay for multiple tasks on the same day.	-do-	When making payments, documents should be prepared and maintained as payment are not made for multiple tasks on the same day.
(v)	Actions had not been taken to maintain the vehicle register as per the provisions mentioned in Financial Regulation 1647 (e).	Action is being taken to correct.	Vehicle register should be maintained.

## 2. Report on Other Legal Requirements

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

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

Paragraph reference in the report of the previous year	Non- implemented Recommendation	Paragraph reference in this report
1.6.1 (a) (i) of 154(6) report	The land should be assessed and included in the accounts.	1.6.1 (a) (ii)
3.3 of 154(6) report	Necessary actions should be taken to acquire the land.	1.6.1 (a) (i)

## 3. Financial Review

### 3.1 Revenue Management

Audit Observation	Comments of the Accounting Officer	Recommendation
(i) The receivable amount of Rs. 21,387,554 from the sale of waste paper from the year 2020 to 2024 had not been collected from the Valachchenai Paper Mill until now.	The Department has informed in writing in numerous occasions to take action to settle the outstanding amounts. The Corporation has taken actions to pay a portion of the receivable amount for the year by cheque No. 397063 worth Rs. 170,400. Accordingly, an amount of Rs. 21,387,554 had to be received to the Department.	Action should be taken to recover the receivable balances as scheduled.
(ii) The amount of Rs. 3,617,601 to be charged from 03 government institutions for conducting institutional examinations in the year 2024 was still outstanding until 22 April 2025.	Due to the cheque No. 303740 worth Rs. 83,797 sent by the Department of Sri Lanka Railways has lapsed, it had been sent to extend the dates. A reminder was sent to the relevant bank to settle the outstanding amounts for 02 examinations of the HDFC bank	-do-

conducted in the year 2024. As the request of the Department of Census and Statistics, two cheques received for Rs. 234,603 and Rs. 92,648 respectively for 02 examinations conducted in the year 2024 have been accounted.

### 3.2 Expenditure Management

Audit Observation	Comments of the Accounting Officer	Recommendation
(i) Although the annual expenditure estimates should be prepared as completely and accurately as possible in accordance with Financial Regulation 50 (ii), Rs. 3,659,824,352 had been saved out of the net allocation of Rs. 10,312,300,000 allocated by the Department for 26 expenditure objects in the year under review and the balance of expenditure objects 2,7 and 17 was between 100 percent and 50 percent, 50 percent and 92 percent and 10 percent and 50 percent respectively. Accordingly, the main reason for the 33 percent of saving from the total allocation for the year under review was impractical planning and poor estimation.	As indicated in ACA-2(II), the reasons for the savings in allocations for each of these expenditure objects have been mentioned and there are savings in recurrent and capital expenditure due to the non-occurrence of relevant expenses as expected and the management of public expenditure in accordance with National Budget Circular 01/2024.	Provisions should be made in accordance with Financial Regulation 50 (1) without non-attention.
(ii) Conducting Institutional Examinations	Answers were not submitted.	Actions should be taken against the officers responsible for obtaining funds despite the due provisions were made, but there was no authority to obtain funds from government institutions to



obtain Rs. 147 million from other institutions without having authority to hold 86 institutional examinations for other Departments. Therefore, provisions had been allocated twice for the same matter.

conduct examinations in accordance with Financial Regulation 156 and sections 8.1 and 8.2 of part II of the Establishment Code. Provisions should be made in accordance with Financial Regulation 50 (1) with proper attention.

### 3.3 Entering into the Liabilities and Commitments

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
Although commitments and liabilities should be recognized within the approved appropriation limits in accordance with paragraph 02 of State Accounts Circular No. 255/2017 dated 27 April 2017, liabilities amounting to Rs. 1,983,049 had been incurred over the savings of the postal and communication expenditure object.	With the taking over of the certificate revenue by the Treasury, due to it has been a lack of provisions to settle the postal charges related to certificates from expenditure object, it has to be incurred liabilities over the provisions.	All liabilities should be properly accounted for and disclosed in the financial statements and actions should be taken in accordance with Financial Regulation 94 regarding the liabilities.

### 3.4 Certification to be done by the Accounting Officer

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
(i) The Chief Accounting Officer shall ensure that an effective internal control system is established and maintained for the financial control of the department in accordance with section 38 (1) and (2) of the National Audit Act No. 19 of 2018 and the effectiveness of the system should be reviewed periodically and necessary changes should be made accordingly to ensure that the system operates effectively and such reviews should have been conducted in writing and a copy should	It is noted that it will be corrected in the year 2025.	Actions should be taken in accordance with provisions of the Audit Act.

have been submitted to the Auditor General. Although a letter stating that such reviews had been conducted was submitted, the evidences thereon was not submitted to the audit.

- |             |  |   |
|-------------|--|---|
| <p>(ii)</p> | <p>It had been stated that “ the reason for giving common marks for the Grade 5 scholarship examination was not due to weaknesses in the internal control system related to the conduct of school examinations, but due to a personal incident of a resource person involved in the process” as the answer for the audit observation that an adequate internal control system should be maintained due to the weaknesses in the internal control systems related to the conducting school examinations by the Department of Examinations during the year under review, the audit observed that a total of 7 ½ (Seven and a half) marks had to be given to the Grade 5 scholarship examination, which was one of the conducted 03 examinations. Accordingly, the overall internal control procedures related to examination – related tasks, including the selection of resource persons to conduct examinations, the introduction of guidelines to them had not been adequately carried out.</p> | <p>The reason for the giving common marks for the Grade 5 scholarship examination was not due to weaknesses in the the internal control system related to the conduct of school examinations, but due to a personal incident of a resource person involved in the process. Accordingly, a fine has been imposed to the resource person in accordance with the judgment of the Supreme Court in a fundamental rights case No. 286/2024. In addition, judicial proceedings under the criminal law are ongoing.</p> <p>Actions should be taken to introduce proper methods, guidelines and monitoring systems to maintain the internal control properly and maintain adequate internal controls in all procedures from the initial planning stage of conducting all examinations, including school examinations to release of results and beyond that.</p> |
|-------------|--|---|

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

Reference to Laws, Rules and Regulations	Observation Amount	Non-compliance	Comments of the Accounting Officer	Recommendation
Financial Regulations of the Democratic Socialist Republic of Sri Lanka				
Financial Regulation 104		Although 23 voice recorders consisting 07 voice recorders issued from the warehouse to the school examinations organizing branch and 16 voice recorders handed over for evaluation purposes were misplaced, the loss had not been recovered.	Action is being taken to correct.	Actions should be taken to work in timely manner to recover the losses incurred to the government and take further actions against the responsible parties.

## 4. Operational Review

### 4.1 Failure to Achieve the Expected Output Level

	Audit Observation	Comments of the Accounting Officer	Recommendation
(a)	The Department had printed 3,250,715 question papers for the examinations conducted in the year 2024 using 05 printing machines at the confidential press and 1,721,753 question papers were printed in the year 2024 using the web digital printing machine purchased at an expenditure of Rs. 546,264,452 in the year 2018. This quantity is 34 percent of the total number of question papers printed by the 05 printing machines of the confidential press in the year under review. Accordingly, the machine with a cost of Rs. 546,264,452	All question papers related to school examinations are printed at the printing machine owned by the School Examinations (Confidential) and digital printing unit. When planning the printing of question papers, printing is not done before long time for the examination and the time of printing is decided by the Commissioner of Examinations (Confidential School Examinations). The question paper is printed in a digital press	Assets should be purchased after identifying the proper need and the purchased machines should be used in their maximum capacity.

remained underutilized.

or a confidential press, depending on factors such as the number of pages, subject and section, quantity to be printed, packaging priority and its confidentiality.

Accordingly, the digital printing unit consider those factors and print it using the machines of digital printing press or the Turnkey printing machine.

- |     |   |   |  |
|-----|---|---|--|
| (b) | An amount of Rs. 12,488,128 and Rs. 1,895,080 were respectively spent on the repair and service contracts of the web digital machine during the year under review and this machine was not fully utilized for the purpose for which it was purchased and it was used only for printing question papers as per the requirement and the packing facility had not been mechanically implemented. Accordingly, additional payments had to be made for the packing of the question papers. | The printer was repaired by the local authorized representative company when it stopped working in the year 2024. An annual maintenance and service agreement has been entered after the warranty period of the machine has expired. The relevant printer will also print marking schemes, result sheets of the individual candidates, journals of the examination supervisors, journals of the examination centers and other Departmental documents. Since the machinery for packing question papers does not fulfill the requirements of the Department, it will not be used and the confidential documents are packed using experienced staff in the same manner as they have been done up to now. | -do-   |
| (c) | Although a wrapping solution part of the web digital printing machine worth Rs. 8,428,637 was purchased in the year 2018 to protect the confidentiality of the question papers, the part of the machine had remained idle until now due to its incompatibility with the confidential document packaging process currently used by the Department.   | Estimates have been invited from 04 institutions including the local representative office of Heidelberg Machines to repair the machine and use for the Department and any institution has not submitted estimates. The Government Printing office was also asked to repair this machine, but there has not been response   | Actions should be taken to recover the losses incurred to the government from all responsible parties involved in the process of purchasing the part of the machine. |

and a request has made again to the local agent of the machine, but the institution has not responded.

## 4.2 Procurements

Audit Observation	Comments of the Accounting Officer	Recommendation
Although the project commenced on the year 2018 to create software that can scan the result sheets as easy to issue the results sheets from years prior to the year 1990 to the public in necessary occasions that they want was planned to be completed on 24 August 2024, the project had not been completed until 31 December 2024 and the entire allocated provision of Rs. 15 million had been saved.	This project has been awarded in the year 2025.	The progress of activities as stated in the Action Plan should be reviewed periodically to ensure that the expected performance is achieved.

## 4.3 Security of Public Officers

Audit Observation	Comments of the Accounting Officer	Recommendation
Although it has been stated that the determining of the officers who should be deposited security, deciding the amount and method can be done by the Secretary of the Ministry as the Chief Accounting Officer according to the Section 9 of the Public Finance Circular No. 01/2020 dated 28 August 2020 in accordance with section 4 of Chapter 612 of the Public Officers' Security Ordinance, any responsible officer of the Department had not deposited bail until 31 December 2024.	Application have been called to open security deposit accounts for officers employed in the Department who are required to post security and it is stated that the applications received yet now are scheduled to be submitted to the National Savings Bank and that the first and second installments of the security deposit account of twenty officers who have submitted applications have been collected from the salary of the months of March and April 2025.	Actions should be taken in accordance with the Public Finance Circular and the Government Officers' Security Ordinance.

#### 4.4 Management Inefficiencies

	Audit Observation	Comments of the Accounting Officer	Recommendation
(a)	Out of the requests submitted by the government institutions to confirm the results of the G.C.E. (O/L) and G.C.E (A/L) examinations conducted by the Department of Examinations for the permanent, promotion and retirement of officers working in the government and semi-government institutions, 7,958 remained without confirmation of results.	Only 24 officers have been assigned the task of verifying results out of 37 officers in the certificate branch. This work has been delayed due to a shortage of staff. Furthermore, taking lot of time on each step of the documented tasks in verifying the results has also contributed to this. It is proposed to study the feasibility of using an online results verification system that is independent of paper-based duties, to expedite the verification of results. However, instructions were given to the officers to complete these verifications immediately.	Since the qualified officers will be entered into the government service under the formalization and expediting of the examination results verification system, a formal and expeditious programme should be introduced to verify these results.
(b)	Although the official website and service agreement relating to the e-services of the Department had expired until 30 November 2021, action had not been taken to update the official website even by 21 April 2025.	The necessary actions have been taken to commence the procurement process and the specifications have been prepared and submitted by the Technical Evaluation Committee. Instructions have been given to the officers to proceed the further works immediately.	It is the responsibility of the authorities to maintain the official website and e-services of the Department of Examinations without disruptions and maintain confidentiality under security arrangements and since one of the key step to be done in the planning stage is analyzing all aspects of confidentiality and trustworthiness unique to the Department of Examinations and adopting the most appropriate methodology, the development task of

this official website and e-services should be carried out with constantly seeking the advice and guidance of the Ministry of Information Technology.

**(c) Purchase of Official Residencies in Wiyathpura**

- |   |  |  |
|---|--|--|
| <p>(i) Due to that the staff officers working in the branches of School Examination Organizing, Confidential (School Examinations), Confidential (Institutional Examinations) and Evaluation (School Examinations) had to work until midnight during the examination periods, it was pointing out that there was a need to provide official residencies to them near the Department and the Urban Development Authority had handed over 03 official residencies to the Department, which were acquired at Rs. 34,700,936, after obtaining approval from the Cabinet of Ministers. The accommodation problem faced by many officers had not been solved due to the Department's decision to provide official residencies to only three officers, contrary to approval.</p> | <p>Since the staff officers of the confidential division who applied for official residencies were able to obtain residencies belonging to the Ministry of Public Administration, other staff officers who submitted applications for official residencies have been able to obtain official residencies.</p>                              | <p>The Cabinet of Ministers itself should amend a matter decided by the Cabinet of Ministers as mentioned in the Cabinet Memorandum. Otherwise, action should be taken to use the residencies for the decided purpose.</p> |
| <p>(ii) Although 03 official residencies in the Wiyathpura apartment complex were handed over to the Department on 29 August 2023, two out of 03 official residencies had remained idle for 16 months from the date of handing over until 01 January 2025 and the other official residence had remained idle for 19 months until the audited date of 08 April 2025.</p>   | <p>Although the handing over the official residencies were done by the Urban Development Authority on 29 August 2023, the electrical equipment, gas burner installation and air conditioning facilities required for residence in the official residencies should have been completed. Since that work has been completed, action will</p> | <p>Actions should be taken to deploy the houses in accordance with the objectives stated in the Cabinet Memorandum and in accordance with proper guidelines.</p>   |

be taken to provide it to the officers as soon as possible.

- |       |   |                                     |  |
|-------|---|-------------------------------------|--|
| (iii) | A guideline with internal controls such as identifying qualified officers to acquire houses, hand over houses, take back houses, entering into agreement, perform maintenance work etc. had not been prepared and a planned methodology had not been developed to enable the purposeful use of the 03 houses purchased at Rs. 34,700,936. | Actions are being taken to correct. | -do-   |
| (iv)  | Out of the 03 houses purchased to solve the housing needs of a group of officers, 02 were provided as single houses to only two officers on 01 January 2025.  | -do-                                | The Cabinet of Ministers itself should amend a matter decided by the Cabinet of Ministers as mentioned in the Cabinet Memorandum. Otherwise, action should be taken to use the houses for the decided purpose. |

## 5. Good Governance

### 5.1 Internal Audit

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Although internal audit reports containing observations, conclusions and recommendations revealed from the conducted audit investigations in accordance with the internal audit plan should be submitted to the Head of the Institution and although the number of planned internal audit reports by the Internal Audit Division of the Department during the year 2024 was 15, only 05 internal audit reports have been issued and audit	In addition to the Commissioner (Internal Audit), only two other officers are working under assigned to the Internal Audit Division and the officer who worked as Internal Auditor has been appointed to cover the work of the Chief Accountant of the Department of Education Publications. That officer has been transferred without a successor. It has not been possible to conduct internal audit activities	A strong internal control system should be established within the Department and action should be taken to achieve the desired performance.



reports had not been issued after June 2024.

as per the internal audit plan as planned due to the above reasons. Also, other officers of the Internal Audit Division have been deployed to other divisions as appropriate.

- (b) According to the Financial Regulation 133 (1), the Internal Auditor has to be participate for the internal control system maintained over the financial affairs of the Department and it is stated that the continuous monitoring and independent evaluation should be carried out about the regularity and materiality of those activities and the internal controls used to prevent and detect that errors and frauds, but the audit reports issued by the Internal Audit Division regarding the examining the performance of the Internal Audit Division in the year 2024 indicated that insufficient time had been spent to prevent and detect errors and frauds in the institution and to examine internal control systems.

The affairs of the Internal Audit Division has not been completed as planned and it is expected that the necessary action will be carried out to examine the internal control systems established to prevent and detect errors and frauds in the institution in the year 2025.

-do-