

**Head 110- Ministry of Justices and the Departments under that Ministry.
Auditor General's Report- Year 2013**

This report consists of two parts.

Part 1 – Summary report relating to the accounts of the Ministry and the Departments under that Ministry.

Part 2 – Detailed Report relevant to each Head.

Part 1

Summary report relating to the accounts of the Ministry of Justice and the Departments under that Ministry.

1. Departments under the Ministry

Head	Department
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228	Courts Administration
231	Department of Debt Conciliation Board
233	Department of Government Analyst
234	Registrar of Supreme Court
235	Department of Law Commission

2. Accounts

2.1 Appropriation Accounts

Total Provision and Expenditure

While the total net provision made for the Ministry and the five Departments under the Ministry amounted to Rs.6,122,565,051 out of that a sum of Rs.5,927,404,741 had been utilized as at the end of the year under review. Accordingly, savings of the Ministry and the each Department out of the net provision had been Rs.2,223,474 and Rs.124,010,878 or had been ranged between 2.28 per cent and 21.38 per cent of the net provision. Details are shown below.

Head	As at 31 December 2013			Servings as a Percentage of Net Provision
	Net Provision	Utilization	Servings	
	Rs.	Rs.	Rs.	
110	809,300,000	790,873,344	18,426,656	2.28
228	4,795,908,625	4,671,897,747	124,010,878	2.58
231	10,400,000	8,176,526	2,223,474	21.38
233	372,556,426	335,576,177	36,980,249	9.93
234	118,100,000	107,168,683	10,931,317	9.25
235	16,300,000	13,712,264	2,587,736	15.87
Total	6,122,565,051	5,927,404,741	195,160,310	3.19

2.2 Advance Accounts

2.2.1 Advances to Public Officers Accounts

Limits Authorized by the Parliament

Limits authorized by the Parliament on the Ministry and the five Departments under the Ministry relating to Advances to Public Officers Accounts and actual values are shown below.

Item No.	Expenditure		Receipts		Debit Balance	
	Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
11001	11,000,000	11,906,776	5,800,000	10,844,428	48,000,000	33,522,929
22801	348,000,000	347,826,846	166,000,000	192,782,705	880,000,000	683,748,690
23101	1,000,000	952,663	300,000	1,021,407	2,400,000	1,351,389
23301	7,000,000	4,370,710	3,500,000	4,355,806	32,000,000	20,060,232
23401	12,000,000	11,926,050	5,000,000	8,100,985	42,000,000	3,825,065
23501	1,200,000	598,575	200,000	389,745	3,000,000	2,233,553

2.3 Imprest and General Deposits Accounts

2.3.1 Imprest Account

Balance of the 03 Departments under the Ministry Imprest Accounts as at 31 December 2013 were totalling Rs.16,444,460.

Ministry/ Department	Imprest Account No.	Balance as at 31 December 2013
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		Rs.
Department of Debt Reconciliation Board	7000/0000/00/0281/0012/000	74,134
Registrar of Supreme Courts	7002/0000/00/0140/0013/000	15,593,270
Department of Law Commission	7002/0000/00/0320/0013/000	777,056
Total		16,444,460 =====

2.3.2 General Deposits Accounts

Balances of the Ministry and three Departments under the Ministry Deposits Accounts as at 31 December 2013 were totalling Rs.7,222,021,437. Details are given below.

Ministry/ Department	Deposit Account No.	Balance as at 31 December 2013
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		Rs.
Ministry of Justices	6000/0000/00/0015/0023/000	4,920,076
Courts Administration	6000/0000/00/0015/0109/000	7,131,266,903
Government Analyst's Department	6000/0000/00/0015/0113/000	36,184,858
Registrar of Supreme court Department	6000/0000/00/0015/0114/000	49,649,600
Total		7,222,021,437 =====

Part 2

Detailed Report relevant to each Heads

1. Head 110 – Ministry of Justice

1.1 Scope of Audit

The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Ministry of Justice for the year ended 31 December 2013 was carried out in pursuance of provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Secretary on 26 September 2014. The audit observations, comments and findings on the accounts and the reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

1.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the provisions in Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other statutory provisions and Public Finance and Administrative Regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

1.3 Audit Observation

According to the Financial Records and Books for the year ended 31 December 2013, it was observed that except for the effects of the general observations appearing at (a) and (b) and other major audit findings in paragraphs 1.4 to 1.6 herein, the Appropriation Account and the Reconciliation Statements of the Ministry of Justice had been prepared satisfactorily.

(a) Budgetary Variance

The following observations are made.

- (i) The entire provision amounting to Rs.200,000 made under one Object had been saved.

- (ii) Excess provision had been made for 10 Objects and as such the savings thereunder after utilization of provision ranged between 25 per cent and 97 per cent of the net provision.

(b) Reconciliation Statement of the Advances to Public Officers Account

The following observations are made

- (i) It was unable to recover loans amounting to Rs.418,983 due from 4 retired officers over 3 years.
- (ii) Balances of loans amounting to Rs.576,572 remained unrecovered for over 3 years from 8 officers who had been interdicted.

1.4 Assets Management

The following observations are made.

(i) Unsettled Liabilities

The unsettled liabilities of the Ministry as at 31 December 2013 amounted to Rs.1,525,741 .

(ii) Losses and Damage

Action had not been taken to recover or to write off losses aggregating Rs.2,832,405 with regard to accidents caused to vehicles on 27 instances.

1.5 Performance

A sum of Rs.4,671 million had been spent for the year 2013 under the Judicial Administrative Head which is a Department under the Ministry . However, descriptions such as mission, vision and progress to be shown under it had not been included in the performance report so as to clearly identify them.

1.6 Human Resources Management

Approved and Actual Cadre

The position of cadre as at 31 December 2013 is given below.

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies	Excess
	-----	-----	-----	-----	-----
(i)	Senior Level	28	23	05	-
(ii)	Tertiary Level	10	08	02	-
(iii)	Secondary Level	177	139	38	-
(iv)	Primary Level	73	68	05	-
(v)	Other (Contract basis)	-	02	-	02
	Total	288	240	50	02
		===	===	===	==

The Ministry had not taken action to fill 50 vacancies by end of the year under review.

2. Head 228 – Courts Administration

2.1 Scope of Audit

The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Office of the Courts Administration for the year ended 31 December 2013 was carried out in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Secretary to the Ministry on 12 September 2014. The audit observations, comments and findings on the accounts and the reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

2.2 Responsibility of the Chief Accounting Officer and the Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer and the Accounting Officer are responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the provisions in Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other statutory provisions and Public Finance and Administrative Regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

2.3 Audit Observation

According to the Financial Records and Books for the year ended 31 December 2013, it was observed that except for the effects of the general observations appearing at (a) to (c) and major

audit findings appearing in paragraphs 2.4 and 2.5 herein, the Appropriation Account and the Reconciliation Statements of the Courts Administration had been prepared satisfactorily.

(a) Budgetary Variance

Excess provisions had been obtained for 08 Objects and as such, the savings thereunder after utilizing the provisions ranged between 07 per cent and 75 per cent of the net provisions relating to those Objects.

(b) Reconciliation Statement of the Advances to Public Officers Account

The following observations are made.

- (i) According to the Reconciliation Statement presented to audit, the balance of the Advances to Public Officers Control Account as at 31 December 2013 had been Rs.687,957,755. As the total of the classification of individual balances was Rs.676,193,858, a difference of Rs.11,763,897 was revealed. Accordingly, the balance of the control account had not been reconciled with the total of individual balances.
- (ii) In terms of provisions in Section 4:2:4 of Chapter XXIV of the Establishments Code, when an officer is due to retire, the Head of the Department should furnish the details of all loans recoverable from him to the Director of Pensions. Even though it is indicated in terms of Section 4:2:5 that the said loans should be recovered from the commuted pension or gratuity of the officer, no such action had been taken in respect of loan balances amounting to Rs.541,870 recoverable as per the account.
- (iii) Loan balances amounting to Rs.3,749,917 recoverable as at 31 December 2013 from officers who had vacated the service, had been brought forward continuously from several years and no action had been taken to recover the said loans.
- (iv) The follow up action on the recovery of those outstanding loan balances totalling Rs.7,573,318 recoverable by 31 December 2013 from officers who had been interdicted, had been at a weak level.

(c) General Deposit Account

The total balances of deposit accounts in 25 Jurisdictions as at 31 December 2013 amounted to Rs.7,131,266,904 and schedules of individual balances and age analysis of those balances of deposits had not been prepared. As such, action in terms of Financial Regulation 571 had not been taken on balances of deposits older than 02 years as at 31 December 2013. The Secretary to the Ministry had informed the audit that "prompt action in terms of Financial Regulation 571 could not be taken as above due to court cases pending over a long period and availability of a large amount of balances of deposits in Courts."

2.4 Losses and Damage

Action had not been taken to recover or write off the losses and damage from books amounting to Rs.1,288,345 occurred in 65 instances and Rs.752,277 out of it had been related to the period between 05 years and 10 years.

2.5 Human Resources Management

Approved Cadre and Actual Cadre

The position of the cadre as at 31 December 2013 had been as follows.

	Category of Employees	Approved Cadre	Actual Cadre	Number of vacancies
	-----	-----	-----	-----
(i)	Senior level	25	14	11
(ii)	Tertiary level	26	06	20
(iii)	Secondary level	1,008	638	370
(iv)	Primary level	3,469	2,898	571
	Total	-----	-----	----
		4528	3556	972
		=====	=====	=====

The following observation is made.

The Institution had not taken action to fill 972 vacancies by the end of the year under review. The Secretary to the Ministry had informed the audit that “this Ministry can take action only for filling vacancies of certain levels of employees of Courts Administration. Action should be taken by the Judicial Service Commission and the relevant institutions in respect of other levels of employees.”

3. Head 231- Department of Debt Conciliation Board

3.1 Scope of Audit

The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Department of Debt Conciliation Board for the year ended 31 December 2013 was carried out in pursuance of provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Secretary to the Department on 28 August 2014. The audit observations, comments and findings on the accounts and the reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

3.2 Responsibility of the Chief Accounting Officer and the Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer and the Accounting Officer are responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the provisions in Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other statutory provisions and Public Finance and Administrative Regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

3.3 Audit Observation

According to the Financial Records and Books for the year ended 31 December 2013, it was observed that except for the effects of the general observations appearing at (a) to (c) and other major audit findings appearing in paragraphs 3.4 and 3.5 herein, the Appropriation Account and the Reconciliation Statements of the Department of Debt Conciliation Board had been prepared satisfactorily.

(a) Non -Maintenance of Registers and Books

The Department had not maintained a Register of Fixed Assets in accordance with the Treasury Circular No. 842 of 19 December 1978 .

(b) Budgetary Variance

Excess provisions had been made for 11 Objects and as such the savings thereunder after the utilization of provisions ranged between 18 per cent and 68 per cent of the net provision.

(c) Reconciliation Statement of the Advances to Public Officers' Account

According to the Reconciliation Statement of the Advances to Public Officers Account as at 31 December 2013, the difference between the loan balances as per Departmental books and the Treasury books amounted to Rs.264,955 .It had not been reconciled by the Department with the Treasury book in terms of the Financial Regulations 427 .

3.4 Performance

The main function of the Department is to settle disputes relating to mortgage banks and other immovable properties while the performance for the year 2013 as per information presented for audit is given below.

Number of carried forward incomplete applications	-	533
Number of new applications	453	-
Number of reviewed applications received	31	-
	-----	484

Total number of applications		1017
Number of applications settled	133	-
Number of applications rejected	157	-
Number of applications reviewed	20	-
Number of applications for which certificates had been issued	03	-
Number of applications withdrawn	19	-
	-----	332

Number of applications pending as at end of the year.		685
		=====

3.5 Human Resources Management

Approved Cadre and Actual Cadre

The position of cadre as at 31 December 2013 is given below.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies	Excess
-----	-----	-----	-----	-----
(i) Senior Level	01	01	-	-
(ii) Secondary Level	13	08	05	-
(iii) Primary Level	04	04	-	-
(iv) Other(Contract basis)	-	01	-	01
	-----	-----	----	----
Total	18	14	05	01
	====	====	====	==

Action had not been taken by the Department to fill 05 vacancies by the end of the year under review.

4. Head 233 – Government Analyst’s Department

4.1 Scope of Audit

The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Government Analyst’s Department for the year ended 31 December 2013 was carried out in pursuance of provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Head of the Department on 15 August 2014. The audit observations, comments and findings on the accounts and the reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

4.2 Responsibility of the Chief Accounting Officer and the Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer and the Accounting Officer are responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the provisions in Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other statutory provisions and Public Finance and Administrative Regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

4.3 Audit Observation

According to the Financial Records and Books for the year ended 31 December 2013, it was observed that except for the effects of the general observations appearing at (a) and (b) and major audit findings appearing in paragraphs 4.4 to 4.6 herein, the Appropriation Account and the Reconciliation Statements of the Government Analyst’s Department had been prepared satisfactorily.

(a) Imprest Accounts

Following observations are made.

- (i) Ad hoc sub-imprests totalling Rs.118,400 had been issued in 05 instances to 05 officers exceeding Rs.20,000, contrary to the provisions of Financial Regulation 371(2)(b).
- (ii) When occupying a new building, an advance amounting to Rs.20,000 obtained by an officer of the Department for entertainment expenses had been retained

in hand without incurring any expense for nearly a month and the total amount had been resettled.

(b) Reconciliation Statement of the Advances to Public Officers Account

Following observations are made.

- (i) No action had been taken to identify and adjust the difference of Rs.20,660 between the books of the Department and the Treasury, existing from the year 1997.
- (ii) Loan balances amounting to Rs.46,054 recoverable from 03 officers who had been interdicted from September 2007, had not been recovered even by 31 December 2013.

4.4 Non-compliances

Non-compliance with Laws, Rules, Regulations etc.

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

Reference to Laws, Rules and Regulations	Value	Non-compliance
	Rs.	
<p>(a) Establishments Code of the Democratic Socialist Republic of Sri Lanka</p> <p>Section 9.6 of Chapter XV</p>	-	Evidence to certify that any officer, who obtained the warm clothing allowance for foreign tours, had spent the said allowance on items of warm clothing, had not been presented to audit.
<p>(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka</p> <p>Financial Regulation 763</p>	-	Goods Received Notes (GRN) and Bin Cards had not been maintained.

- | | | |
|---|--------|--|
| (c) Public Administration Circular No. 41/90 dated 10 October 1990 | - | Tests to be carried out once every 06 months on fuel consumption of vehicles of the Department had not been carried out. |
| (d) Treasury Circular No.842 dated 19 December 1978 | - | Even though every fixed asset should be numbered to facilitate the identifying, accounting and controlling of assets, the fixed assets owned by the Department had not been numbered regularly. |
| (e) Section 3.1 of the Instruction Circular of the National Library and Documentation Services Board No. 2004/li/1 dated 26 January 2004 | - | Annual stock verification on library books should be compulsorily carried out. Even though the report of the Boards of Survey should be implemented within 03 months by the Authority with the recommendations of the Consultative Committee, no action whatsoever had been taken in this respect. |
| (f) Circular of the Department of Inland Revenue No. sec/2013/07 dated 01 September 2013. | 25,618 | Even though the tax deducted from every employee under Pay As You Earn Scheme should be remitted to the Commissioner General of Inland Revenue on or before 15 th day of the month immediately succeeding, it had been remitted after delaying a period of 06 months in 06 instances. |

4.5 **Management Weaknesses**

The following management weaknesses were revealed.

- (a) The computer software purchased from a private firm spending Rs. 200,000 in January 2013 to computerize the receiving / issuing of day to day consumable materials, had been utilized only for preparing inventory registers.
- (b) No action had been taken to dispose the chemicals which were determined as expired and unserviceable.
- (c) According to the Report of the Boards of Survey for the year 2012, 307 books to be destroyed, 1,629 books to be preserved, 343 books to be bound and 431 outdated books had not been identified and no action whatsoever had been taken for same.

- (d) When reimbursing the expenditure incurred for Postgraduate Degrees to be obtained in terms of the Recruitment Procedure of the Officers of the Sri Lanka Scientific Service who are serving in the Department, no proper bond had been entered into between the Department and officers.
- (e) A sum of Rs.2,612,867 had been spent for an officer who had proceeded abroad for Postgraduate Courses on 02 October 2010 and dropped out of the said course and returned on 02 February 2011. Nevertheless, no action had been taken to recover the said amount which was spent by the Government for the said course.

4.6 Human Resources Management

Approved Cadre and Actual Cadre

The position of the cadre as at 31 December 2013 was as follows.

Category of Employees	Approved Cadre	Actual Cadre	No. of Vacancies
(i) Senior level	85	71	14
(ii) Tertiary level	06	03	03
(iii) Secondary level	113	47	66
(iv) Other (Casual/Temporary and Contract basis)	74	51	23
Total	278	172	106

The Department had failed to fill 106 vacancies even by the end of the year under review.

5. Head 234 – Registrar of Supreme Court

5.1 Scope of Audit

The audit of the Appropriation Account including the financial records, reconciliation statements books, registers and other records of the Registrar of the Supreme Court for the year ended 31 December 2013 was carried out in pursuance of provisions in Article 154 (1) of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Secretary to the Ministry on 12 September 2014. The audit observations, comments and findings on the accounts and the reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

5.2 Responsibility of the Chief Accounting Officer and the Accounting Officer for the Accounts and Reconciliation statements

The Chief Accounting Officer and the Accounting Officer are responsible for the maintenance, preparation and fair presentation of the Appropriation Accounts, and the Reconciliation Statements in accordance with the provisions in Articles 148,149,150 and 152 of the Democratic Socialist Republic of Sri Lanka, other statutory provisions and Public Financial and Administrative Regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliations Statements that are free from material misstatements whether due to fraud or error.

5.3 Audit Observation

According to the Financial Records and books for the year ended 31 December 2013, it was observed that except for the effects of the general observations appearing from (a) to (c) and major audit findings appearing in paragraphs 5.4 to 5.6 herein, the Appropriation Account, and the reconciliation statements of the Registrar of the Supreme Court Department had been prepared satisfactorily.

(a) Non-maintenance of Registers and Books

A Register of Fixed Assets had not been maintained by the Office, in terms of Treasury Circular No. 842 dated 19 December 1978.

(b) Budgetary Variance

Following observations are made.

- (i) The entire provision made under three Items of Expenditure totalling Rs.700,000 had been saved.
- (ii) Excessive provision of Rs.4,200,000 had been made under 06 Expenditure Items. Due to that, after utilization of those provisions, Rs.3,609,276 of savings relating to those Expenditure Items were in a range between 53 per cent and 98 per cent of the provision made.

(c) Reconciliation Statement relating to the Advances to Public Officers account

Following observations are made.

- (i) According to the departmental books, balance in the control account of the Advances to Public Officers Account as at 31 December 2013 was Rs.29,940,807. However, balance as per Treasury computer printout had been Rs.29,872,562 and a difference of Rs.68,245 was revealed. Action had not been taken in term

of the Financial Regulation 427 by the Department to reconcile and correct the difference.

- (ii) A loan balance of Rs.77,560 due from an officer interdicted on 08 January 2013, a loan balance of Rs.3, 750 due from an officer left on transfer, a loan balance of Rs.1,500 due from a retired officer and a loan balance of Rs.120,480 due from an officer vacated post from 24 July 2012 totalling Rs.203,290 had not been recovered even as at 31 December 2013.

5.4 Good Governance and Accountability

Annual Procurement Plan

Annual Procurement Plan in terms of National Budget Circular No. 128 dated 24 March 2006 had not been prepared even as at 31 December 2013.

5.5 Unsettled Liabilities

Total of unsettled liabilities by the Department as at 31 December 2013 amounted to Rs.451,315.

5.6 Human Resources Management

Approved and Actual Cadre

Cadre position as at 31 December 2013 was as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies	Number of Surplus
(i) Senior level	09	05	04	-
(ii) Tertiary Level	29	19	10	-
(iii) Secondary Level	141	134	07	-
(iv) Preliminary Level	123	111	12	-
(v) Others (Casual/ temporary/Contract)	--	06	--	06
Total	302	275	33	06
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Action had not taken by the Department to fill the 33 vacancies even as at end of the year under review.

6. Head 235 – Department of the Law Commission

6.1 Scope of Audit

The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Department of the Law Commission for the year ended 31 December 2013 was carried out in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Secretary to the Department on 28 August 2014. The audit observations, comments and findings on the accounts and the reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

6.2 Responsibility of the Chief Accounting Officer and the Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer and the Accounting Officer are responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the provisions in Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other statutory provisions and Public Finance and Administrative Regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

6.3 Audit Observation

According to the Financial Records and Books for the year ended 31 December 2013, it was observed that except for the effects of the general observation appearing at (a) and major audit findings appearing in paragraphs 6.4 herein, the Appropriation Account and the Reconciliation Statements of the Department of the Law Commission had been prepared satisfactorily.

(a) Budgetary Variance

The following observations are made.

- (i) The entire net provisions amounting to Rs.50,000 made for one Object had been saved.
- (ii) Excess provisions had been obtained for 06 Objects and as such, the savings thereunder after utilizing the provisions ranged between 29 per cent and 98 per cent of the net provisions relating to these Objects.

6.4 Human Resources Management

Approved Cadre and Actual Cadre

The position of the cadre as at 31 December 2013 was as follows.

Category of Employees	Approved Cadre	Actual Cadre	No. of vacancies
(i) Senior level	4	3	1
(ii) Tertiary level	2	1	1
(iii) Secondary level	15	7	8
(iv) Primary level	8	7	1
Total	---	---	----
	29	18	11
	===	===	===

The following observation is made.

Action had not been taken by the Department to fill 11 vacancies by the end of the year under review.