

Head 230 – Legal Draftsman’s Department

1. Financial Statements

1.1 Opinion

The audit of the financial statements of the Legal Draftsman’s Department for the year ended 31 December 2020 comprising the statement of financial position as at 31 December 2020 and the statement of financial performance, and cash flow statement for the year then ended, 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 provisions of the National Audit Act No. 19 of 2018. The Summary Report containing my comments and observations on the financial statements of the Legal Draftsman’s Department was issued to the Accounting Officer on 30 June 2021 in terms of Section 11 (1) of the National Audit Act No. 19 of 2018. The Annual Detailed Management Audit Report was issued to the Accounting Officer on 19 July 2021 in terms of Section 11 (2) of the Audit Act. This report is presented to Parliament in terms of Section 10 of the National Audit Act No. 19 of 2018 which is read in conjunction with Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

In my opinion, the financial statements prepared give a true and fair view of the Legal Draftsman’s Department as at 31 December 2020 and the financial position, performance and cash flow of Legal Draftsman’s Department for the year then ended, in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Unqualified Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities on the financial statements are further described in the Auditor’s Responsibilities for the Audit section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Responsibilities of Chief Accounting Officer and the Accounting Officer on Financial Statements

The Accounting Officer is responsible for preparation of financial statements in a manner that reflects a true and reasonable position and determines the internal control required to enable financial statements to be prepared without material misstatements that may result from fraud and error in accordance with Generally Accepted Accounting Principles and the provisions of Section 38 of the National Audit Act, No. 19 of 2018 .

As per Section 16 (1) of the National Audit Act No. 19 of 2018, the Department is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared.

The Accounting Officer shall ensure that an effective internal control system is maintained and maintain the financial control of the Department in terms of sub-section 38 (1) (c) of the National Audit Act and it should be periodically reviewed the effectiveness of the system and make any necessary changes to keep the system running efficiently.

1.4 Auditor's Responsibility on Audit of Financial Statements

My objective is to express a reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue the Summary Report of the Auditor General that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- It is not intended to express an opinion on the effectiveness of internal control but an understanding of internal control was obtained in order to plan appropriate audit procedures from time to time.
- Evaluate the structure of financial statements including disclosures and content-based transactions and events the structure that the financial statements are appropriate and reasonable.
- The transactions and events underlying the structure and content of the financial statements are appropriately and fairly included in when submitting financial statements as a whole.

The Accounting Officer is made aware of important audit findings, key internal control deficiencies and other matters identified in my audit.

1.5 Report on Other Legal Requirements

I declare the following matters in terms of Section 6 (1) (d) of the National Audit Act No. 19 of 2018 .

- (a) The financial statements are in consistent with those of the preceding year.
- (b) Recommendations made by me regarding the financial statements of the preceding year had been implemented .

2. Financial Review

2.1 Expenditure Management

Audit Observation

The entire net provision of Rs. 100,000 made for recurrent expenditure had been saved.

Comments of the Accountng Officer

Although these provisions have been made for the purchase of Reader's Digest Magazine for the Departmental Library, the provisions were not utilized because of the failure to make the necessary arrangements for those purchases due to Covid 19 .

Recommendation

Provisions should be made for expenditure objects with proper consideration, thrifty and fore-knowledge in accordance with Financial Regulations 50 .

2.2 Entered into Liabilities and Commitments

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Liabilities of Rs. 14,790 which were not included as liabilities in the statement of commitments and liabilities, had been settled in the year 2021 .	230-1-1-0-1402 – when uploading this liability in the evening of last day to be uploaded, this liability could not be uploaded due to power failure and necessary steps will be taken to prevent such shortcomings in future. 230-1-1-0-1409- The janitorial staff were called for duties occasionally to clean-up in December 2020 due to the epidemic situation in the country and the invoice pertaining to that month has been received on 01.01.2021 . Because of the service was not obtained for the entire month, inability to calculate the amount per month and due to the occasionally call of the officers of the Department for duties, it has not been possible to include that amount in the liabilities 2020 and necessary steps will be taken to prevent such deficiencies in future.	It should comply with Paragraph 3.4 of Guideline No. 06 of the Public Finance Circular No. 2/2020 dated 28 August 2020 .

(b) No expenditure or obligation on work, service or supply shall be entered into without having the provision of Annual Estimates in terms of the Financial Regulation 94 (I) and the liabilities incurred should not exceed the provisions made for the expenditure year. Nevertheless, the liabilities amounting to Rs. 82,000 had been entered into exceeding the provisions in one expenditure object.

This liability has been estimated as a staff training cost. Nevertheless, it is an unpaid expense so far.

It should act in accordance with Financial Regulation 94 (I) .

3. Operating Review

3.1 Delays in Execution of Projects

Audit Observation

The Period of the project to be consolidated and amended the statutes valued at Rs. 185 million that had been scheduled to be completed in 04 years commencing from July 2014, had been extended

Comments of the Accounting Officer

Agree with the facts made in this Paragraph.

Recommendation

Actions should be taken to complete the planned projects and achieve the desired objectives.

only up to 30 December 2020 as per the Decision of the Cabinet of Ministers No. 403/18/0427/731/008 dated 16 May 2018 . Even though the suitable officers were appointed from time to time to lead the project, the project had not been completed even by February 2021.

3.2 Procurement

Audit Observation

The cheques amounting to Rs. 2,189,612 had been reserved on 30 December 2020 for the purchase of a photocopier, 18 UPSs and 10 computers and although the goods were not physically received by that day, those had been entered into the inventory book. The photocopier was received on 01 February 2021 and 18 UPSs and 10 desktop computers had not yet received to the Department even by March 2021.

Comments of the Accounting Officer

The delays in receipt of photocopier, 18 UPSs, 10 Desktop computers to the Department has occurred due to a government policy decision to restrict imports, the continuous strike by port workers, the clearing of cargo from the port due to the spread of the Corona epidemic, and the closure of the company for several days due to the Corona infection of several employees of John Keells. All the goods have been received by this Department before the end of March and thereafter, the cheques were handed over to the relevant institutions.

Recommendation

Once the ordered item is properly delivered to the warehouse, it should be entered into the inventory book and the relevant payment should be made by cheques in terms of Financial Regulation.

3.3 Losses and Damages

Audit Observation

Actions had not been taken to comply with Financial Regulations 104 (3) and 104 (4) in relation to 37 vehicle accidents which occurred from 2015 to 2019.

Comments of the Accounting Officer

Agree. However, necessary actions have been taken to comply with Financial Regulations 104 (03) and 104 (4) regarding vehicle accidents occur from the year 2020 and the accurate course of actions are being taken in this regard at present .

Recommendation

Actions should be taken in respect of the losses from vehicle accidents in accordance with Financial Regulations 104 (3) and 104 (4) .

4. Human Resources Management

4.1.1 Approved and Actual Cadre

Audit Observation

- (a) Even though the approved number of employees as at 31 December 2020 was 148, there were vacancies in 51 officers and employees as 16 senior level, 17 tertiary level, 15 secondary level and 03 primary level posts .

Comments of the Accounting Officer

There are 6 vacancies in the post of Assistant Legal Draftsman as at 31 December 2020 . There is a need to revise the recruitment procedure before filling those vacancies and necessary arrangements are being made with the Public Service Commission by now.

Recommendation

Arrangements should be made to revise the relevant recruitment procedure as soon as possible and to recruit officers as per the requirements for all the vacancies including those posts and the posts filled on contract basis.

(b) Vacancies in the posts of Management Service Officer, Translator, and Administrative Officer were filled on contract basis without being recruited on a permanent basis.

The Director General of Combined Services has been informed on several occasions from 28.11.2014 regarding the vacant post of Administrative Officer and an officer has been appointed on a contract basis for a period of one year from 05.02.2020 . Necessary arrangements are being made to obtain the approval to extend the contract period of that officer and the Director General of Combined Services has been informed about this vacancy for the last time from the Letter of the Secretary to the Ministry of Justice dated 21.07.2020 . Lastly requested by the Ministry of Justice in the letter MOJ/E08 / LDD / 15/2016 dated 25.08.2020 from the Secretary, Ministry of Public Services, Provincial Councils and Local Government to fill the Management Service Officer vacancy and again, the Secretary to the Ministry of Justice in this regard by the letter dated 25.11.2020 . The relevant recruitment procedure should be revised before recruiting officers to fill the vacancies for translators and the activities pertaining to that is being done by now.

Actions should be taken to fill the relevant vacancies on a permanent basis as much as possible.

4.1.2 Human Resource Development Plan

Audit Observation	Comments of the Accounting Officer	Recommendation
----- A Human Resource Development Plan had not been prepared in terms of Public Administration Circular No. 02/2018 dated 24 January 2018 on Human Resource Development in the Public Sector.	----- Necessary steps are being done to implement the Human Resource Development Plan in the organization as per the Public Administration Circular No. 02/2018 dated 24 January 2018 on Human Resource Development in the Public Sector.	----- Arrangements should be made in terms of the circular.