

Head 225 – Sri Lanka Police

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Sri Lanka Police 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. In terms of 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 Sri Lanka Police was issued to the Accounting Officer on 08 June 2022. In terms of Section 11(2) of the National Audit Act, the Annual Detailed Management Audit Report relating to the Sri Lanka Police was issued on 19 July 2022 to the Accounting Officer. This report is submitted to Parliament in pursuance of provisions in Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka, which should be read in conjunction with provisions 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 financial statements give a true and fair view of the financial position of the Sri Lanka Police as at 31 December 2021, and of its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

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, under those standards is further described in the Auditor's Responsibility 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 Responsibility of the Chief Accounting Officer and the Accounting Officer on the Financial Statements

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 in terms of Section 38 of the National Audit Act, No.19 of 2018 and for such internal control as the Accounting Officer determines 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 Sri Lanka Police 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.

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 Sri Lanka Police and carry out periodic reviews to monitor the effectiveness of such system and accordingly make any alterations as required for such systems to be effectively carried out.

1.4 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 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 judgement and maintain professional skepticism 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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 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 Section 6 (1) (d) of the National Audit Act, No.19 of 2018, I state the followings:

- (a) The financial statements are consistent with that of the preceding year.
- (b) Recommendation made by me on the financial statements related to the preceding year had been implemented.

1.6 Comments on the Financial Statements

1.6.1 Accounting Deficiencies

The following observations are made

Audit Observation	Comment of the Accounting Officer	Recommendation
<p>(a) Property, Plant and Equipment</p> <p>The yearend value of the Property, Plant and Equipment in the statement of non-financial assets presented together with the financial statements for the year 2021 was Rs. 52,247,996,562 according to the ACA-6 and that value as per the Treasury Assets Report was Rs.51,491,465,387. Accordingly, a difference of Rs. 756,531,175 was observed.</p>	<p>Action will be taken to correct this difference.</p>	<p>These differences should be discovered and corrected promptly.</p>
<p>(b) According to the Advances to Public Officers Control Account, the balance as at 31 December was Rs. 779,845,975 and the total sum of the individual balance classification summary as at that date was Rs. 699,035,536. Accordingly, a difference of Rs.80,810,439 was observed. However, action had not been taken to identify that difference and make necessary adjustments.</p>	<p>Action has been taken to reduce this difference annually. Errors in entering loan balances and errors due to the omissions had taken place and action has been taken to identify these omissions and incorrect entries relating to 06 years up to 2015 and make relevant corrections.</p>	<p>Action should be taken to identify differences and settle them.</p>

- (c) Although the value of liability settleable to the Medical Supply Division was Rs. 38,358,226 according to the Statement of Commitments Note (iv) presented together with the financial statements, the balance of liability as at 31 December 2021 as per the registers of the Police Medical Services Division, Narahenpita was Rs. 45,404,844. Accordingly, a difference of Rs. 7,046,618 was observed.
- Answers will be given in due course.
- The liability balance should be correctly identified and brought to account.

2. Financial Review

2.1 Expenditure Management

The following Observations are made.

Audit Observation	Comment of the Accounting Officer	Recommendation
(a) The total net provision of Rs. 891,580,000 made for 04 Capital Objects had been saved. This savings included a supplementary provision of Rs. 38,000,000.	Expenses under purchase of jeeps, purchase of official dogs etc. were saved.	Provisions should be used with maximum efficiency.
(b) The value of deposit accounts that had exceeded 02 years by the end of the year under review amounted to Rs. 232,581,722. Meanwhile, a sum of Rs. 11,503,192 given by India in 2013 to construct SAARC Terrorist and Drugs Offenses Observation Centre had been retained in the deposit account for more than a period of 08 years without being carried out the relevant tasks.	Although approval of the Indian Government has been sought to use this money for rectifying deficiencies of the data system installed in the year 2013, approval has not so far been received and therefore this balance is retained in the deposit account.	Provisions should be used for the relevant purposes.

- (c) According to the reconciliation statement presented to audit, the total balance that remained outstanding by the end of the year under review from 3,015 officers amounted to Rs. 68,019,289 of which the balance that continued to exist outstanding for more than 05 years totaled Rs. 46,756,018. The follow up activities regarding the recovery of those outstanding loan balances was at poor level.
- After the recovery of Rs. 5,637,218 from the outstanding balances of more than 05 years in the year 2021, the loan balances that remained outstanding for more than 05 years as at the end of the year totaled Rs. 46,756,018.
- Action should be taken to recover the outstanding balances.

3. **Operating Review**

3.1 **Failure to Achieve Expected Output Level**

The following observations are made.

Audit Observation	Comment of the Accounting Officer	Recommendation
<p>a) The necessity for amending the Police Ordinance No.16 of 1865 had been recognized in the year 2014. Accordingly, 16 fields to be amended had been identified. Although the Cabinet approval had been granted on 19 November 2014 for making relevant amendments to suit to present and future social and technical development needs, the Ordinance had not been amended even by May 2022.</p>	<p>The proposed draft and the concept paper relating to amending the Police Ordinance have been referred to the Ministry on 10.04.2022.</p>	<p>The Ordinance should be amended in relation to the identified fields.</p>
<p>b) The report of the committee that had been established with the objective of identifying existing deficiencies and weaknesses of Sri Lanka Police and making proposals for proper updating,</p>	<p>A committee has been appointed to amend the Police Reorganization Plan and that committee is taking steps to make these amendments.</p>	<p>Identified reorganization activities should be carried out.</p>

and to make necessary plans for the establishment of an efficient police service in the country had been launched on 31 May 2017 as "Police Reorganization Action Plan". Nevertheless, it had not been implemented up to May 2022.

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| c) | Although plans were making since the year 2014 to establish an automated fines payment method for traffic offences to accelerate the recovery of fines, increase the amount of fines added to the Government revenue and to ease the payment of fines by the general public, the relevant method had not been established by June 2022. | The ICTA has submitted the requirements to the Ministry. On 04.05.22, it was decided to submit a Combined Cabinet paper to the effect that it is suitable to allow the Department of Post to carry out the task until an appropriate party is selected. | Action should be taken to establish an automated fines payment method to fulfill the identified objectives. |
| d) | Even though the recovery of fines according to the frequency of motor traffic offences introduced by the Motor Traffic (Amendment) Act is in operation from 20 June 2019, as the Sri Lanka Police had not implemented a data computerizing methodology capable of clearly identifying the frequency of committing the same traffic offence by the offenders, it had not been possible to recover fines from the offenders who committed the same offence on several occasions. | Fines can be properly recovered through the methodology introduced by the ICTA. It was observed that a considerable financial loss is annually incurred by the Government due to non-recovery of fines according to the increasing frequency of the offence. | Action should be taken to establish a computer data system capable of identifying the frequency of committing the same offence by the offenders who violate the traffic laws and to recover the prescribed fines accordingly. |

3.2 Procurement

The following observations are made.

Audit Observation	Comment of the Accounting Officer	Recommendation
<p>-----</p> <p>a) The Sri Lanka police had continuously engaged in a court action while rejecting the judgment given at the arbitration on 21 January 2017 to pay the amount due for the 75,000 caps and other charges due to malpractices that had taken place in the procurement process commenced in the year 2011 to purchase 75,000 caps at Rs. 93,455,119 for the Police Sergeants and police constables. A sum of Rs. 191,768,632 was payable for the purchase of these caps and Rs. 45,316,880 was payable as other charges by August 2020. The court action had not been concluded even by June 2022 and the supplier had demanded that his warehouse charges, legal charges and the disadvantage of increasing in exchange rates should be borne by the Sri Lanka Police. No action had been taken to recognize the responsible parties in this connection.</p>	<p>-----</p> <p>A letter has been referred to the Secretary to the Ministry stating that the Government has to incur a large amount of expenditure due to delays caused for not providing additional provisions for payments.</p>	<p>-----</p> <p>A formal inquiry should be conducted to identify the persons who should be responsible for the additional expenditure incurred by the Government on account of this procurement process and arbitration process.</p>
<p>b) Having identified the requirement for the purchase of new jeeps to discharge duties of the police, plans had been drawn to purchase 750 jeeps (including 150 jeeps for the Special Task Force) at a cost of Rs.14,100 million under the Indian Line of Credit in accordance with the Cabinet decision No. අමප/18/1650/828/10-1 dated 08</p>	<p>Procurement process relating to this project has been initiated and necessary steps are being taken to call for bids in accordance with the recommendations made by the Indian Exim Bank.</p>	<p>Procurement process should be expedite to achieve desired objectives.</p>

August 2018. Although it was planned to make purchase within 03 years at 250 jeeps per year, procurement activities relating to this matter had not been completed even by June 2022.

- c) Due to an ongoing renovation of the new secretariat building of the Police Head Quarters, a building with 70,000 square feet had been obtained on lease of Rs. 234,600,000 (without Vat) on January 2021 to maintain several divisions thereof. There was no outside vehicle park for the building and 06 floors were being used as Vehicle Park and therefore, a high cost had to be incurred to carry those vehicles up and down. Constructions of 03 floors including the ground floor had not been completed and the normal electricity supply of the building had been used for the ongoing additional constructions. The main access of the building could not be used even by March 2022 and the Certificate of Conformity of the building was not furnished to the audit even by March 2022.
- In the preparation of plans relevant to the building, modern technological methods have been used. The owner is taking action in accordance with the request made to prepare an additional floor of the ground floor and the upper floor to usable condition. The main access can be used immediately after the completion of renovation work. The owner's party has been informed to submit the certificate of conformity.
- An adequate consideration should be paid on common amenities and monthly recurrent expenditure in obtaining buildings on rent.
- d) For the purchase of 192 houses for Rs.729.6 million at the rate of Rs.3.8 million each from the Habaraduwa "Nilasewana Housing Scheme", an agreement had been entered into on 29 December 2017. Advances of Rs.500 million had been paid as at 02 April 2019 and taking over of the 192 housing units including common amenities had not been cleared.
- As three parties have involved in this agreement, the Sri Lanka Police alone cannot take a decision. Further action will be taken in accordance with the guidelines of the Secretary to the Ministry.
- Action should be taken in terms of agreements in taking over of these houses.

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| <p>e) In order to installation of vehicle management system related to networking the main garage of the Police Narahenpita Transport Division, an agreement worth Rs. 12,297,829 had been reached on 17 March 2017. Although 05 years had elapsed from the date of reaching agreement, desired purpose of the system could not be achieved.</p> | <p>Answers will be given in due course.</p> | <p>Action should be taken to achieve the desired objectives of the vehicle management system without delay.</p> |
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3.3 Assets Management

The following observations are made.

Audit Observation	Comment of the Accounting Officer	Recommendation
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<p>a) Although construction of Police Advanced Training College and the Ingiriya Police Station commenced on 19 March 2008 and Rs. 8,895,273 was spent by the end of the year 2018, constructions had been discontinued halfway. This land containing 06 acres that had been transferred to the Police in 2008 remained unsettled.</p>	<p>A part of this land has to be given to the Ruwanpura express way. Further, action has been taken to call for an expertise report regarding the possibility for the continuation of this project and the remaining activities are to be done on the receipt of relevant report.</p>	<p>Assets should be used in maximum efficiency.</p>
<p>b) Even though Cabinet approval had been given on 20 June 2017 to vest the land at Malwana containing 12 Acres, 01 Rood and 08 Perches in the Sri Lanka Police to establish a police academic institution, the land had not been taken over even by June 2022.</p>	<p>Answers will be given in due course.</p>	<p>Taking over of the land should be completed expeditiously.</p>
<p>c) Of the 4 acres land on which Sapugankanda Police Station is situated, an area of about two acres remain idle from the year 1981.</p>	<p>Necessary planning activities have been initiated for the construction of warehouse of the Inspector General of Police on this land.</p>	<p>Assets should be used in maximum efficiency.</p>

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| <p>d) In the 06 storied building constructed at a cost of Rs.334 million by the end of 2018 under the expansion of Police Hospital at Narahenpity, 04 floors remained underutilized by June 2022.</p> | <p>This building remains idle due to lack of an adequate staff. Arrangements will be made to fully utilize the building once the staff is recruited.</p> | <p>Assets should be used in maximum efficiency.</p> |
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3.4 Management Weaknesses

The following observations are made.

Audit Observation

Comment of the Accounting Officer

Recommendation

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| <p>a) A number of 567 grave crimes against women were reported during the year under review and investigations relating to 355 of those cases were not completed by the end of the year. Majority of cases were reported in connection with rape of women, causing grievous injuries and homicides. The incidents relating to those crimes stood at 186,194 and 79 respectively and the percentage of solving those cases remained at 43 per cent, 35 per cent and 30 per cent respectively. Seventy nine cases of women homicides were reported during the year and 55 of those cases were further being investigated by the end of the year.</p> | <p>The percentage of solving cases should stand at a higher level by now.</p> | <p>Expeditious measures should be taken to complete investigations on the cases of grave crimes against women.</p> |
| <p>b) There had been reported 3,183 grave crime cases against children and investigations relating to 1,876 or 59 per cent of those cases were yet to be completed. Majority of those cases had been reported on rape of women, abductions and serious sexual abuse. The number of cases relating to those crimes was 1,780, 611 and 580 and the percentage of</p> | <p>The percentage of solving cases should stand at a higher level by now.</p> | <p>Expeditious measures should be taken to solve crimes against children.</p> |

resolving those cases was as low as 44 per cent, 30 per cent and 43 per cent respectively. Twenty seven incidents had been reported on homicides against children and 19 of those cases were further under the investigation level by the end of the year.

- c) According to the information of Not replied.

the Traffic Administration and Road Safety Range the number of fatal accidents that stood at 2,242 in the year 2020 had increased up to 2,414 in the year 2021 and correspondingly, the death toll too had gone up from 2,363 to 2,513. The police divisions of Anuradhapura, Kurunegala, Gampaha, Kelaniya and Nugegoda were reported as the divisions which exceeded the number of fatal accidents and the death caused by those accidents had exceeded 100 in number in 2021. In order to minimize fatal accidents, 25 speed limit detection devices had been last purchased in the year 2016 to recognize the drivers who drive vehicles in excess of the speed limit and only 05 of such devices had been provided to these 05 police divisions. The speed limit detection devices purchased in 2010 and 2014 remained either inoperative or repairable and therefore, the police stations lacked adequate devices required for the task of detecting the drivers who exceed the speed limits in driving vehicles.

Action should be taken to minimize fatal accidents and to provide necessary facilities for the police stations to execute that purpose.

- d) The number of officers engaged in the traffic duties of the police stations was 8,772 and among them, the number of officers who had followed the traffic

Not replied.

Prompt action should be taken to conduct necessary trainings for the officers engaged in the traffic duties.

management course was only 2,230 or 25 per cent. Further, the total number of officers engaged in the traffic duties in the emergency call division of Sri Lanka Police, urban traffic division, expressway division and Western Provincial North/South Division was 1,947 of whom, 1,791 or 92 per cent had not followed the traffic management course.

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| e) Establishment of “National Police Academy Fund” relating to the activities on “Finance” included in Section V of the National Police Academy Act and duties and functions specified in sections from 22 to 28 relating to that matter had not been carried out. | Requests have been made to allocate provisions for the establishment of Fund | Action should be taken in accordance with the relevant terms by establishing the Fund. |
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4. Achievement of Sustainable Development Goals

Audit Observation

Every Government institution should have taken action in accordance with United Nations “Agenda 2030” on Sustainable Development and the Sri Lanka Police had identified 08 targets under 04 sustainable development goals. Although indicators were being developed taking into account the year 2016 as the based year, necessary milestones for the regulation of relevant activities in the achievement of sustainable development goals had not been recognized.

Comment of the Accounting Officer

As an in-depth study should be carried out on goals and objectives, action is being taken to appoint an expertise committee for that purpose.

Recommendation

Regulatory task should be carried out by recognizing the necessary milestones.

5. Human Resource Management

The following observations are made.

Audit Observation	Comment of the Accounting Officer	Recommendation
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a) Although the approved cadre for the post of Senior Superintendent of Police was 169, the approved cadre for the post of Superintendent of Police was 162 and therefore it was observed as an obstacle to select qualified officers in granting promotion to the post of Senior Superintendent of Police.	As promotions for the post of Senior Superintendent of Police are given according to the number of vacancies available in the post, it is not an obstacle to select eligible officers.	The hierarchical order of the staff should be properly organized.
b) Although the approved cadre for the post of Woman Senior Superintendent of Police was 13, the approved cadre for the post of Woman Superintendent of Police was 04 and therefore it was observed as an obstacle to select qualified officers in granting promotion to the post of Woman Senior Superintendent of Police.	As promotions for the post of Woman Senior Superintendent of Police are given according to the number of vacancies available in the post, it is not an obstacle.	The hierarchical order of the staff should be properly organized.
c) Although the approved cadre for the post of Police Constable was 60,000, there were 16,697 further vacancies even after deducting the surplus of 10,856 officers promoted to the post of Police Sergeant in a manner personal to the holder basis. Recruitment of 3,934 officers had been made in the year 2022. Accordingly, the percentage of vacancies of the post of Police Constable was 18 per cent of the approved cadre and it had been an impediment to maintain routine duties of the Sri Lanka Police.	A number of 3934 Police Constables were recruited in the year 2022 and they are under training at present. Accordingly, the percentage of vacancies has been reduced from 28 per cent to 18 per cent.	Recruitments for the vacancies should be made in time.

- d) As the two posts of Deputy Inspector General of Police and the Senior Superintendent of Police belonging to the senior level of the Sri Lanka Police Assistance Service and 93 out of 100 posts of Superintendent of Police and Assistant Superintendent of Police had fallen vacant by 31 December 2021, the senior level of the Assistance Service remained dysfunctional. Schemes of recruitments and promotions have been approved. Action is being taken to recruit probationary police officers. Appointment to the senior level of the Assistance Service should be made in time.
- e) The existence of 281 vacancies out of 524 tertiary level posts and 1,255 vacancies out of 2,296 secondary level posts of the Assistance Service as at 31 December 2021 had been an impediment to discharge duties in the divisions including Police Medical Division, Building Division and Information Technology Division and the police stations. The vacancies of the tertiary level had decreased up to 253 in 2022. Steps are being taken to fill remaining vacancies. Appointments for the vacancies of the secondary and tertiary levels of the Assistance Service should be made in time.
- f) Thirteen employees are discharging duties of the unapproved posts of casual/temporary labourer of the civil staff. Letters have been sent to the Ministry of Public Service, Provincial Council and Local Government informing the qualifications of these 13 employees to confirm them in the post. Inclusion of these posts in the approved cadre should be expedited.