

## **Head 230 – Legal Draftsman’s Department**

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### **1. Financial Statement**

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#### **1.1 Unqualified Opinion**

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The audit of the financial statements of the Legal Draftsman’s Department 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 Legal Draftsman’s Department was issued to the 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 pertaining to the Institution was issued to the Accounting Officer on 15 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 Legal Draftsman’s Department 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 Unqualified Opinion**

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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 evidences I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **1.3 Responsibilities of the Accounting Officer on Financial Statements**

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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 Accounting Officer.

As per Section 16 (1) of the National Audit Act No. 19 of 2018, the Department 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 Accounting Officer shall ensure that an effective internal control system is maintained for the financial control of the Department 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**

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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 exercised professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of its internal control.
- Evaluate that the underlying transactions and events are appropriately and fairly included in the financial statements for the structure and content of the financial statements that include disclosures.
- Evaluate the overall presentation, 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.

The 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

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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 recommendations made by me regarding the financial statements of the preceding year had been implemented.

## 2. Financial Review

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### 2.1 Expenditure Management

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Audit Observation	Comments of the Accounting Officer	Recommendation
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Having made a provision of Rs. 1,000,000 for foreign travel expenses without foreknowledge and planning, the entire provision had been transferred to other expenditure objects by Financial Regulation 66 .	As officers did not participate in overseas training due to the COVID-19 pandemic situation the provision was not utilized. According to the requirements of the Department, the allocations have been transferred to other expenditure objects with the approval of the General Treasury.	In making provision for expenditure objects and in transferring of provision under Financial Regulation 66, it should be done with proper consideration , thrift and foreknowledge in terms of Financial Regulation 50 .

### 3. Operating Review

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#### 3.1 Performance

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	<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>																									
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<b>(a)</b>	<p>The Performance of the Department is as follows as per the Performance Report submitted on 31 December 2021 .</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Nature of duty</th> <th style="text-align: right;">Total number of requests for drafting legislation as at 31 December 2021 (balance carried forward to 01 January 2021 and new requests received during the year)</th> <th style="text-align: right;">Number of requests pending for drafting by 31 December 2021</th> <th style="text-align: right;">Number of requests drafted and handed over as preliminary or final drafts as at 31 December , 2021 awaiting observation and advice from the Attorney General or other Ministries and Departments</th> <th style="text-align: right;">Total number of requests not drafted as at 31 December 2021</th> </tr> </thead> <tbody> <tr> <td>Drafting of Bills (Fundamental and Amending Laws)</td> <td style="text-align: right;">298</td> <td style="text-align: right;">29</td> <td style="text-align: right;">202</td> <td style="text-align: right;">231</td> </tr> <tr> <td>Private Members (Incorporation) Bills</td> <td style="text-align: right;">30</td> <td style="text-align: right;">13</td> <td style="text-align: right;">13</td> <td style="text-align: right;">26</td> </tr> <tr> <td>Amendment of Subsidiary Laws</td> <td style="text-align: right;">453</td> <td style="text-align: right;">48</td> <td style="text-align: right;">125</td> <td style="text-align: right;">173</td> </tr> <tr> <td>Preparation of Provincial Council Statutes</td> <td style="text-align: right;">10</td> <td style="text-align: right;">01</td> <td style="text-align: right;">09</td> <td style="text-align: right;">10</td> </tr> </tbody> </table>	Nature of duty	Total number of requests for drafting legislation as at 31 December 2021 (balance carried forward to 01 January 2021 and new requests received during the year)	Number of requests pending for drafting by 31 December 2021	Number of requests drafted and handed over as preliminary or final drafts as at 31 December , 2021 awaiting observation and advice from the Attorney General or other Ministries and Departments	Total number of requests not drafted as at 31 December 2021	Drafting of Bills (Fundamental and Amending Laws)	298	29	202	231	Private Members (Incorporation) Bills	30	13	13	26	Amendment of Subsidiary Laws	453	48	125	173	Preparation of Provincial Council Statutes	10	01	09	10	Answers have not been given	Arrangements should be made to improve the Performance of the Department.
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(b)	<p>The Department had to wait for observations and advice on draft bills from external parties, which directly affected the performance of the Department due to the issues outside the roles limited to it and it was observed that it is essential to maintain good coordination in between those institutions.</p>	<p>A proper coordination is already being maintained in between this Department and other agencies. It shall be mentioned that, this situation has occurred due to constant change of policy by the agents to whom advice is given mainly and failure to give required advices finally to this Department.</p>	<p>Actions should be taken to enhance the performance of the Department by maintaining proper coordination in between institutions.</p>
(c)	<p>Within the uncompleted draft legislation files there were the files remaining from 18 years. In taking such a long time to draft or amend and finalize the requests, the timeliness of its desired results reduces as well as it could have become ineffective as a result of inconsistency to the timely requirements.</p>	<p>Regarding requests received from various Ministries and other agencies based on the policy decisions approved by the Cabinet of Ministers, the Department is unable to close files on such requests as not to take actions until further notice by the Cabinet of Ministers or the relevant agencies or until the relevant bills are passed by the Parliament. There is no alternative action that can be taken by this Department in this regard.</p>	<p>Formal actions should be taken in respect of the files which cannot be completed.</p>

### 3.2 Procurements

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Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Even though the provisions had been made under prescribed approval according to 2 (i) of the Memorandum of Cabinet of Ministers submitted by the Finance Minister in Cabinet Paper No. 21/1596/304/134 entitled "Public Expenditure Review", despite it had been mentioned that the purchases which had not yet been commenced should be temporarily suspended, the procurements totalling to Rs.5,116,054 had been made at the end of the year under review in contrary to a Decision of Cabinet of Ministers.	Since the related activities had been commenced to recruit new officers for the vacant posts, the relevant office equipment has been purchased considering the duty and service requirement.	The Decisions of the Cabinet of Ministers should be followed.
(b) Due to the fact that the budgeted allocation for the expenditure object of purchase of furniture and office equipment was only Rs. 2,000,000, the above procurements had been made by transferring the provisions saved in 03 expenditure objects amounting to Rs. 3,201,200 as per	Due to the increase of cost of goods as a result of the crisis situation in the country in the last year, the provision made in the Annual Budget Estimate was not sufficient for the purchase of the relevant office equipment, the relevant purchases have been made by transferring of provisions with the	The Decisions of the Cabinet of Ministers should be followed.

Financial Regulation 66 at the end of the year.

permission of the Treasury.

(c) Despite the goods related to procurement totaled to Rs.1,836,700 were not received to the Department by 31 December 2021, cheques were written to pay for it. Further, those goods had also been entered in the Inventory Books as at 31 December 2021.

As the suppliers have confirmed that the respective goods would be definitely supplied to the Department the said goods have been entered in the Inventory Book and the cheques were written.

Special attention should be drawn to the Financial Regulations 135, 136 and money should not be retained at the end of the year without obtaining Treasury approval.

(d) A copier, 18 UPS and 10 computers had been purchased by writing cheques totalled to Rs.2,189,612 at the end of the preceding year before receiving the goods as above.

The two photocopiers purchased in the previous year and the year under review were utilized in the library and photocopying room on the second floor. Ten out of the 15 computers requested on 09.09.2020 have been purchased in the last year and 05 were purchased in the year under review. Three computers and 05 laptop computers purchased in the year under review are for the use of newly recruited officers. Thirty four UPS machines have been purchased for 16 scrap UPS machines in the store and 18 new computers.

Special attention should be drawn to the Financial Regulations 135, 136 and money should not be retained at the end of the year without obtaining Treasury approval.

### 3.3 Assets Management

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<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
<p>-----</p> <p>Although a vehicle log book should be maintained and regularly written by the Officer in Charge of Vehicles of the Institution for each vehicle in his custody in accordance with General Form 267 in his office in terms of Financial Regulations 1645(a), accidents that happened to 08 vehicles in the year under review and the preceding year were not recorded and the monthly summary of running had not been completed.</p>	<p>-----</p> <p>Agree with the audit observations. It is informed that the actions will be taken to record the monthly summary of travelling on page number 58 of the vehicle log book at the end of every month.</p> <p>Records regarding vehicle accidents have been made as per the format provided by the Internal Audit Division.</p>	<p>-----</p> <p>Arrangements should be made in terms of Financial Regulations 1645 (a) and 1646.</p>

### 3.4 Management Inefficiencies

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#### 4. Achieving Sustainable Development Goals

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<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
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The Legal Draftsman's Department had not identified Sustainable Development Objectives/ Targets in its scope to achieve the objectives mentioned in the 2030 Agenda for Sustainable Development.	Arrangements are being made from 2018 to implement the National Policy on Sustainable Development.	The efforts should be made to identify sustainable development goals/targets according to their scope as per the 2030 Agenda for Sustainable Development.

#### 5. Good Governance

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##### 5.1 Internal Audit

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<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
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An Internal Audit Unit had not been established in terms of Paragraph 40 (1) of the National Audit Act No. 19 of 2018 and Finance Regulation 133 and the approval for the post of Internal Audit Officer had also not been obtained. As a result, an internal audit had not been conducted and the reports had not been submitted in the year under review.	There is no Internal Audit Division in this Department and internal audit activities are being carried out by the Internal Audit Division of the Ministry of Justice.	Arrangements should be made to establish an Internal Audit Unit in terms of Paragraph 40 (1) of the National Audit Act No. 19 of 2018 and Finance Regulation 133 .

**6. Human Resources Management**

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>(a) There were 56 vacancies in the approved staff of the Department as at 22 December of the year under review. It was 38 per cent out of the approved staff.</p>	<p>Agree with the audit observations.</p> <ul style="list-style-type: none"> <li>As 14 officers who are currently serving in the post of Assistant Legal Draftsman have qualified for promotion to the post of Senior Assistant Legal Draftsman, letters have been sent to the Department of Management Services requesting to increase the number of approved Senior Assistant Legal Draftsman posts from 08 to 14.</li> </ul>	<p>Arrangements should be made to fill the vacancies immediately.</p>
<p>(i) As there are 14 Assistant Legal Draftsman who had completed their term of service as at 21 February 2021, filling up the vacancies of 08 Senior Assistant Legal Draftsman had not been done at the date of this report.</p>	<ul style="list-style-type: none"> <li>There are no qualified officers to fill the 02 vacancies in the post of Senior Deputy Legal Draftsman.</li> </ul>	
<p>(ii) Seven Graduates for the posts of Interpreter from 01 December 2021 for one year and Librarian from 22 November 2021 even up to 14 April 2022 had been recruited on Contract Basis. Similarly, two apprentice officers had been recruited for 06 months in terms of</p>	<ul style="list-style-type: none"> <li>Arrangements are being made with the Public Service Commission to fill up the vacancies in the posts of Assistant Legal Draftsman.</li> </ul>	

Public Administration  
Circular No. 04/2017 .

- (iii) Out of the 12 Senior and Tertiary Level Posts directly contributing to the performance of the Legal Draftsman's Department which aimed at drafting legislation, there were 35 vacancies for 07 posts and it had taken 49 per cent of the approved staff.
- (b) The requirements to be fulfilled in accordance with Annexures 01, 02 and Paragraphs 6.1 and 6.5 of the Public Administration Circular No. 02/2018 dated 24 January 2018, with the name of the Development of Human Resources in the Public Sector, had not been implemented within the Institution during the year under review.
- The Human Resource Development Plan prepared for the year 2022 has been sent to the Ministry of Justice on 18.01.2022.
- Arrangements should be made as per the provisions of Public Administration Circular No. 02/2018 dated 24 January 2018.