

National Authority for the Protection of Victims of Crime and Witnesses - 2021

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 2021 comprising the statement of financial position as at 31 December 2021 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 2021, 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 Audit Observations on Preparation of Financial Statements

1.5.1 Internal Control over the Preparation of Financial Statements

Entities are required to “devise and maintain” a system of internal accounting controls sufficient to provide reasonable assurance that , transactions are executed in accordance with Management’s general or specific authorization, transactions are recorded as necessary to permit preparation of financial statements in conformity with the applicable reporting standards , and to maintain accountability for assets, access to assets is permitted only in accordance with Management’s general or specific authorization, and the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

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

| | Reference to Laws, Rules, Regulations etc. ----- | Non-compliance ----- | Comments of the Management ----- | Recommendation ----- |
|-----|---|--|---|--|
| (a) | Section 13 (1) (f) of the National Authority for the Protection of Victims of Crime and Witnesses Act No. 4 of 2015 | Although a scheme for awarding compensation to the victims of crime from the fund established under Section 29 of the Act should be prepared and accepted and implemented, and also 06 years had elapsed since the establishment of the Authority, actions had not been taken accordingly. | Guidelines were prepared and presented to the Board of Management and the majority's opinion was that the clauses required to pay compensation in this fund have been included in the new bill to be introduced considering the Act to support and protect victims and witnesses of a crime No. 04 of 2015 . However, it is stipulated to take decisions soon after discussing this furthermore and the payment of compensation from the Fund is being carried out continuously by now based on the court orders. | A scheme for awarding compensation should be followed as soon as possible. |
| (b) | F.R. 104 and 105 | Recovery of losses or taking disciplinary actions had not been carried out in respect of the misplaced laptop computer, laptop bag, three H/Drives and the dongle which was for operating the Toshiba E-Studio 2508 A photocopier as per the Register of Losses and Damages in terms of Financial Regulations. | Relevant investigations were carried out for the loss of these goods, under F.R. 104, 105 and arrangements have been made to recover the loss for the three hard drives provided personally as per the committee recommendations from the relevant officers. As the laptop, bag and dongle of the Toshiba copier have been utilized for common use in the office, the decision which was | Actions should be taken in terms of F.R. 104 and 105 promptly. |

taken to write off as per the recommendation of the Committee was discussed in the Management Committee Meeting and instructions were given to carry out an investigation under a senior officer again and arrangements have been made to complete the work promptly .

2. Financial Review

2.1 Financial Results

The operating result of the year under review was a deficit of Rs. 4,265,483 and the corresponding surplus was Rs. 2,719,343 for the preceding year. Accordingly, there was a deterioration of Rs. 1,546,140 in the financial result. The increase of personnel emoluments, maintenance cost and expenses on supplies and consumable in the year under review as compared to the preceding year had mainly attributed to this deterioration.

3. Operating Review

3.1 Management Inefficiencies

Audit Observation

Even though it had been informed that the recommendations of the Mechanical Engineer should be obtained for the quotations with regard to the vehicle repairs in terms of the Ministry of Justice Circular No. MOJ/E/17/ T/ 36 dated 31 May 2018, the recommendation of the Mechanical Engineer had not been obtained for the

Comments of the Management

The emergency repairs related to these vehicles have been sent to the relevant agencies and have been carried out following procurement procedures due to the difficulty of getting the service of a Mechanical Engineer due to the Covid 19 epidemic this year. However, necessary instructions have been given to obtain the service of a

Recommendation

Actions should be taken in terms of the Circulars.

repair of vehicles at 04 Mechanical Engineer as occasions in the year 2021 mentioned in the major totalled to Rs.329,380 . repairs record in future.

3.2 Operational Inefficiencies

| Audit Observation | Comments of the Management | Recommendation |
|--|--|--|
| (a) There were 360 complaints remained to be investigated at the beginning of the year under review and a number of 520 complaints were investigated including 160 complaints received during the year under review and 118 complaints out of that had been resolved. | The nature of the complaints received by the Authority varies from one to the other. Prompt closure of a complaint is not a critical factor in measuring efficiency. Providing security for some complaints continuing until the end of the case was the reason for that. Obtaining evidence from video technology also takes a long time. Even after the preliminary investigations of some complaints were completed, appointing of Panels with regard to that and making decisions are being carried out. | Actions should be taken to increase the performance of the Authority. |
| (b) Penalties collected during the year under review and the previous year to the established Protection Fund in terms of the Section 29 of the National Authority for the Protection of Victims and Witnesses of Crime Act were Rs.1,252,648 and Rs. 6,681,270 respectively and a sum of Rs. 6,431 for 2 persons and Rs. 17,943 for 04 persons respectively had been paid as expenses for protection of victims and witnesses in terms of | The Protection Fund receives money from courts in the form of a penalty. Payment of compensation under this Fund is currently being done only under court orders and it is true that there has been a decrease in these orders in the year 2021. Therefore, there has been a decrease in the payment of these compensations. However, guidelines for compensation from this fund have been prepared by now and submitted to the Management | The compensation scheme should be implemented promptly as per the Act. |

Section 29 (4) of the Act. Due to the significant decrease in the above revenue collection and payment of compensation, it was problematic whether the system of revenue collection and payment of compensation was properly being done since the compensation paid under Section 29 (4) of the said Act is considered as the main expenditure of the Protection Fund and also the purpose of the Authority is to enable the victims to receive compensation from those who have been convicted of an offense against the victims of a crime in terms of Section 2 (c) of the Act.

Board. It is expected to declare orders under its decision.

3.3 Idle or Underutilized Property, Plant and Equipment

| Audit Observation | Comments of the Management | Recommendation |
|---|--|--|
| <p>The photocopier which was received by the Authority under the United Nations Development (UNDP) Project in the year 2018 valued at Rs. 370,165 were not put into use even by the end of the year under review and an amount of Rs.128,594 had been written off from the accumulated profit of the Authority as accumulated depreciation up to now. Further the dongle which was needed to operate the photocopier had misplaced.</p> | <p>Even though the photocopier received in 2018 under the United Nations Development Project was reserved for the Care Division at that time, it had been sent to the stores because that section was not established properly. However, the machine could not be operated due to the dongle therein was misplaced. This machine has been handed over to the Care Division and photocopies are being taken. Similarly,</p> | <p>Actions should be taken to identify the requirement accurately and make requests and to acquire assets.</p> |

arrangements have been made to conduct a formal investigation in respect of this misplacement in terms of F.R. 104, 105 .

3.4 Delays in Projects or Capital Works

| Audit Observation | Comments of the Management | Recommendation |
|--|--|--|
| (a) A Committee Meeting for setting up a call centre had been held on 17 December 2018 and matters to be considered while installing a call centre had been discussed therein. Although it had been planned to get financial support from UNDP for the necessary software and hardware, due to the delay in giving permission from the Board of Management , this work had not done. At present, the Authority annually spends Rs. 540,000 only the 1985 Hotline Telephone Service is operationally being carried out and the system that was supposed to be introduced for that had not been implemented by now and only 8 complaints had been carried out while maintaining a temporary register for the phone calls received. | Although the arrangements were made for the installation of Call Centre facilities in November 2019, it could not be established since the Authority had not appointed the Management Board to obtain approval for that. A sum of Rs. 540,000.00 is also being paid annually as a contribution for the allocation of frequencies to the Telecommunication Regulatory Commission for 1985 Hotline Telephone Service and 1330 emergency complaints were received in 2019 and 814 in 2020 from different parts of the island under this service. Matters related to the scope of the Authority will be noted and further steps will be taken. | Actions should be taken to implement the tasks mentioned in the Action Plan and to make efficient the services provide to the public . |
| (b) Development of Guidelines regarding the establishment and maintenance of Assistance and Care Division which were | It has been planned to establish the 03 basic technical functions such as Director (Care), (Support Services) and (Law and Law | Tasks should be planned based on priority. |

planned to be completed in 2019 and assisting the Authority in developing a standardized protocol for assistance and care programmes had not been fulfilled by the end of the year under review under the Second Phase of the United Nations Development Programme and recruitment of the necessary staff for the Assistance and care Division, which is essential in achieving the objectives of the Authority had not been made .

Enforcement) under three Directors under the organizational structure of the Authority and the relevant staff have been approved. A Director has been assigned for the Legal Department by now and as the Government does not give permission for new recruitments, the Protection Division is running under the Assistant Director (Legal).

3.5 Utilization of Resources of Other Organizations

Audit Observation

Even though it had been planned to be financed and implemented by the United Nations Development Programme in the year under review to improve the developed Guidelines for the payment of compensation to victims of crime and witnesses in accordance with International Standards and to provide other types of assistance, to establish a panel of lawyers to appear before the court regarding the rights of victims and to establish a Research Centre related to the subjects of Victimology, Criminology and Recidivism which are the essential functions and tasks to be performed to achieve the objectives of the Authority, the relevant agreements were not entered into with that institution and

Comments of the Management

The Guidelines have been formulated to award compensation from Protection Fund for the victims of crime and it has been planned to carry out further activities with the approval of the Board of Management. An information and research unit has been commenced since it is not possible at this time to incur a separate capital expenditure to establish a Research Centre related to the subjects of Victimology, Criminology and Recidivism. It is expected to hold discussions with the United Nations Development Program and obtain provisions for this in future. It

Recommendation

Tasks should be planned based on the priority.

the programmes had not been implemented.

is expected to inform the lawyers attached to the Legal Aid Commission and seek their assistance to appear before courts regarding the rights of victims.

3.6 Human Resources Management

| | Audit Observation | Comments of the Management | Recommendation |
|-----|---|--|---|
| | ----- | ----- | ----- |
| (a) | Annual performance contracts had not been signed for all the staff working in the Institution based on the Format of the Annexure 01 of Public Administration Circular No. 02/2018 dated 24 January 2018 on Human Resource Development in the Public Sector and the Human Resource Development Plan of the Institution had not been prepared based on the Format of Annexure 02 . A minimum of 12 hours of training opportunities per year had not been ascertained for each member of staff. | A Human Resources Development Plan for 2022 has been prepared. | Actions should be taken in terms of the Circular. |
| (b) | Although the approved staff of the Authority was 56, the actual number as at 31 December 2021 was 36. Fourteen positions directly affecting the performance of the role of the institution had remained in vacant since 2018. | Although the newspaper advertisements were published on 06.12.2020 to recruit for the vacant posts, the recruitment was delayed due to the Covid pandemic situation and the recruitments had to be stopped as per the Circular issued by the Ministry of Finance on 28.08.2021 . | Arrangements should be made to fill up essential vacancies. |

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|-----|---|--|---|
| (c) | Among those vacancies, there were 10 posts of Care Officer, one person each for the posts of Legal Officer and Investigation Officer were in vacant. | The main reason for the vacancies being the same is the aforesaid reasons themselves and again the position became vacant because of the officer who had recruited for the post of legal officer has resigned on 31.12.2021 for a post in another institution. | Arrangements should be made to fill up essential vacancies. |
| (d) | Only one female Management Assistant had been assigned to the Finance Division due to the vacancies remained in 04 posts of Management Assistant. All the duties of the Finance Department are being done by her and as there was no delegation of duties, the internal control over the financial affairs of the Authority was poor. | Although one Management Assistant was then assigned for the Finance Division, this problem has resolved by now due to the assignment of another Management Assistant to the Division after her maternity leave. | Internal control of the organization should be strengthened. |
| (e) | Although the approval for 06 Director posts of the Authority had been obtained, it was observed that the supervision of one post of Assistant Director in Executive Grade was assigned to 02 Director posts because of the approval had been received only for 03 posts of Assistant Director. Accordingly, the hierarchy of positions introduced in Staff Management had remained contrary to the Pyramid Model. | It is expected to get a solution for this by the staff restructuring programme of the National Authority in the year 2022 . | Hierarchy of posts should be arranged in accordance with the Pyramid Model. |

3.7 Vehicle System Management

Audit Observation

Although the issues in government owned vehicles need to be resolved in terms of 2 (i) of Asset Management Circular No. 02/2017 dated 21 December 2017, the registered ownership of 08 vehicles which had been undertaken from the Ministry of Justice on 10 August 2018 for the use of the Authority had not been taken over to the Authority.

Comments of the Management

The relevant documents have already been submitted to the Department of Motor Traffic to take over the ownership of 05 motor vehicles and even though the two jeeps were given to the National Authority by the Ministry of Justice, as the ownership of those vehicles is further under the Ministry of Finance and the Ministry of Planning and Ethnic Affairs, actions are being taken to take over the said vehicles to the National Authority.

Recommendation

The Actions should be taken in terms of the Circular.

4. Accountability and Good Governance

4.1 Annual Action Plan

Audit Observation

- (a) The Organizational Structure of the organization updated for the year under review, details of Approved Staff and existing staff, Budget for the relevant year, Procurement Plan for major procurements and Imprest Requirement Plan for annual activities which should be consisted in the Action Plan in terms of Public Finance Circular No. 01/2014 dated 17 February 2014 had not been included in the Action Plan prepared by the Authority.

Comments of the Management

The records mentioned in this report that was failed to be submitted to the Action Plan related to the year 2021 has been entered in the Draft Annual Report .

Recommendation

The Action Plan should be prepared as per the Circular.

- (b) Even though it had been planned in the Action Plan of the year under review to establish a national database for victims/witnesses and to develop a technically best model to match with the identification parade of the witnesses/victims, identifying and functioning their estimated costs or financing streams had not been made and the relevant positions for the establishment of an Information Technology Unit, which was included in the Action Plan of the year under review, had also not been approved.
- It could not be able to implement data base due to practical problems. This proposal has been included in relation to the technical unit with regard to providing evidence or statements of victims and witnesses of a crime through contemporary audio-visual media under Section 31 (1) of the Act. As the recruitment has been temporarily suspended by the Department of Management Services, the approval has also not been received to restructure the staff.
- The Action Plan should be prepared based on the priority of tasks and financing.