

Head - 009 Administrative Appeals Tribunal - 2025

1. Financial Statements

1.1 Opinion

Head 009 - The audit of the financial statements of the Administrative Appeals Tribunal for the year ended 31 December 2025 comprising the statement of financial position as at 31 December 2025 and the statement of financial performance and cash flow statement for the year then ended and notes to the financial statements, including information of the material 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. The summary report containing my comments and observations on the financial statements of the Administrative Appeals Tribunal was issued to the Chief Accounting Officer on 19 May 2026 in terms of Section 11(1) of the National Audit Act, No.19 of 2018. The Annual Detailed Management Audit Report relevant to the Administrative Appeals Tribunal was issued to the Chief Accounting Officer on 30 June 2026 in terms of Section 11(2) of the Audit Act. This report will be tabled in Parliament in pursuance of provisions in Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka to be read in conjunction with Section 10 of the National Audit Act, No.19 of 2018.

In my opinion, the accompanying financial statements give a fair view in all materiality of the financial position of the Administrative Appeals Tribunal as at 31 December 2025, and its financial performance and cash flows for the year then ended in accordance with the basis of preparation of the financial statements set out in Note 1 of the financial statements.

1.2 Basis for Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibility for the financial statements is further described in the Auditor's Responsibility for the audit of financial statements section. 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 the Preparation of Financial Statements

The attention is drawn attention to Note 1 of the financial statements, which describes the basis of preparation of these financial statements. The financial statements have been prepared for the need of the Administrative Appeals Tribunal, the Treasury and Parliament in accordance with Public Financial Regulations 150 and 151 and State Accounts Guideline No. 02/2025 dated 17 December 2025. Therefore, these financial statements may not be suitable for other purposes. My report is intended only for the use of the Administrative Appeals Tribunal, the Treasury and the Parliament of Sri Lanka. My opinion on this matter is not modified.

1.4 Responsibility of the Chief Accounting Officer and the Accounting Officer for the Financial Statements

The Chief Accounting Officer is responsible for the preparation of financial statements that give a fair view regarding all material aspects in accordance with Public Financial Regulations 150 and 151 and the State Accounts Guideline No. 02/2025 dated 17 December 2025, and for the determination of the internal control that is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

As per Section 16 (1) of the National Audit Act, No.19 of 2018, the Administrative Appeals Tribunal is required to maintain proper books and records of all its income, expenditure, assets and liabilities to enable the preparation of annual and periodic financial statements.

In terms of Sub-section 38 (1) (c) of the National Audit Act, the Chief Accounting Officer shall ensure that an effective internal control system for the financial control exists in the Administrative Appeals Tribunal 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.

1.5 Auditor's Responsibility 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 and its materiality depends on the influence on economic decisions taken by users 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 procedures were designed and performed to identify and assess the risk 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 procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness.

- Evaluate the 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.
- Evaluate the overall presentation, structure and content of the financial statements including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Chief Accounting Officer regarding, among other matters significant audit findings, including any significant deficiencies in internal control that I identify during 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 recommendations made by me on the financial statements of the preceding year had been implemented.

3. Financial Review

3.1 Financial Management

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
Although expenditure estimates should be prepared in accordance with the relevant regulations according to Public Financial Regulations 50, estimates had not been prepared in accordance with the relevant regulations due to non-utilization of provisions of Rs. 4,680,449 from 20 percent to 100 percent from the estimated provisions of 06 recurrent expenditure objects and provisions of Rs. 33,000, which was 33 percent from the estimated provision of a capital expenditure object.	Reasons have been stated as reducing recruitments, limitation of overtime on weekends and holidays, addition allowances into the basic salary, non-occurrence of traveling expenses as expected, economical use of stationery, non-fulfillment of eligibility criteria for obtaining uniforms by other officers except two officers, non-occurrence of expected vehicle mechanical software repairs, reducing postal expenses, obtaining the service at low price compared to estimated provisions, reduction in insurance premium.	When preparing estimates, actions should be taken to prepare them as realistic as possible, based on accurate projections.

3.2 Non-compliance to Laws, Rules and Regulations

Observation			
Reference to Laws, Rules and Regulations	Non-compliance	Comments of the Chief Accounting Officer	Recommendation
(a) Section 10 of the Right to Information Act, No. 12 of 2016	The annual report of the Tribunal for the previous year had not been submitted to the Right to Information Commission even by 31 December 2025.	It has been stated that actions will be taken to submit the annual report to the Right to Information Commission in the future.	Actions should be taken to submit the annual report before due date.
(b) Public Administration Circular No. 02/2018 dated 24 January 2018, as amended by Public Administration Circular No. 02/2018 (I) dated 30 November 2023.	A Human Resource Development Plan had not been prepared for the year under review.	Due to a Human Resource Development Plan had not been prepared for the year under review, actions are being taken to prepare in the future.	Action should be taken in accordance with the instructions mentioned in the circular.
(c) Financial Regulation 261(2) of the Code of Financial Regulations of the Democratic Socialist Republic of Sri Lanka.	Although it is mentioned that when payments are made by a cheque, the cheque number should be recorded on the vouchers as	Cheque number is not mentioned in both cash book and voucher by mistake, when instances highlighted by the	Actions should be taken in accordance with Financial Regulations.

well as alongside the relevant entry in the cash book, the Commission had not recorded the cheque numbers in this manner in 26 instances.

query, and officers were instructed to ensure to avoid such situation.

4. Operational Review

4.1 Vision and Mission

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) There were 1,074 appeals pending until 01 January 2025 and there were 910 pending appeals at the end of the year due to 837 appeals concluded during the year. When considering received date of appeal, there were 297 appeals received between 2 and 4 years ago and 115 appeals received 5 or more years ago in that remained appeals.	Performance cannot be measured by forwarded balance, new assignments, completed and remaining appeals and statistics of them. Orders or decisions regarding appeals are issued by focusing on the specific facts unique to each appeal. Furthermore, the number of appeals submitted to this appeal tribunal against the decisions of the each commissions would reflect performance regarding the appeals those were allowed and rejected.	Delays in solving appeals should be avoided and actions should be taken to improve the progress of concluding complaints.

4.2 Planning

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
The Action Plan for the year 2025 had not been prepared in accordance with the format specified in Paragraph 3 and the Guideline of Public Finance Circular No. 2/2020 dated 28	Due to by mistake, an Action Plan for the year 2025 had not been prepared and an Action Plan for the year 2026 has been prepared and forwarded to you.	The Annual Action Plan should be prepared in accordance with the circular provisions and guidelines.

August 2020 with including responsible areas, activities, inputs and outcome.

5. Good Governance

5.1 Audit and Management Committee

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
Although every entity is required to have an Audit and Management Committee in accordance with Section 41 of the National Audit Act, No. 19 of 2018, the Audit and Management Committee of the Commission had not been held since the year 2015.	Due to staff of this office is limited, due to accounting and other administrative activities specially, financial transactions are limited to payment of employee salary and wages and purchasing essential office equipment, due to an Audit Officer is not approved in the approved carder, specially appointing an Audit Officer is incurring additional financial expense for the government and also that an officer appointed in such manner does not have a sufficient duty to perform.	Audit and Management Committee meetings should be held as properly.

6. Human Resource Management

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
According to the information submitted for audit by the Authority, the approved carder as at 31 December 2025 was 32, but due to that the actual staff was 23, there were vacancies remained in 09 positions of the staff. Also, senior level positions such as Secretary, Assistant Secretary were filled on contract basis, with appointments renewed annually since the year 2017.	Recruitments have been done for 04 essential staff vacancies for the year 2025. An Accountant has been recruited on an acting basis and the Secretary and Assistant Secretary have been recruited under Public Administration Circular 3/2018.	Recruitments should be done only after analyzing performance and if there is a need exists.