

## **Legal Aid Commission - 2011**

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### 1. Financial Statements

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#### 1:1 Qualified Opinion

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In my opinion, except for the effects of the matters described in paragraph 1.2 of this report, the financial statements give a true and fair view of the financial position of the Legal Aid Commission as at 31 December 2011 and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

#### 1:2 Comments on Financial Statements

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##### 1:2:1 Accounting Deficiencies

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The following accounting deficiencies were observed.

- (a) The value of 02 jeeps belonging to the Commission received as grants from 02 Projects during the year under review had been omitted from the accounts.
- (b) Provision for gratuity had been overstated by Rs.76,705 due to over computation of the period of service of the employees.
- (c) A sum of Rs.1,000,000 to be brought to account as fixed deposits had been shown in the accounts by adding with the cash balance. As a result, fixed deposits had been understated and the current assets had been overstated by that amount.
- (d) Provision for audit fees had not been made in the accounts during the year under review.

1.2.2 Lack of Evidence for Audit

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Fixed assets amounting to Rs.16,338,580 could not be satisfactorily verified due to lack of schedule of the fixed assets.

1.2.3 Non-compliance with Laws, Rules, Regulations and Management Decisions

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The following non-compliances were observed.

Reference to Laws, Rules, Regulations, etc.	Non-compliance
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(a) Section 10.1 of the Chapter XV of the Establishments Code	Permission of the Prime Minister had not been obtained for the foreign trip of an officer.
(b) Treasury Circular No.842 dated 19 December 1978.	A Register of Fixed Assets had not been maintained.
(c) Treasury Circular No.IAI/2002/02 dated 28 November 2002	A Register of Fixed Assets had not been maintained for computers and accessories.

2. Financial Review

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2.1 Financial Results

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According to the financial statements presented, the operations of the Commission for the year ended 31 December 2011 had resulted in a deficit of Rs.2,902,700 as against the surplus for the preceding year amounting to Rs.6,423,543 thus, indicating a deterioration in the financial results by Rs.9,326,243. Though the Government grant during the year under review had increased by Rs.3,113,225 as compared with the preceding year, the total expenditure increased by Rs.12,439,468 and it had effected for arising a deficit in this manner.

3. Operating Review

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3.1 Performance

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The following matters were observed.

- (a) The Commission and its Regional Centers had completed 3783 court proceedings during the year under review.
- (b) Legal advices had been given for 45,807 individuals during the year under review by the Head Office and other 65centers.

4. Accountability and Good Governance  
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4.1 Presentation of Financial Statements  
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Even though the financial statements should be presented to the Auditor General within 60 days after the closure of the relevant year of accounts in terms of Section 6.5.1 of the Public Enterprises Circular No.PED 12 dated 02 June 2003, it had been presented only on 28 March 2012.

4.2 Corporate Plan and Action Plan  
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A Corporate Plan and an Action Plan had not been prepared in terms of Section 5.1.2 of the Public Enterprises Circular No.PED 12 dated 02 June 2003.

5. Systems and Controls  
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Deficiencies in systems and controls observed during the course of audit were brought to the notice of the Chairman of the Institute from time to time. Special attention is needed in respect of the following areas of control.

- (a) Accounting
- (b) Internal Audit