

Report of the Auditor General on Head 110 Ministry of Justice – Year 2015

The audit of the Appropriation Account and there conciliation statements including the financial records, books, registers and other records of the Head 110 Ministry of Justice for the year ended 31 December 2015 was carried out in pursuance of provisions of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Secretary on 11 July 2016. The audit observations, comments and findings on the accounts and the reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

1.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the provisions of Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other statutory provisions and Public Finance and Administrative Regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

2. Accounts

2.1 Appropriation Account

Total Provision and Expenditure

The total net provision made for the Ministry amounted to Rs.874.76 million and out of that a sum of Rs.774.39 million had been utilized by the end of the year under review. Accordingly, the savings from the net provisions made for the Ministry amounted to Rs.100.37 million or 11.47 per cent . Details appear below.

Expenditure	Net Provision	As at 31 December 2015		Savings as a Percentage of Net Provision
		Utilization	Savings	
	Rs.million	Rs.million	Rs.million	
Recurrent	764.22	685.85	78.37	10.25
Capital	110.54	88.54	22.00	19.90
Total	874.76	774.39	100.37	11.47

2.2 Advance Account

2.2.1 Advances to Public Officers Account

Limits Authorized by Parliament

Limits Authorized by Parliament relating to the Ministry under the item No.11001 in respect of Advances to Public Officers Accounts and actual values are shown below.

Expenditure		Receipts		Debit Balance	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
-----	-----	-----	-----	-----	-----
Rs.million	Rs.million	Rs.million	Rs.million	Rs.million	Rs.million
21.0	14.5	7.2	47.8	75.0	41.7

2.3 General Deposits Account

Total balance of the Deposits Accounts of the Ministry as at 31 December 2015 was Rs.2.6 million.

Details are shown below.

Deposits Account Number	Balance as at 31 December 2015
-----	-----
	Rs.million
6000/0000/00/0016/0086/000	2.3
6000/0000/00/0013/0093/000	0.3

Total	2.6
	====

2.4 Audit Observation

The Appropriation Account and the Reconciliation Statements of the Ministry of Justice for the year ended 31 December 2015, had been prepared satisfactorily subject to the audit observations, appearing in the Management Audit Report referred to in Paragraph 1.1 above. The material and important audit observations out of the audit observations included in the Management Audit Reports appear in paragraph 3.

3. Material and Significant Audit Observations

3.1 Non-maintenance of Registers and Books

Audit test checks observed that the Ministry had not maintained the following registers.

Type of Register	Relevant Regulation
-----	-----
(i) Register of Losses and Damages	Financial Regulation 110
(ii) Register of Liabilities	Financial Regulation 214
(iii) Register of Electric Equipments	Financial Regulation 454(2)
(iv) Register of Loans and Advances	Public Enterprises Circular No.96 of 10 August 1994.

3.2 Reconciliation Statement on the Advances to Public Officers Account

According to the Reconciliation Statement of the Advances to Public Officers Account bearing Item No.11001 as at 31 December 2015 ,the balances that remained outstanding as at that date totalled Rs.2,678,797 and of this, only a sum of Rs.1,748,014 had been recovered up to 30 June 2016. Accordingly, the Ministry had failed to recover the outstanding balances brought forward from the period ranging from 1 year to 24 years totalling Rs.930,783 even by 15 July 2016.

3.3 Assets Management

Conduct of Annual Board of Survey

Although in terms of the Public Finance Circular No 02/2014 dated 17 October 2014, Annual Board of Survey reports should be submitted to the Auditor General before 17 March 2016, The Ministry had not furnished those reports to audit even by 12 July 2016. The last Annual Board of Survey had been carried out for the year 2014.

3.4 Non- Compliance

Non- compliance with Laws, Rules and Regulations

Instances of non – compliance with laws, rules and regulations observed at audit test checks are analyzed below.

Reference to Laws, Rules and Regulations.	Value	Non-compliance
-----	-----	-----
Establishments Code of the Democratic Socialist Republic of Sri Lanka -----	Rs.	
(a) Section 14 of Chapter XII	2,171,887	Even though the no-pay study leave of the Additional Secretary (Legal) had been approved, salaries had been paid subsequently considered such leave as full pay leave, deviating from the provisions of the Establishment Code.
(b) Section 16.9 of Chapter XII	-	Even though an officer on no-pay leave granted under this section should not be considered for promotion to any vacancies which may arise during the period of his no-pay leave, the officer who had not been employed as the Assistant Secretary (Legal) had been promoted as the Senior Assistant Secretary (Legal) post and the Additional Secretary (Legal) post within her no-pay leave period.

3.5 Losses and Damages

The observations on losses and damages revealed at audit test checks are given below.

- (a) A rental of Rs.5,395,488 had been over paid due to the establishment of International Arbitration Centre in the 22 nd floor instead of in the 06th floor .
- (b) A building had been rented out for the establishment of the International Arbitration Centre .A sum of Rs.83,840,805 had been paid to a Private Company comprising a sum of

Rs.69,404,229 as the rental for the period of 36 months and a sum of Rs.14,436,576 as service charges .No any service whatsoever had been obtained by the Ministry from that building.

3.6 Performance

The progress of receiving disputes during the year 2015 for 329 Mediation Boards in 25 Districts existed under the Ministry and settlement of those disputes are given below.

Number of disputes to be settled as at 01 January 2015	86,297
Number of disputes received in the year under review for the settlement	144,783

Total number of disputes to be settled	231,080

Less

Number of disputes withdrawn on the absence of the parties	5,959	
Number of disputes rejected	61,065	
Number of disputes withdrawn	5,663	(72,687)

Number of disputes could be settled in the Mediation Boards		158,393
Number of disputes settled in the year 2015		<u>(59,961)</u>
Number of disputes to be settled as at 31 December 2015 further more.		98,432
		=====

Only 37.8 per cent had been settled from the total number of disputes to be settled for 329 Mediation Boards.

3.7 Human Resources Management

Approved Cadre and Actual Cadre

The position of the cadre as at 31 December 2015 had been as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies	Excess
(i) Senior Level	34	24	10	-
(ii) Tertiary Level	10	08	02	-
(iii) Secondary Level	176	163	22	09
(iv) Primary Level	113	76	37	-
Total	333	271	71	09

The following observations are made.

- Nine posts comprising of 07 Development Officers belonging to the Secondary Level, 02 posts of Development Assistant had existed in excess of the approved cadre. The Ministry had failed to obtain proper approval for the excess cadre .
- The officers had faced great inconveniences in the use of library books due to the post of the Librarian had been vacant since many years. According to the Acquisition Register, it was observed that 3,125 most valuable books relating to the Law Subjects existed in this Library. Accordingly, non -availability of an Officer in charge for the Library had been a barrier to use that resources .
- According to the information of the approved cadre, there were vacancies in 06 posts of Plumbers ,05 posts of Electricians ,05 posts of Masons and 05 posts of Carpenters. However, as the maintenance and renovation of buildings in the Ministry are done by the Board of Management of the Supreme Court Complex ,the vacancies in these posts had not affected to fulfill the duties of the Ministry.