

## Head 235 - Report of the Auditor General on Department of Law Commission - Year 2016

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The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books and records registers and other reports of the Head 235 – Department of Law Commission for the year ended 31 December 2016 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 of the Department on 11 July 2017. 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 Responsibilities of the Chief Accounting Officer and the Accounting Officer for the Accounts and Reconciliation Statements

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The Chief Accounting Officer and 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. Accounts

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### 2.1 Appropriation Account

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#### Total Provision and Expenditure

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The total net provision made for the Department amounted to Rs.16.66 million and out of that a sum of Rs.13.57 million had been utilized by the end of the year under review. Accordingly, a sum of Rs.3.09 million or 18.55 per cent out of the total net provision made for the Department had been saved. Details appear below.

Expenditure	As at 31 December 2016			Savings as a Percentage of Net Provision
	Net Provision	Utilization	Savings	
	Rs.Millions	Rs. Millions	Rs. Millions	
Recurrent	14.63	12.14	2.89	17.02
Capital	2.03	1.43	0.60	29.56
Total	16.66	13.57	3.09	18.55

## 2.2 Advances to Public Officers Account

### Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers Account of the Department under Item No.23501 and the actual amounts are given below.

Expenditure		Receipts		Debit Balance	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
Rs.Millions	Rs.Millions	Rs.Millions	Rs.Millions	Rs.Millions	Rs.Millions
1.20	1.13	0.20	0.85	2.50	2.20

## 2.3 Audit Observation

The Appropriation Account and the Reconciliation Statements for the year ended 31 December 2016 of the Department of Law Commission had been satisfactorily prepared subject to the audit observations appearing in the Management Audit Report referred to in Paragraph 1.1 above. The material and important audit observations out of the audit observations included in the Management Audit Report appear in Paragraph 3.

## 3. Material and Significant Audit Observations

### 3.1 Non – maintenance of Registers and Books

It was observed during audit test checks that the Department had not maintained the following registers while certain other registers had not been maintained in the proper and updated manner.

Type of Register	Relevant Regulation	Observations
(a) Register of Security	Financial Regulation 891(1)	Not maintained.
(b) Register of Electric Equipment	Financial Regulation 454 (2)	Not maintained.
(c) Register of Liability	Financial Regulation 214	Not maintained properly and not updated.

### 3.2 Good Governance and Accountability

#### 3.2.1 Annual Action Plan

Even though an Annual Action Plan should be prepared by the Department in terms of the Public Finance Circular No.01/2014 dated 17 February 2014, the Action Plan which had been prepared for the year under review in terms of the provisions of the Circular had not been approved.

### 3.3 Assets Management

#### Conduct of Annual Boards Survey

Even though in terms of the Public Finance Circular No.05/2016 of 31 March 2016 the annual boards of survey should be conducted and the reports thereon should be furnished to the Auditor General before 17 March 2017, the Annual Boards of Survey report had been submitted for the audit without completing disposal activities and no actions had been taken for excess and shortages which were identified in annual board of survey in terms of provision under circular paragraph 3.1.4 and 3.1.5.

### 3.4 Human Resources Management

#### Approved Cadre and Actual Cadre

The position of the cadre as at 31 December 2016 had been as follows.

	<b>Category of Employees</b>	<b>Approved Cadre</b>	<b>Actual Cadre</b>	<b>Number of Vacancies</b>
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(i)	Senior Level	06	02	04
(ii)	Tertiary Level	01	01	-
(iii)	Secondary Level	15	05	10
(iv)	Primary Level	07	07	-
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	Total	29	15	14
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