

Legal Aid Commission of Sri Lanka - 2010

1. Financial Statements

1:1 Opinion

So far as appears from my examination and to the best of information and according to the explanations given to me, I am of opinion that the Legal Aid Commission had maintained proper accounting records for the year ended 31 December 2010 and except for the effects on the financial statements of the matters referred to in paragraph 1:2 of this report, the financial statements have been prepared in accordance with Generally Accepted Accounting Principles and give a true and fair view of the state of affairs of the Legal Aid Commissions as at 31 December 2010 and the financial results of its operations and cash flows for the year then ended.

1:2 Comments on Financial Statements

1:2:1 Accounting Deficiencies

The following accounting deficiencies were observed.

- (a) Even though the computation of depreciation should be estimated on the basis of the useful age of an asset, the Commission had computed the depreciation on all assets at 5 per cent on the diminishing balance method.
- (b) The balance of fixed deposits amounting to Rs.750,000 had been included in the balance of cash and cash equivalents amounting to Rs.11,591,896 shown in the balance sheet as at 31 December 2010.

1:2:2 Non – compliance with Laws, Rules and Regulations

The following non – compliances were observed during the course of audit.

Laws, Rules and Regulations -----	Non - compliance -----
(i) Chapter xiv of the Establishments Code and the Public Administration Circular 9 / 2010 of 07 June 2010.	An allowance at the rate of Rs.15 per kilometre had been paid by the institution as the travelling expenses to the Legal Officer of Kalutara. Mileage amounting to Rs.21,130 had been overpaid from February 2010 to August 2010 due to the payments made at the rate exceeding that payable as mileage.

2. Financial and Operating Review

2:1 Financial Result

According to the financial statements presented, the working of the Commission for the year ended 31 December 2010 had resulted in a surplus of Rs.6,423,543 as compared with the corresponding surplus of Rs.4,622,275 for the preceding year thus indicating an increase of Rs.1,801,268 in the surplus for the year under review as compared with the preceding year. This position was mainly due to the increase of the Government grants and registration fees by a sum of Rs.10,954,772 and increase of Rs.9,153,504 in the administrative and financial expenses.

2:2 Performance

The following matters were observed.

- (a) The Commission and other Centres had finalized action on 3,252 cases during the year under review.
- (b) The Commission and 57 other Centres had provided legal advice to 39,001 persons during the year under review.

2:3 Corporate Plan and Action Plan

The Corporate Plan and the Action Plan had not been prepared and copies thereof had not been presented to the Auditor General 15 days before the commencement of the relevant financial year in terms of Section 5 of the Treasury Circular No. PED/12 of 02 June 2003.

3. Systems and Controls

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

- (a) Accounting
- (b) Fixed Assets Control