

Head 007- Judicial Service Commission - 2024

1. Financial Statements

1.1 Opinion

Head 007 - The audit of the financial statements of the Judicial Service Commission 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 Judicial Service Commission was issued to the Chief 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 Commission was issued to the Chief Accounting Officer on 14 August 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 Judicial Service Commission 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 responsibility, 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 Judicial Service Commission, 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 Judicial Service Commission, 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 Chief 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 Commission 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 Chief Accounting Officer shall ensure that an effective internal control system is maintained for the financial control of the Commission 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 Chief 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) of the National Audit Act, No. 19 of 2018.

- (a) The financial statements are consistent with the preceding year,
- (b) The following 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 Chief Accounting Officer	Recommendation
(a) As adequate annual estimate provisions had not been allocated, an amount of Rs. 63,196,084 out of the provision of Rs. 78,160,000 relating to 08 recurrent objects and 02 capital objects remained saved, those savings representing a range of 28 percent to 98 percent.	Savings had occurred due to the efficient use of stationery, non-receipt of sub imprest, non-recruitment of staff and expenditure management, savings in repair expenses due to the transfer of a Senior Assistant Secretary, non-receipt of invoices relating to certain repairs during the year, savings in repair expenses arising from transfers, strict control of expenditure under government expenditure management, non-conduct of recruitment examinations and weaknesses in procurement.	Estimates should be prepared after identifying the requirements.

- | | | |
|---|--|---|
| <p>(b) Due to provisions not being allocated upon adequately identifying the requirements, the total estimated provisions relating to 02 objects remained saved without utilized.</p> | <p>At the time of preparing the budget estimates, although the requirement was identified the inability to move this office to the renovated building and providing a shelter for the public to remain at the location where the office is currently being operated temporarily, due to the inadequacy of provisions for that purpose and the strict control of expenditure under Government expenditure management for the object 2104, as well as restrictions on recruitments, therefore the related training programmes had to be limited.</p> | <p>Estimates should be prepared after identifying the requirements.</p> |
|---|--|---|

3.2 Certification of Chief Accounting Officer/Accounting Officer

Chief Accounting Officer should certify the following matters in terms of provisions set out in section 38 of the National Audit Act no 19 of 2018. However, it had not been so done.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) The Chief Accounting Officer and the Accounting Officer should ensure that an effective internal control system for the financial control exists in the Commission and carry out periodic reviews to monitor the effectiveness of such systems, and accordingly make any alterations as required for such systems to be effectively carried out. Such reviews should be carried out in writing, and a copy thereof should be presented to the Auditor General, but no statements had been furnished to the Audit that the reviews had been carried out.	Reviews are carried out as when necessary, occasion with a view to ensuring an effective internal control system of the Judicial Service Commission and the delegation of authority relating to revised expenditure, in terms of F.R. 135, for the year 2024 is submitted herewith.	Action should be taken in terms of provisions in Section 38 of the National Audit Act, No.19 of 2018.

- (b) The Chief Accounting Officer and the Accounting Officer shall ensure the timely preparation and submission of annual and other financial statements and in addition, the Chief Accounting Officer shall be required to submit annual reports to Parliament pertaining to the auditee entity. However, the said requirements had not been fulfilled due to audit observation indicated in paragraph 4.1 in the report. \
- Considering the nature of the functions of the Judicial Service Commission and the limited number of existing officers, the necessary arrangements for submitting the Performance Report for the year 2023 to Parliament are currently being made. The Performance Report for the year 2024 has now been completed, and the translation work is currently in progress.
- Action should be taken in terms of provisions in Section 38 of the National Audit Act, No.19 of 2018.
- (c) The Chief Accounting Officer and the Accounting Officer shall ensure that an effective mechanism exists to conduct an internal audit. However, the said requirements had not been fulfilled due to audit observation indicated in paragraph 6.2 of the report.
- The staff for the establishment of an Internal Audit Unit for the Commission has been approved. However, since the activities of the Judicial Service Commission are being carried out in a temporary building, an Internal Audit Unit has not been established due to the lack of adequate space for the staff approved above.
- Action should be taken in terms of provisions in Section 38 of the National Audit Act, No.19 of 2018.

3.3 Non-compliance with Laws, Rules and Regulations

Instances of non-compliance with the provisions in laws, rules and regulations observed during the course of audit test checks are analyzed below.

	Observation	Comments of the Chief Accounting Officer	Recommendation
Reference to Laws, Rules and Regulations	Value Rs.	Non-compliance	
(a) Financial Regulations of the Democratic Socialist Republic of Sri	425,027	When making payments for stores supplies, a certificate should be attached	A separate certificate confirming the receipt of goods had not been
			Action should be taken in terms of the Financial Regulations.

Lanka- 237(b)		confirming that the goods have been received and that those goods have been entered in the relevant Inventory Book and stock book etc. It had not been done in respect of 02 purchases.	attached, however, the relevant certification had been noted on the relevant bills at the time of making payments.	
(b) Public Finance Circular.				
(i) Section No. 11.1 of the Public Finance Circular No. 01/2020 dated 28 August 2020	-	Although the Board of Survey for the years 2022 and 2023 should have been done within the timeframe of completion, the actions had been taken in a manner not in compliance with that.	It is hereby informed that action will be taken to carry out the Board of Survey relating to the years 2022 and 2023 within the relevant timeframe without any delay.	Board of Survey activities should be carried out within the relevant period as per the Circular.
(ii) Paragraph 10.2 of State Finance Circular No. 02/2020 dated 28 August 2020	-	The annual draft performance report, which should be submitted with the annual financial statements in terms of section 16(2) of the National Audit Act No.19 of 2018, has not been submitted with the financial statements.	Considering the nature of the duties of the Judicial Service Commission and the limited number of existing officers, the Performance Report for the year 2024 has already been prepared and finalized, and the necessary actions are currently being made to submit it to you.	According to the Circular, the annual draft performance report should be submitted.

4. Operating Review

4.1 Annual Performance Report

Audit Observation	Comments of Chief the Accounting Officer	Recommendation
According to paragraph 12.1 of the Public Finance Circular No. 02/2020 dated 28 August 2020, the annual performance report must be submitted to Parliament for tabling before 150 days of the end of the financial year. The performance report for the year 2022 had been submitted to Parliament for tabling on 05 December 2024, with a delay of 555 days. Furthermore, the performance report for the year 2023 had been submitted to Parliament for tabling on 01 July 2025, with a delay of 396 days.	The necessary arrangements are currently being made to submit the performance report for the year 2023 to Parliament. As per the nature of the functions of the Judicial Service Commission and the limited number of officers available, the Performance Report for the year 2024 has now been finalized and the necessary arrangements are currently being made to submit it to you.	Action should be taken in accordance with the Circulars and the provisions of the National Audit Act.

4.2 Procurements

The following observations are made.

Audit Observation	Comments of Chief the Accounting Officer	Recommendation
(a) According to Paragraph 4.2.2(a) of the Government Procurement Guidelines, Although a document should have been prepared which is schedule describing in a chronological order, steps of each individual Procurement Action, from the point of commencement until its completion. However, the Commission had not prepared such a document.	Due to practical reasons, the dates related for each step of a procurement vary continuously; therefore, the procurement plan must be adjusted throughout the year. Accordingly, from 2025 onwards, a detailed procurement plan, outlining each step of the procurement process at the time of its commencement, will be prepared.	Action should be taken in accordance with the Procurement Guidelines.

- (b) In accordance with Section 4.2.1 of the Procurement Guidelines, A master procurement plan, including the expected procurement activities for a minimum period of 03 years, should be prepared. However, the Commission has not prepared such a master procurement plan.
- Preparation of a master procurement plan, including the expected procurement activities for a period of three years, will be carried out from the next year onwards.
- Action should be taken in accordance with the Procurement Guidelines.

5. Achievement of Sustainable Development Goals

The following observation is made.

Audit Observation	Comments of Chief the Accounting Officer	Recommendation
According to the letter issued by the Ministry of Sustainable Development and Wildlife No. MSDW/08/65 dated 27 April 2018, although the Institute has identified Sustainable Development Goals and indicators for the year 2022. Although it was stated that officers had been appointed to coordinate the achievement of the Sustainable Development Goals and that a Sustainable Development Program was being prepared, no such program had actually been prepared.	For the year 2022, the Department has identified Development Goals and indicators and has appointed officers to coordinate the achievement of the Sustainable Development Goals and is in the process of preparing a Sustainable Development Program.	Sustainable Development Programs should be prepared and implemented.

6. Good Governance

6.1 Rendering of Services to the Public

The following observation is made.

Audit Observation	Comments of Chief the Accounting Officer	Recommendation
According to the Public Administration Circular No. 05/2008 dated 06 February 2008 and Circular No. 05/2008(I) dated 24 January 2018, in order to make public sector activities more efficient and to improve mutual understanding and mutual trust between the parties involved, every government institution should introduce the citizen/client charter, but the Commission has not yet introduced the citizen/client charter.	Actions are being taken to introduce a citizen/client charter in accordance with the provisions of the Public Administration Circulars No. 05/2008 dated 06 February 2008 and No. 05/2008(I) dated 24 January 2018, respectively.	Actions should be taken in accordance with the Circular.

6.2 Internal Audit

The following observation is made.

Audit Observation	Comments of Chief the Accounting Officer	Recommendation
As per the paragraph 40(1) of the National Audit Act No. 19 of 2018, the commission should have its own Internal Auditor appointed by the Governing Board of the Commission to carry out internal audit work, but no Internal Auditor position was included in the approved staff of the Commission. Further, as per paragraph 03 of the Management Audit Circular No. DMA/01-2019 dated 12	The staff has been approved to establish an internal audit unit for the Commission. However, since the Judicial Service Commission is operating in a temporary building, there is insufficient space for the approved staff, and therefore, the internal audit unit has not been established.	Actions should be taken in accordance with the Audit Act and the Circular.

January 2019, an Internal Audit Division headed by a Class I officer of the Sri Lanka Accountancy Service under the direct supervision of the Chief Accounting Officer shall be established for all Special Expenditure Units but No Internal Audit Division was established in the Commission.

7. Human Resource Management

The following observations are made.

Audit Observation	Comments of Chief the Accounting Officer	Recommendation
(a) As at 31 December of the year under review the approved cadre for the Commission was 117. On that date, there was a shortage of 82 staff for 14 positions and an excess of 29 staff for 08 positions. Accordingly, no action was taken to adjust the Commission's staff according to the current situation or to fill the approved vacancies, or Action had not been taken to obtain approval for the excess positions.	The operations of the Judicial Service Commission are currently being carried out in a temporary building with an insufficient number of the existing staff. A total of 29 officers in 08 positions in excess of the approved cadre have been assigned to cover the duties of 82 officers belonging to 14 currently vacant approved posts. Although the approved cadre is 117, the Secretariat is carrying out, in accordance with the orders of the Judicial Service Commission, all functions relating to the supervision, administration, and e of the entire judicial system with a minimum staff of only 64 officers.	Action should have been taken to fill the staff vacancies.
(b) 03 Positions of Court Registrar in salary scale SL 1 and one position in salary scale MN - 7 were created which were not in approved cadre.	Since Courts Registrars possess the knowledge and experience relating to the supervision, operation and administration of the judicial system, necessary action is being taken to obtain approval from the Department of Management Services for those post.	The relevant post should be approved by the Department of Management Services.

- | | | |
|--|---|---|
| <p>(c) A Court Stenographer post in the MN 7 salary scale within the approved cadre had been recruited without obtaining approval.</p> | <p>Among the functions of the Judicial Service Commission, carrying out investigations throughout the entire judicial system occupies a prominent position. Until a suitable experienced officer, capable of performing the duties of this office with reliability is appointed (new recruitments to the public service have been suspended), the said officer will undertake to carry out that duty.</p> | <p>Action should be taken to approve the positions</p> |
| <p>(d) As per the paragraph 04 of Public Administration Circular No. 02/2018 dated 24 January 2018, a Human Resource Development Plan had not been prepared by the Commission.</p> | <p>A properly prepared Human Resources Plan has not been compiled , however a committee has been appointed to review and report on a more practical performance evaluation methodology aimed at assessing the performance of officers in all positions within the Judicial Registrars' service and Scheduled Public Officer's Service with the objective of enhancing the efficiency and effectiveness of the courts. , and upon completion of its work, the relevant recommendations have been submitted to the Judicial Service Commission. Accordingly, necessary subsequent measures are to be taken.</p> | <p>The Human Resources Development Plan should be prepared in accordance with the Circular.</p> |