Audit Service Commission

Performance report

01/01/2024 - 31/12/2024

Audit Service Commission

No. 35, A Dr. N.M. Perera Mawatha, Colombo 08 .

Annual Performance Report for the year 2024

Audit Service Commission

Head of Expenditure Number - 023

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1.1 Introduction

The Audit Services Commission was established by the 21st Constitution of the Democratic Socialist Republic of Sri Lanka., consisting of the Auditor General, who shall be the Chairman, and four members appointed by the President on the recommendation of the Constitutional Council in terms of section 153A (1). Chairman and members assumed their duties on 10.04.2023 and, from then on, the Audit Services Commission commenced its official duties. The term of office of the members of the Audit Services Commission is three years.

The composition of the Audit Services Commission as of 31.12.2024 was as follows.

1.	Mr. W.P.C. Wickramaratne	- Chairman
2.	Retired Appellate Courts Judge Mr. N.S. Rajapaksa	- Member
3.	Retired Deputy Auditor General Mr. A.M.D. Nayanakantha	- Member
4.	Retired Deputy Auditor General Mr. G. Thevagnanan	- Member
5.	Retired Sri Lanka Administrative Service Special Grade Officer Mrs. N. Godakanda	- Member

The Commission meets at least once in a month. The number of meetings in a month may vary depending on the needs of the service.

In accordance with the powers vested in it by Article 153 C of the Constitution of the Democratic Socialist Republic of Sri Lanka and the National Audit Act No 19 of 2018, decisions regarding the Recruitments, Appointments, Promotions, Disciplinary proceedings, Transfers, Resignations, Retirements, Dismissals and Appeals of officers of the Sri Lanka state Audit service are taken at these meetings.

In accordance with the section 24(2) of the National audit act no 19 of 2018, the commission has its own secretariat and there are 48 approved posts in it.

1.2 Vision, Mission, and Objectives of the Institution

Vision

An Excellent audit service

dedicated to public interest and accountability

in accordance with the provisions of the Constitution and the National Audit Act

Mission

Ensuring accountability of public resources

by establishing Sri Lanka state Audit Service

with prioritizing professionalism, competence and good governance.

Our values

- Independence
- Impartiality
- Honesty
- Innovation
- Transparency
- Accountability
- Professional competence

1.3 Powers and Functions of the Audit Service Commission

(Powers and functions conferred by Article 153C of the Constitution and the National Audit Act No. 19 of 2018)

I. The Powers of appointment, promotion, transfer, disciplinary control and dismissal of the members belong to Sri Lanka State Audit Service

II. Make rules pertaining to schemes of recruitment, appointments, transfers, disciplinary control and dismissal of members belonging to the Sri Lanka state Audit Service, subject to any policy determined by the cabinet of the Ministers pertaining to the same.

III. Preparation of the annual estimate of the National Audit Office

IV. The Power of exercise, perform and the discharge such duties and functions as may be provided for by law.

V. Where no audit standards are specified in the Sri Lanka Audit Standards for Performance Audit, Environmental Audit, Technical Audit and any other special audits, prepare such standards and publish in the gazette, specify the provisions of the International Standards of the Supreme Audit Institutions determined by the International Organization of the Supreme Audit Institutions to be applicable in relation to such audits, with amendments to suit local requirements.

VI. Where the Audit Service Commission has reasonable grounds to believe that any transaction of an auditee entity has been made contrary to any written law and has caused any deficiency or loss due to fraud, negligence, misappropriation or corruption, report to the Chief Accounting Officer of the auditee entity for imposition of a surcharge on the value of the deficiency or loss in every transaction of such auditee entity.

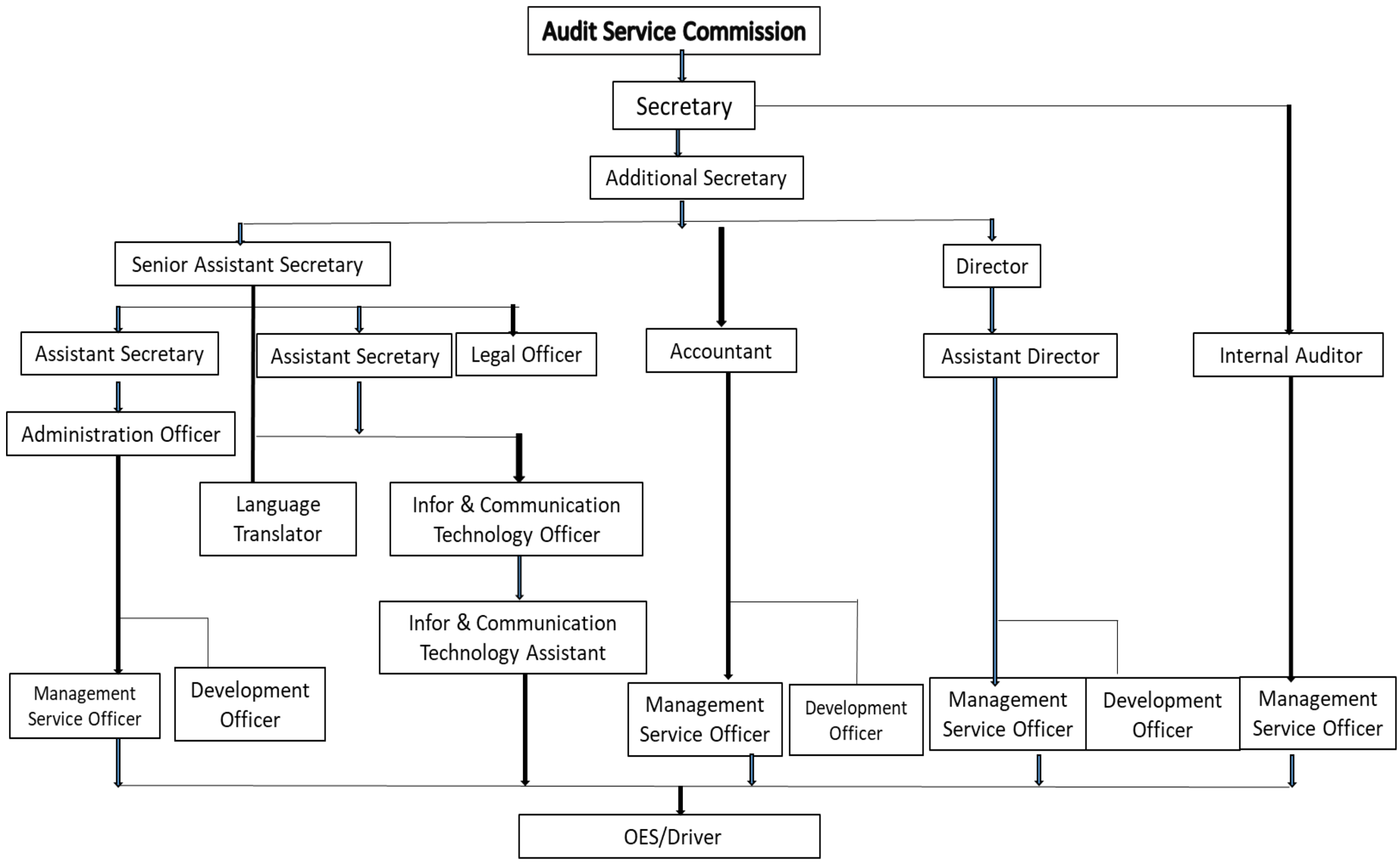
VII. Appointing committees to assist in the affaires of the Commission.

VIII. Introducing schemes to enhance the quality of performance of the staff of the National Audit Office.

IX. Making rules for which specific provision given by the Act

X. Formulating rules pertaining to the management of the State Audit Training and Development center.

1.4 Organization chart



02. Progress of the future

2.1 . Annual Progress

2.1.1 Meetings of the Audit Service Commission

In terms of Article 153B (1) of the 21st Constitution of the Democratic Socialist Republic of Sri Lanka, the quorum for any meeting of the Commission shall be three members. The term of office of the Audit Services Commission, which commenced on 10.04.2023, shall be for three years. The commission held its meetings up to 31st December 2024 as follows :

2023.04.10-2023.12.31 -22 Meetings

2024.01.01-2024.12.31 -27 Meetings

The Commission meets at least once a month, and the number of meetings within a month may vary depending on the need for service.

2.1.2 Offering to the Sri Lanka State Audit Service

Designation	Date	Number of officers who accepted the offer	Number of officers who expressed their preference for retirement without accepting it	Performance percentage
All officers of the Sri Lanka State Audit Service	2024.01.17	1211	16	100%

2.1.3 Recruitment to the posts of the Sri Lanka State Audit Service

Designation	Number of employees recruited			Performance percentage
	Direct (open)	Limited	Seniority	
Class II Grade II SLSAS Audit Superintendent	-	164	53	100%

2.1.4 Promotion of positions in the Sri Lanka State Audit Service

Designation	Number of Vacancies	Number of Promotions Given	Performance percentages
SLSAS Class III Grade I - Audit Officer	07	07	100%
SLSAS Class III supra Grade - Assistant Audit Superintendent	156	156	100%
SLSAS Class II Grade I - Assistant Auditor General	113	113	100%
SLSAS Class I - Senior Assistant Auditor General	40	40	100%
SLSAS Special Grade - Deputy Auditor General	13	13	100%
SLSAS Special Grade - Senior Deputy Auditor General	06	06	100%

2.1.5 Transfers the Sri Lanka state Audit Service

Designation	No of Transfer Recommended by the committee	Number of transferrs done	No of appeals received	Appeals		Performance percentage
				done	Not done	
Assistant Auditor General/Audit Superintendent/Assistant Audit Superintendent/Audit Officer of the Sri Lanka state Audit Service	201	201	-	-	-	100%

2.1.6 Resignations/Releases/Retirements the Sri Lanka state Audit Service

	Number of applications received	No of completed	Performance percentage
Resignations	21	21	100%
Releases	3	3	100%
Retirements	56	56	100%

2.1.7 Disciplinary proceedings against officers of the Sri Lanka State Audit Service

	Number of requests Received	Number of orders issued	Performance percentage
Number of fact-finding reports	06	06	100%
Number of initial investigations	13	13	100%
Number of charge sheets issued	01	01	100%
Number of formal disciplinary investigations conducted	01	01	100%
Number of disciplinary orders issued	05	05	100%

2.1.8 Appeals regarding officers of the Sri Lanka State Audit Service/ public complaints

	Number of letters received	Number of completed articles	Articles in progress	Performance percentage
Appeals	64	60	4	94%
Public complaints under Section 4(2) of the National Public Service Act	14	14	-	100%
Public complaints against NRC officials	08	08	-	100%

2.1.9 Conducting Efficiency Tests for the Year 2024

The efficiency test examinations will be conducted by the National Audit Office.

2.1.10 Litigation

Case Number	Description	Work Performed	Percentage of Completion
SCFR 33/2024	A petition submitted regarding the effective date of the Sri Lanka Public Audit Service's service constitution	Observations on behalf of the Audit Services Commission have been sent to the Attorney General.	100%
SCFR 33/2024	A petition has been submitted regarding the appointment of the Sri Lanka Audit Service to the position of Audit Superintendent by the Public Service Commission.	Observations on behalf of the Audit Services Commission have been sent to the Attorney General.	100%
SCFR 315/2023	A petition has been submitted regarding the non-appointment to the position of Audit Superintendent of the Sri Lanka Audit Service by the Public Service Commission.	Observations on behalf of the Audit Services Commission have been sent to the Attorney General.	100%

2.1.11 Administrative Appeals Tribunal

Case Number	Description	Work Performed	Percentage of Completion
AAT/01/2024(ASC)	Appeals filed regarding the effective date of the Sri Lanka Public Audit Service's Service Statute.	✓ Preliminary objections and written submissions have been submitted. ✓ In both the investigations presented before honorable judge, the Commission have submitted the evidences	100%

AAT/01/2024(ASC)	An appeal has been filed regarding the appointment to the position of Audit Supervisor of the Sri Lanka Audit Service made by the Public Service Commission.	✓ Preliminary objections and written submissions have been submitted. ✓ Appeared in the two hearings presented by Honorable judge. ✓ After considering the preliminary objections, the Honorable Supreme Court ordered the appeal to be referred to the Public Service Commission for a response.	100%

2.1.12 Performance Audit Standards for the National Audit Office

The Performance Audit Standards for the National Audit Office, prepared by an expert committee appointed by the Audit Services Commission in accordance with the provisions of Section 5(2) of the National Audit Act, No. 19 of 2018, were approved and published in the Gazette Extraordinary No. 2413/38 dated 2024.12.04.

2.1.13 Progress of the procurement process in 2024

N0	Description	Procurement Method	Date of completion	Progress % As of 31.12.2024
1	Purchasing materials	Shopping Method	2024.05.29	100%
2	Installing Internal telephone system	Shopping Method	2024.06.10	100%
3	Rent a Car	Shopping Method	2024.05.15	100%
4	Purchasing office equipment .	Shopping Method	2024.07.15	100%
5	Purchasing Multimedia projector .	Shopping Method	2024.07.30	100%
6	Office Room reservation .	Shopping Method		50%
7	Installing an air conditioner .	Shopping Method	2024.11.26	100%
8	Purchasing 07 Computers	Shopping Method	2024.10.23	100%
9	Purchaseing 07 UPS .	Shopping Method	2024.10.23	100%
10	Purchasing 03 Laptop computer	Shopping Method	2024.12.10	100%
11	Purchasing Digital screen .	Shopping Method	2024.12.05	100%
1 2	Appointing an independent auditor to audit the National Audit Office in accordance with section 36(1) of the National Audit Act.	Shopping Method	2024.12.06	100%
1 3	Cash Box Std/Large	Shopping Method	2024.02.29	100%
1 4	Monochrome Multifunction Laser Printer	Shopping Method	2024.03.11	100%
1 5	Projector Screen Vega 60"x60" Tripod	Shopping Method	2024.03.14	100%
1 6	Voice Recorder	Shopping Method	2024.05.15	100%
1 7	Water Dispenser	Shopping Method	2024.05.15	100%
1 8	Multifunction Brother Printer	Shopping Method	2024.08.09	100%
19	Kingston Pen Drive	Shopping Method	2024.08.13	100%
20	Tea set 01	Shopping Method	2024.08.09	100%
21	Pedestal Fan 04	Shopping Method	2024.08.22	100%
22	Samsung 32 Smart TV-01	Shopping Method	2024.08.30	100%
23	Coloudy / Bed Sofa General -01	Shopping Method	2024.09.03	100%
24	Electric Paper Shedder	Shopping Method	2024.10.25	100%
25	Samsung 32 Smart TV-01	Shopping Method	2024.10.28	100%
26	Sisil Eco Refrigerator-01	Shopping Method	2024.11.06	100%
27	Steel Racks-04	Shopping Method	20240.12.30	100%
28	Pantum M6600NW Printer -01	Shopping Method	2024.12.24	100%

3. Overall financial performance for the year

3.1 Statement of Financial Performance

ACA -F

Statement of Financial Performance
for the period ended 31st December 2024

Revised Budget Allocations 2024 Rs.		Note	Actual 2024 Rs.	Actual 2023 Rs.	
-	**Revenue Receipts**		789,689.02	-	
-	Income Tax	1	- .00	-	ACA-1
-	Taxes on Domestic Goods & Services	2	- .00	-	ACA-1
-	Taxes on International Trade	3	- .00	-	ACA-1
-	Non Tax Revenue & Others	4	789,689.02	-	ACA-1
-	**Total Revenue Receipts (A)**		**789,689.02**	-	
-	**Non Revenue Receipts**		**- .00**	-	
-	Treasury Impressts		55,257,000.00	-	ACA-3
-	Deposits		98,443.00	-	ACA-4
-	Advance Accounts		510,682.92	-	ACA-5
-	Other Main Ledger Receipts		- .00		
-	**Total Non Revenue Receipts (B)**		**55,866,125.92**	-	
	Total Revenue Receipts & Non Revenue Receipts C = (A)+(B)		**56,655,814.94**	-	
	Remittance to the Treasury (D)		- .00	-	
-	**Net Revenue Receipts & Non Revenue Receipts E = (C)-(D)**		56,655,814.94	-	
	Less: Expenditure				
-	**Recurrent Expenditure**		**- .00**	-	
42,650,000.00	Wages, Salaries & Other Employment Benefits	5	22,414,095.12	-	ACA-2(ii)
45,150,000.00	Other Goods & Services	6	24,326,902.56	-	ACA-2(ii)
200,000.00	Subsidies, Grants and Transfers	7	103,737.07	-	ACA-2(ii)
-	Interest Payments	8	- .00	-	ACA-2(ii)
-	Other Recurrent Expenditure	9	- .00	-	ACA-2(ii)
88,000,000.00	**Total Recurrent Expenditure (F)**		**46,844,734.75**	-	
	Capital Expenditure				
1,000,000.00	Rehabilitation & Improvement of Capital Assets	10	- .00	-	ACA-2(ii)
10,300,000.00	Acquisition of Capital Assets	11	8,762,435.27	-	ACA-2(ii)
-	Capital Transfers	12	- .00	-	ACA-2(ii)
-	Acquisition of Financial Assets	13	- .00	-	ACA-2(ii)
700,000.00	Capacity Building	14	446,000.00	-	ACA-2(ii)
-	Other Capital Expenditure	15	- .00	-	ACA-2(ii)
12,000,000.00	**Total Capital Expenditure (G)**		**9,208,435.27**	-	
	Deposit Payments		98,443.00	-	ACA-4
	Advance Payments		2,119,066.92	-	ACA-5
	Other Main Ledger Payments		- .00	-	
	Total Main Ledger Expenditure (H)		2,217,509.92	-	
	Total Expenditure I = (F+G+H)		58,270,679.94	-	
100,000,000.00	**Balance as at 31st December J = (E-I)**		(1,614,865.00)	-	
	Balance as per the Imprest Adjustment Statement		(1,614,865.00)	-	ACA-7
	Impress Balance as at 31st December		- .00		ACA-3
			(1,614,865.00)	-	

3.2 Statement of Financial Position

ACA-P

Statement of Financial Position
As at 31st December 2024

	Note	Actual 2024 Rs	2023 Rs
Non Financial Assets			
Property, Plant & Equipment	ACA-6	22,913,396.27	-
Financial Assets			
Advance Accounts	ACA-5/5(a)	1,608,384.00	-
Cash & Cash Equivalents	ACA-3	-	-
Total Assets		24,521,780.27	-
Net Assets / Equity			1,608,384.00
Net Worth to Treasury		1,608,384.00	-
Property, Plant & Equipment Reserve		22,913,396.27	-
Rent and Work Advance Reserve	ACA-5(b)		
Current Liabilities			
Deposits Accounts	ACA-4	-	-
Unsettled Imprest Balance	ACA-3	-	-
Total Liabilities		24,521,780.27	-

Detail Accounting Statements in ACA format Nos. 1 to 7 presented in pages from ...37.... to..51. and Annexures to accounts presented in pages from .52.. to ...60.... form an integral part of these Financial Statements. The Financial Statements have been prepared in complying with the Generally Accepted Accounting Principles whereas most appropriate Accounting Policies are used as disclosed in the Notes to the Financial Statements and hereby certify that figures in these Finacial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found in agreement.

We hereby certify that an effective internal control system for the financial control exists in the Reporting Entity and carried out periodic reviews to monitor the effectiveness of internal control system for the financial control and accordingly make alterations as required for such systems to be effectively carried out.

Chief Accounting Officer	Accounting Officer	Chief Financial Officer/ Chief Accountant/ Director (Finance)/ Commissioner (Finance)
Name :	Name :	Name :
Designation :	Designation :	
Date : 27/02/2025	Date : 27/02/2025	Date : 27/02/2025

D. K. Wijesinghe
Secretary
Audit Service Commission

H.M. Nandasena
Additional Secretary
Audit Service Commission

K. Sharmila Manori
Accountant (Act.)
Audit Service Commission
No. 35/A, Dr. N.M. Perera Mawatha,
Colombo 08.

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3.3 Statement of Cash Flows

ACA-C

Statement of Cash Flows
for the Period ended 31st December 2024

	Actual	
	2024 Rs.	**2023 Rs.**
Cash Flows from Operating Activities		
Total Tax Receipts	- .00	-
Fees, Fines, Penalties and Licenses	789,689.02	-
Profit	- .00	-
Non Revenue Receipts	- .00	-
Revenue Collected on behalf of Other Revenue Heads	- .00	-
Imprest Received	55,257,000.00	-
Recoveries from Advance	510,682.92	-
Deposit Received	98,443.00	-
Total Cash generated from Operations (A)	**56,655,814.94**	-
Less - Cash disbursed for:		
Personal Emoluments & Operating Payments	46,740,997.68	-
Subsidies & Transfer Payments	103,737.07	
Expenditure incurred on behalf of Other Heads	- .00	-
Imprest Settlement to Treasury	- .00	-
Advance Payments	504,201.92	-
Deposit Payments	98,443.00	-
Total Cash disbursed for Operations (B)	**47,447,379.67**	-
NET CASH FLOW FROM OPERATING ACTIVITIES(C)=(A)-(B)	**9,208,435.27**	-
Cash Flows from Investing Activities		
Interest	- .00	-
Dividends	- .00	-
Divestiture Proceeds & Sale of Physical Assets	- .00	-
Recoveries from On Lending	- .00	-
Total Cash generated from Investing Activities (D)	**- .00**	-
Less - Cash disbursed for:		
Purchase or Construction of Physical Assets & Acquisition of Other Investment	9,208,435.27	-
Total Cash disbursed for Investing Activities (E)	**9,208,435.27**	-
NET CASH FLOW FROM INVESTING ACTIVITIES(F)=(D)-(E)	**(9,208,435.27)**	-
NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (G)=(C) + (F)	-	-
Cash Flows from Fianacing Activities		
Local Borrowings	-	-
Foreign Borrowings	-	-
Grants Received	-	-
Total Cash generated from Financing Activities (H)	-	-
Less - Cash disbursed for:		
Repayment of Local Borrowings	-	-
Repayment of Foreign Borrowings	-	-
Total Cash disbursed for Financing Activities (I)	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(H)-(I)	-	-
Net Movement in Cash (K) = (G) + (J)	-	-
Opening Cash Balance as at 01st January	-	-
Closing Cash Balance as at 31st December	-	-

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3.4 Performance of the utilization of allocated

Allocation type	Separate made		True cost	Used Allocation , as a % of the final Allocation amount finalized
	Original Allocation	Final Allocation		
Recurrent	88,000,000.00	88,000,000.00	46,844,734.75	53.23
Capital	12,000,000.00	12,000,000.00	9,208,435.27	76.74
Collection	100,000,000.00	100,000,000.00	56,053,170.02	56.05

3.5 Performance of the Revenue collection

Income symbol	Description of the income code	Revenue estimate		Added Income	
		Original estimate	End Estimate	Amount (Rs.)	Final income As a % of the estimate
2002.01.01	Government buildings Rent	-	-	88,275.00	100
2002.02.99	Other	-	-	76,177.27	
2003.02.99	Miscellaneous	-	-	1,404.00	
2003.99.00	Others Receipts	-	-	2,461.00	
2004.01.00	Social Security contributions	-	-	621,371.75	
Total income		-	-	789,689.02	

3.6 Performance of the reporting of Non- Financial Assets

Asset code	Code description	Balance as per the goods survey report as on 31.12.2024	Balance as per the Financial Position Statement as on 31.12.2024	In the future Due for accounting	Progress as % Reporting
9151	Buildings and Structures	-	-	-	-
9152	Machinery		22,913,396.27		
9153	Land	-	-	-	-
9154	Intangible assets	-	-	-	-
9155	Biological Assets	-	-	-	-
9160	Work in progress	-	-	-	-
9180	Leased assets	-	-	-	-

3.7 Auditor General's Report

Heading 023 - Audit Service Commission Auditor General's Summary Report in terms of Section 11(1) of the National Audit Act, No. 19 of 2018, on the financial statements for the year ended 31 December 2024 .

1. Financial statements

1.1 Opinion

Heading 0 23 - Statement of Financial Position of the Audit Services Commission as **at** 31st December 2024 , The financial statements for the year ended 31 December 2024 , which comprise the statement of financial performance and the statement of cash flows for the year then ended and the notes to the financial statements, together with information on significant accounting policies, were audited under my authority in accordance with the provisions of Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with the provisions of the National Audit Act, No. 19 of 2018. This report contains my comments and observations on these financial statements, which are submitted to the Audit Services Commission in accordance with Section 11(1) of the National Audit Act, No. 19 of 2018. The annual detailed management audit report shall be issued to the Chief Accounting Officer in due course in terms of section 11(2) of the National Audit Act, No. 19 of 2018. The Auditor General's report, required to be submitted in terms of section 10 of the National Audit Act, No. 19 of 2018 read in conjunction with article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka, shall be submitted to Parliament in due course.

Audit Services Commission for the year ending 31 December 2024 From the financial statements , Financial position , financial performance and cash flows , financial statements Related posts In 1 Mentioned Basis for preparing financial statements In accordance Fair in all quantitative respects I believe that it reflects a situation .

1.2 Basis for opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAS) . My responsibility under those Auditing Standards is further described in the Auditor's Responsibilities for the Audit of the Financial Statements section . 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 to the financial statements, which describes the basis of preparation of these financial statements. The financial statements have been prepared for the use of the Audit Services Commission , the Treasury and the Parliament in accordance with Government Finance Regulations 155 and 151 and Public Accounts Guideline No. 06/2024 dated 16 December 2024, as amended on 21 February 2025. Accordingly, these financial statements may not be suitable for other purposes. My report is intended only for the use of the Audit Services Commission , the Treasury and the Parliament of Sri Lanka. My opinion in this regard is not modified.

1.4 Responsibility of the Chief Accounting Officer for the financial statements

all material respects in accordance with Government Financial Regulations 150 and 151 and Public Accounts Guidelines No. 06/2024 dated 16 December 2024 as amended on 21 February 2025, and to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Responsibility.

In terms of Section 16(1) of the National Audit Act, No. 19 of 2018, the Audit Services Commission shall maintain proper books and records of its income , expenditure , assets and liabilities to enable it to prepare annual and interim financial statements .

The Chief Accounting Officer has established and maintained an effective internal control system for the financial control of the Audit Services Commission in accordance with subsection 38(1)(c) of the National Audit Act. It should be ensured that the effectiveness of the system is reviewed periodically and necessary changes should be made accordingly to ensure that the system operates effectively.

1.5 Auditor's responsibility for the audit of financial statements

Financial statements as a whole , My objectives are to obtain reasonable assurance that the financial statements are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance , but An audit conducted in accordance with Sri Lanka Auditing Standards is not a guarantee that a material misstatement will always be detected. Fraud and error, whether individually or collectively, may result in a material misstatement . Its significance depends on the impact it has on the economic decisions taken by users on the basis of these financial statements.

I exercised professional judgment and professional skepticism as part of my audit in accordance with Sri Lanka Auditing Standards. I further ,

- In providing a basis for the audit opinion expressed, appropriate audit procedures were designed and performed to identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. The impact of fraud is greater than the impact of material misstatements due to misstatements due to misstatements , because they are inconsistent with the By preparing false documents , by intentionally evading , This is due to reasons such as misrepresentation or bypassing internal controls.

- Although not for the purpose of expressing an opinion on the effectiveness of internal control **,** an understanding of internal control was obtained in order to design audit procedures that are appropriate in the circumstances.

- Evaluating whether the financial statements adequately and fairly reflect the underlying transactions and events for the structure and content of the financial statements, including disclosures.

- The structure and content of the financial statements were evaluated for their appropriate and fair inclusion of underlying transactions and events, and for the overall presentation of the financial statements, including disclosures.

Significant audit findings identified during my audit , I will inform the Chief Accounting Officer about major internal control weaknesses and other matters.

2. Financial review

2.1 Expense Management

Due to the failure to prepare actual expenditure estimates in accordance with Financial Regulation 50, there were provision savings ranging from 13 percent to 100 percent, amounting to Rs. 40,975,266 from the net provision of 20 recurrent expenditure items and Rs. 2,791,565 from the net provision of 4 capital expenditure items.

2. 2 Entering into debts and obligations

Liabilities totaling Rs. 6,718 for the year under review were not included in the Statement of Liabilities and Accounts Receivable (Cumulative Liabilities and Accounts Receivable Report generated by the CIGAS web application) as of December 31, 2024.

2.3 Laws , Non-compliance with rules and regulations

The following non-conformities were observed.

	Referring to laws , rules , regulations, etc.	Observations
(a)	Dated December 16 , 2024 No. 06/2024 State Accounts Section 7.2 of the Guide	the income collected by the reporting institution on behalf of other revenue accounting officers should have been adjusted in the imprest reconciliation statement , the income of Rs. 789,689 collected by the Commission on behalf of other revenue accounting officers in the year 2024 was not shown in the imprest reconciliation statement but was shown under Non-tax income and others in the financial performance statement.
(b)	2025 February Revised Public Accounts Guideline No. 06/2024 dated 18	to the Statement of Financial Position (ACA – P) included in the 2024 Financial Statements set , indicating the purpose of preparing the financial statements under the note and reporting basis, this had not been done.

3 Operational review

3.1 Performance

Article 153 (c) of the Constitution and the National Audit Act No. 19 of 2018 The Audit Service Commission is empowered to perform the above functions. It was assigned.
the performance of these tasks .

(a) Formulate and implement rules.

Article 153 (c) of the Constitution , the Commission is required to formulate rules relating to the recruitment, appointment, promotion, transfer, disciplinary control and dismissal of members of the Sri Lanka Public Audit Service, subject to the policies duly formulated by the Cabinet, and to obtain the relevant approvals in accordance with the steps and procedures set out in Section 48 of the

National Audit Act, No. 19 of 2018, but as of December 31, 2024, those rules had not been formulated and brought into effect.

(b) Establishment of a Center for Public Audit Training and Development and preparing rules related to the management of the center.

Pursuant to Section 47 of the National Audit Act, No. 19 of 2018 It was stated that a State Audit Training and Development Center should be established under the Audit Office with the aim of improving human resource capacity in the field of public finance and auditing, and that the rules related to the management of the center should be formulated by the Commission, but such a training and development center was established by the National Audit Office. Since there were none, the relevant rules should be formulated. For The Audit Services Commission had been unable to function .

(c) Litigation

During the year 2024, 03 Fundamental Rights cases were filed in the Supreme Court with the Audit Service Commission as the respondent regarding matters related to the Service Constitution of the Sri Lanka Public Audit Service and these legal proceedings were pending until the end of 2024.

(d) Administrative Appeals Tribunal

Twelve appeals were pending before the Administrative Appeals Tribunal against the decisions taken by the Public Service Commission in relation to services prior to the establishment of the Sri Lanka Public Audit Service.

(e) Confirmation of service

had requested the Attorney General for advice on whether 73 Class III Grade II Audit Officers of the Sri Lanka State Audit Service recruited in accordance with the previous service regulations could be confirmed , and had requested and informed the Attorney General to provide such advice promptly, As of December 31, 2024, the confirmation process had been put on hold until the Attorney General issued instructions.

4.2 Procurements

The following observations are made.

(a) Purchase of office equipment

In the year 2024, a total of Rs. 2,127,074 (including tax) was paid to 02 private companies for the purchase of 12 items of office equipment in various quantities. The following observations are made in this regard.

(i) In accordance with paragraph 6.3.6 of the Procurement Guidelines and Procedures, the form used for opening bids had only included the names of the institutions that submitted bids without indicating the financial details of the bids.

(ii) It was stated as a condition of the bid document relating to this procurement that the selected suppliers should deliver the relevant goods to the Commission office within three days from the date indicated in the tender award letter, and that suppliers who do not deliver the goods within the specified period will have to charge a late fee of 0.05 percent of the tender award amount for each day of delay, and the maximum late fee charged will be 10 percent of the tender value. The relevant goods order had been placed on 15 July 2024, and payments had been made to the relevant suppliers on invoices dated 01, 06, 20 and 09 September 2024 without issuing goods receipts. Accordingly, attention had not been paid to the condition of charging late fees based on the time of delivery of the goods.

(b) e – Gp Procurement through the system under the Shopping Method .
Drawing attention to the Public Finance Circular No. 08/2019(ii) dated 06 February 2024, No. 08/2019(i) dated 19 April 2023 and No. 08/2019 dated 17 December 2019, issued on the implementation of the Public Electronic Procurement System in Sri Lanka, e- GP for the procurement of goods under the Shopping Method As the system has been developed, public procurement has become more stable and Coordinating Officers e – Gp System registration, supplier registration, publication of annual procurement notices and procurement awards, e – Gp Despite being instructed to do so through the system, the Commission conducted procurements of goods totaling Rs. 8,287,646 on 24 occasions in 2024 under the price quotation system through e- Gp. It was done without using the system.

4.3 Asset Management

The following observations are made.

(a) Although a van had been acquired from the Commission under operating lease basis with a monthly rental of Rs. 318,600 (including VAT) subject to a maximum monthly mileage of 3000 kilometers for a period of 02 years from 14th February 2024 to 14th February 2026 The average monthly mileage of this vehicle in 2024793 Km There was a very small amount of it.

(b) Although there were 05 driver posts in the approved staff, only one driver was employed on a contract basis, but since that driver also did not report for duty since February 2025, this reserve van acquired on a rental basis has not been operated since February 2025 and the vehicle remained idle, paying a monthly rent of Rs. 318,600. The Commission had not yet approved the recruitment of a driver on a contract basis until a permanent driver was obtained .

(c) Although, in accordance with paragraph 7 of the Asset Management Circular No. 01/2017 dated 26th June 2017, information regarding the assets purchased and disposed of by each institution should be submitted to the Office of the Comptroller General at the end of the relevant quarter, the Audit Commission had not acted accordingly.

(d) It was observed that there was a difference of Rs. 2,720,000 when comparing the budgeted allocations for two capital expenditure subjects of the Audit Services Commission, which amounted to Rs. 15,000,000, with the estimates shown in the procurement plan.

(e) Updating of asset records

I. As of December 31, 2024, when comparing the BOS Report under Fixed Assets in the Goods Receipt Book and CIGAS system , changes were observed in 26 assets related to 12 asset items.

II. It was observed during the audit that it has become difficult to compare the records obtained through the CIGAS system with the inventory book due to the inconsistency of the asset item nomenclatures mentioned in the CIGAS software and the inventory book .

III. As per the CIGAS BOS report used for the preparation of the financial statements as at 31 December 2024 , UPS item 21 office equipment and computer equipment 16 items under both headings as well as Visitors

Chairs Office equipment And furniture There was double counting due to being accounted for under both headings.

IV. It was observed that the absence of asset codes generated by the CIGAS computer system on physical assets hinders the identification of assets and the proper disposal of assets when necessary, as well as the verification of the accuracy of assets during commodity surveys.

5. Human Resource Management

5.1 Human Resource Development Plan

dated 30 November 2023 Annexure I to Annexure X of the Public Administration Circular No. Although the human resource plan should be prepared based on the formats, the Audit Services Commission had not prepared the human resource plan for the year 2024 according to those formats.

5.2 Attached staff and actual staff

(a) As at 31st December 2024 , the total number of vacancies in the Commission was 33, i.e. 68 percent of the approved staff strength. Out of this number of vacancies, there were 06 senior level vacancies, 04 tertiary level vacancies, 15 secondary level vacancies and 08 primary level vacancies.

(b) Instead of appointing to permanent service as per the recruitment process, three officers had been attached on an acting basis to fill 3 of the 6 senior level vacancies , while officers had been attached on a contract basis to fill 3 secondary level vacancies and one primary level post.

If the existence of such vacancies is affecting the performance of the Commission, it is appropriate to fill the vacancies in the future or, failing that, revise the approved staff.

4. Performance indicators

Progress in the Administration Branch

Specific index	**As a percentage of expected output**		
	100 % – 90 %	**89 %– 75 %**	**50% – 74 %**
Updating and maintaining personal files	✓		
Preparing reports for the organization	✓		
Duties Compliance with the right to Information Act	✓		
Providing training opportunities for officers	✓		
Other * Preparation of other official identity cards * Train season tickets and train passes * Agrahara Insurance Benefits	✓		

Progress in the Accounts Branch

Specific index	**As a percentage of expected output**		
	100 % – 90 %	**89 %– 75 %**	**50% – 74 %**
Efficient financial administration and accurate accounts	✓		
Accurate reporting	✓		
Optimal use of financial assets	✓		

Progress in the Appointments/Promotions/Disciplinary Branch

Specific index	**As a percentage of expected output**		
	100 % – 90 %	**89 %– 75 %**	**50% – 74 %**
Recruitment for positions in the Sri Lanka state Audit Service	✓		
Grade Promotion of ranks of officers of the Sri Lanka state Audit Service	✓		
Annual transfers and appeals of officers of the Sri Lanka State Audit Service	✓		
Approval for the retirement of officers of the Sri Lanka state Audit Service	✓		
Handling of surcharge appeals			

5. Performance in achieving sustainable development goals

5.1 Identified Sustainable Development Goals and Progres

No	Purpose	Goals	Achievement indicators	Progress achieved			Relevant section
				0%-49%	50%-74%	75%-100%	
01	8. Decent work and economic growth.	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading & innovation including through a focus on high value added and labour intensive sectors.	Number of training programs conducted to increase the productivity of the organization's human resources			✓	Human Resource Development
			training provided to the institution's officers to create a group of officers with international knowledge			✓	
02	12. Responsible consumption and production	12.7 promote public procurement practices that are sustainable in accordance with national policies and priorities	Percentage of budget funds utilized for procurement activities			✓	Accounts

No	Purpose	Goals	Achievement indicators	Progress achieved			Relevant section
				0%-49%	50%-74%	75%-100%	
03	16.Peace, Justices and strong institutions.	16.6 Develop effective , accountable and transparent institutions at all levels.	Submitting budget estimates to the Treasury within the stipulated time			✓	Accounts
			Submission of financial statements to the Auditor General on or before February 28			✓	Accounts
			Submission of Advance B Account to the Auditor General on or before February 28th			✓	Accounts
			Completion of commodity survey activities on the due date as per the State Finance Circular 01/2020			✓	Accounts
		16.7 Ensure responsive , inclusive, participatory and representative decision-making at all levels.	The extent to which executive positions are distributed by gender and age in the organization			✓	Controls
			The distribution of non-executive positions in the organization by gender and age			✓	Controls
		16.10 Ensure public access to information and maintaining and protect fundamental freedoms. In accordance with national legislation &international agreements.	Number of requests received under the Right to Information Act			✓	Controls
			Number of requests for which initial steps were taken to resolve public complaints received			✓	Controls

6. Human Resources Profile

6.1 Cadre Management

	Approved number of employees	Number of existing employees	Vacancy/(Surplus)
Senior	10	04	06
Tertiary	5	1	04
Secondary	21	6	15
Primary	12	04	08
	48	15	33

Information on the total number of posts approved for the Audit Service Commission and the staff in service and vacancies as on 31.12.2024

Nature of the position	**Designation**	**Number of approved positions**	**Number of employees**	**Number of vacancies**
Senior level	Secretary	0 1	01	06
	Additional Secretary	01	01	
	Senior Assistant Secretary	0 1	0 1	
	Director	01	01	
	Assistant Director	01	0	
	Assistant Secretary	02	0	
	Accountant	01	0	
	Internal Auditor	01	0	
	Legal Officer (Departmental)	01	0	
Tertiary level	Administrative Officer	01	01	04
	Language translator	03	0	
	Information and Communication Technology Officer	0 1	0	
Secondary level	Information and Communication Technology Assistant	01	0	15
	Management Services Officer Service	15	0 5	
	Development Officer	05	01	
Primary level	Driver service	05	0	08
	Office worker service	07	0 4	
Collection		43	15	33

6.2 How has the shortage or surplus of human resources affected the performance of the organization?

Having to operate without even the minimum staff required to perform duties can hinder efficient operations and affect the transparency, accuracy, and quality of the organization's operations.

However, as an alternative to avoid the above situations, steps have been taken to obtain the services of retired officers on a contract basis.

6.3 Human Resource Development

Serial number	Program	Number of staff members trained	Program duration	Total Investment (Rs.)		Nature of the program (local / foreign)	Output / Knowledge gained
				Local	Foreign		
01	Diploma in Professional English	02	01 year	184000/=		Local	To enhance skills for better service delivery to achieve the organization's objectives
02	E code and PSC rules	10	Day 01			Local	
03	Secretarial Practice	01	Day 04	25000/=		Local	
04	Disciplinary procedure	01	Day 02	13000/=		Local	
05	Office Assistant and Driver duties	03	Day 02	39000/=		Local	
06	Stores management and purchasing process	01	Day 02	13000/=		Local	
07	Office letter writing	03	Day 01	21000/=		Local	
08	Procurement procedure	01	Day 02	13000/=		Local	
09	Internal audit procedure	01	Day 02	13000/=		Local	
10	Government financial regulations	01	Day 01	7000/=		Local	
11	Current office systems and management	01	Day 02	13000/=		Local	
12	Annual survey and asset misappropriation	01	Day 02	13000/=		Local	
13	Salary conversion	02	Day 02	26000/=		Local	
14	Preparing Cabinet Memoranda	01	Day 01	7000/=		Local	
15	Responsibility of office worker	03	Day 02	39000/=		Local	
16	Accounting methodology and preparation of final accounts	01	Day 02	13000/=		Local	
17	Set up advance B accounts	01	Day 01	7000/=		Local	
1 8	Ten days in-service training for Management Service Officer First Class officers	01	Day 10			Local	
1 9	Official Language Tamil Course - Third Level	03	Day 14			Local	Improving language skills for better service delivery

7. Compliance Report

Number	Applicable Requirement	Compliance status (Complied/ Not Complied)	Brief explanation for Non Compliance	Corrective actions Proposed to avoid non-compliance in future
1	**The following financial statements/accounts have been submitted on due date.**			
1.1	Annual Financial Statements	Complied		
1.2	Advance to public officers account	Complied		
1.3	Trading & Manufacturing Advance Accounts (Commercial Advance Accounts)	-		
1.4	Stores Advance accounts	-		
1.5	Special Advance Accounts	-		
1.6	Other	Complied		
2	**Maintenance of books and registers (FR. 445)**			
2.1	Fixed assets register has been maintained & update in terms of Public Administration Circular 267/2018	Complied		
2.2	Personal emoluments register/ personal emoluments cards has been maintained & update.	Complied		
2.3	Register of Audit queries has been maintained and update.	Complied		
2.4	Register of Internal Audit queries has been maintained and update.	Complied		
2.5	All the monthly account summaries (CIGAS) are prepared and submitted to the Treasury on due date.	Complied		
2.6	Register for cheques and money orders has been maintained and update.	Complied		
2.7	Inventory register has been maintained and update.	Complied		
2.8	Stocks Register has been maintaining inventory records	Complied		

2.9	Register of losses has been maintained and update	Complied		
2.10	Commitment Register has been maintained and update	Complied		
2.11	Register of Counterfoil Books has been maintained and update (GAN20)	Complied		
3.	**Delegation of functions for financial control (FR.135)**			
3.1	The financial authority has been delegated within the organization	Complied		
3.2	The delegation of financial authority has been communicated within the institute.	Complied		
3.3	Every transaction must be approved by two or more officers with delegated authority.	Complied		
3.4	In accordance with Public Accounts Circular No. 171/2004 dated 11.05.2014, the use of government payroll software must be subject to the control of accountants.	Complied		
4	**Preparation of annual plans**			
4.1	The annual action plan has been prepared	Complied		
4.2	The annual procurement plan has been prepared	Complied		
4.3	The annual Internal Audit plan has been prepared	Complied		
4.4	The annual estimate has been prepared and submitted to the NBD on due date	Complied		
4.5	The annual cash flow has been submitted to the Treasury Operations Department on time	Complied		

Number	The need to apply	Compliance status (Compatible / Not compatible)	If not compliant, a brief explanation.	Proposed corrective actions to prevent non-compliance in the future
5	**Audit Queries**			
5.1	All the audit queries has been replied within the specified time by the Auditor General	Complied		
6	**Internal Audit**			
6.1	The internal audit Programme has been prepared at the beginning of the year after consulting the Auditor General in terms of Financial Regulation 134(2) DMA/1/2019	Complied		
6.2	All the internal audit reports has been replied within one month	Complied		
6.3	Copies of all the internal audit reports has been submitted to the Management Audit Department in terms of Sub-section 40(14) of the National Audit Act No. 19 of 2018	Complied		
6.4	All the copies of internal audit reports has been submitted to the Auditor General in terms of Financial Regulation 134(3)	Complied		
7	**Audit and Management Committees**			
7.1	Minimum 04 meetings of the Audit and Management Committee has been held during the year as per the DMA circular 1/2019	One committee meeting was held on 18.12.2024 .		Arrangements and scheduled for the year 2025.

Number	The need to apply	Compliance status (Compatible / Not compatible)	If not compliant, a brief explanation.	Proposed corrective actions to prevent non-compliance in the future
8	**Asset Management**			
8.1	The information about purchases of assets and disposals was submitted to the Comptroller General's Office in terms of Paragraph 07 of the Asset Management Circular No. 01/2017	Complied		
8.2	A suitable liaison officer was appointed to coordinate the implementation of the provisions of the circular and the details of the nominated officer was sent to the Comptroller General's Office in terms of Paragraph 13 of the aforesaid circular	Complied		
8.3	The boards of survey was conducted and the relevant reports submitted to the Auditor General on due date in terms of Public Finance Circular No. 01/2020	Complied		
8.4	The excesses and deficits that were disclosed through the board of survey and other relating recommendations, actions were carried out during the period specified in the circular	Complied		
8.5	The disposal of condemn articles had been carried out in terms of FR 772	Complied		

Number	Requirement to be applied	Compliance status (Compatible / Not compatible.)	If not compliant, a brief explanation.	Proposed corrective actions to prevent non-compliance in the future
9	**Vehicle management**			
9.1	The daily running charts and monthly summaries of the pool vehicles had been prepared and submitted to the Auditor General on due date	Complied		
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning			There are no pregnant vehicles.
9.3	The vehicle logbooks had been maintained and updated			not applicable
9.4	The action has been taken in terms of F.R. 103, 104, 109 and 110 with regard to every vehicle accident			There have been no accidents.
9.5	The fuel consumption of vehicles has been re-tested in terms of the provisions of Paragraph 3.1 of the Public Administration Circular No.30/2016 of 29.12.2016			
9.6	The absolute ownership of the leased vehicle log books has been transferred after the lease term	Complied		Only vehicles available on a monthly rental basis
10	**Management of Bank account**			
10.1	The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date	Complied		
10.2	The dormant accounts that had existed in the year under review or since previous years settled	Complied		
10.3	The action had been taken in terms of Financial Regulations regarding balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made, and had those balances been settled within one month	Complied		
Number	The need to apply	Compliance status (Compatible / Not compatible)	If not compliant, a brief explanation.	Proposed corrective actions to prevent non-compliance in the future

11	**Utilization of Provisions**			
11.1	The provisions allocated had been spent without exceeding the limit	Complied		
11.2	The liabilities not exceeding the provisions that remained at the end of the year as per the FR 94(1)	Complied		
12	**Advances to Public Officers Account**			
12.1	The limits had been complied with	Complied		
12.2	A time analysis had been carried out on the loans in arrears	Complied		
12.3	The loan balances in arrears for over one year had been settled	Complied		
13	**General Deposit Account**			
13.1	The action had been taken as per F.R.571 in relation to disposal of lapsed deposits	Complied		
13.2	The control register for general deposits had been updated and maintained	Complied		
14	**Imprest Account**			
14.1	The balance in the cash book at the end of the year under review remitted to TOD	Complied		
14.2	The ad-hoc sub imprests issued as per F.R. 371 settled within one month from the completion of the task	Complied		
14.3	The ad-hoc sub imprests had been issued exceeding the limit approved as per F.R. 371	Complied		
14.4	The balance of the imprest account had been reconciled with the Treasury books monthly	Complied		

Number	The need to apply	Compliance status (Compatible / Not compatible)	If not compliant, a brief explanation.	Proposed corrective actions to prevent non-compliance in the future
15	**Revenue account**			
15.1	The refunds from the revenue had been made in terms of the regulations	Complied		
15.2	The revenue collection had been directly credited to the revenue account without credited to the deposit account	Complied		
15.3	Returns of arrears of revenue forward to the Auditor General in terms of FR 176	Complied		
16	**Human Resource Management**			
16.1	The staff had been paid within the approved cadre	Complied		
16.2	All members of the staff have been issued a duty list in writing	Complied		
16.3	All reports have been submitted to MSD in terms of circular no.04/2017 dated 20.09.2017	Complied		
17	**Provision of information to the public**			
17.1	An information officer has been appointed and a proper register of information is maintained and updated in terms of Right To Information Act and Regulation	Complied		
17.2	Information about the institution to the public have been provided by Website or alternative measures and has it been facilitated to appreciate / allegation to public against the public authority by this website or alternative measures	Complied		
17.3	Bi- Annual and Annual reports have been submitted as per section 08 and 10 of the RTI Act	Complied		

Number	The need to apply	Compliance status (Compatible / Not compatible)	If not compliant, a brief explanation.	Proposed corrective actions to prevent non-compliance in the future
18	**Implementing citizens charter**			
18.1	A citizens charter/ Citizens client's charter has been formulated and implemented by the Institution in terms of the circular number 05/2008 and 05/2018(1) of Ministry of Public Administration and Management	Complied		
18.2	A methodology has been devised by the Institution in order to monitor and assess the formulation and the implementation of Citizens Charter/Citizens client's charter as per paragraph 2.3 of the circular	Complied		
19	**Preparation of Human Resource Plan**			
19.1	A human resource plan has been prepared in terms of the format in Annexure 02 of Public Administration Circular No.02/2018 dated 24.01.2018.	Complied		
19.2	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan	Complied		
19.3	Annual performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid Circular	Not complied		This part of the circular has been repealed.
19.4	A senior officer was appointed and assigned the responsibility of preparing the human resource development plan, organizing capacity building programs and conducting skill development programs as per paragraph No.6.5 of the aforesaid Circular	Complied		.
20	**Responses Audit Paras**			
20.1	The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified	Complied		