

1. Financial Statement

1.1 Opinion

The audit of the financial statements of the National Authority for the Protection of Victims of Crime and Witnesses for the year ended 31 December 2020 comprising the statement of financial position as at 31 December 2020 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements including a summary of significant accounting policies, 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 and the Financial Act No. 38 of 1971. My comments and observations which I consider should be reported to Parliament appear in this report.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Authority as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

As per Section 16(1) of the National Audit Act No. 19 of 2018, it 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 of the Authority.

1.4 Audit Scope (Auditor's Responsibilities for the Audit of the Financial Statements)

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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.
- Obtain an understanding of internal control relevant to the audit 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 internal control.
- Evaluate the appropriateness of the accounting policies adopted by the management and the fairness of the accounting estimates used the related disclosures.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The scope of the audit also extended to examine as far as possible, and as far as necessary the following.

- Whether the organization, systems, procedures, books, records and other documents have been properly and adequately designed from the point of view of the presentation of information to enable a continuous evaluation of the activities of the Authority, and whether such systems, procedures, books, records and other documents are in effective operation;
- Whether the Authority has complied with applicable written law, or other general or special directions issued by the governing body of the Authority ;
- Whether the it has performed according to its powers, functions and duties; and
- Whether the resources had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

1.5 Non-compliance with Laws, Rules, Regulations, and Management Decisions etc.

	Reference to Laws, Rules, Regulations etc.	Non-compliance	Comments of the Management	Recommendation
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(a)	Paragraph 2 (i) of Assets Management Circular No. 02/2017 dated 21 December 2017	Issues regarding the registered ownership of 08 vehicles given to the Authority by the Ministry of Justice in the year 2018 had not been resolved.	Complete the documents required to take over the vehicles provided by the Ministry of Justice have been submitted to the Ministry of Justice on 28.09.2020.	Actions should be taken to ensure the ownership of vehicles acting in accordance with the Circular.
(b)	Public Administration Circular No. 02/2018 dated 24 January 2018	A Human Resource Development Plan had not been prepared in terms of the Circular and training opportunities were not guaranteed for every member of staff.	Necessary steps will be taken to act in accordance with the Circular in future.	A Human Resource Development Plan should be prepared in terms of the Circular.

2. Financial Review

2.1 Financial Results

The operating result of the year under review was a deficit of Rs. 2,719,343 and the surplus as against that was Rs. 543,765 for the preceding year. Accordingly, a deterioration of Rs. 3,263,108 in the financial result was observed. The minimization of receiving of recurrent government grants had mainly attributed to this deterioration.

3. Operating Review

3.1 Management Inefficiencies

Audit Observation	Comments of the Management	Recommendation
(a) Actions had not been taken even by 20 April 2021 in terms of the Citizen / Employee Charter introduced by the Ministry of Public Administration and Management Circular No. 05/2008 dated 06 February 2008 amended by Circular No. 05/2008 (1) dated 24 January 2018 .	The activities of the National Authority have been commenced and maintained and since manuals, and guidelines are currently being prepared, it is expected to prepare a Citizen / Employee Charter focus on the points mentioned in them after completing those tasks.	Actions should be taken to prepare a Citizens' Charter in accordance with the Circular.
(b) It was possible to obtain financial assistance from UNDP to obtain the software and hardware required to set up the call centre facilities for the 1985 hotline service currently in operation by the Authority and since a Board of Management had not been appointed from November 2019 to November 2020 the Authority had lost that financial grant due to the	Financial support for the installation of call centre facilities could have been obtained directly from the UNDP to the relevant processing institution and because of a Board of Management had not been appointed to seek approval for that,	Immediate actions should be taken to obtain the financial assistance received in each case.

inability to obtain approval.

(November 2019 to November 2020) we lost that grant.

3.2 Operational Inefficiencies

Audit Observation	Comments of the Management	Recommendation
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<p>(a) Arrangements had not been made to formulate a scheme to grant compensation to the victims of a crime from the Fund established under Section 29 of the Act and to accept and implement it in terms of Section 13 (1) (f) of the Authority Act.</p>	<p>Even though the Board of Management appointed a committee on 06 August 2019 to formulate a payment system to grant compensations and necessary assistance from the Security Fund, since the Board of Management was dissolved on 28.11.2019 that task could not be completed. A new Committee was appointed on 15.12.2020 for this purpose at the new Board of Management meeting of the Authority, a methodology for payment of compensation and cash from the Fund is currently being formulated.</p>	<p>Actions should be taken expeditiously in terms of Section (f) of the Act .</p>
<p>(b) Developing, applying and implementing a Scheme had not been carried out to provide assistance to victims and witnesses of a crime in terms of Section 13 (1)</p>	<p>The support services such as obtaining evidence from witnesses from distant place through</p>	<p>A Scheme should be prepared and implemented expeditiously in terms of the Act.</p>

(p) of the Act.

Contemporary Audio Visual Links , prepare victim affect statements for victims and submit them to court, to provide various assistance to the victims in collaboration with government and civil society organizations and formulate a methodology for compensation and payment “From the Assistance and Security Fund for Crime Victims and Witnesses” are currently being activated.

(c) Out of 556 complaints received by the Authority from the year 2016 to 2020, a number of 266 had been completed and thus the number of uncompleted complaints was 290, it was 52 per cent of the total number of complaints received .

Out of all the complaints received by the Authority by the end of 2020 a number of 266 complaints have totally been completed by 31.12.2020 .

Actions should be taken to enhance the performance of the Authority.

(d) The payment of compensation for the victims of a crime and dependents of a victim are the main expenses of the Fund and although it is an objective of the Authority to seek to receive compensation to the victims from the perpetrator for an offense committed against the victim in terms of Section 2 (c) of the Act, only a sum of Rs. 17,943 had been paid to 4 persons from the income from fines amounting to Rs. 6,681,270 collected during the year under review. Accordingly, it was

A sum of Rs. 17,943 has been paid for four victims during the year 2020 based on several criteria as instructed by the Board of Management until developing and approving of a methodology for the payment of compensation and cash from the Fund .

Compensation Scheme should be formulated expeditiously and the payment of compensation should be implemented.

questionable whether the methodology on of protecting victims and witnesses is properly implemented.

3.3 Utilization of Resources of Other Organizations

Audit Observation	Comments of the Management	Recommendation
<p>Development of guidelines in relation with setting up and maintaining Assistance and Protection Division which were planned to be completed in the year 2019 under the second phase of the United Nations Development Programme and assist the Authority in formulating a Standardized Protocol for assistance and protection programmes had not been completed even by the end of the year under review.</p>	<p>It was not sufficient because of formulating guidelines in respect of establishment and maintenance of a Assistance and Protection Division in 2019 under the Second Stage of the United Nations Development Programme and the UNDP grant for other purposes as well had to be applied on the tasks that needed to be prioritized.</p>	<p>Actions should be taken to plan and implement tasks on priority basis.</p>

3.4 Human Resources Management

Audit Observation	Comments of the Management	Recommendation
<p>The approved number of employees was 56 and the actual number of employees was 36 and the authority had failed to recruit officers for 15 vacancies that directly affect the performing of the role of the Institution.</p>	<p>Recruitment is expected to be carried in the next few months for the vacancies in the posts of Director, Legal Officer, Investigation Officer, Communication Officer and Management Assistant. Since the supervision of Protection Officers is under the above posts in vacant, once those recruitments are made, they will be recruited and the</p>	<p>Actions should be taken to fill the essential staff vacancies.</p>

vacancies in Office Assistants have been submitted to the Department of Multipurpose Development Task Force.

4. Accountability and Good Governance

4.1 Annual Action Plan

Audit Observation	Comments of the Management	Recommendation
<p>Even though it had been planned to design and install an Automated Event Management System within the Authority as per the Action Plan 2019, it had not been activated even by 27 April 2021 . Similarly, even though the recruitment of staff required for the Assistance and Protection Division which was essential in achieving the objectives of the Authority has been included in the Action Plans for 2019 and 2020, those recruitments had not been carried out.</p>	<p>Even though it was planned to install the Automated Event Management System in the Authority in the Action Plan 2019, it could not be done due to the grant received from the United Nations Development Programme (UNDP) during that year had to be applied to awareness programmes which should have been given priority.</p> <p>The Protection Division of the Authority was established under the Assistant Director (Legal) and performs the relevant functions of the Division by now. All necessary steps have been taken to recruit the Director (Protection) and staff of the Division at present and activities on recruitment have delayed due to the Covid epidemic.</p>	<p>An Action Plan needs to be prepared based on priority of tasks and financing. Actions should be taken to achieve the objectives of the Authority recruiting the staff of the Assistance and Protection Division expeditiously .</p>