National Authority for the Protection of Victims of Crime and Witnesses - 2023

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1. Financial Statements

1.1 Qualified 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 2023 comprising the statement of financial position as at 31 December 2023 and statement of financial performance, statement of changes in equity and the cash flow statement for the year then ended and notes to the financial statements, including material accounting policy information 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 the provisions of the National Audit Act No.19 of 2018 and the Finance Act No.38 of 1971. My comments and observations which I consider should be reported to Parliament appear in this report.

In my opinion, except for the effects of the matters described in paragraph 1.5 of this report, the financial statements give a true and fair view of the financial position of the authority as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with the Generally Accepted Accounting Principles.

1.2 Basis for Qualified Opinion

My opinion is qualified based on matters described in paragraph 1.5 of this report.

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 audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified 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 Generally Accepted Accounting Principles and for such internal control as management determines 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 stability 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 intend to liquidate the fund 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 National Audit Act No.19 of 2018, the Authority 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 Scope of Audit (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 judgement and maintain professional scepticism throughout the audit. I also

- Appropriate audit procedure were designed and performed identify and assess the risks of material misstatement in financial statements whether due to fraud or errors in providing a basis for the expressed audit 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

- An understanding of internal control relevant to the audit was obtained 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 Authority's internal control

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- 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 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 discussions issued by the governing body of the Authority

- Whether the authority has performed according to its powers, functions and duties and

- Whether the resources of the authority had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

1.5 Audit Observations in relation to preparation of the financial statements

1.5.1 Internal control on preparation of the financial statements

It is necessary to maintain an adequate internal accounting control system properly planned by the institute for obtaining a reasonable verification for implementation with general and specific authority of the management of transactions, showing the transactions as necessary for preparation of the financial statements in compliance with the relevant reporting standards maintenance of the accountability for assets, access to the assets only with general and specific authority of the management , comparison the accountability of the assets shown with the existing assets in the reasonable period of time and if there are alterations, take proper measures in relation to that.

1.5.2 Accounting Deficiencies

Audit Observation	Comments of the Management	Recommendation
The opening balance of audit fees provision account is Rs. 328,500. Since the audit fee of Rs. 379,500 paid in the current year for the preceding year had been debited to audit fees account instead of debiting to audit fees provision account, the deficit in the current year had been overstated by that amount. Furthermore, the cumulative fund in statement of financial position had been overstated by	It had been informed that it is agreed with the deficiency indicated by the audit.	The accurate values should be included into the accounts.

Rs, 51,000 owing to non-adjustment of under provision due to over payment of Rs.51, 000 than provision for audit fee for previous year to the profit of the preceding year. In addition, even though an amount of Rs. 400,000 should be prevailed in the audit fee provision account at the end of the current year, it had been mentioned as Rs.728, 500 including the opening balance of Rs. 328,500.Therefore, the current liabilities indicated in the statement for financial position had been overstated by Rs. 328,500.

1.6 Non-compliance with rules, laws, regulations and management decisions

Reference to laws, rules, regulations	Non-compliance	Comments of the Management	Recommendation
(a) Government Financial Regulations			
(i) F.R.1646 and 1645 (a)	Even though the daily running charts and monthly summary reports should be prepared for the pool vehicles submitted to Auditor General before 15 of the following month, the daily running charts and monthly summary reports had not been submitted for 06 vehicles in 2022 and 2023 by authority. The vehicle log books of 06 vehicles had not been updated and maintained in 2022 and 2023 by authority.	It had been informed that the reports prepared will be compulsorily referred to Auditor General before 15 of the following month and the action will be taken to rectify the deficiencies as pointed out by the audit.	The action should be taken as per Circulars.

(ii) 315, 880 and paragraph 09 of Public Finance Circular No.01/2020 dated 28 August 2020	The officers who should keep the securities as per Circulars and Financial Regulations had not taken action to keep securities.	A shroff had not been appointed in this authority and since the transactions are carried out by the cheques, it had been informed that the securities had not been kept.	The action should be taken as per regulations.
(b) Assets Management Circular No.02/2017 dated 21 December 2017			
2 (i)	The action had not been taken to take over 02 jeeps to authority which had been received to authority from the ministry as per the circular provisions.	It had been informed that the relevant action is being taken to obtain a solution immediately for registration of these 02 vehicles by the name of authority.	The action should be taken as per the circulars.
(c) Public Enterprises Circular No.PED 05/2022 dated 22 August 2022			
Paragraph 3.9 and paragraph 3.13	An officer who had migrated on 20 February 2023 had not taken action to remit the foreign exchange as per the circular up to April 2024 and even though a report including details of the non-resident foreign currency account expected to be used and its progress should be monthly submitted to the Board of Directors and the Secretary of Ministry, no such reports had been prepared for migrated officers by authority.	Even though 02 reminders had been sent to the relevant officers to remit the money, no remittance progress reports had not been forwarded so far and it had been informed that it was planned to be reported in the future management board meeting.	The action should be taken as per circulars.

2. Financial Review
2.1 Financial Results

The financial result in the year under review was a deficit of Rs. 22,583 and correspondingly, the surplus in the preceding year was Rs. 567,797. Accordingly, it was observed a deterioration of Rs. 590,380 in the financial result. For this deterioration, increase of consumer goods supply, increase of maintenance and increase of contractual services had been mainly caused.

3. Operating Review
3.1 Management Inefficiencies

Audit Observation	Comments of the Management	Recommendation
(a) Even though it should be formulated, accepted and implemented a methodology for granting the compensations from Fund of Victims and Witnesses of a Crime established under section 29 of the Act and 40(1)(d) of Act No.10 of 2023 in terms of subsection 13(I)(f) of Assistance and Protection of Victims of Crime and Witnesses Act No.4 of 2015, no action was taken accordingly after elapse of 07 years from establishment of the authority. A balance of Rs. 22,699,627 had prevailed in this Fund as at 31 December 2023.	In accordance with the provisions of new Act, a committee had been appointed to award the compensations by Hon. Minister and it had been informed that such committee had been submitted for the approval of the management board.	The action should be taken as per the Act.
(b)In accordance with section 29 of National Authority Act for Protection of Victims of Crime and Witnesses, the penalties collected was Rs. 2,876,775 and Rs.2,100,600 to the fund established in the year under review and the preceding year respectively and an amount of Rs. 251,025 and Rs.60,456 had been paid respectively as the expenses for protection of victims and witness as per section 29(4) of the Act. Since the compensation paid is considered as the main expense	Since the payment of compensation now by authority is limited only to the court orders, it had been informed that the payment of compensation could have been more activated subsequent to implementation of the compensation committee.	They should be responsible for implementation of income collection and payment of compensation method.

of the Protection Fund as per section 29(4) of said Act and the objective of the authority is to give opportunity to the victims of the offender who was guilty of an offend against the victims of a crime as per section 2(c) of Act to obtain the compensation, the above income collection and the payment of compensation were in a minimum level.		

3.2 Idle or Under-Utilized Properties, Plants and Equipment

Audit Observation	**Comments of the management**	**Recommendation**
The land and building had been purchased for an amount of Rs. 20,799,000 from Waskaduwa area on 27 December 2021 for safe house for implementation of the activities for providing protection to the victims and witness of a crime implemented under authority. An amount of Rs. 1,084,977 and amount of Rs. 7,339 had been incurred for purchase of furniture and other equipment required for 2022 and electricity respectively and a wall had been erected around the house by incurring Rs. 965,000 in the year under review. Similarly, though about 27 complaints had been received for obtaining the protection of the safe house as at 31 December in the year under review, this house had been idle without utilization since 02 years.	It had been informed that the safe house had been handed over to the Protection Division after completing the all infrastructure development activities and the future measures required for utilization are being taken by them.	It should be taken action to promptly commence the safe house.

3.3 Procurement Management

Audit Observation	Comments of the Management	Recommendation
(a) As per 3.4.2 (a) paragraph of Government Procurement Guidelines, the requests for calling shopping method had not been sent with the standard prescriptions for obtaining the goods on rent basis for commemoration of Victims' Day by authority and for selection of a location for conducting an awareness program for senior police officers, Officer In Charge of Police, forensic medical officers, in central province , senior officers of authority, management board and officers in police division.	It is accepted that the calling for shopping method had not complied with the procurement guidelines and it had been informed that it will be responsible in the future not to occur such things.	It should be complied with the Government Procurement Guidelines.
(b) In accordance with paragraph 2.11.3 (a), the report of Technical Evaluation Committee in relation to section of a location for conducting the awareness program for senior police officers, Officer In Charge of Police and Forensic Medical Officers in the central province had not been submitted as per the specific format.	It had been informed that it is accepted that the Technical Evaluation Committee reports had not been submitted as per the specific format and it will be responsible not to occur such things in due course and the action will be taken in compliance with the procurement guidelines.	It should be complied with the Government procurement Guidelines.
(c) In terms of paragraph 6.3.3 (a) of said guidelines, the responsibility of opening the bids is entrusted to the procurement committee and that authority can be assigned to the bids opening committee by the procurement committee. Even though such committee should be consisted with minimum 02 officers approved	Currently, it had been informed that the opening of the quotations will be carried out after appointing the quotation opening committee on the approval of the procurement committee as pointed by the audit.	It should be compiled with the Government Procurement Guidelines.

by the procurement committee, the committee for opening the quotations received in relation to construction of a safety fence around the safe house belonging to authority had been appointed by only Director General of the institute.		
(d) In accordance with paragraph 6.3.6 of such Guideline, the activities on bid opening should be reported in a specific format and even though such reporting notes should be signed by all members of the bid opening committee, it had not been done like that at the meeting of the bid opening committee for erection of a safety fence around the safe house.	It is accepted that the fact pointed out by audit is true and it had been informed that the action will be taken to accurately carry out as highlighted by the audit in due course.	It should be complied with the Government Procurement Guidelines.
(e) As per 5.6.1(a) paragraph of such guideline, even though it had been indicated that the prescriptions for the goods or services for the procurement should not be explained in narrow way than the required extent for achievement of the procurement objectives, it had not been clearly mentioned about the prescriptions in the letter prepared for calling quotations for selection of a location for an awareness program for lawyers of Legal Aid Commission in southern province.	Even though the prescriptions are prepared having identified the basic requirements, it is accepted that it couldn't be mentioned in detail and it had been informed that the action will be taken to not to occur these things in due course.	It should be compiled with the Government Procurement Guidelines.
(f) At the procurement activity related to selection of a location for conducting the awareness program for lawyers of Colombo High court held at Water's Edge, Battramulla, the Government Procurement Guideline had not been followed.	The quotations had been obtained through e-mails and it is accepted that such method is not complied with the procurement guideline and the action will be taken to not to occur such things again. ,	It should be compiled with the Government Procurement Guidelines.

3.4 Utilization of the Resources of Other Organizations

Audit Observation	Comments of the Management	Recommendation
Rs. 12.833 million had been received to authority as first instalment under United Nations Development Program and Rs.9.1973 million had been incurred within the year. Rs.3.6357 million from this first instalment i.e. 28 percent of the received fund had remained as at 31 December. The first instalment in the action plan prepared for this program had ended 30 June 2023 and even though Rs.13.1188 million had been allocated from July 2023 to December 2023 as second instalment, no action had been taken by authority to obtain the second instalment up to 31 December 2023 owing to not completely incurring the first instalment.	These provisions are for awareness programs carried out by Policy and Program Division of authority and it had been informed that there is no adequate human resource power and it couldn't be obtained the second instalment to the authority in 2023.	The action should be taken to efficiently carry out the functions of institute having filled the vacancies.

3.5 Human Resources Management

Audit Observation	Comments of the management	Recommendation
Even though the cadre approved by Department of Management Services was 56 as at 31 December in the year under review, the actual cadre was 30 on that date. Accordingly, 13 posts out of 34 which directly contribute to the administrative activities of authority had been vacant.	It had been informed that the recruitments are being made presently subject to the regulations for recruitments of Government Expenditure Management Circular and Department of Management Services.	The action should be taken to fill the vacancies.

4. Accountability and Good Governance

4.1 Annual Action Plan

Audit Observation	Comments of the Management	Recommendation
(a) The action plan approved at the beginning of the year had not been included into the action plan prepared in relation to the funds of united Nations Development Program and 04 activities to be implemented from the funds of United Nations Development Program had been inserted into amended action plan. Though it had been estimated Rs.4.673 million from the funds of United Nations Development program for such 4 activities, 03 activities had been completed in the year under review by incurring Rs. 2.1043 million.	It had been informed that the actual expenditure was less than the estimated value owing to not incurring the total estimated amount, deduction of the certified participants, granting the procurement approval to the institute which had submitted the minimum bid from the institutes which had submitted the bids. .	The action plan should be prepared in the manner of fulfilling the expected objectives of the institute.
(b) 05 activities of Rs. 9.391 million Included into the action plan had not been implemented within the year.	Due to non-availability of an Information Technology Officer in the authority, non-receipt of second instalment to authority, no action had been taken as planned.	The action plan should be prepared in the manner of fulfilling the objectives of the institute.
(c) Owing to non-preparation of the estimate properly, more than 50 percent from the estimated amount for 02 activities had remained.	It had been informed that the actual expense was less than the estimated amount due to providing of accommodation to the essential officers, obtaining hall facilities freely and obtaining foods and beverages at a minimum expense.	The action plan should be prepared in the manner of fulfilling the objectives of the institute.

4.2 Budget Control

Audit Observation	Comments of the management	Recommendation
As per National Budget Circular No.3/2022 dated 26 April 2022, though the public expenditure should be strictly controlled, an amount of an amount of Rs.	It had been informed that the action will be taken to use the accommodations and conference rooms in the public institutions with more facilities in the future.	The action should be taken in compliance with the circulars.

4,429,828 had been incurred for conducting 08 awareness programs within the year under review by authority and those programs had been conducted by incurring a large amount of money in the private hotels without inquiring about the accommodations and the conference rooms located in the public institutions in selection of a location.