

## Head 217 – Department of Probationary and Child Care Services

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### 1. Financial Statement

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#### 1.1 Opinion

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The audit of the financial statements of the Department of Probationary and Child Care Services for the year ended 31 December 2021 comprising the statement of financial position as at 31 December 2021 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 Probationary and Child Care Services was issued to the Accounting Officer on 15 June 2022 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 07 July 2022 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, the financial statements prepared give a true and fair view of the financial position of the Department of Probationary and Child Care Services as at 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with Generally Accepted Accounting Principles.

#### 1.2 Basis for Opinion

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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 evidences I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### 1.3 Responsibilities of the Accounting Officer on Financial Statements

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Preparation of financial statements in a manner that reflects a true and reasonable position and determines the internal control required to enable financial statements to be prepared without inadequate false statements that may result from fraud and error in accordance with Generally Accepted Accounting Principles and the provisions of Section 38 of the National Audit Act, No. 19 of 2018 is the responsibility of the Accounting Officer.

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.

#### **1.4 Auditor's Responsibility on Audit of Financial Statements**

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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 was made aware of important audit findings, key internal control deficiencies and other matters identified in my audit.

## 1.5 Report on Other Legal Requirements

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

- (a) The financial statements are in consistent with those of the preceding year.
- (b) The recommendations made by me regarding the financial statements of the preceding year had been implemented.

## 2. Financial Review

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### 2.1 Expenditure Management

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Audit Observation	Comments of the Accounting Officer	Recommendation
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Overprovisions had been made for 4 expenditure objects and the said overprovisions had ranged from 18 per cent to 100 per cent.	In a background faced with the Covid epidemic situation by the entire world in 2020, the Budget Estimate for the year 2021 has been prepared on the assumption that in the year 2021, the epidemic situation will disappear and institutional activities can be carried out as usual.	Attention should be drawn to prepare the estimates realistically.

**2.2 Entering into Liabilities and Commitments**

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<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
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The liabilities pertaining to 03 expenditure objects included in the Treasury computer printouts amounting to Rs. 401,953 had not been included in the statement of liabilities presented with the financial statements.	It has to enter into liabilities exceeding the provisions made .	All the liabilities should be accurately entered in the statement of liabilities.

**2.3 Non-compliance with Laws, Rules and Regulations**

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<b>Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
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<b>Reference to Laws, Rules and Regulations</b>	<b>No-- compliance</b>	
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<b>Public Administration Circular No. 02/2018 dated 24 January 2018</b>	The Human Resources Development Plan had not been prepared.	Actions should be taken in accordance with Circular Provisions.

### 3. Operating Review

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#### 3.1 Vision and Mission

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The following observations are made.

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
<p>-----</p> <p>Although the Mission of the Department was to ensure the rights of all children and providing them equal opportunities in line with National Policies and International Standards with specific attention to orphaned, abandoned and destitute children and children in conflict with law and also 65 years had elapsed since the Department started in 1956, the formulation of a National Policy in order to protect the rights of children in accordance with the Universal Charter and the formulation of related legislation had not been accomplished so far. Although the Cabinet approval had been obtained on 06 March 2019 for an alternative care policy, the said policy had not been materially implemented even by the date of audit 25 March 2022 .</p>	<p>-----</p> <p>Eight Provincial Action Plans were prepared for the implementation of alternative care policy. All of the Child Rights Promotion Officers and Probation Officers in Kegalle and Ratnapura Districts worked together to further improve the Sabaragamuwa Provincial Action Plan and it has been proposed to prepare Action Plans for other Provinces in the future. Existing of restrictions on conducting programmes within the travel restrictions areas during the existing Covid-19 pandemic was also a reason for this delay.</p>	<p>-----</p> <p>The National Policy should be implemented to be functioned in accordance with the Mission.</p>

### 3.2 Failure to Perform the Tasks

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>(a) The provision of Rs. 11,670,000 had been made available for the 400 children during the year under review for the implementation of security plans for the children who are face in risks.</p>	<p>It is an unavoidable fact that the being changed of the number of care plans based on needs related to demands receive from the field rather than planned.</p>	<p>The key tasks should be performed adequately to achieve the main objectives of the Department.</p>
<p>According to the Progress Report, these plans had been implemented for only 374 number of children at a cost of Rs. 11,447,000 by the end of the year under review. The weaknesses such as lack of proper documentation of requests made for protection plans, lack of preparation of specific method of selecting children for protection plans, failure to verify whether the allocations sent to the Divisional Secretariats were used for the respective purpose within the specified time, and lack of follow-up procedures were observed in this regard.</p>		
<p>(b) The Department implements a scholarship granting programme called Kapakaru Deguru to help children from low-income families to succeed in their education and a sum of Rs. 16,724,400 had been incurred during the year under review for this. The maximum</p>	<p>Internal circulars have been issued on granting these scholarships and all the officers have been made aware of those circulars. In addition to that, required revisions /changes are being done on the</p>	<p>When sending money to Provincial Probation Departments, adequate attention should be drawn on the accuracy of the estimates and the follow up actions</p>

age limit of the children to be supported, the total premium amount per child and the educational and vocational courses for which the grant is available had not been specifically identified.

approval of the Commissioner at special occasions.

should be carried out sufficiently.

(c) Although the Department of Probation and Child care Services had implemented programmes to identify the need to re-enroll children who do not have the opportunity to engage in continuous school education based on various economic or social factors, a number of 2718 pupils had left the schools in the year 2021 as a result of inadequacy of those programmes,.

It has not cleared that the manner of recognizing inadequacy as a factor of the functionality of the programmes of the Departments to dropout the schools by pupils.

Adequate steps should be taken to achieve relevant objectives.

(d) The Child Rights Promotion Officers who had attached to Regional Secretariats belonging to Departmental approved staff should take actions to ensure the children's rights in the society and efforts should be made by identifying the factors that make children vulnerable to various abuses and to protect children from those situations. However, it was not revealed in audit whether the Department had monitored and evaluated on the duties performed by those officers.

There is no special method of evaluation or ability to give incentives in the public service.

The activities of the officers of the Department should be monitored and evaluated.

### 3.3 Assets Management

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The following observation is made.

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
(a) Several buildings belonging to the Department located at Gorakana Galkanuwa had remained in idle without being utilized for several years.	The building which was located at Gorakana Galkanuwa area belonging to the Department had been handed over according to a request made to be used as an interim-treatment center for Corona according to the strong need of the country.	Answer cannot be accepted. Arrangements should be made to utilize the relevant buildings.

### 4. Non-achievement of Sustainable Development Goals

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The following observation is made.

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
(a) The Department had not identified the Sustainable Development Goals 2030 and actions had not been taken to identify the goals, baseline data, milestones to be reached as well as indicators to measure progress related to those goals. Stakeholders involved in the Mission of	This Department had not been made aware of on the matters by naming two senior officers to coordinate for achieving Institutional, Provincial and National Level as per a National Level Strategic Management Plan to achieve	The efforts should be made to implement the Sustainable Development Goals.



the Organization's to Sustainable  
implement the Sustainable Development Goals .  
Development Goals had  
not been identified.

## 5. Human Resources Management

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### Audit Observation

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The post of Commissioner of the Department was in vacant from 23 December 2020 and the post of Legal Officer was in vacant since August 2014.

### Comments of the Accounting Officer

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The Ministry has been requested to appoint a permanent officer for the Post of Commissioner. Interviews have been conducted for the post of Legal Officer and actions have been taken to sent to the Public Service Commission.

### Recommendation

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The vacancies in the Senior Level Posts which are essential for the achievement of the main objectives of the Department should be filled promptly.