

Head - 13 - Human Rights Commission of Sri Lanka

1. Financial Statements

1.1 Opinion

The audit of the financial statements of the Human Rights Commission of Sri Lanka for the year ended 31 December 2021 comprising the statement of financial position as at 31 December 2021 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 Commission was issued to the Chief Accounting Officer on 30 May 2022 in terms of Section 11 (1) of the National Audit Act No. 19 of 2018. The Annual Detailed Management Audit Report of the Commission was issued to the Chief Accounting Officer on 17 June 2022 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 true and fair view of the financial position of the Human Rights Commission of Sri Lanka as at 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, 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 Responsibilities of Chief Accounting Officer on Financial Statements

Preparation of financial statements in a manner that reflects a true and reasonable position and determines the internal control required to enable financial statements to be prepared without inadequate false statements that may result from fraud and error in accordance with Generally Accepted Accounting Principles and the provisions of Section 38 of the National Audit Act, No. 19 of 2018 is the responsibility of the Chief Accounting Officer.

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.

1.4 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 exercise professional judgment and maintain professional skepticism throughout the audit. I also furthermore;

- Appropriate audit procedures were designed and implemented to identify and assess the risk of possibility of quantitative misrepresentations occurred in financial statements due to fraud or errors in providing a basis for the expressed audit opinion. More than the impact of quantitative misrepresentations due to misrepresentation, the effect of fraud is strong because of malpractice, forgery, intentional evasion, misrepresentation, or evasion of internal controls can lead to fraud.
- Although it is not intended to express an opinion on the effectiveness of internal control of the Commission, obtained an understanding of internal control in order to plan appropriate audit procedures occasionally.
- Evaluated the appropriateness of the accounting policies followed, fairness of accounting estimates and related disclosures made by Management.
- Evaluated whether the transactions and events underlying the structure and content of the financial statements are appropriately and fairly consisted in and presentation of financial statements including disclosures as a whole.

The Chief Accounting Officer was made aware of important audit findings, key internal control deficiencies and other matters identified in my audit.

1.5 Report on Other Legal Requirements

I declare the following matters in terms of Section 6 (1) (d) of the National Audit Act No. 19 of 2018 .

- (a) The financial statements are in consistent with those of the preceding year,
- (b) The following recommendation made by me regarding the financial statements of the preceding year had not been implemented.

Reference Paragraph	to	Audit Observation	Recommendation
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1.6.2.1 (a)		Although all assets owned by the Commission should be included in the statement of non-financial assets, only the assets purchased by the Commission after 01 January 2004 were included in the non-financial assets statement and assets remained prior to the year 2004 had not been included.	Differences should be identified and accounted for accurately.

2. Financial Review

2.1 Non-compliance with Laws, Rules and Regulations

Reference to Rules , Regulations	Observation Laws, Non-compliance	Comments of the Chief Accountng Officer	Recommendation
(a) Public Finance Circular No. 05/2016 dated 31 March 2016 (i) Paragraph 3.2	Although the Board of Survey Report of the previous year should be submitted to the Auditor General with a copy to the Chief Accountng Officer before the 15th of June of each financial year, the Commission had submitted a part of the Report pertaining to the year 2020 in the month of December 2021 with about a delay of 06 months. The Board of Survey Reports of the Regional Offices of Ampara, Badulla, Kalmune, Kandy and the Sub -offices of Nuwara Eliya, Kilinochchi, Mannar and Polonnaruwa had not been included in those Reports.	All Regional Offices has completed the Board of Survey in the year 2021, and the reports are submitted herewith and the Board of Survey of the Head Office is being completed.	Actions should be taken in accordance with Financial Regulations.

(ii) Paragraph 3.2.5	Although the actions should be taken in respect of the goods to be destroyed, repaired, sold and transferred to other institutions according to the General 47 Report before 30th April of every financial year in terms of the above Circular, the Board of Survey Report of the previous year had been submitted without doing so.	The proposed items were transferred to the Agrarian Services Office, Puttalam to be removed from the General 47 at the Head Office in the year 2020.	Actions should be taken in accordance with Financial Regulations.
(b) Public Administration Circular No. 22/93 dated 21 September 1993	A total of Rs. 650,016 had been paid to a female officer of the Commission who met with an accident in the year 2014 while on duty in addition to the compensation amount of Rs.308,700 paid as per the Circular only with the approval of the Commission as monthly transport allowances from April 2016 to March 2019 .	A transport allowance has been paid to her based on the Decision of the Commission since she has to report for duty from 2016, because it was necessary to bring her to the office, and also she was undergone surgeries from time to time because of her disability. Although the amount was Rs.650,016, the amount spent monthly was Rs.2313 .	Actions should be taken in accordance with the Circular.

3. Operating Review

3.1 Failure to Perform Tasks

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
<p>(a) Out of the 147 recommendations given to the Ministry of Education, Pensions Department and Sri Lanka Police by the Commission during the period from 2016 to 2018 , only 44 per cent of the recommendations, that is, 64 recommendations, had been implemented by the date of audit, 14 February 2022 .</p>	<p>Follow up actions are being carried out by the Commission for that purpose by the Investigation and Inquiry Division regarding setting up a separate unit and not implementing the recommendations to reconsider the non-implementation of the recommendations of the Commission.</p>	<p>Follow up actions should be carried out on the implementation of the recommendations given.</p>
<p>(b) Observing Police Stations, Retaining Centers and Prisons in 2020 and 2021 and the matters revealed as most important points to be mentioned in the reports prepared by the investigating officer during the site observation and his conclusions and steps taken in that regard had not been included by the Matara Regional Office. Further, it was not mentioned to whom the</p>	<p>Follow up actions are being carried out by the Commission for that purpose by the Investigation and Inquiry Division regarding setting up a separate unit and not implementing the recommendations to reconsider the non-implementation of the recommendations of the Sri Lanka Human Rights Commission.</p>	<p>It should observe that the Police Stations, Retention Centers and Prisons and include the facts revealed during the spot observation in the report prepared by the investigation officer and his conclusions and the steps taken in that regard.</p>

report was directed and there was no evidence that the report was followed up by another officer.

- (c) Even though education and awareness programmes had been implemented, because of the public awareness had not increased through that, a portion of complaints in between 67 per cent and 95 per cent had been removed for various reasons without giving recommendations and giving relief from the complaints received during the past 05 years to the Matara Regional Office and over 40 per cent of complaints were removed on grounds that no human rights violations had occurred or that they did not comply with the scope.
- The Matara Regional Office covers the three Districts of Galle, Matara and Hambantota in the Southern Province. The Matara Regional Office has conducted about 108 educational programmes during the 5 preceding years. The people of the area about have been made aware of the human rights by that. A vast area is covered by the Matara Regional Office and a large number of people live in that area.
- Education and awareness programmes should be implemented to increase public awareness.
- (d) There was a long delay in between 02 and 08 years in the investigation of complaints done by the Matara Regional Office and the recommendations were given only for less than 01 per cent of complaints within the same year from the complaints received during the year.
- Instructions have been given to take prompt actions to investigate the complaints of the Regional Offices and to make recommendations.
- Investigation activities on complaints should be expedited.

3.2 Procurements

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) Without making any quotations and without adhering to Government Procurement Guidelines a sum of Rs. 30,000 had been paid for a private institution for taking photographs and videos of the Women's Day celebration programme held in the year under review.	This has been done by making verbal quotation from an organization that is always involved in the previous programmes for photographing and video recording of the programme for the conference held by the Sri Lanka Human Rights Commission in celebration of International Women's Day 2021, to get maximum service by formal approval of those prices and in a way that does not incur a loss to the government. All officers were informed to avoid such deficiencies and perform their duties in accordance with the Procurement Guidelines in future.	It should adhere to the Procurement Guidelines.
(b) The Bandaranaike Conference Hall had been selected to conduct the Women's Day celebrations held at the Head Office of the Commission. Bids had not been invited for the catering service but only for hall facilities.	Bids were invited from 4 institutions for the Women's Day celebration 2021, and the Bandaranaike Conference Hall was selected and the institution also provided the catering service. The Bandaranaike Conference Hall does not provide the opportunity to	While calling for bids, the bidding should be done not only for hall facilities but also including catering.

get food from any other institution or external person. Therefore, since there is no opportunity of bidding to get catering, the food was catered from the respective institution.

- (c) When procuring laptops valued at Rs. 600,000 during the year under review, the approval was given only with the signature of the Chairman of the Technical Evaluation Committee for the technical specifications without following Paragraph 2.6.1 (a) (ii) of the Government Procurement Guidelines.
- This has been submitted to the Technical Evaluation Committee for approval by giving the specifications and prices to the Technical Evaluation Committee. Since during this period the Covid 19 epidemic was serious, the Chairman has discussed with the Committee Members over the phone and took the decision based on the concurrence given by the relevant members to the report prepared by the Chairman based on verbal agreements and the decision was signed by the Chairman only and the submission has been accepted. However, all officers were also made aware to minimize such deficiencies and to take necessary measures while performing their duties.
- Procurement Guidelines should be followed.
- (d) As per Paragraph 6.3.6 of the Government Procurement Guidelines, the opening of bids should be recorded in a prescribed form and the minutes should be signed by all the members of the Bid Opening Committee. However, in the procurement for the
- Although all members should sign for bid opening, in terms of Paragraph 6.3.6 of the Government Procurement Guidelines, this could not be so done at the time of Covid-19 and necessary steps have been taken to update the deficiencies in the current
- Actions should be taken in accordance with Procurement Guidelines.

purchase of laptops, such bid opening.
bid opening records had
not been maintained.

3.3 Management Inefficiencies

The following observations are made.

Audit Observation	Comments of the Chief Accountng Officer	Recommendation
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(a) The Commission had not made necessary arrangements to repair or dispose of 03 motorcycles which had been parked in the premises without running since preceding year or hand them over to another organization or take other appropriate action.	Arrangements are being made to reserve 03 bicycles based on duty requirements.	Appropriate actions should be taken in respect of motorcycles.
(b) Arrangements had not been made to recover the amount of Rs. 80,000 spent to restore the laptop computer which was damaged by an officer in the year under review from the officer even by the date of audit.	The officer who has used the computer was asked to pay the amount of Rs.80,000 incurred for the repair of the damaged laptop. She has filed an appeal for this and it has been noted to take the necessary steps to collect the money just after the Board Decision is received for the appeal.	Arrangements should be made to collect Rs.80,000.

- (c) The Regional Offices of the Commission should prepare monthly work plans and submit them to the Head Office and a progress report should be submitted to the Head Office regarding the execution of the planned tasks at the end of the month. Nevertheless, the Matara Regional Office had not so done in the years 2020 and 2021 .
- Although the follow up actions should be carried out by the Head Office to ascertain whether the progress reports are properly submitted, the failure of following - up so is acknowledged and instructions have been given to take necessary steps to overcome those shortcomings in future .
- The Regional Offices should submit monthly work plans and a progress report on the same to the Head Office at the end of the month.

4. Good Governance

4.1 Internal Audit

Audit Observation

Although the Chief Accounting Officer should appoint a suitable auditor to carry out the internal audit in terms of Section 40 of the National Audit Act No. 19 of 2018, an internal auditor has not been appointed and internal audit activities have not been carried out since 2017 .

Comments of the Chief Accounting Officer

Applications were called and interviews conducted to appoint an internal auditor for the Commission. Since there was no suitable officer for the duties of the Commission, the recruitment was delayed. As recruitment has been suspended for now, appointing of an officer for this has become problematic.

Recommendation

Internal audit should be carried out in accordance with Section 40 of the National Audit Act No. 19 of 2018 .

4.2 Audit and Management Committee

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
Although there should be an Audit and Management Committee in each entity, 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 2017 .	Audit and Management Committee was not held as there was no internal auditor.	Arrangements should be made in accordance with Section 41 of the National Audit Act No. 19 of 2018 .

5. Human Resources Management

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) The former Secretary of the Human Rights Commission was sent on compulsory leave on 30 January 2018 and the Secretary was interdicted on 21 November 2019 based on the report of the preliminary investigation conducted in that regard. Although the Commission had started a	The time has been extended due to the difficulty of calling witnesses for evidence and the continuous postponement of the investigations in the period of the Covid-19 epidemic in the country. It has been mentioned to provide the report by completing this investigation and a confirmation has been given	The formal disciplinary action should be completed promptly.

formal disciplinary investigation in this regard in 2020 and also about 2 years had elapsed by the date of audit, disciplinary investigations had not been completed.

that it would be completed within 03 months.

- (b) The approved staff as at 31 December 2021 was 235 and the actual staff was 144 . There were 93 vacancies of officers and out of that , there were 21 vacancies in senior level , 37 vacancies in tertiary level and 35 vacancies in secondary basis. There were two officers remained in excess exceeding the approved number of staff at primary level. Accordingly, 40 per cent of the approved staff of the Commission remained in vacant.

Applications have been called for 63 posts out of these vacant posts. Recruitments have been suspended due to government policy decisions.

Arrangements should be made to fill the vacancies in essential posts.

- (c) The number of senior level approved staff of the Commission was 46 and the number of actual staff was 25 . Out of which, one officer was filled on Secondment Basis and two other officers were enrolled on contract basis. Accordingly, 24 posts in Senior Level had not been filled .

Applications have been called for 63 posts out of these vacant posts. Recruitments have been suspended due to government policy decisions.

Arrangements should be made to fill the vacancies in essential posts.