

Head 234 - Registrar of the Supreme Court - 2024

1. Financial Statements

1.1 Opinion

Head 234 - The audit of the financial statements of the Registrar of the Supreme Court for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024 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 Registrar of the Supreme Court was issued to the Accounting Officer on 30 May 2025 in terms of Section 11 (1) of the National Audit Act No. 19 of 2018. The Annual Detailed Management Audit Report pertaining to the Department was issued to the Accounting Officer on 16 September 2025 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 fair view in all the material aspects of the financial position of the Registrar of the Supreme Court as at 31 December 2024 and its financial performance and cash flow in accordance with the basis of preparation of the financial statements set out in Note 1 to the financial statements.

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 Emphasis of Matter- Basis of Preparation of Financial Statements

I draw attention to Note 1 of the financial statements, which describes the basis of preparation of these financial statements. The financial statements had been prepared for the requirement of the Registrar of the Supreme Court, the Treasury and the Parliament in accordance with Financial Regulations 150 and 151 of the Government and State Accounts Guideline No. 06/2024 dated 16 December 2024, as amended on 21 February 2025. Therefore, these financial statements may not be suitable for other purposes. My report is intended only for the use of the Registrar of the Supreme Court, the Treasury and the Parliament of Sri Lanka. My opinion in this regard is not modified.

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

The Accounting Officer is responsible to prepare financial statements that give a true and fair view in all material aspects and to determine such internal control as is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error in accordance with Government Finance Regulations 150 and 151 and State Accounts Guideline No. 06/2024 dated 16 December 2024 as amended on 21 February 2025 .

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 for 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.

1.5 Auditor's Responsibility on Audit of 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 exercised 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 its internal control.
- Evaluate that the underlying transactions and events are appropriately and fairly included in the financial statements for the structure and content of the financial statements that include disclosures.

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

2. Report on Other Legal Requirements

I express the following matters in terms of Section 6 (1) (d) and Section 38 of the National Audit Act, No. 19 of 2018.

- (a) The financial statements are consistent with the preceding year,
- (b) The recommendations made by me on the financial statements of the preceding year had been implemented.

3. Financial Review

3.1 Management of Expenditure

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) During the year under review, provisions of 07 recurrent objects and 02 capital objects amounting to Rs. 11,106,882 remained unutilized, and it ranged between 31 percent and 52 percent.	The above savings had occurred due to the utilization of government expenditure in a more economical manner and the minimization of essential expenditure as far as possible.	Estimates should be prepared with due care focusing on economy.
(b) During the year, the entire budgetary provision of Rs. 500,000 allocated under object No. 2001 – Buildings and Constructions, remained unutilized.	The budgetary provision remained unutilized as all expenditure relating to buildings and constructions had been incurred by the Marshal Institute.	Estimates should be prepared with due care focusing on economy.
(c) Even though a total sum of Rs. 3,900,000 had been allocated through supplementary estimates for Expenditure objects Nos. 234-1-2-1502 and 234-1-1502, a balance of Rs. 1,349,060, representing 34 per cent of the supplementary provisions, remained unutilized by the end of the year under review. Accordingly, the additional	Expenditure relating to the Public Employees' Provident Fund contributions of Legal Officers and Personal Secretaries to Judges is borne under this object. As per the instructions of the Chief Justice, all existing vacancies were to be fulfilled at the time of transferring provisions, and accordingly,	Additional provisions should be requested after properly identifying the actual requirement.

provisions had been requested without properly identifying the actual requirement.

provisions had been transferred on behalf of all officers. However, due to the cancellation of several new appointments, resignations of officers, and the non-appointment of replacements, the provisions transferred remained unutilized.

4. Operating Review

4.1 Procurements

The following observation is made.

Audit Observation	Comments of the Accounting Officer	Recommendation
Contrary to Section 4.2.2 of the Procurement Guidelines, a procurement time schedule had not been prepared for the procurement activities. As per the Annual Procurement Plan, a sum of Rs. 800,000 had been estimated for the purchase of file compactors. However, an expenditure of Rs. 16,043,300 had been incurred for this procurement, exceeding the estimated amount.	The purchase of these file compactors was not a requirement identified at the time of preparing the estimates. This requirement arose as a result of the Indian visit undertaken to adapt the technological knowledge of the Supreme Court of India to the Supreme Court of Sri Lanka. Following the instructions of the Honourable Chief Justice, it was decided to carry out this procurement in 2024, and accordingly, the procurement was affected through the transfer of provisions with the concurrence of the General Treasury.	Procurement time schedule should be prepared and carry out procurements within the authorized limits as prescribed by the Procurement Guidelines.

4.2 Assets Management

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Although all lease instalments for vehicles obtained by the Department under a leasing facility	At present, the vehicles have been sent for repairs, and it is intended to complete the transfer	Prompt action should be taken to affect the transfer

from a private institution had been settled during 2023, the transfer of ownership of the vehicle to the institution had not been completed. process following the completion of the repair work. of ownership without delay.

- (b) The assets verification of the Department for the year 2023 was conducted in January 2024, and 26 units of obsolete items classified under 08 categories of goods had been recommended for auctioning with the proceeds to be credited to the Government by the Board of Survey. However, action had not been taken to auction even by the end of the year under review. As the asset verification for the year 2024 has been completed, necessary arrangements are currently being made to proceed with the auctioning of the items. The recommendations of the Board of Survey should be implemented within the prescribed time frame.

4.3 Security of Public Officers

The following observation is made.

Audit Observation	Comments of the Accounting Officer	Recommendation
As at 31 December 2024, 10 officers who were required to furnish security under the Financial Regulation No. 880, Public Officers' Security Ordinance, and the Circular No. 01/2011 dated 18 January 2011 of the Ministry of Justice, had not submitted the required securities.	Deficiencies in the Supreme Court bail applications forwarded to the Ministry of Justice on 24 October 2024 were being rectified. On 12 December 2024, 04 bail applications of the Court of Appeal had been forwarded to the Ministry of Justice.	Action should be taken to furnish securities in accordance with the Financial Regulations.

4.4 Management Weaknesses

The following observation is made.

Audit Observation	Comments of the Accounting Officer	Recommendation
As at 31 December 2024, action had not been taken to recover the loan balance of Rs. 164,405 from an officer who left service in 2020, and the loan balance of Rs. 183,000	Out of the 03 officers who retired in the year 2024, one officer has settled the outstanding loan balance, while the gratuity of the remaining 02	Action should be taken to promptly recover the outstanding loan balances.

from an officer who was interdicted in 2023.

officers has not yet been paid. The loan balance of another officer is being recovered through the Payment of Rs. 15,437 each by the Department of Pensions. The legal possibility of recovering the loan amounts from the officer who left service and the officer who was interdicted is currently being investigated.

5. Human Resource Management

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) As at 31 December 2024, the total approved cadre of the Department was 557, while the actual cadre stood at 420. Accordingly, there were vacancies of 143 officers.	Requests have been made to the Secretary to the Judicial Service Commission and the Secretary to the Ministry of Justice regarding the existing staff vacancies in the Department.	Action should be taken to fill the vacancies promptly.
(b) Two officers had been assigned on an acting basis to the posts of a Grade III Accountant of the Department and Deputy Registrar of the Court of Appeal, which had remained vacant for over 02 years since 2022. Acting allowances amounting to Rs. 416,631 had been paid to the Accountant up to 31 December 2024.	A request has been made to the Director General of Combined Services regarding the vacancy in the Grade III Accountant post of the Department.	Action should be taken to fill the vacancies.
(c) Even though the approved cadre for the posts of Judicial Registrar III, Legal Research Assistant, Court Stenographer I, II, III, and Accounts and Program Assistant in the Department were 9, 54, 31, and 15 respectively, the actual cadre assigned to these posts stood at 3, 35, 12, and 5 respectively as at 31	Requests have been made to the Secretary to the Judicial Service Commission regarding the existing staff vacancies in the Department.	Action should be taken to fill the vacancies.

December 2024. Accordingly, a significant number of vacancies existed in these posts when compared with the approved cadre.