

National Police Academy - 2024

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the National Police Academy for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024 and the statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information 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 and Finance Act No. 38 of 1971. My comments and observations which I consider should be report to Parliament appear in this report.

In my opinion, except for the effects of the matters described in Paragraph 1.5 of this report, the accompanying financial statements give a true and fair view of the financial position of the Academy as at 31 December 2024 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Qualified Opinion

My opinion is qualified on the matters described in Paragraph 1.5 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 qualified opinion.

1.3 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Academy or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Academy's financial reporting process.

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Academy 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 of the Academy.

1.4 Audit Scope

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. However, future events or conditions may cause to cease to continue as a going concern.
- 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 scope of the audit also extended to examine as far as possible and as far as necessary the following.

- Whether the organization, systems, procedures, books, records and other documents have been properly and adequately designed from the point of view of the presentation of information to enable a continuous evaluation of the activities of the Academy and whether such systems, procedures, books, records and other documents are in effective operation;
- Whether the Academy has complied with applicable written law, or other general or special directions issued by the governing body of the Academy,
- Whether the Academy has performed according to its powers, functions and duties; and
- Whether the resources of the Academy had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

1.5 Audit Observations on the Preparation of Financial Statements

1.5.1 Non-compliance with Sri Lanka Public Sector Accounting Standards

Non-compliance with the reference to particular Standard	Management Comment	Recommendation
(a) Depreciation value of Rs. 271,635 in relation to assets purchased from May to November of the year under review amounting to Rs. 7,985,912 had not been recorded in the financial statements according to Paragraph 69 of Sri Lanka Public Sector Accounting Standards 07.	These assets were not depreciated during the year 2024 as they were not utilized.	The utilized assets should be depreciated. in accordance with Paragraph 69 of Sri Lanka Public Sector Accounting Standards 07.
(b) Fixed assets purchased from the amount received as Treasury Grants amounting to Rs. 59,471,562 had been differed in the statement financial performance in contrary to Sri Lanka Public Sector Accounting Standard No. 11.	Fixed assets purchased with the money received as Treasury grants will be used for a future period.	All income should be accounted for.
(c) Although intangible assets should be separately identified in the financial statements in accordance with Paragraph 07 of Sri Lanka Public Sector Accounting Standards 20, computer software purchased during the year	The Learning Management System purchased during the year under review for Rs. 1,607,589 has been shown under property, plant and equipment in the financial	Transactions should be recorded in accordance with Sri Lanka Public Sector Accounting Standards.

under review for Rs. 1,607,589 had been shown under property, plant and equipment in the statement of financial position without recognition as intangible assets. statements by a mistake and recognition in financial statements as intangible assets is being done by correcting it from now on.

1.5.2 Accounting Deficiencies

Audit Observation	Management Comment	Recommendation
(a) Actions had not been taken during the year under review to capitalize expenses of the capital nature amounting to Rs. 6,311,245 included in building repairs, vehicle repairs and other expenses.	Since the ownership of the assets has not belonged to the National Police Academy, the building repairs and vehicle repairs carried out in this regard were not capitalized, attention will also be drawn to the possibility of transferring ownership of those assets to the National Police Academy.	Actions should be taken to transfer ownership of assets to the Academy and capitalize them.
(b) Retentions amounting to Rs. 1,642,972 related to 08 construction projects of National Police Academy, had been shown in a General Deposit Account instead of accounting for in a retention account.	Actions will be taken to record the retentions and retentions related to the projects being built by the Academy in an account.	Retentions should be recorded in the relevant accounts.
(c) The amount of Rs. 477,800 spent on the repair of the JCB machine had been accounted for under electronic equipment in the financial statements.	The amount spent on repairing the JCB machine has been accounted for under machinery and equipment and actions will be taken to account for such expenses under vehicle repairs in the future.	It should be accounted for in correct accounts.
(d) Provisions had not been made for audit fees payable in the financial statements.	Actions will be taken to make provisions for audit fees in the future years.	Provisions for payables should be accounted for.

1.6 Non-compliance with Laws, Rules, Regulations and Management Decisions, etc.

Reference to Laws, Rules, Regulations etc.	Management Comment	Recommendation
(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka		

F.R. 1646	Although the original copies of the daily running charts and monthly summary for vehicles should be submitted to the Auditor General before the 15th day of the following month at the end of each month, the Academy had not acted accordingly.	Actions will be taken to submit copies of daily running charts and monthly summaries for vehicles to the audit before the 15th of the following month at the end of each month.	Daily running charts and monthly summaries should be submitted on the due date in terms of to F.R. 1646
(b) Public Administration Circular No. 30/2016 dated 29 December 2016	(i) Section 3.1	Although a fuel test should be carried out after every fuel test, after a period of 12 months or after driving a distance of 25,000 kilometres or after a major repair related to the engine of the vehicle, actions had not been so taken in respect of 40 vehicles of the Academy.	Actions will be taken to carry out a fuel test after every fuel test, after a period of 12 months or after driving a distance of 25,000 kilometres or after a major repair related to the engine of the vehicle. Actions should be taken in accordance with Section 3.1 of the Circular
(ii) Sections 4.1, 4.2, 4.3, 4.4	Although the repair should be carried out after taking the vehicle to a suitable garage, removing its parts, obtaining a price estimate, and obtaining a report from a public sector mechanical engineer in respect of reasonableness of the price estimate, a sum of Rs.1,366,750 had been paid to the private institution by doing the repair by calling quotations for a complete engine	Due to functioning to repair vehicles without delay according to the existing service needs of the Academy, vehicles are sent to a registered private garage for repairs based on the recommendations of the Police Transport Division, as per procurement procedures, and relevant circulars	Actions should be taken in accordance with Sections 4.1, 4.2, 4.3, 4.4 of Public Administration Circular No. 30/2016 dated 29 December 2016 .

overhaul of the double cab vehicle No. 252-6258 .

and instructions in cases where vehicle spare parts are not available in the Division.

Accordingly, it is informed the audit that this procurement has been made according to a technical evaluation report obtained by the Technical Evaluation Committee appointed by the National Police Academy dated 27.10.2024 .

(c) Procurement Guidelines Paragraph 3.2

A sum of Rs. 8,267,287 had been paid for the renovation of the car park, motorcycle parking area and junkyard without calling for competitive bids at the National Level. Therefore, the Academy was not able to take advantage of the price that could have been obtained through competitive bidding.

As the three projects of repairing the parking area of the National Police Academy, repairing the motorcycle parking area, and repairing the junkyard are separate tasks, separate procurement activities have been carried out for each project. Further, since the transferring of provisions to the relevant expenditure item in accordance with Section 66 for these projects took place at the end of the

Actions should be taken as per Paragraph 3.2 of the Procurement Guidelines.

year 2024, the time to carry out procurement activities following the competitive bidding process was not enough and it is informed to audit that, these projects have been carried out under the approval of the Departmental Procurement Committee by calling bids under the shopping method.

2. Financial Review

2.1 Financial Result

The operating result for the year under review was a surplus of Rs. 19,495,988.

3. Operational Review

3.1 Management Inefficiencies

Audit Observation	Management Comment	Recommendation
(a) Although efforts should be made to conduct research and studies on matters directly relevant to police activities and law enforcement in terms of Section 05 of Act of the Academy passed in the year 2011, these tasks had not been implemented in the last 12 years.	Although efforts should be made to conduct research and studies on matters directly relevant to police activities and law enforcement in accordance with Section 05 of the National Police Academy Act, No. 44 of 2011, it is informed that, as the approved staff has not been recruited to the National Police Academy up to now and since the Academy does not have a suitable staff to carry out research and academic activities, these tasks have not been able to be carried out so far.	Actions should be taken in accordance with Section 05 of the National Police Academy Act, 2011
(b) Conducting examinations to evaluate the efficiency of student officers	Conducting examinations for the purpose of evaluating the	Actions should be taken in terms of

enrolled to selected courses of study, issuing certificates to student officers upon successful completion of the courses of study and conferring the title of NPA (National Police Academy), awarding diplomas, certificates and other academic qualifications in subjects related to police activities and law enforcement, subject to the approval of the educational authorities, affiliation with a university subject to the approval of the University Grants Commission and the relevant local or foreign universities, publishing and distributing magazines and other documents to facilitate the tasks of the Academy, construction of libraries, laboratories and other buildings for the works of the Academy and providing and maintaining equipment for them, although it has taken 12 years to implement the powers required for the efficient functioning of the Academy, such as creating lecturer posts and other posts and appointing the necessary employees and representatives to administer the affairs of the institution, actions had not been taken to enforce powers.

efficiency of student officers enrolled to selected courses of study as per 6 (2) (c) of the Act is done in a proper manner as per the approval of the Academic Management Board of the National Police Academy. The necessary work is being done to enforce the powers under Sections 6 (2) (d), (e), (f), (g), (h), (i), (j) and (k) of the Act.

Sections 6 (2) (d), (e), (f), (g), (h), (i), (j) and (k) of the Act.

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| <p>(c) The National Police Academy had been established on 21 November 2011, when the National Police Academy Act No. 44 of 2011 was passed by an Act of Parliament and the National Police Academy should be established in accordance with Section 2 of the Act and although it had been stated that this Academy should be a corporation in terms of sub-section (2) (1), financial allocations were received and implemented under the Sri Lanka Police Expenditure Head 225 from the year 2011 to 2023 and a 12-year</p> | <p>The National Police Academy was established by the National Police Academy Act of Parliament, No. 44 of 2011 and the tasks such as identifying the appropriate staff required for the institution, taking steps to approve those staff, and preparing relevant recruitment procedures for those staff have been done and it is informed that the necessary background for it to function as an independent institution separate from the Sri Lanka Police has</p> | <p>It should act as a separate institution.</p> |
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delay in implementing the Police Academy as a separate institution. been prepared in previous years and it has taken 12 years to get allocate separate budget provisions and operate as a separate institution.

3.2 Idle or underutilized Property, Plant and Equipment

Audit Observation	Management Comment	Recommendation
Although a language translation system was purchased by spending Rs. 6,547,992 on 23 December 2021 for the auditorium of the new administration building of the Police Academy, it had remained in idle without being used until the end of the year under review.	It has been informed that these items have been stored in the warehouse for safety until they are installed after the completion of the construction works of the auditorium in the new administration building. Due to the lack of space in the conference hall of the new administration building, steps have been taken to install this system in the Kodithuwakku Lecture Hall, and procurement activities have been commenced for the construction of the relevant language interpretation booths.	The assets should be used for the purpose for which they were purchased and it should be responsible not to remain those assets in idle.

3.3 Utilization of Resources of Other Organizations

Audit Observation	Management Comment	Recommendation
(a) Although a separate budget report had been prepared and operated as a separate institution to obtain the necessary financial provisions for the year 2024, a sum of Rs. 846,721,983 had been incurred during the year under review for the institution under the expenditure head 225 of the Police Department	Since the National Police Academy was an institution maintained under the Sri Lanka Police until the year 2023, all officers serving at the National Police Academy in 2024 are also the officers attached to the Sri Lanka Police and all salaries and allowances related to them are paid under the Sri Lanka Police expenditure head. Further, all salaries and allowances for 313 officers related to the In-service Training Division and 14 In-	It should function as a separate institution.

service Training Units attached to the National Police Academy also in 2024, and all recurrent and capital expenditures related to those units, were conducted by the National Police Academy under the Expenditure Head 225 of the Sri Lanka Police. Accordingly, it is informed to audit that the National Police Academy has incurred an expense of Rs. 846,721,983 under the expenditure head 225 of Sri Lanka Police pertaining to the year 2024 .

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| <p>(b) Expenditures of Rs. 31,869,566 had been incurred during the year under review for the renovation of buildings owned by the Police Department without having legal ownership to the Police Academy.</p> | <p>Although a separate budget was allocated for the National Police Academy under the Ministry of Public Security in the year 2024, all the functions of the Academy were carried out using buildings owned by the Sri Lanka Police. Although the ownership belongs to the Sri Lanka Police, since these buildings were used for the functions of the National Police Academy, it is informed to audit that an expenditure of Rs. 31,869,566 was incurred under the National Police Academy expenditure head during the year under review and actions will be taken to consider the possibility of transferring the legal ownership of these buildings to the National Police Academy.</p> | <p>Actions should be taken to acquire ownership of the land and building.</p> |
| <p>(c) Forty vehicles owned by the Police Department had been provided to the National Police Academy for its activities and Even though Rs. 6,409,908 as vehicle maintenance expenses and Rs. 14,933,543 as</p> | <p>The necessary transportation facilities for all the functions of the institution were provided using vehicles attached to the National Police Academy owned by the Sri Lanka Police.</p> | <p>Actions should be taken to take over the ownership of the vehicles.</p> |

vehicle repairs had been spent in the year under review, the ownership of those vehicles had not belonged to the Academy.

Although the ownership belongs to the Sri Lanka Police, since these vehicles were used for the functions of the National Police Academy, it is informed to audit that a sum of Rs. 6,409,908 for vehicle maintenance expenses and Rs. 14,933,543 for vehicle repairs has been spent under the National Police Academy Expenditure Head in the year under review and actions will be taken to consider the possibility of transferring legal ownership of these vehicles to the National Police Academy.

3.4 Human Resources Management

Audit Observation

Management Comment

Recommendation

The approved staff for the National Police Academy was 163 for 42 positions and the Scheme of Recruitment for only 42 staff for 05 of these positions had been approved. The Scheme of Recruitment for the remaining posts had not been approved by the end of the year under review. As a result, 246 officers of the Police Department were serving attached to the Police Academy.

The Director General of the Department of Management Services has approved a staff of 163 consisting of 42 posts for the staff of the National Police Academy. It has been sent to the Department of Management Services by the Ministry of Public Security to prepare and obtain approval for the Scheme of Recruitment (SOR) for the posts of HM 1-1, AR 2, AR 1, MM 1-1, JM 1-1, MA 5-1, MA 1-1, MA 1-2, PL2 and PL3 .

Actions should be taken to get approved the Scheme of Recruitment and fill vacancies.

4. Accountability and Good Governance

4.1 Annual Action Plan

Audit Observation

Management Comment

Recommendation

- (a) Acquisition of the new administration building including the auditorium, conference hall, reception area, classrooms and office rooms valued at Rs. 9,756,837 included in the Annual

The allocation of additional capital provision of Rs. 100 million was approved in October 2024. However, due to insufficient procurement time

Actions should be taken as per the Action Plan.

Action Plan for the year 2024, had not been achieved in the year under review.

for some of the projects for which this Rs. 100 million was planned to be spent, due to factors such as the rejection of technical reports and the inability to procure goods within the period, the procurement could not be carried out. Further, all the necessary facilities have been set for the new administrative building for the National Police Academy, including the auditorium, conference hall, reception area, classrooms and office rooms.

- (b) The expenditures of Rs. 31,869,566 incurred during the year 2024 had not been included in the Action Plan prepared for the year 2024 .
- A sum of Rs.50 million had been allocated for capital expenditure, to the National Police Academy under the expenditure head of the Ministry of Public Security for the year 2024 and a sum of Rs. 100 million was transferred back to capital expenditure from recurrent expenditure in terms of F.R. 66 in the year 2024. The approval to allocate this additional capital provision of Rs. 100 million was possible in October 2024. However, due to insufficient procurement time for certain projects for which this Rs. 100 million was planned to be spent, those procurements were not carried out, since it had to implement the procurements that were essential to the Academy and were able to be completed within a sufficient procurement period, there has been a change from the Action Plan 2024.
- All tasks to be performed during the year should be included in the Action Plan.