

Report of the Auditor General on Head 190 Ministry of Law and Order and Departments coming under that Ministry – Year 2014

Paragraphs 1 to 2 of this report contain the general information on the Accounts of the Ministry and the Department under that Ministry and audit observations on each Expenditure Head appear in paragraph 3 onward.

1. Departments under the Ministry

Head	Department
225	Department of Police

1.1 Scope of Audit

The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records, of the Ministry of Law and Order and Department of Police under that referred to paragraph 1 above for the year ended 31 December 2014 were carried out in pursuance of provisions of Article 154 (1) of the Democratic Socialist Republic of Sri Lanka. The Management Audit Reports for the year under review were issued to the Chief Accounting Officer and the Accounting Officers of that Ministry and Department of Police on the following dates. The audit observations, comments and findings on the accounts and the reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

<u>Head</u>	<u>Ministry/ Department</u>	<u>Date of issue of the Management Audit Report</u>
190	Ministry of Law and Order	12 June 2015
225	Police Department	19 June 2015

1.2 Responsibility of the Chief Accounting Officer and the Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer and the Accounting Officers are responsible for the maintenance, preparation and fair presentation of the Appropriation Accounts and the Reconciliation Statements in accordance with the provisions in Articles 148,149,150 and 152 of the Democratic Socialist Republic of Sri Lanka, other statutory provisions and Public Financial and Administrative Regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliations Statements that are free from material misstatements whether due to fraud or error.

2. Accounts

2.1 Appropriation accounts

Total Provision and Expenditure

While the total net provision made available for the Ministry and the Department under that was Rs.53,485.4 million, a sum of Rs.52,611.2 million had been utilized as at the end of the year under review. Accordingly savings of the Ministry and the Department out of the net provision had been Rs. 316.7 million and Rs.557.5 million or 5.0 per cent and 1.2 per cent respectively.

Head	<u>As at 31 December 2014</u>			Savings as a Percentage of Net Provision
	Net Provision	Utilization	Savings	
-----	-----	-----	-----	-----
	Rs.Millions	Rs. Millions	Rs. Millions	
190	6,326.2	6,009.5	316.7	5.01
225	47,159.2	46,601.7	557.5	1.18
	-----	-----	-----	
Total	53,485.4	52,611.2	874.2	1.63
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2.2 Advance Accounts

Advances to Public Officers Accounts

Limits Authorized by the Parliament

Limits authorized by the Parliament for the Ministry and the Department under the Ministry relevant to Advances to Public Officers Accounts and actual values are shown below.

Item Number	Expenditure		Receipts		Debit Balance	
	Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
19001	217.0	115.4	83.0	109.4	475.0	72.9
22501	1,400.0	1,073.5	1,100.0	1,116.9	4,300.0	2,348.4

2.3 Imprest Accounts

The total of Imprest balances of the Ministry and the Department under the Ministry as at 31 December 2014 was Rs. 137.1 million.

Details are shown below.

Ministry/ Department	Imprest Account Number	Balance as at 31 December 2014
		Rs. million
Ministry of Law and Order	7002/0000/00/0430/0014/000	0.5
Police Department	7002/0000/00/0031/0014/000	136.6

		137.1
		=====

2.4 General Deposits Account

The total of General Deposits Accounts of the Ministry and the Department under the Ministry as at 31 December 2014 was Rs. 264.0 million. Details are shown below.

Ministry/ Department	General Deposits Account Number	Balance as at 31 December 2014
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		Rs. million
Ministry of Law and Order	6000/0000/00/0015/0201/000	28.8
Police Department	6000/0000/00/0015/0106/000	235.2

		264.0
		=====

2.5 Audit Observation

According to the Financial Records and books for the year ended 31 December 2014, it was observed that Subject to the audit observation appearing in the management audit reports referred to in Paragraph 1.1, the Appropriation Account, and the reconciliation statements of the Ministry and the Department under that Ministry have been prepared satisfactorily. The Material and important observations out of the observation included in those management audit reports are shown in paragraphs 3 to 4.

3 Head 190 - Ministry of Law and Order

3.1 Non-maintenance of Registers and Books

It was observed in audit sample checks that the following Registers had not been maintained by the Ministry.

Type of Register -----	Relevant Regulation -----
(a) Register of Fixed Assets	Treasury Circular No. 842 dated 19 December 1978.
(b) Register of Fixed Assets Relating to Computers, Accessories and Software	Treasury Circular No. IAI/2002/02 dated 28 November 2002.

3.2 Appropriation Account -----

3.2.1 Budgetary Variances -----

Following observations are made.

- (i) The entire net provision of Rs. 5,460,000 made available for 06 objects had been saved.
- (ii) Due to excessive provision made, balance savings after utilization of provision under 13 objects was in a range between 10 percent and 84 per cent of the net provision relating to those items.

3.3 Imprest Account -----

The unsettled balance relating to the Imprest Account of the Ministry as at 30 April 2015 had been Rs.558,508.

3.4 General Deposits Account -----

Action in terms of Financial Regulation 571 had not been taken with regard to 6 deposits totalling to Rs.2,281,224 that had exceeded 2 years.

3.5 Reconciliation Statement relating to Advances to Public Officers Account -----

The following lapses were observed in audit sample checks carried out with regard to Reconciliation Statement relating to Advances to Public Officers Account Item No. 19001.

- (a) According to the Reconciliation Statement submitted to the audit, the total of balances in arrears as at that date amounted to Rs. 6,303,403. The Ministry had failed to recover those balances in arrears, although those balances were in arrears during a period ranging from 01 to 03 years.
- (b) Action in terms of Section 4 in Chapter XXIV of the Establishments Code had not been taken with regard to loan balances amounting to Rs. 1,835,182 outstanding from deceased and retired officers.

3.6 Assets Management

Following lapses were observed in sample audit checks carried out with regard to the assets of the Ministry.

- (a) **Conducting Annual Board of Survey**

Although the Annual Board of Survey should be carried out and those reports should be sent to the Auditor General before 17 March 2015 in term of Public Finance Circular No. 02/2014 dated 17 October 2014, those reports had not been submitted to the audit even as at 31 May 2015.

- (b) **Un-settled Liabilities**

While the total of Un-settled Liabilities by the Ministry as at 31 December 2014 was Rs. 145,986,462, those liabilities were existing for a period less than one year.

3.7 Losses and Damages

Losses totalling Rs. 3,908,926 had occurred due to accidents to 15 vehicles belong to the Special Tasks Force during the year under review. Ministry had not taken action either recover those losses from the officers responsible or to write-off.

3.8 Human Resources Management

Approved and Actual Cadre

Cadre position as at 31 December 2014 was as follows.

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
(i)	Senior Level	59	39	20
(ii)	Tertiary Level	365	201	164
(iii)	Secondary Level	9,835	7,947	1,888
(iv)	Primary Level	25	14	11
	Total	10,284	8,201	2,093

The Ministry had not taken action to fill 2,083 vacant posts, equal to 20 per cent of the overall approved cadre relevant to various grades as at the end of the year under review.

4. Head 225 – Police I Department

4.1 Non-maintenance of Registers and Books

It was observed in audit sample checks that the following Registers had not been maintained by the Department.

Type of Register	Relevant Regulation
(a) Register of Fixed Assets	Treasury Circular No. 842 dated 19 December 1978.
(b) Register of Fixed Assets Relating to Computers, Accessories and Software	Treasury Circular No. IAI/2002/02 dated 28 November 2002.

4.2 Appropriation Account

4.2.1 Budgetary Variances

Due to excessive provision made, balance savings after utilization of provision under 7 objects was in a range between 15 per cent and 97 per cent of the net provision relating to those items.

4.3 Imprest Account

The unsettled balance of the Imprest Account by the Department as at 30 April 2015 had been Rs. 2,959,156.

4.4 General Deposits Account

Following observations are made.

- (a) Action in terms of Financial Regulation 571 had not been taken with regard to 218 deposits totalling to Rs.66,624,459 that had exceeded 2 years.
- (b) A sum of Rs. 2,836,442 provided for pension works by the Pension Department had been kept in the Deposits Account for more than 2 years without fulfilling the relevant works.
- (c) Unidentified cash received amounting to Rs. 329,821, shown in the bank statements had been withheld in the Deposits Account without action being taken to identify and settle.
- (d) One hundred and one cheques issued, but cancelled, totalling Rs. 3,293,316 had been with held in the Deposits account.

4.5 Reconciliation Statement relating to Advances to Public Officers Account

The following lapses were observed in audit sample checks carried out with regard to Reconciliation Statement relating to Advances to Public Officers Account, Item No. 22501.

- (a) According to the Reconciliation Statement submitted to the audit, the total of balances in arrears as at that date amounted to Rs. 133,398,524. The Department of Police had failed to recover those balances in arrears, although those balances were in arrears during a period ranging from 01 to 03 years.
- (b) Action in terms of Section 4 in Chapter XXIV of the Establishments Code had not been taken with regard to loan balances amounting to Rs. 41,949,346 outstanding from deceased, retired or left on transfers to other State Institutions.
- (c) According to the Reconciliation Statement submitted to the audit, an unidentified balance of Rs. 3,434,465 was observed between the balance of the Departmental Control Account and the classifications of individual balances prepared by the Divisional Offices.

4.6 Assets Management

Following lapses were observed in sample audit checks carried out with regard to the assets of the Police Department.

- (a) Conducting Annual Board of Survey
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Although the Annual Board of Survey should be carried out and those reports should be sent to the Auditor General before 17 March 2015 in term of Public Finance Circular No. 02/2014 dated 17 October 2014, those reports had not been submitted to the audit even as at 31 May 2015. Last Annual Board of Survey had been carried out in respect of the year 2013.

(b) Un-settled Liabilities

While the total of Un-settled Liabilities by the Department of Police as at 31 December 2014 was Rs. 350,270,405, those liabilities were existing for a period less than one year.

4.7 Implementation of Projects under Domestic Financing

Delays in Project Performance

Delays were observed in fulfillment of following Projects by the Police Department.

Project	Estimated Cost	Date Commenced	Date to be completed	Date Completed	Expenditure as at 31 December 2014	Reasons for the Delay
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	Rs.				Rs.	
Construction of Dining Hall of Junior Officer in Nuwaraeliya	36,462,890	14.05.2013	14.03.2014	-	28,633,176	Long time taken to solve problems in providing electricity.
Constriction of Dining Hall of Junior Inspector Grade in Nuwaraeliya	59,844,108	21.05.2013	21.02.2014	05.05.2015	12,471,651	Construction of a retaining wall
Constriction of Jaffna Police Complex	252,764,798	21.12.2011	20.06.2013	-	118,927,916	Due to changes in value of bills of quantities submitted to obtain the report of the Cost Estimates Committee of the Ministry of Finance in terms of Public Finance Circular No.02/012 dated 07 August 2012.
Construction of Point Pedro Police Complex	101,583,661	21.12.2011	21.12.2014	-	65,213,995	Due to changes in value of bills of quantities

						submitted to obtain the report of the Cost Estimates Committee of the Ministry of Finance in terms of Public Finance Circular No.02/012 dated 07 August 2012.
Constriction of Police Officers House in Pulasthisipura Police Station	32,168,468	21.12.2014	05.02.2015	-	29,642,597	Inability to carry out the work of the sanitary system in the upstairs during day time due to electricity cut, due to security reasons and bad weather.
Constriction of Neluwa Police Station	46,435,154	10.03.2014	06.12.2014	10.02.2015	32,962,672	Delay in works due to heavy rains up to roof level.
Constriction of Water Tanks in Maradana	20,271,308	18.06.2014	18.12.2014	-	5,390,805	In the construction process polluted water line had been found work had to be performed in collaboration with the Municipal Council.

4.8 Performance

Following observations are made with regard to the performance of the Department during the year under review.

(a) Committed Crimes

A review relating to committed crimes (bodily offences and property offenses) reported during the years 2013 and 2014 is shown below.

Committed Crimes		2014			2013		
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<u>Physical Offences</u>		<u>No.Reported</u>	<u>No.Solved</u>	<u>Percentage</u>	<u>No.Reported</u>	<u>No.Solved</u>	<u>Percentage</u>
		<u>of</u>			<u>of No.Solved</u>		
		<u>No.Solved</u>					
01	Abduction/ Kidnapping	1019	249	24.43	1075	887	82.51
02	Causing Severe Injuries	1402	612	43.65	1414	1330	94.05
03	Causing injuries with knives etc.	2635	1048	39.77	2683	2466	91.91
04	Human assassination/ encouraging commitment of suicide	548	162	29.56	586	522	89.07
05	Attempting human murder	187	45	24.06	209	191	91.38
06	Females sexual harm/ sexual intercourse with minor girls	2208	249	12.40	2193	2051	93.52
07	Un-natural Offences/ Serious ugly acts among males	560	54	9.64	614	555	90.39
08	Cruel treatments to children and improper sexual indulgence with children	376	65	17.28	395	370	93.67
09	Supply and trading a woman/ girl for sexual intercourse	22	9	40.90	9	8	88.88
Total		8757	2493	28.46	9178	8380	91.30
<u>Property Offences</u>							
01	Arson	575	180	31.30	444	286	64.41
02	Offences causing losses exceeding Rs.5,000	1193	329	27.57	1025	809	78.92
03	Burglary and theft	15024	3244	21.59	16123	6116	37.93
04	Riots	11	3	27.27	7	6	85.71
05	Robbery	4213	1033	24.52	4748	2573	54.19
06	Snatching by force	134	37	27.61	140	111	79.28
07	Deception/ obtaining signature fraudulently, criminal breach of trust exceeding Rs.100,000 in value	8633	3332	38.59	10421	6010	57.67

08	Theft of property exceeding Rs.5,000 in value including cultivated goods, bicycle or cattle of any value	10,914	3884	35.58	11436	6748	59.00
09	Printing counterfeit cash notes	52	2	3.84	59	50	84.74
10	Offences committed in a manner against the state	0	0	-	1	1	100
11	Offences falling under Hazardous Arms Act	124	18	14.52	125	111	88.80
12	Possessing automatic or cartridge repeater guns	21	4	19.04	33	32	96.96
13	Producing certain quantity of heroine, cocaine, morphine, sale import of export or keeping. Dangerous intoxicants such as 02 grams of morphine or 05 kilograms of ganja and 01 kilogram of hashish or more than that.	1153	505	43.79	1604	1594	99.37
Grand Total		50,804	15064	29.65	55344	32827	59.31

Attention is drawn to strengthen the follow up investigation process with regard unsolved crimes and quality improvement

(b) Traffic Control and Road Safety

A review of road accidents reported during the years 2014 and 2013 in Sri Lanka is shown below.

Nature of Accident	Number Reported	2014		Number in Progress	Number of cases reported	2013		Number in Progress
		Number of Cases Filed	Number Finalized			Number of cases filed	Number finalized	
Fatal Accidents	2261	1371	413	958	2190	1952	863	1089
Severe Injuries Accidents	6847	5721	3582	2139	6870	6051	4748	1303
Minor Injuries Accidents	12950	8709	7033	1676	13525	9689	8650	1039
Accidents Causing losses	13992	9216	8559	657	15292	10697	10005	692
Total Number of Accidents	36,050	25017	19587	5430	37877	28389	24266	4123

While the total number of fatal accidents had been increased during the year under review, special attention is needed in connection with the accidents.

4.9 Lapses in Operation of Bank Accounts

(a) Balances to be Adjusted

Information revealed according to the analysis of the adjustments shown in the Bank Reconciliation Statements prepared by the Department of Police for December 2014 are shown below.

Details relating to Adjustments	Age Analysis		Total
	<u>More than 06 months & less than 01 year</u>	<u>More than 01 year & less than 03 years</u>	
	Rs.	Rs.	Rs.
(i) Cheques issued, but not Presented for Payment	443,773	224,605	668,378
(ii) Unidentified Debits	33,162	82,061	115,223
(iii) Unidentified Credits	354,254	120,106	474,360

Following observations are made in this connection.

- (a) Action had not been taken in terms of Financial Regulation 396(d) with regard to Cheques issued, but not Presented for payment.
- (b) Action had not been taken identify and account the un-identified debits and credits.

4.10 Losses and Damages

Losses and Damages occurred during the year under review had not been shown I the Appropriation Account. However, 455 incidents of losses and damages occurred to the Department of Policeduring the year under review had been reported to the Property management Division. Out of those estimated loss relating to 346 incidents had been Rs. 44,039,326. Estimated losses relating to 109 incidents had not been reported to the Property Management Division.

4.11 Human Resources Management

Approved and Actual Cadre

Cadre position as at 31 December 2014 was as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
(i) Senior Level	702	532	170
(ii) Tertiary Level	3,786	3,254	532
(iii) Secondary Level	85,527	72,181	13,346
(iv) Preliminary Level	1,691	1,164	527
(v) Others (Casual/ Temporary/ Contract Basis)	-	420	-
Total	91,706	77,551	14,575

Following observations are made.

- (a) Action had not been taken fill 14,575 vacant posts as at the end of the year under review. The Inspector General of Police informed me that 480 posts of civil officers were filled as at 30 April 2015, while discussions are being made with the Management Services Department to fill the balance posts.
- (b) One officer of tertiary level on contract basis had been included in the actual cadre.