

## Head 08– National Police Commission

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### 1. Financial Statements

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#### 1.1 Opinion

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The audit of the financial statement of the National Police Commission 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 including my comments and observations on the financial statements of the National Police Commission was issued to the Chief Accounting Officer on 25 May 2022 in terms of Sub-section 11 (1) of the National Audit Act, No. 19 and the Detailed Annual Management Audit Report relating to the Commission in terms of Section 11 (2) of the National Audit Act , No. 19 of 2018 was issued to the Chief Accounting Officer on 29 June 2022. This report will be presented to Parliament in pursuance of provisions in Article 154 (6) of the Constitution to be read in conjunction with Section 10 of the National Audit Act, No. 19 of 2018.

In my opinion, the accompanying financial statements prepared give a true and fair view of the financial position of the National Police Commission as at 31 December 2021, and its financial performance and cash flows 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 (SLAuS). 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 Responsibilities of Chief Accounting Officer and Accounting Officer for the Financial Statements

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The Accounting Officer is 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 as management determine 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 Commission 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 Chief Accounting Officer shall ensure that effective internal control system for the financial control of the Commission 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

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My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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 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 scepticism throughout the audit. I also;

- Appropriate audit procedures were designed and performed identify and assess the risks 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 audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission’s 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 the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Chief 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 and Regulatory Requirements**  
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I express the following matters in accordance with Section 6 (1) (d) of National Audit Act, No. 19 of 2018.

- (a) The financial statements are consistent with the preceding year.
- (b) Recommendations made by me on the financial statements for the preceding year had been implemented.

**2. Financial Review**  
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**2.1 Expenditure Management**  
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<b>Audit Observation</b> -----	<b>Comment of the Chief Accounting Officer</b> -----	<b>Recommendation</b> -----
Savings out of the net provisions made for 14 Objects had ranged from 13 per cent to 100 per cent.	The decrease in staff due to the reduction in powers occurred due to the 20th Constitutional Amendment passed in October 2020 could not be taken into account in preparing the estimates.	Provisions should be utilized with maximum efficiency.

### 3. Operating Review

#### 3.1 Failure to Discharge Functions

<b>Audit Observation</b>	<b>Comment of the Chief Accounting Officer</b>	<b>Recommendation</b>
In pursuance of 20th Amendment to the Constitution, the Commission shall make rules to establish procedures under 155 F of Article 47 for receiving and investigating complaints received from members of the public or any aggrieved person. Although it was decided to prepare the rules after preparing the National Police Commission Act, the preparation of the Act was still in the initial stage even by April 2022.	Steps are being taken to obtain prior approval of the Cabinet of Ministers for the preparation of the National Police Commission Act, and after the adoption of the Act, procedural rules will be prepared for the investigation of public complaints. Furthermore, the procedural rules published in the Extraordinary Gazette No. 2047/22 and dated 28.11.2017 are followed by the present Commission.	The Powers conferred by the Constitution should be exercised.

#### 3.2 Failure to Achieve the Expected Output

The following observations are made.

<b>Audit Observation</b>	<b>Comment of the Chief Accounting Officer</b>	<b>Recommendation</b>
(a) The progress of completing investigations as at 31 December of the years 2019 and 2020 was 72	The entire investigation process conducted till then was revised in March 2021. As the chairman studies all the files received from the	Investigation of public complaints should be brought to the optimum level.

percent and 70 percent provincial offices and fetches respectively. The the necessary reports and progress in documents to complete the completion of investigations, it takes a lot of investigations as on of time for the process. 31 December of the year under review was as low as 14 per cent.

- (b) The progress in The new directors had been Investigation of public investigating public appointed on 01.11.2021 in complaints in provincial Central, place of the offices should be made to Uva, Sabaragamuwa directors whose contract the optimum level North and Eastern service period ended on provincial offices was 09.07.2021 and 31.10.2021 less than 10 percent as and the investigations had at 31 December 2021. been affected to a certain extent during that time. As at 31.03.2022, the remained at 8 to 15 per cent.

#### 4. Good Governance

##### 4.1 Internal Audit

Audit Observation	Comment of the Chief Accounting Officer	Recommendation
As an Internal Audit Unit had not been established for the Commission in accordance with the provisions of Section 40 of the National Audit Act No. 19 of 2018, no internal audit was conducted for the year under review.	Even though requests have been made to the Appointing Authority to appoint an officer for the post of Internal Auditor, due to not appointing an officer, it has not been possible to establish the Internal Audit Division.	The provisions specified in Section 40 of the National Audit Act No. 19 of 2018 should be followed.

**5. Human Resource Management**  
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<b>Audit Observation</b> -----	<b>Comment of the Chief Accounting Officer</b> -----	<b>Recommendation</b> -----
Except for the Western Province, only 18 officers are working in the other 08 provinces and in addition to the 08 Provincial Directors (Contract), there were 05 Investigation Officers, 04 Development Officers and one Government Management Assistant Officer. Although experienced investigation teams should be employed in the provincial offices to investigate the complaints received at those offices, it has not taken place.	One Development Officer has been attached to increase the staff of the Provincial Offices and requests have been made to the Department of Management Services to assign one Task Development Assistant each. The officers working in the provincial offices are officers with long-term experience who have received regular training and have also been given local and foreign training.	Adequate staff should be attached to enhance performance.