

Head 252 – Department of Census and Statistics

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Department of Census and Statistics for the year ended 31 December 2019 comprising the statement of financial position as at 31 December 2019 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. In terms of Sub-section 11(1) of the National Audit Act, No.19 of 2018, the summary report including my comments and observations on the financial statements of the Department of Census and Statistics was issued to the Accounting Officer on 12 June 2020. In terms of Sub-section 11(2) of the National Audit Act, the Annual Detailed Management Audit Report relating to the Department was issued on 14 September 2020 to the Accounting Officer. This report which should be read in conjunction with Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka is submitted to Parliament in terms of 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 accompanying financial statements prepared in accordance with the State Accounts Circular No. 271/2019 dated 03 December 2019 give a true and fair view of the financial position of the Department of Census and Statistics as at 31 December 2019 and of its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Qualified Opinion

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 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 Responsibilities of Chief Accounting Officer and Accounting Officer for the Financial Statements

Chief Accounting Officer and Accounting Officer are responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles, and provisions in Section 38 of the National Audit Act, No.19 of 2018 and for such internal control is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As per Sub-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.

As per Sub-section 38 (1) (c) of the National Audit Act, the Accounting Officer shall ensure that effective internal control system for the financial control of the Department exists 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.

1.4 Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor General'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, 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 exercise 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 the Department's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Evaluate the structure and content of the financial statements containing the disclosures and the transactions and events that underlie the financial statements in an appropriate and reasonable manner.

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.

1.5 Report on Other Legal Requirements

As required by Sub-section 6 (1)(d) and Section 38 of the National Audit Act, No.19 of 2018, I state the followings.

- (a) According to the observation contained in the following paragraph of this report, the financial statements did not comply with the previous year.

Audit Observation	Recommendation	Comments of the Accounting Officer
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<p>Although the value of property, plant and equipment in the statement of financial position as at 31 December 2018 was Rs.2,776,001,859, the opening balance of the Non-Financial Assets Statement as at 01 January 2019 had been revised as Rs.3,130,760,785. However, the previous year's figures in the statement of financial position had not been furnished with amendments.</p>	<p>When the figures for the previous year were revised, the figures in the statement of financial position for the previous year should have been revised and presented accordingly.</p>	<p>Since fixed assets initial balances further continuing to record on the CIGAS asset register, that it had done so because it couldn't be revised last year's figures in the statement of financial position accordingly.</p>

- (b) My recommendations on financial statements for the previous year had been implemented.

1.6 Comments on Financial Statement

1.6.1 Statement of Financial Position

Audit Observation	Recommendation	Comments of the Accounting Officer
Although the value of furniture and office equipment, plant and machinery purchased during the year under review according to the vote ledger were Rs.10,210,481 , a difference of Rs.4,710,698 was observed due to the statement of non-financial assets stated only Rs.5,499,783 as purchases.	Purchases should be accounted within the relevant period.	That the failure to inventorized assets relating to 25 Districts and the amount paid in the year under review for inventarized asset in the previous year had been adjusted to the opening balance.

1.6.2 Non-compliance with Laws, Rules and Regulations

The following observations are made.

Reference to Laws, Rules and Regulations	Observation	Recommendation	Comments of the Accounting Officer
(a) Declaration of Assets and Liabilities Act No. 1 of 1975 as amended by Act No. 74 of 1988 of the National State Assembly.	Out of 615 officers who required to be submitted Declarations of Assets and Liabilities, 300 officers representing 49 per cent had not submitted their Declarations of Assets and Liabilities.	Actions should be taken according to the Act.	That a monitoring process was implemented through the divisional heads to enforce this situation in the future.

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| (b) | Paragraph 2.3 of the Ministry of Public Administration and Management Circular No. 05/2008 dated 06 February 2008 amended by Circular No. 05/2008 (1) dated 24 January 2018. | The Department had not developed a methodology required to monitor and evaluate the activities of formulation and implementation of the Citizens' / Clients' Charter. | Actions should be taken according to the Circulars. | A committee had been appointed to monitor and evaluate the drafting and implementation of the Citizens' / Clients' Charter and informed to report on the progress. |
| (c) | Public Finance Circular No. 05/2016 dated 31 March 2016. | The relevant report had not been furnished to audit by conduct the Board of Survey as at 31 December of the year under review on books, magazines and documents valued at Rs.4,574,178. | Annual surveys should be conducted within the stipulated period. | That the survey on books for the year 2018 was conducted at the beginning of 2019 and a detailed book survey was conducted in September 2019 with an investigation on the shortages of 1174 books. |

2. Financial Review

2.1 Expenditure Management

Audit Observation	Recommendation	Comments of the Accounting Officer
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The provision amounting to Rs.8.54 million were saved after utilizing those provisions due to over provisions had been made to the provisions of Rs.16.59 million had made for 04 Votes during the year under review. Those savings ranged from 35.97 per cent to 76.42 per cent out of the net provision.	The provisions made from annual estimates should be utilized efficiently.	That caused the facts such as compliance to the circular limit, delay in providing estimates by the Building Department, non-receipt of imprests and providing of provisions at the end of the year.

2.2 Issuing Advances to Public Officers

Audit Observation	Recommendation	Comments of the Accounting Officer
There were outstanding loan balances as Rs.574,167 from 12 officers who left the service, Rs.344,065 from 4 officers who were died, Rs.274,880 from 2 transferred officers and Rs.232,230 from 2 officers who were retired. A sum of Rs.317,693 in respect of 10 loan balances that couldn't be recovered for more than 05 years was included in those loan balances.	Further actions should be taken to recover the loan balances.	That further actions are being taken to recover these loan balances.

2.3 Issuing and Settlement of Advances

The following observations are made.

Audit Observation	Recommendation	Comments of the Accounting Officer
(a) Although it should be given to the staff officers when making advances for a specific purpose in terms of the Ministry of Finance Circular No. 03/2015 dated 14 July 2015, the advances amounting to Rs.101,812 had been given to non-staff officers on 12 occasions by the Department.	Actions should be taken in accordance with the Circular instructions.	Actions will be taken to provide advances only to the staff officers since 2020.
(b) Although the maximum amount of Rs.100,000 could be given to a staff officer as an advance for a specific task, the advance totalling Rs.504,000 had been given to District Secretaries in 04 instances contrarily without	Actions should be taken in accordance with the Circular instructions.	That it was stated that these cash advances were given to the District Secretaries as the training classes for the Census of Population and Housing 2021 were to be held on time and actions are been taken in accordance with the Circulars.

the approval of the Department of Treasury Operation.

Further, it was sent to the Department of Treasury Operations for approval.

- (c) When making advances to the Provincial Offices of the Department established in the District Secretariats for performing the specific functions of the Department, a sum of Rs.746,750 had been given to outside parties due to the relevant money had given to the District Secretaries.
- The internal control of the Department should be strong.
- Since the imprests received as foreign grant couldn't be given to the District Secretariats as provisions, it had been given as an advance to the District Secretaries of the relevant Districts and that it has been sent for approval by now.

3. Operating Review

3.1 Vision and Mission

Audit Observation	Recommendation	Comments of the Accounting Officer
Although making contribution to the socio economic development of the country by providing accurate time statistics more effectively is the mission of the Department, 32 instances were observed where the data was released between 1 month and 16 months later than the due date according to the Department's data release calendar.	Since the data users can increase the timeliness, quality, and usefulness of the data by releasing data on a regular basis, actions should be taken thereon.	Technological innovation, the abundance of duties in certain sections, reasons beyond the control of the Department, changes in the scope of Ministries from time to time and staff vacancies, etc. were affected for this.

3.2 Non-performing of Duties

Audit Observation	Recommendation	Comments of the Accounting Officer
----- 10 activities estimated at Rs.2.354 million had not been carried out during the year according to the Annual Action Plan.	----- Action should be taken according to the plan.	----- That failure to collect data, lack of funding, lack of computer facilities in Districts, inability to obtain required Tablets and omission to include work done during the year in the Performance Report etc. were affected for this situation.

3.3 Failure to Achieve the Desired Output Level

Audit Observation	Recommendation	Comments of the Accounting Officer
----- The achievement of expected output levels for the 28 activities included in the Action Plan ranged from 25 per cent to 88 per cent.	----- Achieving the objectives of the Department obtaining the desired levels.	----- That Difficulty in calling District Development Officers, Delays in obtaining Tablets, Situation in the country, Problems in deploying resource persons, staff duties are busy due to the application of various survey plans etc. were affected.

3.4 Annual Performance Report

Audit Observation	Recommendation	Comments of the Accounting Officer
----- It was observed that the submission of information in the Performance Report by the Department was done irresponsibly and carelessly due to factors such as failure to include in the performance report even though the relevant activities had been completed and, publications and reports related to certain activities of the Action Plan which were not included in the Annual Performance Report had been published according to the data release calendar.	----- It should consist with complete and accurate information to increase its productivity in report processing.	----- That had occurred due to omissions.

3.5 Procurements

Audit Observation	Recommendation	Comments of the Accounting Officer
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According to the Guideline 4.2 of the Government Procurement Guidelines, a Master Procurement Plan should be prepared by including procurement activities for three years and updated within a period of not less than six months. However, only a detailed procurement plan for the year under review had prepared and a master plan had not been prepared by the Department.	Action should be taken in accordance with the Government Procurement Guideline.	Noted that to act as per Procurement Guide

3.6 Assets Management

Audit Observation	Recommendation	Comments of the Accounting Officer
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There were 04 non-running condition vehicles valued at Rs.11,900,000 and out of it, one vehicle from the year 2014, two vehicles from the year 2017, and another vehicle from the year 2018 had been taken out of running.	The vehicles out of running condition should be disposed.	That necessary arrangements are being made for disposal.

3.7 Securities Given by Public Officers

Audit Observation	Recommendation	Comments of the Accounting Officer
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Actions had not been taken according to the Financial Regulation 880 (1) relating to the officers who require to give securities.	Action should be taken as per Financial Regulation 880 (1).	Officials have been informed and the works will be completed within two months.

3.8 Uneconomic Transections

The following observations are made.

Audit Observation	Recommendation	Comments of the Accounting Officer
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(a) The local agent had informed to remove a cab from running that had met with an accident during the month of January 2014 as the repair is not economically viable. Although this vehicle was repaired in 2015 at a cost of Rs.1,514,625 by another company, a motor Examiner had informed that he could not be satisfied with its mechanical condition. The running condition of this vehicle had been inquired from the Department of Motor Traffic in September 2016 and informed that it was unsuitable for running. Five years had passed since the accident, the damage of this vehicle had not been charged even by the date of the report.	Immediate actions should be taken to recover the loss because 05 years had passed since the vehicle met with an accident.	Although a committee had been appointed to conduct a final inquiry about the loss under FR.104 (4), the committee had not met yet due to the frequent changes of the Ministries and future actions will be taken according to the final investigation report by co-ordinating that committee.
(b) A sum of Rs.2,258,736 had been paid to a private company during the year under review for hire vehicles for a pilot project from March 2019 to April 2019. 08 vans in the fleet of vehicles belonging to the Department were underutilized and there were 03 double cabs without drivers during this period.	Action should be taken to generate economic savings.	That actions should be taken to maximize the use of vehicles own by the Department and use on a hire basis only for additional needs.

4. Achievement of Sustainable Development Goals

Audit Observation -----	Recommendation -----	Comments of the Accounting Officer -----
According to the indexes introduced by the United Nations, the output levels such as updating by 78 per cent, entering of new indexes into the Department's website by 60 per cent and updating the indexes framework by 70 per cent had been achieved during the year under review.	Action should be taken to achieve the desired output levels.	The new indexes that are prepared using data based on information from surveys conducted throughout the year couldn't be included on the Department's website until the full survey activities are completed and the final report is published.

5. Human Resources Management

The following observations are made.

Audit Observation -----	Recommendation -----	Comments of the Accounting Officer -----
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(a) There were 32 per cent out of approved cadre or 602 vacancies at the end of the year under review.	Attention should be paid to fill the vacancies if the existence of vacancies adversely affects the performance of the organization and to revise the approved cadre if there is no such effect.	That relevant actions are being taken to fill the vacancies.
(b) Although 05 officers of the Department had gone abroad for studies and employments, they had not reported again to the duty at the end of the relevant period. A sum of Rs.1,338,464 to be recovered from them to the Government could not be	Actions should be taken to recover the amount to be recovered to the Government.	That it had been referred to the Attorney General to take actions to recover the amount to be received.

recovered for a period of 03 to 13 years due to this reason. Further, one of the above officers had not engaged with an agreement for study leave of 18 months and the penalty to be levied on behalf of that had not been calculated.

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| (c) | 220 officers who should be annually transferred were attached to duties in the same place for a long period of time without any transfers for a period of 05 to 35 years. | It is uncommon to stay in one workplace for as long as 35 years even on service requirements, so the transfer procedure must be followed. | That the transfers will be made based on service requirements and it will be made through a transfer committee by inviting open applications and updating the E-HRM information system that contained officers' information. |
| (d) | I. According to the Public Administration Circular No. 02/2018 dated 24 January 2018, the Human Resource Development Plan had not been prepared by the Department as per Annexure 02 of the Circular. | Should be prepared by including the information mentioned in the Circular. | Arrangements are being taken to prepare a Human Resource Plan. |
| | II According to the paragraph 6.1 of the Circular, although at least 12 hours of training should be provided for each member of the staff, actions had not been taken relating to 293 officers accordingly. | Should be completed the training hours to be given. | That it is planned to provide 12 hours of training consider as a mandatory requirement for every officer in the coming years. |