

Judicial Infrastructure Maintenance Trust -2013

The audit of financial statements of the Judicial Infrastructure Maintenance Trust for the year ended 31 December 2013 comprising the balance sheet as at 31 December 2013 and the statement of income and expenditure, statement of changes in accumulated fund and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory 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 Section 22 of the Deed of the Trust dated 17 July 2007. My comments and observations on the above financial statements are appears in this report.

1.2 Responsibility of the Management for the Financial Statements

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

1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Standards of Supreme Audit Institutions (ISSAI 1000- 1810). Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements 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 Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

2. Financial Statements

2.1 Opinion

In my opinion, the financial statements give a true and fair view of the financial position of the Judicial Infrastructure Maintenance Trust as at 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

2.2 Non- compliance with Deed of the Trust

Even though in terms of Section 18 of Deed of Trust the Meetings of the Trustees should be conducted at least once in every two months, only 03 Meetings had been conducted during the year under review.

3. Financial and Operating Review

Financial Results

According to the financial statements presented, the operations of the Trust for the year under review had resulted in a deficit of Rs.25,904,494 as compared with the corresponding deficit of Rs. 10,586,879 for the preceding year, thus indicating a further decrease of Rs. 15,317,615 in the financial results. Although a Treasury Grant of Rs.5 million received during the year under review, the increase of infrastructure maintenance expenditure approximately by Rs.20 million had been attributed for the decrease in the financial results.

4. Operating Review

Financial Performance

According to the financial statements presented, the infrastructure maintenance expenditure of the Trust for the year under review amounted to Rs. 31,706,326 and the cumulative expenditure thereon as at 31 December 2013 amounted to Rs.60,120,707. The following statement shows a summary of the expenditure for the year under review and the expenditure for the preceding year and the cumulative expenditure as at 31 December 2013.

Description -----	Expenditure for the year ended 31 December		Cumulative Expenditure as at 31 December 2013
	2013 Rs.	2012 Rs.	
Kalutara High Court Zone	9,274,097	-	9,573,970
Hambantota/Matara High Court Zone	4,755,435	1,636,205	8,109,445
Chilaw/Puttalam High Court Zone	1,252,309	-	3,876,077
Office of the Court Improvement Trust Fund	-	-	209,081
Colombo High Court Zone	3,625,827	2,828,298	11,349,034
Kurunegala High Court Zone	7,677,832	1,180,988	9,507,787
Kegalle High Court Zone	1,522,900	-	3,915,392
Galle High Court Zone	1,050,000	-	1,113,697
Awissavella High Court Zone	-	-	372,598
Anuradhapura High Court Zone	-	-	760,000
Jaffna High Court Zone	406,000	-	406,000
Gampaha High Court Zone	1,610,110	5,896,495	10,395,810

Judicial Service Commission Networking Project	531,816	-	531,816
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Total	<u>31,706,326</u>	<u>11,541,986</u>	<u>60,120,707</u>

5. Accountability and Good Governance

5.1 Corporate Plan and Action Plan

A Corporate Plan had not been prepared with a view to achieve the objectives and goals of the Trust and an Action Plan also had not been prepared relating to the activities to be carried out during the year under review.

5.2 Budget

A Budget for the year 2013 had not been prepared.

6. Systems and Controls

Special attention is needed in respect of the following areas of control.

- (a) Planning
- (b) Budgeting