Head 233 - Department of Government Analyst's - 2024

1. Financial Statements

1.1 Qualified Opinion

Head 233 - The audit of the financial statements of the Department of Government Analyst's 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 the Department of Government Analyst's was issued to the 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 Department was issued to the Accounting Officer on 14 August 2025 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, except for the effects of the matters described in paragraph 1.6 of this report, the financial statements prepared give a fair view in all the material aspects of the financial position of the Department of Government Analyst's as at 31 December 2024 and its financial performance and cash flow in accordance with the basis of preparation of the financial statements set out in Note 01 to the financial statements.

1.2 Basis for Qualified Opinion

My opinion is qualified based on the matters appear in paragraph 1.6 of this report. 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 of Preparation of Financial Statements

I draw attention to Note 1 of the financial statements, which describes the basis of preparation of these financial statements. The financial statements had been prepared for the requirement of the Department of Government Analyst's, the Treasury and the Parliament in accordance with the Financial Regulations 150 and 151 of the Government and State Accounts Guideline No. 06/2024 dated 16 December 2024 as amended on 21 February 2025. Therefore, these financial statements may not be suitable for other purposes. My report is intended only for the use of the Department of Government Analyst's, the Treasury and the Parliament of Sri Lanka. My opinion in this regard is not modified.

1.4 Responsibilities of the Chief Accounting Officer and the Accounting Officer on Financial Statements

The Accounting Officer is responsible to prepare financial statements that give a true and fair view in all material aspects and to determine such internal control as is necessary to enable the prepartation of financial statements that are free from material misstatement, whether due to fraud or error in accordance with Government Finance Regulations 150 and 151 and State Accounts Guideline No. 06/2024 dated 16 December 2024 as amended on 21 February 2025.

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.

1.5 Auditor's Responsibility on Audit of 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 exercised professional judgement 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 is made aware of important audit findings, key internal control deficiencies and other matters identified in my audit.

1.6 Comments on Financial Statements

1.6.1 Accounting Deficiencies

(a) Non-revenue Receipts

The following deficiencies were observed in accounting non-revenue receipts relating to the financial statements.

	Audit Observation	Comments of the Accounting officer	Recommendation
(i)	The cash flow statement included Rs. 249,556 as the cash received from the sale of physical assets in the year under review, the actual amount received from the sale of assets was Rs. 57,029. Accordingly, the cash flow statement had overstated the cash received from the sale of physical assets by Rs. 192,527.	It was informed that the actual income received from the sale of fixed assets of the department was Rs. 57,029 and the house rental income was Rs. 249,556, and these incomes had been mistakenly transferred and recorded in the final accounts.	Actions should be taken to include accurate values into the financial statements.
(ii)	The non-revenue receipts of the year under review were included in the cash flow statement as Rs.50,030,954, but according to the Trail balance of the department non-revenue receipts were Rs.50,223,481. Accordingly, the non-revenue receipts in the cash flow statement were understated by Rs. 192,527.	It was informed that the actual income received from the sale of fixed assets of the department was Rs. 57,029 and the house rental income was Rs. 249,556, and these incomes had been mistakenly transferred and recorded in the final accounts.	Actions should be taken to include accurate values into the financial statements.

(b) Recurrent Expenditure

The following deficiency was observed in accounting recurrent expenditure relating to the financial statements.

Audit Observation	Comments of the Accounting officer	Recommendation
The personnel salaries and wages and operating expenses for the year under review were included in the cash flow statement as Rs.560,878,233, but according to the Trail balance of the department, the personnel salaries and wages and operating expenses were Rs. 564,995,925. Accordingly, the salaries and wages and operating expenses in the cash flow statement were understated by Rs. 4,117,692.	It was informed that a value of Rs.4,117,692, which should have been included in personnel salaries and wages and operating expenses for the year under review, had been recorded in the final accounts under investment activities.	Actions should be taken to include accurate values into the financial statements.

(c) Capital Expenditure

The following deficiency was observed in accounting capital expenditure relating to the financial statements.

Audit Observation	Comments of the Accounting officer	Recommendation
The expenditure incurred for the acquisition of assets in the year under review was stated as Rs.106,965,279 under investing activities in the cash flow statement, but it was Rs.102,847,587 as per the trail balance of department. Accordingly, the amount spent for the purchase of fixed assets under investing activities in the cash flow statement was overstated by Rs. 4,117,692.	It was informed that a value of Rs.4,117,692, which should have been included in personnel salaries and wages and operating expenses for the year under review, had been recorded in the final accounts under investment activities.	Actions should be taken to include accurate values into the financial statements.

(d) Reconciliation Statements on Advances to Public Officers' Account

Audit Observation	Comments of the Accounting officer	Recommendation
The opening balance of the Public Officers' Advance Account as per the books of the Department was Rs.19,545,764, but as per the Treasury Printed Notes (SA 52) it was Rs.19,566,424. Accordingly,	This difference is a balance carried forward from before 1996, and the Director General of State Accounts has sent a request to investigate and correct the difference.	Actions should be taken to include accurate values into the financial statements.

	a difference of Rs. 20,660 was observed at the end of the year.	However, this was being referred to the Department of Treasury Computer Printing related to that period and has been informed that the books related to that period have not been found.	

(e) Property, Plant and Equipment

The following deficiencies were observed in accounting for Property, Plant and Equipment.

	Audit Observation	Comments of the Accounting officer	Recommendation
(i)	There was a difference of Rs.466,900,603 observed between the closing balances of four asset categories as stated in the audited financial statements of the Department's non-financial assets (ACA–6 Format) as at 31 December 2023 and the opening balances of those asset categories as at 01 January 2024.	The value of 04 vehicles acquired by the department during the year was Rs.21,700,000, the value of laboratory equipment and buildings received under the project was Rs. 42,836,328, and the value of machinery and equipment worth Rs.402,364,275 were accounted for through the Department of Treasury Operations during the year, it was stated that those values had been added to the opening balance of the year, and it was also stated that the way in which some of the transactions were received by the CIGAS system was beyond the control of the department.	Actions should be taken to include accurate values into the financial statements.
(ii)	The expenditure incurred for the acquisition of capital assets under ACA -2 (ii) during the year under review was Rs.529,019,190, while the expenditure incurred for the purchase of assets under ACA 6 was Rs.83,818,587 during the year. Accordingly, there was a difference of Rs. 445,200,603 observed in the expenditure incurred for the acquisition of assets during the year under review.	It was informed that assets worth Rs.466,900,603 of the assets acquired during the year 2024 have been adjusted to the opening balance by the computer system, and about Rs.83,818,587 of assets acquired by the department have been recorded in the ACA-6 format as additions during the year.	Actions should be taken to include accurate values into the financial statements.

(iii)	The cost of fixed assets disposed of during the year under review was not deducted from the value of the assets, and therefore the year-end balance of property, plant and equipment and the property, plant and equipment reserve in the statement of non-financial assets were not shown correctly.	Due to the lack of officers in the stores, the disposal of goods was carried out with some delay, and it was informed that the removal of the remaining non-financial assets from the asset registers would be carried out in May 2025.	Actions should be taken to include accurate values into the financial statements.

(f) Imprest Balance

The following deficiency was revealed in accouting for imprest balances.

Audit Observation	Comments of the Accounting officer	Recommendation
The amount of Rs. 190,730 incurred by the Department for expenditure code 253 (253-1-2-4-1502-12) had not been included in the expenses incurred by the reporting institution for other heads in the Imprest Reconcilation Statement (ACA-7).	It had been stated that the settled balance of Rs. 190,730 in the advance “B” account of a retired officer was not required to be shown in the imprest reconciliation statement as it was included in the value of Rs.15,500,691 charged against other expenditure objects in the cash flow statement.	Actions should be taken to include accurate values into the financial statements.

(g) Non-maintenance of Registers and Books

It was observed during audit test checks that the Department had not maintained the following registers while certain other registers had not been maintained in the proper and updated manner.

	Audit Observation	Comments of the Accounting officer	Recommendation
(i)	**Security Register**		
	A Security Register containing the details of all officers and employees required to give security had not been prepared in terms of Financial Regulation 891(1).	It was informed that since the Public Officer’s Bail Ordinance act has been proposed for amendment, the necessary instructions have been given to act in accordance with that Act in the future.	A Security Register containing the details of all officers and employees required to give security should be maintained in terms of Financial Regulation 891(1).

(ii) Records of Losses

A Record of losses had not been updated in terms of Financial Regulation 110.	It was informed that actions would be taken to update the Record of losses in accordance with Financial Regulation 110 as per the instructions given.	In terms provisions in Financial Regulation 110, a Record of losses should be maintained in the Form appended.

(iii) Vehicle Log Book

Vehicle Log Books had not been maintained in terms of Financial Regulation 1645 (a).	Instructions have been given to the officer in charge of the vehicle subject in this regard, But due to busy schedules, the log books have not been updated accordingly so far, and it was informed that all log books will be properly updated and submitted to the National Audit Office before 31 March 2025.	In terms of provisions in Financial Regulation 1645 (a), Vehicle Log Books in Form General 267 should be maintained in respect of each vehicle.

(iv) Minutes of Committee Meetings

Minutes of the committee meetings had not been kept in terms of Guidelines 2.11.3(a) of the Government Procurement Guidelines.	It was informed that in future, actions will be taken to submit the Technical Evaluation Committee report in the relevant format in accordance with 2.11.3 of the Procurement Manual and 2.11.3(a) of the Procurement Guidelines.	In terms of Guideline 2.11.3 (a) of the Government Procurement Guidelines, minutes should be kept as per the format given in Section 2.11.3 of the Procurement Manual.

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 on the financial statements of the preceding year had been implemented.

3. Financial Review

3.1 Management of Expenditure

	Audit Observation	Comments of the Accounting officer	Recommendation
(a)	During the year under review, there was a remaining of allocations Rs.223,724,435 allocated for 13 expenditure objects, and the percentage of such remaing in the expenditure objects ranged was from 10 percent to 57 percent.	It was reported that the remainigs related to the allocations occurred mainly due to the decrease in prices during procurement activities, competitive bidding, low foreign exchange rates, the existence of official vacancies and the inability to make a forecast of customs duties.	The need should be properly identified and plans should be prepared in accordance with that.
(b)	Due to the failure to prepare the estimates as accurately as possible by including in the estimates all the services that could reasonably be foreseen within the capacity of the Department to perform during the financial year in accordance with Financial Regulation 50, there was a difference between the total net provision of the Department and the estimated provision it was ranged from (44) percent to 140 percent as a percentage of the estimated provision.	The pelimenary estimate differed from the actual estimate due to non-disbursement of the entire requested amount, exchange rate fluctuations and decline in raw material prices, etc., and the transfer of provisions for the purchase of several essential laboratory equipment. It was informed that the pelimenary estimate provisions reflected differences between the total estimate provisions and the total net estimate provisions due to factors that could not be estimated at the time of preparation of the estimates and the increase in executive allowances and cost of living allowances during the year, which led to additional provisions being made for several expenditure objects.	Realistic estimates should be prepared.
(c)	The Accounting Officer is required to prepare budget estimates as accurately as possible and manage expenditure within the limits of the allocations provided in terms of Financial	The pelimenary estimate differs from the estimate due to the Treasury not providing the full amount of the requested allocations, exchange rate fluctuations beyond the control	Realistic estimates should be prepared.

	Regulation 50, in addition to the allocations provided for 16 expenditure objects in the year under review, allocations of Rs.115,036,000 allocated for other purposes under Financial Regulation 66 had been transferred, and Rs.108,835,000 had been obtained through supplementary estimates for 4 expenditure objects. The percentage of such transfers between expenditure objects had ranged from 5 percent to 140 percent.	of the department, decline in raw material prices, etc., and the transfer of provisions for the purchase of several essential laboratory equipment. Furthermore, I would like to point out that due to factors that could not be estimated at the time of preparation of the estimates and the increase in executive allowances and cost of living allowance during the year, it was necessary to make financial regulations 66 and supplementary provisions for several expenditure objects.	
(d)	Rs.10,500,000 had been transferred under Financial Regulation 66 for 5 expenditure objects in the year under review, and Rs. 2,634,639, that was 11 percent to 60 percent, remained unutilized from the provisions thus transferred.	This allocations was remained due to the fact that the relevant bills were not submitted within a sufficient period to obtain the imprest, the remaining of provisions obtained to meet urgent needs, and the inability to make a forecast of customs duties.	Estimates should be prepared in accordance with Financial regulations.
(e)	In the year under review, Rs.70,000,000 allocations obtained through the allocation of supplementary estimates for the acquisition of machinery and equipment 233-1-1-1-2103(17) out of this, Rs.15,292,908 was not utilized, that was 22 percent.	These provisions were obtained to pay the local fees related to laboratory furniture and office equipment, laboratory machinery and equipment received under the KOICA project to Department of Customs and the Department of Inland Revenue of Sri Lanka and it was informed that these provisions were left over due to the inability to predict the relevant fees to those departments.	Actions should be taken to prepare estimates properly.

3.2 Incurring of Liabilities and Commitments

	Audit Observation	Comments of the Accounting officer	Recommendation
(a)	The liabilities included in the financial statements for the year under review were stated as Rs.3,396,209 in the statement of liabilities (i), the value in the liabilities register of the department was Rs. 3,506,872. Accordingly, the liabilities in the statement of liabilities (i) were understated by Rs.110,663.	Even at the time liabilities register for the year 2024 was prepared and submitted for audit, the vouchers relating to these payments had not been received by the accounts branch, Accordingly, it was informed that the two vouchers received in March were not included in the liabilities register.	All liabilities should be included in the register.
(b)	It was stated that all the steps in the process of transactions related to liabilities and commitments should be included in the updated CIGAS accounting system covering the process of settlement of liabilities, liabilities and commitments as per paragraph 03 of the State Accounts Circular No. 255/2017, the liabilities of Rs. 3,396,209 in the Statement of Liabilities (i) included in the financial statements of the year under review had not been included in the Treasury Printouts (SA 92). Accordingly, there was a difference of Rs.3,396,209 between the Treasury Printouts and the Statement of Liabilities.	While entering liabilities in the CIGAS computer system, liabilities exceeding the annual allocation cannot be entered, and accordingly, liabilities were entered against the provisions in accordance with Financial Regulation 94(2) to continue the activities of the Department. Accordingly, it was informed that this difference was observed between the liabilities entered in the Treasury printouts and the liabilities actually in the Statement of Liabilities (i).	Actions should be taken in accordance with the State Accounts Circular in relation to liabilities.
(c)	Liabilities amounting to Rs.7,264,125, which were not included in the Statement of Liabilities and Commitments and Treasury Printouts (SA 92) for the year under review, had been settled in the year 2025.	The relevant liabilities should have been accounted for in the CIGAS system in order to be included in the Treasury printouts notes, it was informed that the remaining provisions for the year 2024 were not sufficient to account for such liabilities and therefore they had not been accounted for in the CIGAS system.	Actions should be taken to account for all liabilities related to the year.

3.3 Certification of Chief Accounting Officer/Accounting Officer

Chief Accounting Officer/Accounting Officer should certify the following matters in terms of provisions set out in Section 38 of the National Audit Act, No. 19 of 2018. However, it had not been so done.

	Audit Observation	Comments of the Accounting officer	Recommendation
(a)	The Chief Accounting Officer and the Accounting Officer should ensure that an effective internal control system for the financial control exists in the Department, 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. Such reviews should be carried out in writing, and a copy thereof should be presented to the Auditor General, but no statements had been furnished to the Audit that the reviews had been carried out.	The position of Internal Auditor in the Department is currently vacant, and it had been informed that internal audit activities will be covered by the internal audit plan of the line ministry.	Actions should be taken in accordance with provisions in Section 38 of the National Audit Act, No. 19 of 2018.
(b)	The Chief Accounting Officer and the Accounting Officer shall ensure that an effective mechanism exists to conduct an internal audit. However, the said requirements had not been fulfilled due to audit observations indicated in paragraphs 6.2 of the report.	The position of Internal Auditor in the Department is currently vacant, and it had been informed that internal audit activities will be covered by the internal audit plan of the line ministry.	Actions should be taken in terms of provisions in Section 38 of the National Audit Act, No. 19 of 2018.

3.4 Non-compliance with Laws, Rules and Regulations

Instances of non-compliance with the provisions in laws, rules and regulations observed during the course of audit test checks are analyzed below.

	Observation		Comments of the Accounting Officer	Recommendation
	Reference to laws, rules and regulations	**Non-compliance**		
(a)	**Establishments Code of the Democratic Socialist Republic of Sri Lanka**			
	Section 10.3 of Chapter XV	The application for leaving the country when granting paid foreign leave should be submitted at least 10 days before the officer leaves the country, But a Senior Assistant Analyst who had obtained paid leave to pursue a postgraduate degree for the period from 20 September 2024 to 16 September 2025 was unable to obtain approval for the relevant leave during the year under review.	It was informed that subject officer in the department was warned about the delay and actions are being taken to approve those leave as soon as possible.	Prior approval should be obtained when taking foreign leave.
(b)	**Financial Regulations of the Democratic Socialist Republic of Sri Lanka**			
	(i) F.R. 104(1) (a)	An investigation should be conducted immediately after a loss or damage occurs to	It had been informed that after retrieving and examining the files that have been	Action should be taken in accordance with the financial

	determine the extent and causes of the loss and to determine those responsible, but no preliminary investigation had been conducted regarding the accidents involving six motor vehicles belonging to the department.	handed over to the National Audit Office for audit purposes, Actions will be taken to present the reasons for the delay in conducting the preliminary investigations related to each accident separately.	regulations regarding vehicle accidents.
(ii) F.R. 104(2)	A copy of the report should be sent to the Treasury (Department of Public Finance) if the value of the loss exceeds Rs. 50,000, the accidents involving 07 vehicles owned by the department had not been dealt with in accordance with financial regulations, and there was no information in the relevant file regarding the value of the damage or the amount paid by the insurance company.	It was informed that the insurance claims for vehicle accidents that occurred in the year 2024 have been fully settled by the relevant insurance companies, and accordingly, the relevant files have been updated and noted for submission to the Department of Public Finance in accordance with Financial Regulation 104(2).	Action should be taken in accordance with referenced the financial regulations.
(iii) F.R. 115	An approval was required for payments relating to previous years in terms of Financial Regulation 115, the fees charged by the Department for providing specialist services were credited to the government revenue immediately upon receipt in each year, but out of that, the money relating to previous years was also paid without approval in the	The relevant revenue is credited to the government revenue at the time of collection, and the fees paid to each officer are processed by the relevant laboratories. Accordingly, since the Treasury has not provided the entire provision amount requested, the relevant payments are being made by	Action should be taken in accordance with referenced the financial regulations.

	year under review when paying the allowances to the officers.	giving priority to old payments based on the revenue provisions that have been accrued for a long time, and in fact, the officers are paid from the collected revenue, and approval has not been obtained for these payments under Section 115 of the Act.	
(c) Circulars of the Presidential Secretariat			
Circular No. CA/1/1/16/1 dated 09 July 2010 and No. PPA/6/1/1 dated 31 December 1993	Five officers of the department had not submitted reports on foreign travel as per the circular.	It was informed that the officers were informed in writing and actions will be taken to submit those reports to the National Audit Office before 31 March 2025.	Action should be taken to submit the relevant reports in accordance with the referenced circular.
(d) Public Administration Circulars			
(i) Paragraph 3.1 of Circular No. 30/2016 dated 29 December 2016	A fuel inspection should be conducted after a period of 12 months after each fuel inspection or after a major engine repair, whichever comes first, but this had not been done in relation to 22 vehicles of the Department.	It was informed that the necessary arrangements have been currently made to conduct fuel inspections on vehicles owned by the department.	Action should be taken in accordance with referenced the financial regulations.
(ii) Paragraph 2.9 of Circular No. 14/2022 (IV) dated 07	The relevant application for granting unpaid domestic/foreign leave to public officials should	These two officers were awaiting visas, but since the visa was uncertain, leave	Action should be taken in accordance with the referenced

	June 2024.	be submitted to the committee at least three months before the commencement of the leave, But two officers of the department had applied for leave two weeks before the commencement of the leave.	applications were not submitted until the visas were approved, and leave applications were submitted after the visas were received. Accordingly, it was informed that actions were taken to approve the leave expeditiously, considering the future advancement of the two officers.	circular.
(e)	**Public Finance Circulars**			
	Letter No. PF/R/04/08/01(13) dated 02 August 2016.	The Department is required to review and revise the fees charged from specialist officers for services rendered outside their working hours every 3 years, the Department had collected the same amount of fees approved in 2016 in the year under review.	A request for a review of the fees was submitted to the Treasury through the Line Ministry on 06 December 2024, but it was informed that approval has not yet been received.	Action should be taken in accordance with the referenced circular.
(f)	**Asset Management Circulars**			
	Paragraph 7 of Circular No. 01/2017 dated 28 June 2017	Information regarding the assets purchased and disposed of by each institution should be submitted to the Office of the Comptroller General at the end of the relevant quarter, but the Department had not submitted information regarding the goods disposed of during the year under review to the	The disposal of goods was carried out with a delay due to the lack of officers in the stores, the value of the disposal assets was not recorded in the accounts in year 2024, and therefore the information submitted to the Comptroller	Action should be taken in accordance with the referenced circular.

	Office of the Comptroller General.	General's Office was the actual information in the accounts.

3.5 Deposit Balances

Audit Observation	Comments of the Accounting Officer	Recommendation
Rs.58,366,386 deposited as Provision Deposit (No. 11-604) in the year under review had not been recorded in the Deposit Ledger.	It was informed that the approval of the Director General of Treasury Operations had received in February 2025 to transfer the amount of Rs.58,366,385 to the Provision Deposit Account (11 – 604) for the year 2024, and accordingly, that amount was recorded in the Deposit Ledger as an opening balance for the year 2025.	Actions should be taken to enter the correct values in to the books.

4. Operating Review

4.1 Planning

	Audit Observation	Comments of the Accounting Officer	Recommendation
(a)	The action plan prepared for the year 2024 had been revised during the year, But the approval of the Chief Accounting Officer had not been obtained for it.	The revised action plan was submitted to the Ministry for approval, but it was informed that approval has not yet been received.	Actions should be taken to obtain approval for the revised plan.
(b)	In accordance with Guideline No. 12(a) of Paragraph 03 of Public Finance Circular No. 02/2020 dated 28 August 2020, the Annual Action Plan was not included details of the organization structure of the institution, approved carder and actual carder in service, updated for the relevant year.	It was informed that the annual action plan, along with information on the organization structure of the institution, approved carder and actual carder currently in service, has been included and prepared in the action plan for the year 2025.	Action should be taken as per the referenced circular.

(c)	The Department had estimated Rs.20 million as specialist allowances received for the year under review, but the actual receipt was Rs. 34 million. Accordingly, the actual receipts had increased by 170 percent due to the failure to prepare the estimate properly.	It was informed that requests for analysis received to the Department from private parties are determined based on the needs of those parties and therefore cannot be predicted with certainty.	Actions should be taken to prepare estimates properly.

4.2 Non-achievement of expected Output Level

The following observations are made.

	Audit Observation	Comments of the Accounting Officer	Recommendation
(a)	At the beginning of the year under review, the Forensic Science Section and the Food Science Section of the Department had 16,237 and 1,585 case materials respectively for examination and issuance of analysis reports, and during the year, 44,172 and 20,352 case materials respectively were received. 33,446 case materials were analysed by the Forensic Science Section and 18,680 case materials were analysed by the Food Science Section and the reports were submitted. Accordingly, by the end of the year, the Forensic Science Section and the Food Science Section had 26,963 and 3,257 case materials, that is 45 percent and 15 percent, respectively, remaining to be analysed and reports to be submitted.	It was informed that while nearly 64 percent of the total number of case materials submitted had been analyzed during the year, nearly 1/3 of the approved staff positions in the Department were vacant, and accordingly, it was practically difficult to increase performance when such a number of positions were vacant, and that higher performance could be achieved if the staff vacancies were filled.	Actions should be taken to increase this output level by resolving staff issues.
(b)	Out of the 30,220 case materials to be analyzed and reported, 4,028 case materials, that is 13 percent, were related to the period 2017-2023.	It was informed that due to the insufficient number of case materials submitted and the need to develop new analytical methods for analysis, the heads	Actions should be taken to resolve the old case materials quickly.

		of laboratories have been instructed to analyze the remaining case materials as soon as possible and submit the relevant reports.	
(c)	Rs. 2,000,000 was allocated for the purchase of vehicles according to the revised action plan, only Rs. 1,052,139 was spent during the year, accordingly, 47 percent of the estimated amount were remained.	It was infromed that Rs.1,843,578 has been spent on the purchase of furniture and office equipment for the year 2024, and accordingly, the percentage of remaining was 7 percent.	Actions should be taken to prepare estimates properly.
(d)	Rs. 100,000,000 was estimated for buildings and construction, out of this, Rs. 42,836,328 was spent during the year, accordingly 57 percent was remained.	This provision was requested for the modernization of the Toxic Laboratory and the Narcotic Drugs Laboratory in relation to the KOICA project, it was stated that since no rough estimate had been submitted to the department regarding the construction at the time of preparing the annual estimates, the provision was requested based on the estimated cost.	Actions should be taken to prepare estimates properly.

4.3 Assets Management

The following observation is made.

Audit Observation	Comments of the Accounting Officer	Recommendation
A revaluation of lands and buildings, office equipment and furniture, and plant and machinery should be carried out every 05 years in accordance with paragraphs 2.3, 3.3.1 and 4.3 of the Asset Management Circular No. 04/2018 dated 31 December 2018, but the Department had not taken actions to do so.	A request for revaluation of lands and buildings was submitted to the Department of Valuation in the year 2024, the Department of State Accounts has informed that requests for the second round should not be submitted until the first round of valuations is completed. Furthermore, two committees were appointed in the year 2024 for the revaluation of machinery and equipment and furniture and office equipment, but it was informed that the	Action should be taken to revalue the assets in accordance with the referenced circular.

	valuation has not been completed yet.	

4.4 Security of Public Officers

The following observation is made.

Audit Observation	Comments of the Accounting Officer	Recommendation
It was stated that the Accounting Officer should ensure that the specified officers deposit the security deposit as per the amended Financial Regulation 880, Section 9 of Part II of the Public Finance Circular No. 01/2020 dated 28 August 2020, regarding the deposit of security by public officials, since the responsibility for the custody and security of public funds etc. lies with the Accounting Officer, the officers holding the posts such as Accountant, Cashier and Storekeeper who are required to deposit the security deposit in Financial Regulation 315 had not deposited the relevant security deposit.	It was informed that since the Public Officials Bail Ordinance Act has been proposed for amendment, the necessary instructions have been given to act in accordance with that Act in the future.	Action should be taken in accordance with the referenced circular.

4.5 Losses and Damage

The following observation is made

Audit Observation	Comments of the Accounting Officer	Recommendation
The fire loss of Rs. 2,229,111 which occurred on 14 February 2003 was stated in the statement of losses and waivers, But no actions had been taken to write it off from the books even in the year under review.	No comments were given.	The relevant values should be included in the financial statements.

4.6 Management Weaknesses

The following observations are made.

	Audit Observation	Comments of the Accounting Officer	Recommendation
(a)	Applications had been submitted to carry out accident-related repairs to 7 motor vehicles owned by the department under insurance coverage, but no information had been included in the vehicle accident files as to whether these repairs had been carried out properly, whether the insurance company had paid the full amount, or whether any amount should be recovered from the officers responsible for the accident.	It was informed that actions have been taken to obtain reports from the relevant committees in this regard, and that further action will be taken based on the reports received.	Relevant information should be included into the file.
(b)	The disaster loan balance of Rs.85,861 due from an officer who transferred in the year 2022, the disaster loan balance of Rs.18,754 due from an officer who has been suspended for more than 10 years, the special advance loan balance of Rs.2,400 due from an officer for more than 03 years, and the disaster loan balance of Rs.222,950 and the festive advance amount of Rs. 7,500 due from an officer who has left the service since 06 July 2023 recovery actions were not taken until the end of the year under review.	It was informed that the outstanding debt of the transferred officer was reduced in installments from his salary until April 2025, and since the distress loan limit was increased to Rs.400,000 in May 2025, arrangements have been made to recover the entire outstanding debt through the journal in May 2025, and those officers have been informed to settle the outstanding debts of other officers who have been suspended and who have left the service.	Action should be taken to recover outstanding debt balances promptly.
(c)	The IBM Storwize V3700 device, which the Department received as a KOICA grant in 2016, had stored data related to the investigation reports issued by the Digital Forensic Laboratory from 2017 to 2023. This device had become inoperable in August of the year under review, and due to	This equipment became inoperative in 2024, and the agency informed that the repair could not be carried out. Bids were invited for this through competitive bidding, and only one institution submitted a price quote to purchase the necessary equipment to consider whether	Actions should be taken to repair the device and to obtain data as soon as possible.

this, a situation has arisen where it is impossible to retrieve the data stored in this Storage Server device, and no actions had been taken to repair that device during the year.	the machine could be put into operation, and it was informed that institution had already commenced the preliminary work on the relevant repair.	

5. Achievement of Sustainable Development Goals

The following observation is made.

Audit Observation	**Comments of the Accounting Officer**	**Recommendation**
The Department had identified a Sustainable Development Goal and targets for it, and indicators had been prepared to achieve those targets. While the Department had identified the goal of "building peace, justice and strong institutions" as a key task related to the promotion of a peaceful and inclusive society as a goal that directly contributes to the achievement of the Sustainable Development Goals, the process of issuing reports through the case materials and sample tests received for analysis by the institution should be implemented in a targeted manner, it was observed that out of the 30,220 case materials to be submitted in the reporting year, 4,028 case materials, that was 13 percent, were related to the period 2017-2023.	It was stated that all the development targets had been set to be achievable by the staff currently in service, and accordingly the expected targets had been achieved. However, it was stated that the development targets could not be set at a high level due to the large number of vacant staff positions, the lack of sufficient case materials and the need to develop new analytical methods for analysis.	Action should be taken to achieve Sustainable Development Goals.

6. Good Governance

6.1 Rendering of Services to the Public

The following observation is made.

Audit Observation	Comments of the Accounting Officer	Recommendation
A website had been created to provide information about the Department to external parties but it had not been updated during the year under review.	The department has now completed the procurement process for the creation of a website, and it was announced that the website could be put back into operation from the beginning of June 2025.	Actions should be taken to update the websites.

6.2 Internal Audit

The following observation is made.

Audit Observation	Comments of the Accounting Officer	Recommendation
The Department had not established an Internal Audit Unit in accordance with Section 40(i) of the National Audit Act, No. 19 of 2018.	Though an internal audit position has been approved within the staff an officer has not been assigned to this department for the relevant position for many years, and the Ministry of Public Administration has been informed to fill the relevant vacancies.	Actions should be taken in accordance with Audit Act.

7. Human Resource Management

The following observation is made.

Audit Observation	Comments of the Accounting Officer	Recommendation
Due to the vacancies of 33 senior level officers and 6 tertiary level officers, which are required for making decisions that help in the efficient conduct of the activities of the department, have hindered main objective of the department of providing scientific reports issued after the analysis of case	The Ministry of Public Administration, Provincial Councils and Local Government, the Public Service Commission and the Public Service Recruitment Review Committee have been informed in writing to recruit for the 33 senior level vacancies,	Actions should be taken to recruit staff relevant to the positions in order to effectively carry out the objectives and main functions of the institution.

materials within a period of three months.	Accountant and Typist vacancies, and to recruit for the post of Laboratory Technology Service Officer after conducting examinations on 17 May 2025 and receiving the results, and no Laboratory Technology Service Officer currently in service has fulfilled the qualifications to fill the 05 approved posts in the Special Grade of Laboratory Technology Service Officer, and to recruit for the primary level vacancies, it had been informed to the Public Service Recruitment Review Committee.