

Head 171 – Ministry of Women, Child Affairs and Social Empowerment - 2024

1. Financial Statement

1.1 Opinion

Head 171 - The audit of the financial statements of the Ministry of Women, Child Affairs and Social Empowerment for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024 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 Ministry of Women, Child Affairs and Social Empowerment was issued to the Chief Accounting Officer on 30 May 2025 in terms of Section 11 (1) of the National Audit Act No. 19 of 2018. The Annual Detailed Management Audit Report pertaining to the Ministry was issued to the Chief Accounting Officer on 30 May 2025 in terms of Section 11 (2) of the Audit Act. This report will be presented to Parliament in terms of Section 10 of the National Audit Act No. 19 of 2018 read in conjunction with Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

In my opinion, the financial statements give a true and fair view of the financial position of the Ministry of Women, Child Affairs and Social Empowerment as at 31 December 2024, and its financial performance and cash flows and on all the materialities in accordance with the basis of preparation of the financial statements set out in Note 1 to the financial statements.

1.2 Basis for 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 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 Emphasis of Matter – Basis for preparing Financial Statements

The attention is drawn to the Note 1 related to the Financial Statements which describes the basis of preparing these financial statements. The financial statements have been prepared as per the Financial Regulation 150, 151 and the State Accounts Guideline No. 06/2024 dated 16 December 2024 amended on 21 February 2025 for the requirement of the Ministry of Women, Child Affairs and Social Empowerment, General Treasury and the Parliament. Consequently, these financial statements may not be suitable for other objectives. My report is only for the use of the Ministry of Women, Child Affairs and Social Empowerment, General Treasury and the Parliament of Sri Lanka. My opinion on this matter is not modified.

1.4 Responsibilities of the Chief Accounting Officer for the Financial Statements

The Chief Accounting Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the Financial Regulation 150, 151 and the State Accounts Guideline No. 06/2024 dated 16 December 2024 amended on 21 February 2025 and for determining such internal control as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In terms of section 16(1) of the National Audit Act No. 19 of 2018, the Ministry 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 Ministry 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 carry out.

1.5 Auditor's Responsibility for 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 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 internal control.
- Evaluate the structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transaction 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.

2. Report on Other Legal Requirements

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

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

3. Financial Review

3.1 Expenditure Management

Audit Issue	Comments of the Chief Accounting Officer	Recommendation
(a) There were savings ranging from 59 percent to 100 percent out of the provisions that had been made for 14 objects during the year under review.	The provision had been saved due to the matters such as the occurrence of problems with upgrading the buildings as they belong to the Urban Development Authority, the removal of ministerial staff, executing only essential activities as per the National Budget Circular No. 1/2024 dated 10 January 2024, expenditure control, not making payments for training period and the presence of an election period.	The Accounting Officer is required to ensure that the estimates have been prepared as completely and accurately as possible according to the Financial Regulation 50 (ii).
(b) As the over-allocations were made through annual estimates, the allocations of 12 objects had been transferred to other objects in a range of 14 to 100 percent. Also, even if the allocations of 13 objects had been transferred to other objects by the Financial Regulation 66, there were savings in those objects in a range from 13 to 75 percent.	The savings have been occurred due to the non-occurrence of the requirement of foreign travel expenses, the decrease of the officers entitled for uniforms, the decrease in obtaining property loans, the control of expenses as per the Budget Circular No. 1/2024 dated 10 January 2024, and not presenting the bills within the stipulated timeframes.	- do -

(c) Although a sum of Rs. 52.98 million had been allocated for an object through a supplementary estimate, 63 percent of the allocation had not been utilized. Accordingly, allocations had been allocated with no requirement.	The answers have not been given.	- do -
(d) The provisions allocated by the annual budget estimates for 06 objects had been transferred through Financial Regulation 66, and even if the reason for the savings in those objects has been mentioned as the expenditure control in accordance with National Budget Circular No. 01/2024 dated 10 January 2024, the savings had been resulted from making over-provisions /excessive transfers made under Financial Regulation 66.	The savings have been occurred due to expenditure control in accordance with National Budget Circular No. 01/2024 dated 10 January 2024.	The estimates should be prepared as accurately as possible in accordance with Financial Regulation 50, and the transfers of provisions should be made in accordance with Financial Regulation 66 only when the Chief Accounting Officer is satisfied that the expenditure exceeds the provisions of the respective year. The outstanding loan balances should be recovered from the respective officers or the guarantors, and the actions should be taken to conduct an investigation regarding the recovery of the loans and the disciplinary actions should be taken in accordance with the Establishments Code regarding the officers who have defaulted their responsibilities.
(e) The outstanding loan balance, which exceeded one year related to three officers who left the service, one retired officer and two officers who died, was Rs.0.9 million.	The steps are being taken to recover the loan balance in the future.	

3.2 Entering into Liabilities and Commitments

Audit Issue	Comments of the Chief Accounting Officer	Recommendation
The particulars of 14 liabilities worth Rs. 3.76 million had not been mentioned in the financial statements.	It had not been included in the liability register as the provision was inadequate.	As per the Financial Regulation 94, the commitments should not be made exceeding the provision.

3.3 Issuance and Settlement of Advances

Audit Issue	Comments of the Chief Accounting Officer	Recommendation
(a) Once a sub imprest is issued, the said sub imprest should be settled within 10 days upon the completion of the relevant work according to Financial Regulation 371 (5). However, it had taken 14 to 25 days to settle the sub imprest amounted to Rs.0.2 million taken at 07 occasions.	The officers have been informed to work while minimizing delays in the future.	Arrangements should be made to settle the sub imprests as per the Financial Regulation 371 (5).
(b) The approval of the Secretary of the Ministry had not been received for the concept paper of implementing programme conducted by the Women's Committee related to the Board of Investment of Sri Lanka and at worksites with the objective of increasing the awareness of the women employed in the industrial sector to minimize the sexual violence at the work place and thereby reduce the violence against women at the workplace, and an appraisal system to check the awareness of the participants in the programme had not been established. Further, even though the programme had been scheduled to be completed by June 2024, only 07 programmes had been conducted	The answers have not been given.	Prior approval from Secretary of the Ministry should be obtained to conduct programmes and the performance evaluation of the programme should be carried out periodically.

until December at a cost of Rs. 0.4 million.

(c)	A female officer from the Police Children and Women's Bureau had not involved in resource contribution for the awareness programme held at a private institution on 23 December 2024 with the objective of reducing violence against women, and although the cost estimated for the programme was Rs. 0.1 million, the cost of this programme had been Rs. 0.14 million.	-do -	The expenditures should not be incurred exceeding the estimated cost, and the efforts should be made to implement the programmes as planned having the involvement of the desired resource persons.
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4. Operational Review

4.1 Failure to perform Tasks

Audit Issue	Comments of the Chief Accounting Officer	Recommendation
(a) The "Happy Family Project" under the Five-year Strategic Development Plan of the National Women's Committee had been planned to be implemented from the year 2021 to the year 2025 and the highest number of complaints received by the 1938 Women's Helpline Service in the year 2020 had been taken as a basis to identify the unsafe families. Although the highest number of complaints had been reported from Colombo, Gampaha, and Kalutara Districts, the basis for selecting the families was not transparent as the project had been implemented in the Kurunegala District wherein relatively few complaints had been received.	A provision amounting to Rs. 2,901,000 had been allocated as per the Action Plan 2021 for the purchase of equipment to develop the Women and Child Development Units and to conduct the programmes for those vulnerable families under the identification of vulnerable families and the strengthening and empowerment of the Monitoring Committees covering Kurunegala District Secretariat as well as Kurunegala and Polpithigama Divisional Secretary's Division.	Actions should be taken to ensure that the beneficiary selection for the implementation of the project is done on a formal basis and in a manner that achieves the desired objectives.

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| <p>(b)</p> | <p>Although the total allocation for the Happy Family Project was Rs. 2.9 million, the amount of Rs. 2.8 million spent as at 31 December 2024 had not been spent for achieving the objectives of improving the economic condition of the family, promoting good habits, increasing mental satisfaction and family harmony and rescuing from bad habits through the Happy Family Project. However, the said amount has been used outside of those objectives only for purchasing equipment, conducting sessions, paying allowances for resource persons, and paying allowances for officers.</p> | <p>Although the Kurunegala and Polpithigama Divisional Secretariats have intended to change behaviours through these programmes, the former Secretary of the Ministry had informed them not to carry out these projects any longer as the said purpose was not fulfilled properly.</p> <p>These equipment have been provided to increase the efficiency of officers in the Women and Child Development Units, and programmes have been carried out to increase awareness under varied topics. However, the steps will be taken to prevent the occurrence of such situations in the preparation of future programmes.</p> | <p>Actions should be taken to implement the projects by ensuring that the intended benefits are delivered to the targeted beneficiaries.</p> |
| <p>(c)</p> | <p>The Happy Family Project; expected to be implemented from the year 2021 to the year 2025, was accomplished in a period of one year and the rural unprotected community had not received the benefits as expected.</p> | <p>As the programmes had not been implemented directly and adequately to increase the satisfaction of families in the rural community under the basic concept of the programme and as the benefits did not flow directly to the targeted beneficiaries, the programme had been terminated on 30 December 2022.</p> | <p>-do -</p> |

4.2 Failure to Achieve Expected Output Level

Audit Issue	Comments of the Chief Accounting Officer	Recommendation
(a) A provision of Rs. 3.5 million had been allocated for the “Diviyata Aruthak” Programme in the year under review, and the number of targeted beneficiaries was 60. The provision had been given for 40 projects as at the date of audit and even if the activities of each project should be completed within 08 weeks, only 02 projects had been completed. Further, although this project should be implemented covering all districts of the entire island, the project had not been implemented in 10 districts out of 25 districts as at the date of audit although an expenditure of Rs. 3.2 million had been incurred.	The provision was made for 64 projects under the programme for the year 2024, and its physical progress as at 31 December 2024 was 100 percent and the financial progress was 99.2 percent.	Actions should be taken to implement the project ensuring the receiving of the intended benefits to the targeted beneficiaries.
(b) The lists of signatures required to verify whether the goods and equipment were properly delivered to the beneficiaries in the correct value and quantity through the Diviyata Aruthak programme had not been presented. Although the objective of the project was to economically and socially empower women who had lost social sensitivity due to specific reasons, the assistance had also been provided to the female entrepreneurs; who were maintaining their economy to a certain level and earning a significant monthly income, during the selection of beneficiaries.	The written instructions have been given on the distribution of equipment and goods related to the programmes, and the expenditure summaries and the details of equipment distribution are currently being received in accordance with those instructions.	The evidence verifying that the project benefits have been properly delivered to the beneficiaries should be maintained, and the steps should be taken to select the beneficiaries as consistent with the objectives of the project.

4.3 Foreign Aid Projects

Audit Issue	Comments of the Chief Accounting Officer	Recommendation
Although a sum of Rs. 14.45 million had been provided by the Treasury for 08 sub-activities under 04 main activities during the year under review in relation to the SAARC project, no financial progress had been made in 03 activities by the end of the year under review, and the financial progress of further 03 activities remained as 1, 2 and 5 percent respectively.	The answers have not been given.	Actions should be taken to spend the funds of the projects being implemented under foreign loans/grants with maximum efficiency, effectiveness and as advantageous in economic perspective.

4.4 Procurements

Audit Issue	Comments of the Chief Accounting Officer	Recommendation
(a) The consumable details submitted by the bidder for the purchase of a Colour Laser Multifunction Photocopy Machine were about a machine of a model not in line with the specifications of the Technical Evaluation Committee, and its current market value was between Rs. 0.2 million and Rs. 0.3 million. However, the machine had been purchased on 12 November 2024 at a price of Rs. 0.8 million including VAT.	The machine decided to be purchased by the Ministry is clearly stated in the specification document as a Colour Laser Multifunction Photocopy Machine. Accordingly, the steps have been taken to purchase a Colour Photocopy Machine.	Purchasing should be done as per the recommendations of the Technical Evaluation Committee in the cost estimate.
(b) In examining the bid documents, Technical Evaluation Committee reports and procurement decisions related to the purchase of the Colour Laser Multifunction Photocopy Machine, it was revealed that the responsibilities and functions of the Procurement Committee and	The officers selected to the Procurement and Technical Evaluation Committee have been informed to proceed with more care about their roles and responsibilities in line with the procurement manual for future	The Accounting Officer should verify that the responsibilities and functions of the Technical Evaluation Committees and Procurement

the Technical Evaluation Committee had not been fulfilled in accordance with paragraphs 2.5 and 2.6 of the Procurement Manual.

procurements.

Committees are being properly executed according to the paragraphs 2.5 and 2.6 of the Guidelines and take steps to issue written instructions as appropriate.

4.5 Assets Management

Audit Issue	Comments of the Chief Accounting Officer	Recommendation
(a) Although a jeep damaged by the flood on 08 June 2015 had been repaired at a cost of Rs. 6.8 million, only Rs. 3.4 million had been compensated by the Sri Lanka Insurance Corporation. The balance amount of Rs. 3.4 million not received from the Insurance Corporation had been paid by the Ministry after a period of 07 years; that is on 30 December 2021, and the vehicle had been released on 13 January 2022. Since the timely actions were not taken to recover the loss from the responsible parties in relation to the accident, a ministerial committee had reported that the loss has been caused by the delay of officers. Accordingly, the actions had not been taken to recover the loss incurred by the government from the relevant parties until the end of the year under review.	An investigation board has been appointed again to investigate the damage of the Jeep and it has been recommended to write off the loss. Accordingly, the approval has been granted by the Secretary of the Ministry. Further activities are in process.	Actions should be taken in accordance with Financial Regulation 103 to recover the losses caused due to negligence.
(b) With regard to an accident involving a jeep in the year 2014, a full report had been submitted on 02 January 2024 which is 10 years after the incident contrary to Financial Regulation 104 (4), and the loss incurred had not	The answers have not been given.	The officers; who have failed to reimburse the loss within the prescribed timeframe, should be identified and

been assessed. Further, a report from a motor vehicle inspector of the Department of Motor Traffic had not been obtained regarding the accident, and this loss had not been able to be compensated due to the failure to take timely action to compensate for the damage, and the jeep had been parked unsafely even by 18 December 2024 leaving for being decayed.

the actions should be taken in accordance with Financial Regulation 103.

(c) Although an Early Childhood Development Center for Persons with disabilities had been constructed in the year 2023 on a land belonging to the Department of Social Services under a World Bank loan amounting to a value of Rs. 98.9 million, electricity and water facilities could not be obtained for this center as the relevant land was not acquired properly. Accordingly, this center had not been utilized from 14 June 2023 to 11 April 2025. Further, the building was at risk of being decayed as several walls and a portion of the ceiling had been discoloured due to water leakage from the roof, and the access road to the building premises was also in a very dilapidated condition.	An Early Childhood Development Center in the Southern Province was constructed in Bubbulawatta area of Akuressa with World Bank assistance in accordance with the Cabinet Decision No. CP/18/0755/711/015 dated 10 May 2018. Its activities will be started after recruiting the staff properly for the posts and after repairing the discoloured ceiling and the walls.	Actions should be taken to begin the construction after confirming the receiving of necessary permissions required for the construction of buildings.
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4.6 Losses and Damages

Audit Issue	Comments of the Chief Accounting Officer	Recommendation
The actions had not been taken in the year under review to recover the value of Rs. 5.6 million relating to 03 cases of losses and damages occurred more than 05 years ago.	The answers have not been given.	Actions should be taken to recover damages immediately.

4.7 Management Deficiencies

Audit Issue	Comments of the Chief Accounting Officer	Recommendation
(a) Although the National Women's Committee consisting of 15 committee members should meet once every two months or as often as necessary in accordance with the Article 17(2) of the Women's Charter of Sri Lanka, the committee meetings had not been held for a period of 2 ½ years and as the Steering Committee members had not been appointed in accordance with the Charter, the monitoring of the Steering Committee had not been done and sub-committee meetings had also not been held.	The relevant Executive Chairman should be appointed by the President, and the said appointment has not been made to date.	The steps should be taken to establish the National Women's Committee in accordance with the Article 17(2) of the Women's Charter of Sri Lanka.
(b) The steps had been taken to establish Saubhagya Production Villages in the year 2021 in order to improve the living standards of low-income people living in the selected villages by making the persons engaged in traditional industries, low-income people engaged in self-employments and making small entrepreneurs who do not have production income and are unable to find money, technology and markets as strong partners of the production. Accordingly, the Sri Lanka Women Bureau had incurred a total expenditure of Rs. 2563.89 million for the development of new production villages and existing production villages from the year 2021 to the year 2024. However, the data system on those villages had not been updated.	The observation is accepted. The Bureau is taking actions to prepare a suitable data system by obtaining data from production villages.	The steps should be taken to update the data system.

(c)	Eleven projects initiated in the year 2021 for 602 beneficiaries had completely been inactive by 09 April 2025.	The observation is accepted.	Actions should be taken to keep the projects in an active manner so that the beneficiaries receive the expected benefits from the project.
(d)	Forty-five new production villages had been implemented in the year 2024 and 16 out of those; that is about 33 percent of the new projects, had been given to Kalutara District, and 08 projects out of those had been given to a particular Divisional Secretariat (Mathugama).	The observations are accepted. An amount of Rs.11.15 million was spent on providing cinnamon saplings to 400 beneficiaries with the objective of implementing these 08 projects successfully. At present, these 08 projects are of successful implementation increasing the number of beneficiaries to 591.	The steps should be taken to plan and implement the project covering every area where there are people expecting to be benefited by the project.