

Report of the Auditor General on Head 7 – Judicial Service Commission - Year 2015

The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records of the Head 7 - Judicial Service Commission for the year ended 31 December 2015 was carried out in pursuance of provisions in 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 of the Commission on 22 September 2016. The audit observations, comments and findings on the accounts and 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 the 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 in 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 Commission amounted to Rs.42.77 million and out of that Rs.37.80 million had been utilized by the end of the year under review. Accordingly, the savings out of the total net provision of the Commission amounted to Rs.4.97 million or 11.62 per cent. Details are given below.

Expenditure	As at 31 December 2015			Savings as a Percentage of Net Provisions
	Net Provision	Utilization	Savings	
	Rs.Millions	Rs.Millions	Rs.Millions	
Recurrent	41.69	36.89	4.80	11.51
Capital	1.08	0.91	0.17	15.74
Total	42.77	37.80	4.97	11.62
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2.2 Advance Account

2.2.1 Advances to Public Officers Account

Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers Account Item No.00701 of the Commission and the actual amounts are given below.

Expenditure		Receipts		Debit Balance	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
3.29	3.19	1.49	3.60	20.00	6.80

2.3 Imprest Account

The balance of the Imprest Account No.7002/0000/00/0122/0015/000 of the Commission as at 31 December 2015 totalled Rs.2.41 million.

2.4 Audit Observation

The Appropriation Account and the Reconciliation Statements of the Judicial Service Commission 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 significant Audit Observations out of the Audit Observations included in the Management Audit Report appear in paragraph 3.

3. Material and Significant Audit Observations

3.1 Non-maintenance of Registers and Books

It was observed during the course of audit test checks that the Commission had not maintained the following registers in the proper and updated manner.

Type of Register

Relevant Regulation

Register of Fixed Assets

Treasury Circular No.842 of 19 December 1978

Register of Fixed Assets on Computers, Accessories and Software

Treasury Circular No. IAI/2002/02 of 28 November 2002

3.2 Good Governance and Accountability

3.2.1 Internal Audit

An Internal Audit of the Commission Office for the year under review had not been carried out.

3.2.2 Audit and Management Committee

Meetings of the Audit and Management Committee had not been held for the year 2015.

3.3 Assets Management

Conduct of Annual Boards of Survey

According to the Public Finance Circular No. 02/2014 of 17 October 2014, the Board of Survey for the year 2015 should be conducted and the reports thereon should be furnished to the Auditor General before 17 March 2016. Nevertheless, those reports had not been furnished to Audit even by 25 July 2016. The last Board of Survey conducted had been for the year 2013.

3.4 Performance

Even though the Performance Report should have been tabled in Parliament by the Commission with a copy to the Auditor General within 150 days after the closure of the financial year in terms of Public Finance Circular No.402 dated 12 September 2002, the Performance Report for the year under review had not been tabled in Parliament even up to 29 August 2016. The said report had been made available to audit on 29 August 2016.

3.5 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
(i) Senior Level	13	09	04
(ii) Tertiary Level	05	01	04
(iii) Secondary Level	68	28	40
(iv) Primary Level	24	19	05
Total	110	57	53

The following observation is made.

Even though 53 vacancies existed and according to the Appropriation Account prepared for the year 2015 the provision made had been saved without being utilized as at the end of the year under review without an effect on the existence of vacancies in the staff. Accordingly, an overestimation of the approved cadre was observed in audit.