

Head - 112 Ministry of Foreign Affairs - 2024

1. Financial Statements

1.1 Opinion

Head 112 - The audit of the financial statements of the Ministry of Foreign Affairs 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 statements 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 Ministry of Foreign Affairs was issued to the Chief Accounting Officer on 29 May 2025 in terms of Section 11 (1) of the National Audit Act, No. 19 of 2018. The Annual Detailed Management Audit Report pertaining to the Ministry was issued to the Chief Accounting Officer on 30 May 2025 in terms of Section 11 (2) of the Audit Act. This report 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, the financial statements of the Ministry of Foreign Affairs for the year ended 31 December 2024 give a fair view of the financial position, and its financial performance and cash flows and on all the material aspects in accordance with the basis of preparation of the financial statements set out in Note 1 to the financial statements.

1.2 Basis for Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Emphasis of Matter - Basis 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 Ministry of Foreign Affairs, 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 Ministry of Foreign Affairs, 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 Chief 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 Ministry is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared.

The Chief Accounting Officer shall ensure that an effective internal control system is maintained for the financial control of the Ministry 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 Chief Accounting Officer is made aware of important audit findings, key internal control deficiencies and other matters identified in my audit.

2. Report on Other Legal Requirements

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

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

3. Financial Review

3.1 Imprest Management

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) Imprest Account No. 7002-0-0-35-13		
(i) The total of the security deposit of Rs. 15,389,115 kept for unused houses obtained by the Missions had not been settled for more than 10 years. This amount also included deposits, amounting to Rs. 2,234,933 kept in the years 2007, 2011 and 2013 relating to the closed Frankfurt Mission.	In cases where the security deposit could not be recovered, if any officer is directly responsible for it, the relevant amount is recovered from the travelling allowance paid by the relevant officer during a transfer of service and has been recorded in the unclaimed certificate of that officer as an obligation to the government upon retirement. However, due to the withdrawal from the relevant agreement before the prescribed period in accordance with the terms of the agreement for the closed Frankfurt Consulate General office building, the security deposit could not be recovered.	Action should be taken to recover the security deposits kept for unused houses.

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| <p>(ii) Even though the ad hoc sub imprest should be settled immediately after the completion of the relevant work as per F.R.371, Rs. 10,415,296, which had been paid in 26 instances, remained unsettled for more than 10 years.</p> | <p>In the year 2012, due to the insufficient provision made by the Presidential Secretariat for the inaugural ceremony of the promotional program held in Washington with the aim of enhancing the image of Sri Lanka, the remaining amount required was obtained as an additional provision by the Presidential Secretariat and the remaining amount was paid as an advance with the expectation of being settled later. However, the requests made to the Presidential Secretariat in this regard had been rejected.</p> | <p>The responsible officers should be identified, and the ad hoc sub imprest should be settled without delay.</p> |
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(b) Imprest Account No. 7002-0-0-35-24

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| <p>(i) As at 31 December 2024, the unsettled imprest balance was Rs. 954,931,151 out of the balance of the imprest account of Rs. 1,399,843,516. Out of which Rs. 95,418,299 was cash in transit and Rs. 859,512,852 was Foreign Mission cash balances. However, as per the schedule submitted by the Accounts Division, these cash balances included cash balances of Rs. 13,996,985 as total value relating to three closed Foreign Missions namely Sydney, Tripoli and Abuja, and as per the status report on bank accounts submitted with the financial statements, there was no cash balance stated for the Tripoli Mission.</p> | <p>The reason for the balance of the bank account of the Tripoli Mission, which was closed in the year 2011, has not been included in the schedule showing unsettled imprest balance of the imprest account as at 31 December 2024 is that the Ministry only has the balance as per the bank statement dated 28 February 2011 relating to the official bank account of the said Mission and the Ministry does not have any information regarding the balance in the cash book as at that date. However, action will be taken to include the relevant bank balance of Rs. 3,066,628 (US\$ 27,156) in the relevant schedule.</p> | <p>Action should be taken to settle the bank accounts relating to the closed Foreign Missions.</p> |
| <p>(ii) Out of the unsettled sub-imprest balance of Rs. 420,752,603 as at 31 December 2024 relating to Foreign Missions, Rs. 57,905,530 was for 131 security deposits kept for houses where</p> | <p>Since the monthly rent for new houses for new officers appointed to Foreign Missions is very high, agreements are often made for the new officer to use the same house used by the officer's predecessor.</p> | <p>Action should be taken to identify responsible officers and settle the unsettled deposits by maintaining</p> |

<p>the Mission staff was not residing. Out of these Rs. 57,905,530, security deposits of Rs. 11,108,252 were less than 5 years, Rs. 44,408,759 were between 5-20 years and Rs. 2,388,516 were more than 20 years, and action had not been taken to settle those deposits.</p>	<p>Following this system is financially more advantageous for the Sri Lankan Government. Since several officers use the same house for a long time, the deposit is not refunded by the owner of the house due to various maintenance problems that arise in that house. Since it is not possible to identify which officer is actually responsible for the losses, it has also been difficult to recover from the responsible officer. It is also very difficult to find out for which officers these deposits, which were paid about 10 years ago, were paid. However, the officers were instructed to investigate further and take action in this regard.</p>	<p>proper reporting for information.</p>
<p>(iii) Security deposits of Rs. 9,139,919 for the houses belonging to the three Missions of Sydney, Frankfurt and Cyprus, closed in the year 2022, had not been settled.</p>	<p>Issues have arisen in recovering deposits due to withdrawal before the expiry of the tenancy agreements. However, efforts are currently being made to recover the relevant money through the Missions assigned to cover the activities of these Missions.</p>	<p>Action should be taken to settle the deposits immediately.</p>
<p>(iv) Even though the ad hoc sub imprest should be settled immediately after the completion of the relevant work as per F.R.371, as at 31 December 2024, there was Rs. 4,373,096 of unsettled ad hoc sub imprest in the Missions. Out of this, Rs. 2,151,104 was less than 5 years, Rs. 1,802,265 was between 5-10 years and Rs. 419,727 was more than 10 years.</p>	<p>Most of this ad hoc sub imprest has been accounted as an imprest due to not receiving sufficient provision for the relevant work.</p>	<p>Action should be taken to settle the ad hoc sub imprest without delay</p>

3.2 Expenditure Management

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
Even though estimates should be prepared as completely and accurately as possible in accordance with Financial Regulation 50 (ii), the provisions of Rs. 751,301,915 for 08 recurrent objects and Rs. 355,140,953 for 07 capital objects had not been utilized in a range of 54 percent to 100 percent.	Even though the estimates have been prepared completely and accurately in accordance with F.R.50 (ii), there has been underutilization of the provisions. The objects for which the provisions have been underutilized were incurred during the year from the annual provisions allocated for the year 2024, but the expected expenditure has not been incurred due to the control and management of expenditure as per the instructions given by the Treasury, the existence of staff vacancies from time to time during the year, the absence of large-scale repairs, and the significant appreciation of the Sri Lankan Rupee due to fluctuations in the foreign exchange rate during the year.	Estimates should be prepared as completely and accurately as possible, and planning should be made to maximize the utilization of the provisions received.

3.3 Non-compliance with Laws, Rules and Regulations

	Observation	Comments of the Chief Accounting Officer	Recommendation
Reference to Non-compliance Laws, Rules and Regulations			
(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka			
(i) Financial Regulation 187	Even though daily receipts should be deposited daily or as soon as possible, the Kuwait Foreign Mission had delayed the deposit of daily receipts in the months of April and May 2024 from 04 to 22 days.	The delay in depositing daily receipts was due to the fact that the Consular Assistant Officer of the Foreign Mission was on maternity leave and the duties performed by several officers were transferred to the Accounts Officer. This situation has not arisen since the expiry of that period.	Daily receipts should be deposited in the bank without delay as per the Financial Regulations.
(ii) Financial Regulation 880	Action had not been taken to obtain security from the officers who were required to keep security in accordance with the Public Officers'(Security) Ordinance.	The relevant officers have been instructed to take action in this regard as instructed by the Ministry of Finance.	The security requirement should be completed by the officers who are required to keep security as per the Finance Regulations.
(b) Asset Management Circular No. 04/2018 dated 31 December	Every vehicle should be valued and recorded once in 5 years. Although valuation reports were obtained for 72 vehicles	Officers were instructed to take action to include new assessed values in respect of the 62 vehicles to which	Action should be taken to account Assets based on assessed values.

2018 Sections 1.3.1 and 1.3.6	on 24 October 2023, 62 out of those vehicles had their purchase value stated in the financial statements instead of the new assessed values.	purchase values were included in the financial statements.
(c) Ministry Circular No. X – 365 dated 31 March 1971 as amended by Ministry Instructions Series No. 101 dated 10 September 1985 Instructions Series No. 2 (b) ii	In some cases of emergency medical treatment, if the required medical facilities are not available in the country where the Embassy is located, a medical certificate from an approved doctor or hospital should be submitted stating the nearest country where medical facilities are available. Without taking appropriate action, the Embassy of Austria in Vienna had paid medical bills of Rs. 11,963,560 (USD 66,285) and reimbursed air ticket expenses of Rs. 630,500 (EURO 3152) for a surgery undergone on a female officer of the Sri Lankan Embassy in Vienna, Austria on 28 August 2019 at a Hospital in the United States of America.	The answer will be submitted later. An investigation should be conducted to determine whether the relevant surgery facility is not available in Austria and if any irregularities have occurred in this regard, action should be taken to recover the loss from the guilty parties. In the future, if there is an urgent need for medical treatment, the request should be submitted with a medical certificate obtained from a doctor or hospital stating that the required medical facilities are not available in the country where the officer is serving.
(d) Circular No. PS/CSA/Circular/4/2023 dated 22 February 2023 of the Secretary to	All government officers, except for the government officers specified in the Circular should purchase economy class air tickets and if they wish to travel in business class, they should submit sufficient	Answers have not been submitted. Since prior approval was not obtained, action should be taken to recover the excess amount incurred from the relevant female

the President	facts and obtain prior approval. A former Secretary to the Ministry who did not take action accordingly had spent Rs. 4,091,700 on business class travel for 02 official foreign visits and action had not been taken to recover the excess amount of Rs. 2,165,272 from the relevant officer.	officer.
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3.4. Deposits

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
The total amount of Rs. 30,197,131 in the deposits temporarily retained for repayment to third parties had not been settled for more than two years.	Sri Lankans who arrived in the country during the COVID pandemic have deposited money for quarantine. Since the quarantine period of some officers was less than 14 days, there are difficulties in contacting the owners of the balance amount to repay them, which has resulted in delays in the payment of the relevant money.	Action should be taken to settle the deposits temporarily retained for repayment to third parties without delay.

3.5 Operating of Bank Accounts

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) There was a total value of Euros 239 related to 02 cheques that had been deposited into the bank account of the Berlin Foreign Mission for a period of 08 to 22 months but had not been realized and there was also a total value of £2,179 relating to 17 cheques that had been deposited into the bank account of the London Foreign Mission but had not been realized for a period of 02 to 22 months.	The Foreign Missions have been instructed to investigate the unrealized cheques and take necessary action accordingly.	Action should be taken to identify unrealized cheques and settle the same.

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| (b) | In 01 instance at the Singapore Foreign Mission, an amount of Singapore Dollars 50, in 02 instances at the Berlin Foreign Mission ,an amount of Euros 1,780 and in five instances at the Paris Foreign Mission, an amount of Euros 3,742 was directly transferred to bank accounts and had not been identified and accounted. | Action will be taken to settle the amounts directly debited to the bank accounts of the Foreign Mission in the future. | The amounts directly debited to bank accounts should be identified and accounted without delay. |
| (c) | In 55 cases, the Paris Foreign Mission had received Euros 4,099, in 35 cases, the Rome Foreign Mission had received Euros 2,690, in 13 cases, the Beijing Foreign Mission had received Yuan 3,019 and in 13 cases had received USD 823, in 2 cases, the Warsaw Foreign Mission had received Polish Zlotys 547, in 54 cases, the Canberra Foreign Mission had received Australian Dollars 10,353 , in 01case, the Karachi Foreign Mission had received Pakistani Rupees 7,000, and in 14 cases, the Seoul Foreign Mission had received Korean Won 2,660,000, which had been directly credited to bank accounts, but had not been identified and accounted . | Instructions have been given to take action to settle the said amount as soon as possible in the future. | The amount directly credited to the bank should be identified and credited to the account without delay. |
| (d) | As stated in Budget Circular No. 06/2022 dated 21 September 2022, the dormant official bank accounts related to the cancelled Expenditure Heads should be closed. However, as per the cash books of 06 dormant bank accounts of 04 closed Foreign Missions, there were cash balances of USD 46,859,350 in 03 bank accounts, Iranian Rials 144,343,540 in one bank | The account will be closed as soon as the bank reconciliation statements are received from the Mission. Since there is a legal process going on in Tehran, the relevant authorities have been instructed to look into the matter and take appropriate action. | Dormant bank accounts should be closed in a formal manner. |

account, Nigerian Naira 21,917,023 in one bank account and Australian Dollars 906 in the other bank account, and the relevant accounts had not been closed.

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| (e) | An unrecognized debit value of £9,611.39 was stated in the bank reconciliation prepared for the month of December 2024 in respect of the bank account number 0088000221 of the Foreign Mission in London. | Necessary actions have been taken to write off an amount of £4310 from the books in the future and to correct the balance in the May summary accounts. | Unrecognized debit balances should be identified and settled without delay. |
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4. Operational Review

4.1 Non- performance of Functions

	Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a)	There were 340 files existed before 2014 and 1435 files from 2015 to 2023 in the Consular Section as pending compensation files related to accidents and deaths that occurred abroad.	Most of these compensation files are active files due to the fact that legal proceedings have not been completed. Officers have been instructed to investigate and take action on the files with delays.	Constant attention should be paid to pending compensation files with delays and necessary action should be taken.
(b)	A person who had gone abroad for employment in the State of Qatar had died in an accident on 10 September 2012 and the Consular Section had informed the Embassy of the compensation claim related to this incident on 06 February 2013. Although the Embassy had informed on 09 June 2024 that it had confirmed that the deceased person was eligible for compensation and that the relevant compensation would be remitted as soon as possible,	A case has been filed in the courts of Qatar regarding the compensation for the person who died in an accident on 10 September 2012. The Sri Lankan Embassy in Qatar has informed this Ministry of the current status of the case in a letter dated 09 June 2024. Since Mr. Y.M. Basir is eligible to receive the compensation, the Qatar Embassy has informed that it will inform the Sri Lankan Embassy as soon as it receives the compensation.	Officers performing duties related to the payment of compensation should be directed to perform their duties promptly and efficiently.

these compensation payments, which were more than 12 years old, had not been paid to the relevant parties and the measures taken for the delay were not included in the information file.

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| <p>(c) A person who had gone abroad for employment in the State of Qatar had died in an accident on 21 October 2012 and the relevant compensation claim had been made on 06 November 2012. It is stated that no action was taken to file a case within the due time as per the Embassy's reply letter dated 04 December 2023 to the follow-up letter of the Ministry regarding this incident on 10 May 2023 and that this case was handed over to a law firm called UNI CIAIMS QATAR Law Firms on 26 September 2018. The law firm that filed the case and the written evidence regarding the filing of the case were not submitted to the audit and action was not taken promptly to obtain compensation.</p> | <p>The answer will be submitted later.</p> | <p>Officers performing duties related to the payment of compensation should be directed to perform their duties promptly and efficiently.</p> |
| <p>(d) A person who had gone abroad for employment in Saudi Arabia in 2011 through a licensed foreign employment agency with the Foreign Employment Bureau had become fully disabled in a car accident on 24 October 2012. Compensation claims had been made on 28 September 2016, but compensation payments had been delayed due to the failure to submit the police report by 03 March 2025, and even though more than 08 years had</p> | <p>The Saudi Arabian court has ordered the Police Department of that country to provide a detailed report on the accident, and has informed that further action will be taken after the report is received by the court.</p> <p>The Embassy is working on this matter due to the delay in receiving the relevant reports from the Police Department.</p> | <p>Officers performing duties related to the payment of compensation should be directed to perform their duties promptly and efficiently.</p> |

passed, the compensation claims had not been completed.

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| (e) | A person who had gone abroad for employment in Kuwait as a housemaid on 19 December 2009 through a licensed foreign employment agency with the Foreign Employment Bureau had died under suspicious circumstances on 29 January 2012, and even though more than 12 years had passed since her death, action had not been taken to investigate whether there was a possibility of receiving compensation in that regard. | Since there are discrepancies between the post-mortem conducted in Sri Lanka and the post-mortem conducted in Kuwait, inquiries have been made with the Sri Lankan Embassy in Kuwait. Accordingly, the report received from the Ministry of Interior of Kuwait, which has been sent to this Ministry by the Embassy, indicates that the death was due to illness. | Officers performing duties related to the payment of compensation should be directed to perform their duties promptly and efficiently. |
| (f) | The Embassy did not have information regarding the correspondence between the Embassy and the law firms selected to prosecute the cases of 06 Sri Lankans who died in accidents while employed in Qatar in 2009, 2012 and 2013. The opportunity to receive compensation and allowances had been lost due to the failure of the officers of the Qatar Embassy to take formal action to obtain compensation in a timely manner. | The answer will be submitted later. | Officers performing duties related to the payment of compensation should be directed to perform their duties promptly and efficiently. |

4.2 Procurement

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
Air tickets were purchased for foreign visits on two occasions in July 2024 at an expense of Rs. 6,855,350 without conducting procurement activities as per the internal memorandum of the Director General (Administration) dated	Answers have not been submitted	Action should be taken to follow the Procurement Guidelines when purchasing air tickets.

4.3 Assets Management

	Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a)	Action had not been taken to obtain title deeds for 17 housing units in the apartment complex, Elvitigala Mawatha, Colombo 08, that had been purchased by the Ministry.	The folios have been obtained from the Land Registry and have already been forwarded to the National Housing Development Authority, and reminder letters have also been sent.	The ownership of the properties should be transferred to the Ministry without delay.
(b)	There were 3 vehicles with a total value of Rs. 25,039,311 in the vehicle category in the Foreign Mission, marked as For CIGAS user, so that the vehicle could not be identified specifically and 21 vehicles with a total value of Rs. 136,586,483 without a vehicle number.	Action will be taken to identify the vehicle numbers correctly and include them in the CIGAS program in May.	The vehicle numbers should be identified without delay and action should be taken to account the values properly.
(c)	There were 20 vehicles registered in the name of the Ministry with the Department of Motor Traffic, but were not physically available at the Ministry.	The answer will be submitted later.	Immediate action should be taken to identify vehicles registered in the name of the Ministry, but not physically available.

4.4 Lossess and Damages

	Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a)	The statement of losses and waivers had stated losses of Rs. 16,176,674 in respect of 02 incidents of misappropriation of money and non-deposit of money in two Foreign Missions	Cases have been filed in the Colombo High Court regarding these 02 incidents and it is expected that action will be taken in accordance with the judgement at the end of the legal proceedings.	An internal investigation should be conducted immediately and action should be

in the years 2002 and 2009. When there is a shortage or misappropriation of funds, the amount should be recovered immediately as per Financial Regulation 106. However, action had not been taken to recover the above losses.

taken to recover the relevant money and losses.

- (b) 11 months before the expiry of the lease agreement with the lessee, the 16th floor of the Suhurupaya Building in Battaramulla was taken on rent as per Cabinet Decision No. CP/23/0149/626/002 for the Consular Section operated on the 02nd floor of the Ceylinco Building, which was taken on lease from 03 May 2024. Accordingly, the 1640 square feet area of the West Tower on the 02nd floor of the Ceylinco Building, where the Consular Section operated, remained unused for any purpose from 03 May 2024 to 31 December 2024, and an idle rental expense of Rs. 2,820,800 was incurred for that period.
- A Committee was appointed, consisting of Officers, on 07 June 2024 with the approval of the Secretary (former) of the Foreign Affairs to make a decision in this regard. The officers proposed to be attached from the Department of Commerce, the Board of Investment and the Export Development Board, approved by the Cabinet Decision No. CP/24/1240/619/018, were not attached to this Ministry until the end of 2024. Since the 07th, 09th and 10th floors of the Ceylinco Building were also fully utilized, there was no possibility of establishing other Divisions on those floors.
- Thriftiness should be maintained in spending public funds and unnecessary expenses and losses should be avoided.

4.5 Management Weaknesses

	Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a)	The Canberra Foreign Mission had been making payments for electricity, water and gas bills for officers' residences since 1999 without the approval of the Treasury and had only recovered a portion of the payments from the officers. Accordingly, from January to December of the year under review, Rs. 9,573,550 had	The relevant information has been requested by the Mission and will be submitted in due course once it is received.	No unauthorized expenditure should be incurred.

been paid for 13 officers and only Rs. 2,031,204 had been recovered from the salaries of the officers for this purpose.

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| (b) | During the year under review, action had not been taken to recover the outstanding loan balances of Rs. 1,101,824 relating to 26 officers serving in Foreign Missions who had not recovered any loan installments and Rs. 2,286,042 due from 17 officers who had terminated their service and left the service for various reasons. | Further measures are being taken to identify and recover loan balances. | Action should be taken to recover loan balances without delay. |
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5. Human Resource Management

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
09 posts of Director General of the Sri Lanka Foreign Service, a high management level post in the Ministry, had been approved and 08 officers had been appointed on a permanent basis and another 07 officers had been appointed on an acting basis. Accordingly, 06 officers had been recruited in excess of the approved cadre. Further, 8 officers had been recruited in excess of the approved cadre, namely, a post of Assistant/Deputy Director, a post of Information Technology Assistant and 6 posts of Office Assistant.	Necessary measures are being taken with the Ministry of Finance and the Department of Management Services to increase the number of posts in relation to the approved cadre of the Ministry based on the current need.	The requirement of staff should be reviewed on a timely basis, and action should be taken to revise the approved cadre and recruit the approved cadre.