

Head 226 - Department of Immigration and Emigration - 2024

1. Financial Statements

1.1 Qualified Opinion

Head 226 - The audit of the financial statements of the Department of Immigration and Emigration 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 Immigration and Emigration was issued to the Accounting Officer on 20 June 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 30 September 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 Immigration and Emigration 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 1 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 Immigration and Emigration, the Treasury and the Parliament in accordance with 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 Immigration and Emigration, 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 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 preparation 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 judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of its internal control.

- Evaluate that the underlying transactions and events are appropriately and fairly included in the financial statements for the structure and content of the financial statements that include disclosures.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The Accounting Officer 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) Receipts of Revenue

The following deficiency was observed in accounting of receipts of revenue related to the Department .

Audit Observation	Comments of the Accounting Officer	Recommendation
In comparing the revenue according to the cash book and the computer system in relation to the Port, Citizenship, Visa and Passport Divisions of the Department of Immigration and Emigration for the year 2024 the difference in the revenue was Rs.116,501,586 and the difference in total revenue could not be calculated in audit since the income of the Foreign Missions Division for the months of April, May, October, November and December had not been recorded according to the computer system. The Department had been renewing old contracts and making payments for computer systems that could not obtain up-to-date and accurate information so for a period of 22 years.	It had been stated that the failure of crediting the revenue sent to the Department by cheques by Airport & Aviation Sri Lanka (Pvt) Ltd for passenger clearance purposes when using the Silk Road and Golden Road at the airport was not credited to the cash book and entering into the computer system and recording the money charged in US dollars in rupees in the cash book, occurring computer system errors in some cases, since receiving the reports related to charges from electronic payment gateways and cards and the amount charged (Rupees) in the Department account on the first working	The accurate value should be taken into account in the financial statements by reconciling income with the cash book entry income and computer system.

day following the date of charge, the income was recorded in the cash book on a day after the date the money was collected were the reasons for differences in comparison between the cash book and the computer system.

(b) Deposits

The following deficiencies were observed in the payment of deposits and accounting for balances relating to the financial statements.

Audit Observation	Comments of the Accounting Officer	Recommendation
(i) Although the deposit value of Rs. 3,775,195 as at 31 May 2024 relating to the retention for contract deposit number 6000-0-0-16-0-59 in the general deposit ledger was mentioned as payment in the general deposit ledger at the end of the year, that payment had not been made as per the Treasury printout and the balance reconciliation statement at the end of the reviewed year.	It had been stated that it is not agreed with the observation and although the amount of Rs. 3,775,195, which is the retention amount for contract No. 6000-0-0-16-0-59, was entered into the ITMIS system on 06/12/2024, the payment of this deposit had not been made by 31/12/2024 due to non-receipt of funds to pay it by 31/12/2024 and further, the payment was not certified in the said voucher, the short signature of the senior officer was not recorded in the general deposit ledger, and the summary of accounts for December 2024 also indicated that the said deposit had not been paid and this value was recorded as an opening balance in the general deposit ledger.	The general deposit ledger should be updated and maintained accurately.

- (ii) Although the debit value of the deposit number 6000-0-0-16-0-59 held for retention for contract at the end of the year in the general deposit ledger was Rs. 4,719,309 during the respective year, a sum of Rs. 1,995,015, had been shown as debit value of the year in the financial statements (ACA-4) and there was a difference of Rs. 2,724,294 .
- It had been stated that the total value of debits during the year relating to the retention for contract deposit number 6000-0-0-16-0-59 in the general deposit ledger was Rs. 1,995,015, and those payments had been accurately recorded in the monthly account summaries, and that the shortcomings in the recording in the general deposit ledger had been corrected.
- Financial statements should be prepared, checked and submitted accurately.

(c) 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) The opening balance of buildings and constructions in the year under review had been overstated by Rs. 2 million as compared to the opening balance as per the Treasury printout (SA-82) relating to non-financial assets.	It had been stated that the Department of State Accounts has been informed in respect of the amount of Rs. 2,000,000 accounted for under non-residential building (non residential building – 9151) by the first supplementary account summary submitted to the account summary on 31.12.2023 was not disclosed as per the Treasury Final Account Report (SA-82) related to non-current assets as at 31.12.2023, further, the above assets have been accounted for by the non-Current Assets Record (SA-81) in December 2023.	Financial statements should be prepared by recording accurate values.

- (ii) Although an expenditure of Rs. 2,268,697 had been incurred by other Ministries/Departments under expenditure object number 226-1-1-0-2104 buildings and construction according to the Treasury Note (SA-10), that value had not been included in the non-financial assets report (SA-82) at the end of the year under review. It had been stated that this was done with the saving provisions under - 226-01-01-2104 urgent and essential renovation works at the Katunayake lounge of the officers of the Department of Immigration and Emigration, since this was not an asset acquisition and was only a renovation, it was not accounted for as fixed assets. Accurate values should be accounted for.

2. Report on Other Legal Requirements

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

- (a) The financial statements are consistent with those of the preceding year.
- (b) The recommendations made by me regarding 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) Out of the Rs. 611,200,000 allocated for 07 recurrent expenditure objects in the year under review, a sum of Rs.307,037,600 had been transferred to other expenditure objects under F.R. 66 and it had taken a range between 21 per cent and 77 per cent. Accordingly, the preparation of the expenditure estimates had not been carried out with proper study.	When transferring provisions for unpredicted needs of the previous year to expenditure objects in the year under review, reduction in stationery prices and economical use of stationery, economical use of fuel, no need to spend fuel on generators in regional offices due to no power cuts in 2024, reduction in postal expenses due to control of catering expenses and telephone usage, and restriction on the issuance of foreign passports have been stated as reasons for savings.	Preparation of expenditure estimates should be done through a proper study.

- (b) Out of the amount of Rs. 533,297,600 allocated for 05 recurrent expenditure objects, a sum Rs. 217,504,611 had been saved, and that balance had ranged from 20 per cent to 52 per cent.
- It has been stated that the reduction in minor maintenance expenses, the existence of vacancies in posts with transport allowances, the decrease in prices compared to the prices prevailing when a new agreement was reached for the provision of security services, the reduction in service contract renewals, the saving of estimated provisions since all vehicles were insured, the delay in submitting the documents and approvals required for the payment of the arrears of contracts despite the provision of additional provisions by the Department of National Budget to pay the amount payable to SITA, not obtaining property loans by officers as expected, and the reduction in interest expenses on property loans due to the fact that only a small number of officers who transferred annually had obtained property loans, etc. were the reasons.
- Preparation of expenditure estimates should be done through a proper study.
- (c) Although a supplementary estimate provision of Rs. 160,380,000 and a sum of Rs. 113,117,600 from F.R. 66 transfer had been made for expenditure object No. 226-1-1-0-1409, a sum of Rs. 189,306,512 had been saved at the end of the year. Accordingly, the saving amount was 41 per cent of the net provision.
- The reasons such as not incurring expected expenses due to reduced service contract renewals in the year 2024, Insuring all vehicles at the lowest prices by calling for quotes during the year, although additional allocations of Rs. 160,380,000 were provided by the Department of National Budget to pay the outstanding amount of American Dollars 525,620 payable to SITA, there was a delay in submitting the
- Despite there are provisions saving in expenditure objects without incurring expenses, the funds should not kept ceased transferring further provisions under F.R. 66 .

documents and approvals required for the payment of the contracted outstanding amount by 31.12.2024, had been stated as reasons for the saving of Rs. 189,306,512 in expenditure object No. 226-1-0-1409 at the end of the year.

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| <p>(d) Out of the total allocation of Rs. 600,000,000 allocated for two capital expenditure items of Rs.300,000,000 each, a sum of Rs.157,940,084 and Rs.148,389,838 had been saved, respectively, and the balance was 53 and 49 per cent, respectively.</p> | <p>Inability to proceed with project activities due to non-implementation of the relevant procurement process for certain projects, and inability to complete work in 2024 since some projects were not submitted for procurement due to the inability to prepare basic specifications, inability to proceed with project activities due to non-implementation of the relevant procurement process for certain projects, inability to complete procurement activities of certain projects in 2024 and failure to submit for procurement due to inability to prepare basic specifications had been shown as the reasons that affected savings in capital expenditure items.</p> | <p>Preparation of expenditure estimates should be done with a proper study.</p> |
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3.2 Incurring of Liabilities and Commitments

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) The total value of liabilities recorded in the statement of liabilities in the financial statements of the year under review but not recorded in the Treasury printout (SA-92) was Rs. 1,054,503 .	It had been stated that it was agreed with audit and that instructions had been given to the relevant officers to present the liability records accurately when preparing financial statements in the future.	Liability reporting should be presented accurately when preparing financial statements.

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| <p>(b) The liabilities of Rs. 4,598,740 which were not included in the statement of commitments and liabilities, the Register of Liabilities of the Department and the Treasury printout (SA-92) for the year under review had been settled by the vouchers in the year 2025.</p> | <p>It had been stated that it was agreed with audit and that instructions had been given to the relevant officers to present the liability records accurately when preparing financial statements in the future.</p> | <p>Liability reporting should be presented accurately when preparing financial statements.</p> |
| <p>(c) Although it was included in the statement of liabilities and commitments and in the register of liabilities of the Department for the year under review, total value of liabilities of Rs. 675,671 under expenditure object No. 226-1-1-0-1402 but not included in the Treasury Note (SA-92), had been settled through vouchers of the year 2025.</p> | <p>It had been stated that it was agreed with audit and that instructions had been given to the relevant officers to present the liability records accurately when preparing financial statements in the future.</p> | <p>Liability reporting should be presented accurately when preparing financial statements.</p> |

3.3 Certification of Chief Accounting Officer/Accounting Officer

Chief Accounting Officer/Accounting Officer should certify the following matter 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
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.	It had been stated that the Department had not prepared and maintained an effective internal control system for financial control, reviewing the system and inform the audit of its progress, and the Department had regularly conducted financial reviews through Progress Review Meetings, and a copy of the Progress Review Meetings would be submitted to the audit in the future.	Action should be taken in accordance with 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 Management	Recommendation
	Reference to Laws, Rules, Regulations		
(a)	Financial Regulations of the Democratic Socialist Republic of Sri Lanka		
(i) F.R.447 (1)	Information had not been entered in the commitments in accounts column for previous years in the General 138 expenditure ledger and the liabilities entered into had not been stated so that the accurate amount of money remained could be known.	It had been stated that the accurately identified transactions have been included in the commitments column for the current year, and the provisions have been ceased in the expenditure ledger for all other recorded liabilities and the officers in charge of the subject were also informed to record the commitments related to the previous year in the General 138 Expenditure Ledger.	Actions should be taken to record commitments as per the indicated Financial Regulations.
(ii) F.R.750 (1)	The State Emblem had not been painted on the pool and assigned vehicles owned by the Department.	It had further been stated that since all vehicles owned by the department are occasionally used for the arrest and investigation of foreigners violating immigration and emigration laws, printing the State Emblem on these vehicles would	Actions should be taken to paint the State Emblem on vehicles as per the indicated Financial Regulations.

make their use for such investigation problematic, and that continuously using one vehicle for investigation could be advantageous to the spies, and currently, the nameplates of the Department are placed on the inside of the windshield of all vehicles in a way that is visible from the front.

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| <p>(b)</p> | <p>Paragraph 3.1 of Public Administration Circular No. 2016/30 dated 22 December 2016</p> | <p>Except for the 02 vehicles owned by the Department, fuel test had not been conducted on the remaining vehicles after 2013.</p> | <p>It had been stated that fuel combustion tests have been conducted on 6 vehicles owned by the Department so far, and that steps will be taken to send pool vehicles for fuel tests in the future in a manner that does not interfere with official duties.</p> | <p>Actions should be taken to conduct the fuel combustion test as per the indicated circular.</p> |
| <p>(c)</p> | <p>Section 3.5.1 (b) of the Procurement Guidelines of the Democratic Socialist Republic of Sri Lanka</p> | <p>Although the direct contract method should only be used under special circumstances, the direct contract method had been followed instead of choosing a competitive procurement method for the procurement of the Human Resource Management Module.</p> | <p>It had further been stated that the major institution responsible for the software of the Department is Informatics, and a human resource management system introduced in 2003 is already in operation under them, and the module is not sufficient to perform the functions required by the Department, and therefore, a new human resource management module has been required and accordingly, since</p> | <p>Actions should be taken as per indicated Procurement Guidelines.</p> |

the new module needs to be prepared including the functions of the old module, and especially since this module integrates with the system that manages users for visas, passports, citizenship, Border control, biometric data systems, and blacklist systems, considering personal data security and computer system security and , since the procurement limit of the Department for direct purchases is Rs. 200 million, Informatics was selected for the procurement of the said module for Rs. 29,850,000.

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| <p>(d) Ministry of Internal Affairs, North Western Development and Cultural Affairs Internal Affairs Circular No. 01/2016 dated 15 August 2016</p> | <p>Although necessary steps should have been taken, it had not been so done by confirming from the heads of the relevant institutions that the holders of official passports are remaining in their positions as at 01 January of each year.</p> | <p>It had been informed to the audit on several occasions that verifying whether the relevant officers are still in their posts on the 1st of every January raises practical problems and discussions are being carried out regarding the provision of information updating facilities to each government institution through an online portal of this Department and the necessary steps to review Internal Affairs Circular No. 01/2016 .</p> | <p>Actions should be taken as per indicated Procurement Guidelines.</p> |
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(e) Paragraph 1.3.1 of the Ministry of Finance and Mass Media Circular No. 04/2018 dated 31 December 2018	Although it is mandatory to obtain an appraisal for every vehicle once every 5 years, actions had not been taken in accordance with that circular regarding the vehicles owned by this Department.	It had been informed that a letter was handed over requesting that an officer from the Department of Motor Transport be appointed to assess the vehicles and accordingly, an officer was appointed to inspect all vehicles in the possession of the Department in one day.	Actions should be taken as per indicated Procurement Guidelines.
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4. Operating Review

4.1 Non- performance of Functions

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) It was also planned to purchase 7 UPS equipment for the Colombo Port Computer Networking Vavuniya Regional Office and computer network setup for the regional offices under the expenditure item number 226-1-1-0-2103 acquisition of machinery and equipment in the year under review according to the progress report related to the Action Plan for the year 2024. The total cost for this was estimated at Rs. 46.1 million and, its financial progress was 0 per cent and its physical progress was 5 per cent by the end of the year.	• Colombo Port Computer Network Setup Although procurement activities had been commenced under the National Competitive Bidding System in 2024, it had been stated that the project could be completed in 2025 due to delays in procurement activities because of the changes in the Technical Evaluation Committee on two occasions and the limited time remaining for the project, which could reduce competitiveness. • Computer network setup for Vavuniya Regional Office It had been stated that the works had been completed due to urgent need, and the Ministry of Public	Tasks should be achieved as planned.

Security and Parliamentary Affairs had taken steps to appoint a committee to make the relevant payments, and further actions will be taken in accordance with the decision of the relevant committee and the instructions received from the Ministry.

• **Purchase of 07 UPS for Regional Offices**

Although the procurement activities have been commenced in the year 2024 under the National Competitive Bidding System, it had been stated that bids were invited under the shopping method due to insufficient time and that the Departmental Procurement Committee decided to conduct the procurement under the national competitive bidding system in the year 2025 due to the lack of substantive response to the bids submitted.

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| <p>(b) The total value had been estimated at Rs. 54.2 million for the establishment of Vehicle Maintenance, E-Inventory, Human Resources II, Data Migration Modules under expenditure object No. 226-1-1-0-2106 in the year under review, software development. Its financial progress as well as physical progress was 0 per cent by the end of 2024 and the relevant works had not been completed as planned.</p> | <p>It had been stated that although it was planned at the beginning of the year to implement vehicle maintenance and e-inventory modules under software development as the reasons for the financial progress as well as the physical progress being 0 per cent, no need to develop such software later due to changes in the needs of the Department and, since departmental requirements regarding the Human Resources Module II were subject to constant changes, the work was delayed and that several attempts to install the Data -Migration Module and Migration Data failed due to</p> | <p>Tasks should be completed as planned.</p> |
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technical incompatibilities. Further, It had been stated that the Human Resources Module II has been installed in the Administration Division and is at the user testing stage as at 28.05.2025, and the Application Server Architecture and Database Server Architecture acquired by the Department in relation to the Data Migration Module have been completed and since there were technical incompatibilities in carrying out Data Migration, procurement activities have commenced this year to purchase a suitable server for that purpose.

- (c) The cost of the change request, user interface update and change of border control had been estimated in the year under review under expenditure object No. 226-1-1-0-2106 software development, at Rs. 84 million, Rs. 9.5 million and Rs. 84.5 million respectively. Its financial progress was 0 per cent by the end of the year and the physical progress had ranged between 0 per cent and 10 per cent. Accordingly, the relevant work had not been completed as planned.
- The change request is processed based on the periodic needs arising in the Department, and it was not possible to complete the payments during the year due to the relatively low number of Change Requests submitted in 2024 and the delay in the necessary approvals related to the requests submitted due to the crisis situations faced by the Department in the previous year, the Department is currently using the version obtained in 2003 for User Interface Updating and since it was observed that the existing Database Server did not have enough space to update, it was decided to perform the relevant update after acquiring a new Database Server and the recommendation of the Singapore team that came to observe the Change of Border Control software was that the entire system should be reviewed and Business Process Re-engineered, and deciding to carry
- Tasks should be completed as planned.

out this work after that had been stated as the reasons for tasks to be completed as planned.

4.2 Non-achievement of expected Output Level

The following observation is made.

Audit Observation	Comments of the Accounting Officer	Recommendation
A number of 133,315 passport applications were received under the general service during the year under review as per the report obtained from the Information Technology Division of the Department, and out of that only 75,832 passports, equivalent 57 per cent, had been issued during the year. Out of the passport applications received under the general service in the year under review, a number of 57,483 applications could not be issued as at 31 December 2024 .	It was stated that since the Department did not have a sufficient stock of blank passports in the year 2024, applications submitted under the general service were issued on a priority basis, based on the need.	Actions should be taken to issue passports promptly for passport applications received.

4.3 Procurements

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Although the Technical Evaluation Committees for Departmental Procurement Committees should be appointed by the Head of Department in terms of 2.8.4 of the Procurement Guidelines 2006, the relevant Technical	It had been stated that it was recorded to act in accordance with the Procurement Guidelines in future procurements.	Procurement Guidelines should be followed when making purchases.

Evaluation Committee had not been appointed for the purchase of 04 EPOSN PM 520 type sticker printers, and the Technical Evaluation Committee appointed for the procurement to revamp the Visa Module had not appointed a person from the Line Ministry or the procurement entity with knowledge of external procurement in accordance with 2.8.4(d) of the Procurement Guidelines 2006 .

- (b) Although a declaration in the prescribed format has been required to be signed, all members of the Technical Evaluation Committees should declare that they respect the commercial confidentiality of the proceedings of the first meeting of those committees and pledging his impartiality and honesty and that he has no personal connection in accordance with 2.12 (a) of the Government Procurement Guidelines 2006, this statement had not been given by the Technical Evaluation Committee appointed for the procurement related to the renovation of the visa module.
- It had been stated that it was recorded to act in accordance with the Procurement Guidelines in future procurements.
- Procurement Guidelines should be followed when making purchases.
- (c) Although the authority to recommend the award of contracts for small contracts - goods and services - is limited to Rs. 500,000, when following the direct contracting procedure in accordance with 2.14.1 of the Procurement Guidelines 2006
- It had been stated that 06 shroff and visa approval counters should be implemented on the instructions of the former Secretary to the President during the inspection visit to the Bandaranaike International Airport, and the purchases have been made under direct purchases
- Actions should be taken in accordance with the Procurement Guidelines and the guidelines of the Department of Public Finance in making purchases.

and in accordance with the Guidelines 40 issued by the Department of Public Finance on 25 June 2024, three cash counting machines had been purchased for this Department at a cost of Rs. 1,196,700 (without VAT).

under the relevant Procurement Guidelines 2.14.1. since they are compatible with the Departmental software.

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| <p>(d) The procurement entity shall prepare the Master Procurement Plan, and although the expected procurement activities for a period of at least three years should be listed in the Master Procurement Plan, in accordance with Sections 4.2.1(a) and (b) of Chapter 4 of the Government Procurement Guidelines - 2006, the Department of Immigration and Emigration had prepared the Master Procurement Plan for a period of one year only.</p> | <p>It had been stated that it was agreed with and the instructions were given to the relevant responsible officers to prepare Procurement Plans in accordance with the Public Finance Circulars and Procurement Guidelines in the future.</p> | <p>Procurement plans should be prepared in accordance with Procurement Guidelines.</p> |
| <p>(e) Although the bids for the purchase of 04 EPOSN PM 520 type sticker printers had been opened by a bid opening committee with two members, the appointment of this committee had not been approved by the Procurement Committee in accordance with 6.3.3(a) of the Procurement Guidelines.</p> | <p>It had been stated that the officers were instructed to act in accordance with the Procurement Guidelines in future procurements.</p> | <p>Procurement Guidelines should be followed when making purchases.</p> |
| <p>(f) Although 03 bids should be obtained for the purchase of capital assets up to Rs. 500,000 under the market shopping method (shopping), such action had not been taken regarding the purchase of 04</p> | <p>It had been stated that it was declared in the minute note bearing file number 01 that although steps were taken to call for quotations for this procurement in the previous year as well, no quotations were provided by any institution and</p> | <p>Procurement Guidelines should be followed when making purchases.</p> |

EPOSN PM 520 type sticker printers. although bids were invited again from 10 institutions for the relevant procurement in 2024 because of urgent need, as it is observed from the subject file that prices have been provided by only two institutions, only the bid documents of two institutions have been forwarded for the recommendation of the Technical Evaluation Committee accordingly.

- (g) Although financial provisions of Rs. 32 million had been allocated under the Expenditure Head 226-1-1-2106 for the procurement related to the renovation of the visa module according to the Procurement Plan, the total cost of this purchase amounting to Rs. 37,751,950, had been incurred and an amount of Rs. 5,751,950 for exceeding the amount approved in the New Procurement Plan had been incurred. It had been stated that, the allocation under expenditure object 226-1-1-2106 is Rs. 32 million according to the Procurement Plan, and the price offered by Informatics institution for the renovation of the visa module is Rs. 36,993,178 and Informatics agreed to reduce the bid value to Rs. 31,993,178 after providing a discount of Rs. 500,000 and accordingly, it was stated that the value of the voucher was stated to be Rs. 37,751,950, which is Rs. 31,993,178 + VAT. It was stated that this work was considered a priority task due to institutional needs and the amount exceeding the estimated allocation had been obtained by abandoning other projects. Arrangements should be made within the approved financial provisions in the Procurement Plan.

4.4 Management Weaknesses

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Although the Department had paid Rs. 16,200,000 on 29 December 2023 for the installation of Phase-I of the Human Resource Management Module, which cost Rs.	Since the amount allocated in the Action Plan for that year was not sufficient to establish the Human Resources Module, this project had to be divided into two phases, Phase-1 and Phase-II and only	Payments should be made with a formal recommendation from a responsible officer and it is necessary to obtain confirmation that it is in

29,850,000, the relevant payment had been made without conducting the UAT test (User Acceptance Testing) that should have been carried out in this regard and a formal recommendation from a responsible officer. This module had not been installed in the institution or used in any way up to the date of this report.	Phase-1 was submitted to the Annual Action Plan and therefore, it had been stated that payments for Phase-I only had been made on formal recommendations. It had been stated that Phase-I and Phase-II of the module have already been installed in the Department's Server system, and the preliminary works related to its testing and integration with other systems is currently being done, and these works are scheduled to be completed in a short time and they can be fully utilize as soon as these works are completed.	a condition suitable for use when making such payments.
(b) The cheque for the payment of Rs. 16,200,000 for Phase-I of the Human Resource Management Module had remained as a issued but not presents for payment even by 31 July 2024 and it had been presented to be paid in August 2024. Accordingly, an amount of Rs. 16,200,000 had been ceased for over 6 months.	It had been stated that it was agreed with the audit and the cheque had presented in August 2024.	The reasons for ceasing of the payment of issued cheques should be found.
(c) When the company operates the Electronic Travel Authorization (ETA) system for the years 2022, 2023 and 2024 (January to April 16), the Department had not taken actions to recover Rs. 3,000,000 as Rs.1,000,000 per year for the years 2021, 2022 and 2023 for display the amount to be paid for the service and maintenance of that system and the company logo (ETA) on the website related to the system.	It had been stated that steps were being taken to prepare vouchers and obtain approval as per F.R. 115 to make payments to the relevant company for monthly maintenance, telephone calls and Oracle database system expenses of Rs. 13,633,637 in order to obtain ETA facilities in the year 2023, and it was also stated that the necessary approval could be obtained for the payment of the amount due for the ETA facility for the year 2024. It was also stated that letters were sent on 2021.08.06, 2022.10.26,	Actions should be taken to settle payments receivable to the Department and payable to the company by the relevant company.

2023.04.21, 2024.08.05 and 2024.12.20 requesting the department to pay the amount due for displaying the logo of the relevant company (ETA) on the relevant website, and that steps were being taken to recover the relevant amount.

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| <p>(d)</p> | <p>According to a 10-day audit test check carried out in January 2024 on passport applications submitted to the Department through the online system and in person by applicants under the normal procedure, there were 284 cases of delays of more than 6 months from the date of submission of applications to the printing of the passports.</p> | <p>Although the previous normal procedure was to issue passports to the relevant applicants after a period of one month from the date of fingerprinting of the applicants who submitted their applications through the normal online system, it had been stated that, as a step to manage the limited stock of passports held by the Department since July 2024, a system of issuing passports only on the basis of priority requests of applicants who have submitted such applications has been implemented at the time of the audit, and the passports related to the applications mentioned in the audit query are passports issued on the basis of priority requests of applicants under the above system, and therefore, the issuance of passports is not carried out within a period of one month from the date of providing fingerprints as stated on the Department's website, thus caused a delay.</p> | <p>Actions should be taken to issue passports within one month from the date of receiving fingerprint of applicants.</p> |
| <p>(e)</p> | <p>Although all Accounting Officers were required to prepare the Annual Procurement Plan for the implementation of recurrent and capital programmes for the coming year in accordance with the subjects and functions assigned to their institution</p> | <p>It had been stated that it was agreed with the audit and the relevant responsible officers were instructed to prepare Procurement Plans in accordance with the Public Finance Circulars and Procurement Guidelines in the future.</p> | <p>Procurement Plans should be prepared in accordance with public finance circulars and Procurement Guidelines.</p> |

before 10 December of the current year and obtain the approval of the Chief Accounting Officer for the same in accordance with Paragraph 04 of Public Finance Circular No. 02/2020 dated 28 August 2020, the Department of Immigration and Emigration had not prepared the Annual Procurement Plan for the implementation of recurrent programmes for the year under review, and the approval of the Chief Accounting Officer had also not been obtained.

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| <p>(f)</p> | <p>Although the procurement activities for the coming year should be prepared in detail as per the Format 4.2.1 of the Procurement Manual, in accordance with Chapter 4, Section 4.2.1(c) of the Government Procurement Guidelines – 2006, the Department had not prepared a detailed Procurement Plan.</p> | <p>It had been stated that it was agreed with audit and the relevant responsible officers were instructed to prepare Procurement Plans in accordance with the Public Finance Circulars and Procurement Guidelines in the future.</p> | <p>Procurement Plans should be prepared in accordance with Public Finance Circulars and Procurement Guidelines.</p> |
| <p>(g)</p> | <p>Although a formal contract agreement should be written and signed for goods or service contracts exceeding Sri Lankan Rs. 500,000, in accordance with 8.9.1(b) of the Government Procurement Guidelines, a formal contract agreement had not been written and signed in the purchase of toner, cartridge and consumables made by the Department during the year under review.</p> | <p>It had been stated that it was noted to enter into contracts for all purchases over Rs. 500,000 in the future.</p> | <p>Actions should be taken to write a formal contract agreement for all purchases over Rs. 500,000 and sign.</p> |

- (h) The toners, cartridges and other consumables used by the Department, including Lexmark, Brother, Cannon, HP, Ricoh and Epson, were continuously purchased from the same supplier and in such continuous purchases, even the Information Technology Division of the Department had not taken steps to conduct a quality check and study the effectiveness of the ordered products and provide a report on whether prints could be obtained in the quantities specified in the order.
- It had been stated that a study has been made of how this process is carried out in other government institutions that conduct such quality checks and notes have been taken to prepare a methodology for evaluation and reporting.
- A system for evaluating and reporting on relevant purchases should be established within the Institute.
- (i) The Department of Immigration and Emigration had entered into an agreement with a private company on 16 June 2003 to conduct a number of activities of the Department such as passports, visas, citizenship certificates, border control activities, personnel administration, etc. using a computer system and although services were obtained from that private company for a period of 22 years from 2003 to 2024, by paying for the maintenance costs of the computer systems for that, the Department had not taken the necessary steps to completely take over the maintenance of the relevant computer systems.
- It had been stated that the computer system of the Department handles very complex matters such as issuing passports, processing court orders, granting visas, granting citizenship, and border control and Since it consists of components such as Applications, Database, Networking, and Security, individuals with special knowledge are essential to manage each component and an IT staff has not been established in the Department so far and there is no system yet for recruiting officers such as Software Engineers, Data Base Administrators, Network Engineers and Cyber Security Engineers to the public service and under such circumstances, due to the lack of officers with high technical knowledge in the public service, these activities have had to be carried out under contracts with private sector institutions.
- Necessary actions should be taken to take over the maintenance of relevant computer systems in a state-of-the-art manner to the Department.

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| <p>(j) The agreements maintained with the Department and the private company regarding the maintenance of the systems had not been updated in a timely manner and the agreement was updated a few months after the contract period ends as per the agreement prepared by the private institution and the certificate provided by the Controller (Information Technology) that the Department is satisfied with the services provided by the institution and when renewing the agreement, the agreement was renewed using the previous date as 01 January.</p> | <p>It had been stated that the contracts have been entered into in accordance with the Annual Maintenance Agreement entered into in accordance with the Original Agreement.</p> | <p>Necessary steps should be taken to update the agreements in timely manner.</p> |
| <p>(k) Due to the failure to update the agreements in a timely manner, the Department had not received any legal protection against potential damage caused by malfunctions in the system.</p> | <p>It had been stated that the current process of updating agreements on a timely manner would reduce the risk of legality issues in the future.</p> | <p>Necessary steps should be taken to update the agreements in timely manner.</p> |
| <p>(l) Because the development and revision of these computer systems maintained by the Department are carried out by officers of this private institution, there are risks related to the leakage of information from the Department, the possibility of errors or fraud using that information, and the failure to protect the privacy and confidentiality of passport, visa, citizenship certificate and border control systems.</p> | <p>It had been stated that the Department has not yet established an IT staff to maintain computer systems, and due to the lack of capacity to recruit officers such as Software Engineers, Database Administrators, and Java Engineers to the public service, these activities have had to be carried out under contracts with private sector institutions.</p> | <p>Necessary steps should be taken to establish an IT staff within the institution to maintain the systems.</p> |

- (m) There were no user manuals or flowcharts for the software used by the systems, and the ownership of the source code of the system remained with third parties.
- It was stated that although the source code was originally in the possession of the Department in 2003, this source code has been changed from time to time according to the needs of the Department, and that the necessary steps are being taken to obtain advice from the Attorney General regarding its ownership, and the further steps will be taken according to the relevant instructions after receiving advice in this regard, and it is also possible to obtain user manuals and flow charts for the software.
- Necessary steps should be taken to transfer the source code rights of systems owned by third parties to the Department.
- (n) The Department was unable to recover the distress loan balances of Rs. 53,257 receivable for more than 5 years from deceased officers, Rs. 53,565 receivable for 3-5 years from retired officers, Rs. 179,628 receivable from an authorized officer who was suspended on 09 November 2021, and Rs. 516,874 receivable for 1 to 10 years from 04 officers who had left the service even up to the end of the year under review.
- It had been stated that the balance of the debt receivable from the deceased officer would be recovered from his wife from May 2025, the balance of the debt of the retired officer would be recovered monthly from the pension, and the balance of the debt receivable from the suspended officer would be recovered after the investigation was completed. It had been stated that the outstanding debt balances of 04 officers who have left the service have been recovered from their pensions through compulsory retirement, from the monthly salary of the guarantor, and reminder letters have been sent to them to pay the debts, and they have been informed through letters that legal action will be taken if they fail to do so.
- Necessary steps should be taken promptly to recover the relevant debts.

5. Human Resource Management

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) The approved staff of the Department of Immigration and Emigration was 1,422 and the actual staff was 1,077 as at 31 December 2024 and there were 345 staff vacancies in the year under review. Accordingly, the number of staff vacancies had increased by 130 vacancies as compared to the year 2023.	It had been stated that steps are being taken to fill the vacancies related to each position.	Steps should be taken to fill the vacancies.
(b) There 100 number of approved positions for the post of Secondary Service Level Operations Assistant at the Department of Immigration and Emigration as at 31 December and approval had been received to recruit 50 of them.	It had been stated that the 100 posts of Operations Assistant were vacant as at 31.12.2024, and approval has been received to recruit 50 of them. An examination was held on 27.07.2024 for recruitment and interviews were held on 03 and 04 December 2024 and the police reports of the qualified applicants were called from them, and arrangements have been made to grant appointments after receiving those reports.	Steps should be taken to fill the vacancies.