

Head 110 - Ministry of Justice

1. Financial Statements

1.1 Qualified Opinion

Head 110 - The audit of the financial statements of the Ministry of Justice for the year ended 31 December 2022 comprising the statement of financial position as at 31 December 2022 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 Ministry of Justice was issued to the Accounting Officer on 16 May 2023 in terms of Section 11 (1) of the National Audit Act No. 19 of 2018. The Annual Detailed Management Audit Report of the Ministry of Justice was issued to the Chief Accounting Officer on 26 June 2023 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, except for the effects of the matters described in Paragraph 1.6 of this report, the financial statements prepared give a true and fair view of the financial position of the Ministry of Justice as at 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Qualified Opinion

My opinion is qualified based on the matters appear in Paragraph 1.6 of this report. 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 the Chief Accounting Officer and 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 Ministry 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 Ministry 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 and obtained an understanding of internal control in order to plan appropriate audit procedures occasionally.
- 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.
- 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 consistent with the previous year,
- (b) The recommendations which I had made with regard to the financial statements of the preceding year had been implemented.

1.6 Comments on Financial Statements

1.6.1 Accounting Deficiencies

(a) Recurrent Expenditures

The following deficiencies were observed in accounting for recurring expenses related to financial statements.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
<p>(i) Although the transfers made during the year to foreign travel expenditure object No. 1102 under Finance Regulation 66 was Rs. 106,497, since it was shown as Rs. 115,497 in Format ACA-2(i) of the expenditure statement as per the programme in the financial statement, the net provision had been overstated by Rs.9,000 .</p>	<p>As the provision of Rs.29,497 has been recorded by a mistake instead of the provision of Rs.20,497 for the expenditure object of foreign travel expenses - 1102 of the Financial Statement , it had been informed that, the net provision and saved provision of Rs.9,000 have been overstated in the relevant expenditure object.</p>	<p>Transfers under Financial Regulation 66 should be accurately accounted for.</p>
<p>(ii) Although the transfers under Financial Regulation 66 to the expenditure object No. – 110 1509 – 19 – 2 – 01 of the Office for Reparations was Rs. 69,871,547, as a result of showing it as Rs.69,880,547 in Format ACA-2(i) of the statement of expenditure by programme in the financial statement, the net provision and the saving had been understated by Rs.9,000.</p>	<p>The total amount of transfer of provision made by F.R. 66 for the expenditure object 110-01-02-19-1509 of the Office for Reparations in the financial statements was Rs.69,880,547. The transfer of provision of Rs.1,654,547 included here should be Rs.1,645,547. Therefore, it had been informed that the net provision and balance of the relevant expenditure object has been understated by Rs.9,000 .</p>	<p>Transfers under Financial Regulation 66 should be accurately accounted for.</p>

(b) Reconciliation Statement of Advances to Government Officers Account

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
Although the total of the individual balance classification summary of the Advances to Public Officers' Account 'B' was Rs.86,065,992, the balance of the departmental control account was Rs.86,058,364. Accordingly, actions had not been taken to identify the difference of Rs.7 , 628 and to correct .	There are several differences in the debt balances of the officers who are paid salaries by the Divisional Secretariats. Therefore, it had been informed that the errors in the individual balances will be corrected promptly by correcting the deficiencies in the said debt balances also.	Actions should be taken to identify the difference and to be corrected.

(c) Property, Plant and Equipment

The following deficiencies were revealed in accounting for property, plant and equipment.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(i) Although the work-in-progress balance of office buildings was Rs.1,019,215,858 as per the CIGAS Programme as at 31 December 2021, it had been stated as Rs. 1,797,891,147 in the non-financial assets report as at 01 January 2022 by overstating Rs.778,675,289.	As per circular 06/2022, the State Ministry has been taken over under the Ministry of Justice. Accordingly, in making the adjustment of the assets of the State Ministry under expenditure object 110, which was the expenditure object of the Ministry of Justice, the Department of State Accounts made notes directly related to the State Ministry and therein, it has been shown as Rs.1,797,891,147 as at 01 January 2022 as per SA 82. It had been informed that, the amount of Rs.778,675,289 of the purchases have been added to the opening balances while making the adjustments.	Correct the errors occurred during adjustments and the financial statements should be prepared accurately.

- | | | | |
|-------|---|---|--|
| (ii) | The work in progress expenditure during the year under review, amounted to Rs.778,675,289 had not been shown in the SA 82 Format. | It had been informed that the value of purchase amounting to Rs.778,675,289 during the year under review was entered as an opening balance in the Format SA 82 in the adjustment of the assets of the State Ministry as per the Circular 06/2022 by the Department State Accounts. | Actions should be taken to correct mistakes made while making adjustments. |
| (iii) | Although the balance of transport equipment in the financial statements as at 31 December 2021 was Rs.473,445,200, because it has been brought forward as Rs.635,701,008 as at 01 January 2022, it had been overstated by Rs.162,255,808 in the Format SA 82 non-financial assets report. | The balance of transport equipment as at 31 December 2021 was Rs.473,445,200. The State Ministry has been taken over under the Ministry of Justice as per the Circular No. 06/2022 . Accordingly, in adjusting the assets of the State Ministry under the Head 110, which was the expenditure object of the Ministry of Justice, the Department of State Accounts has made notes related to the State Ministry directly and therein, it has been stated as Rs.635,701,008 as per SA 82 as at 01 January 2022 . Accordingly, it had been informed that, the difference of Rs. 162,255,808 was the difference made by the adjustments of the balances of the State Ministry and the Office of the Commissioner General of Rehabilitation. | Attention should be drawn on accounting for the assets accurately. |
| (iv) | Although the balance of other machinery and equipment as at 31 December 2021 was Rs. 88,986,311, it had been stated as Rs. 214,722,994 in the SA 82 non-financial assets report by overstating Rs.125,736,683 . | The balance of machinery and working equipment as at 31 December 2021 was Rs.88,986,311 According to Circular No.06/2022, the State Ministry was taken over under the Ministry of Justice. Accordingly, while adjusting the assets of the Ministry of Justice under the Expenditure | Actions should be taken to correct mistakes made while making adjustments. |

object 110 of the Ministry of Justice, the Department State Accounts has made notes related to the State Ministry directly and therein, it has been shown as Rs.214,722,994 as per SA 82 as at 01 January 2022 . Accordingly, it had been informed that, the difference of Rs.125,736,683 was the difference made by the adjustments of the balances of the State Ministry and the Office of the Commissioner General of Rehabilitation.

- (v) Measures had not been taken to assess and account for the building which was constructed by the Ministry of Justice during 2007 to 2010 with an expenditure of Rs. 374,119,204 and being used by the Legal Draftsman's Department .

The Department of Valuation has informed that a valuation report cannot be given for the property without submitting the documents confirming the ownership in relation to the property that is relevant for obtaining a valuation report. Therefore, it had been informed that the actions will be taken to obtain the assessed value of the said land and building after obtaining the legal ownership of the respective land from this Ministry and to account for those values through the CIGAS programme as soon as the valuation report is received.

Actions should be taken to get the legal ownership of the land and account for.

(d) Failure to Maintain Registers and Records

It was observed during the audit test checks carried out that the Ministry had not maintained certain documents as follows and certain documents had not been maintained properly and in an updated manner.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
--------------------------	---	-----------------------

Vehicle Log Book

Vehicle log books related to 04 vehicles handed over to the Office of National Integration and Reconciliation had not been maintained in an updated manner in terms of Financial Regulation 1645 (a) .	It had been informed that the log books for all vehicles used in the Ministry are being maintained in an updated manner.	As per form General 267 The vehicle log books should be maintained in respect of each vehicle.
--	--	--

2. Financial Review

2.1 Expenditure Management

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) Even though Rs. 50,000,000 from local funds and Rs. 1,000,000 for foreign financing related costs had been allocated under the expenditure object 110 - 1 - 4- 6 - 2202, the entire provision had been saved.	The Memorandum of Understanding for the Rainwater Tank Construction Project in Jaffna District has been signed by the Government of Sri Lanka and the Government of India on 13 January 2017. However, since the agreement related to extending the contract period has not been signed by 31.12.2022, the further works on the project has stuck. Therefore, it had been informed that the provisions have been saved.	Actions should be taken to make provisions after the extension of Memorandum of Understanding period.
(b) Even though the provisions had not been approved for the capital expenditure object 110 -1- 2 - 19 - 2201, a sum of Rs. 50,000 had been transferred by Financial Regulation 66 and the entire provision had been saved.	Due to the limited use of electricity as a result of preceding year's electricity cut, the air conditioners were used minimally. However, although this provision has been transferred to buy 04 electric fans due to the inconvenience in the work of the building where the Office	Provisions should be transferred considering the practical situation.

for Reparations was located, it had been informed that the provision has saved due to failure of providing imprests for capital expenditure from the Treasury.

- (c) Even though it had been instructed not to transfer money through Financial Regulation 66 in terms of Paragraph 3 (xvii) of National Budget Circular No. 03/2022 dated 26 April 2022, a sum of Rs.28,413,992 had been transferred for 08 recurrent expenditure objects through the Financial Regulations 66 and a sum of Rs. 23,787,632 had been saved in the expenditure object of which the transfers made at the end of the year. It had ranged between 8 per cent and 43 per cent as a percentage of the savings.
- It has been notified in the letter No. BD/JLE/110/05 /202 dated 16.08.2022 to manage the expenditure within the allocation limit allocated by the budget estimate for the year 2022. Therefore, provisions have been transferred under F.R. 66 for making provision for payments that cannot be postponed and essential. However, it had been informed that the provisions transferred under F.R. 66 have saved due to payments has not occurred as expected in some cases.
- Provisions should be made available by F.R.66 on the ability to perform the task according to an accurate Plan.
- (d) The entire provision made available for 20 expenditure objects totalled to Rs. 524,760,000 had been saved.
- As it has to act as per Circular No. 03/2022 the provisions have been saved in the relevant expenditure objects due to government expenditure were being used only for the most essential services. Therefore, it had been informed that the Provisions for capital expenditure objects such as rehabilitation and improvement of buildings and constructions, acquisition and improvement of machinery and equipment (2001, 2103, 2002, 2003) have entirely saved.
- Estimates should be prepared considering the practical situation.

- (e) Twenty four Dining Chairs for Ministry Officers had been purchased to the canteen that was planned to be established in the Kalutota building for Rs. 71,712 and Rs. 14,342 on 24.03.2022 and 06.04.2022 respectively and the total expenditure was Rs. 86,054. Thus, this purchase was for the Ministry Office, instead of being debited to the expenditure object 110 - 1 - 1 -2102, a sum of Rs. 50,198 of which had been debited to the expenditure object 110-1-5-2102 under the National Integration Promotion Project. Although the approval of the Secretary to the Treasury should be obtained to transfer allocations between projects of the same programme as per Financial Regulation 66, actions had not been so taken.
- Since the accounting activities have been carried out on a quarterly basis in the year 2022, authorization was not given by the State Budget Department for additional allocations and transfers during the first quarter of 2022 and, as the State Budget Department has given verbal instructions to manage the expenditure within the existing allocation, accounting was done under 110-01-05-2102 without accounting to the accurate expense object because of the canteen required those items and as services are generally provided for officers of all sections of the Ministry and because the officers related to the respective projects also enjoy the same facilities and a portion of this expenditure has been justified by debiting the said expenditure object and payments have been made and accordingly, transferring of provisions have been made in terms of F.R. 66. However, it had been informed that, it is ensured that such mistakes will not occur in the future.
- Actions should be taken in terms of Financial Regulations.
- (f) Three room heating devices for the circuit bungalow had been purchased on 20 December 2022 at a Rs. 90,000 and due to lack of provision in the expenditure object 110 - 01 -02 - 2102, it had been debited to the 110 - 01 - 01 - 2102 . For this, the approval of the Secretary to the Treasury had not been obtained in terms of Financial Regulation 66.
- Three room heating devices had to be purchased for the needs of the tourist bungalow at the end of the year. Similarly, transfers were not made because of the liabilities has to be entered into only within the provision limit and as above, this facility has also been enjoyed by all the officers of the Ministry, provisions have been debited
- Actions should be taken to transfer the provision before incurring the expenditure.

to existed expenditure objects. It had been informed that the actions will be taken as per the respective F.R.66 as indicated by the audit in the year 2023 .

- (g) Instead of being debited to the respective expenditure objects, the total expenditures of Rs. 1,956,653 had been debited to the expenditure object No. 110-1 - 2 - 2104 (22) Adhikarana Piyasa Construction Project. Accordingly, it was observed that the work-in-progress value shown in the accounts had been overstated by Rs.1,956,652. It was further revealed that these expenses were not the expenses related to the construction Project of the Adhikarana Piyasa and were the expenses that cannot be capitalized.

The administrative expenses pertaining to the Adhikarana Piyasa Project have been made through 110-01-02-1002 overtime allowances for other staff officers and drivers, management service officers including and 110-01-02-1202 related to fuel payments for vehicles used for inspection and 110-01-02-1201 payments for A4 and stationery for the preparation of other related files and it could not be recognized as administrative expenses. In this, as administrative expenses cover those costs, and also the allocation on quarterly basis ends on 31.03.2022 and the overtime, fuel and stationery expenditure objects are exceeded, as the administrative expenses can be incurred under a maximum of 0.5 per cent and since there was not enough provision for those expenditure objects , the related overtime, fuel and stationery bills 110-01-02-2104 (22) were debited and the quarterly provision shortage has been fulfilled.

It should confirm that the related expenses were incurred for this Project itself.

2.2 Entered into Liabilities and Commitments

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) The liabilities shown in the note (iv) of statement of liabilities (i) totalled to Rs.1,091,163 had not been entered into Commitments and Liabilities Report (SA 92).	Since the bills received in the year 2023 relating to the year 2022 shows as liabilities after the end of the accounting year 2022 in the Note (IV), it had been informed that the value could not be reported to the Treasury through the CIGAS programme.	The liabilities should be entered into Treasury Commitments and Liabilities Report (SA 92).
(b) The bills paid to National Water Supply and Water Transport Board and Ceylon Electricity Board for the month of December 2022 totalled to Rs.716,484 had not been recognized as liabilities.	Due to the receipt of water bill and electricity bill for the month of December 2022 with a delay, it was unable to record relevant information as liabilities. It had been informed that it is responsible not to occur such errors in the preparation of accounts in the year 2023.	Liabilities should be recognized and accounted for.

2.3 Certifications to be made by the Chief Accounting Officer /Accounting Officer

Even though it was required to certify the following matters by the Chief Accounting Officer as per the provisions of Section 38 of the National Audit Act No. 19 of 2018, actions had not been taken accordingly.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
The Chief Accounting Officer and Accounting Officer should ensure that an effective internal control system is set up and maintained for the financial control of the Ministry and necessary changes should be made to ensure that the system runs efficiently by carrying out reviews on the effectiveness of that system and although those reviews should be made in writing and a copy submitted to the Auditor General, the statements that such reviews were carried out, had not been submitted to the audit.	A certification has been made by the Chief Accounting Officer that, there is an effective internal control system for financial control in the institution and, to monitor the effectiveness of the internal control system for financial control and accordingly, the systems is being reviewed from time to time to make necessary changes to operate effectively and it had informed that it was included in the financial statements.	It should act in accordance with the provisions in the Section 38 of National Audit Act No. 19 of 2018.

2.4 Non- compliance with Laws, Rules and Regulations

Instances of non-compliance with the provisions of laws, rules and regulations are analyzed below.

Reference to the Laws, Rules, Regulations etc.	Audit Observation		Comments of the Chief Accounting Officer	Recommendation
	Value Rs.	Non-compliance		
(i) Financial Regulations of the Democratic Socialist Republic of Sri Lanka Financial Regulations 104 (1)		Actions had not been taken in respect of the accidents occurred to 03 vehicles in the years 2017,2019 and 2020 in terms of F.R. 104 .	It had been informed that the actions have been taken in respect of the accidents related to the years 2017, 2019 and 2020 in accordance with F.R. 104 .	Actions should be taken in terms of Financial Regulations.
Financial Regulations 365 (3)	507,377	Even though it was stated that the money pertaining to the imprests should not be used for the settlement of payments in a financial year other than the different financial year, the arrears of rates from 2011 to 2017 relating to the new building of the Ministry of Justice It had been paid by the Ministry of Justice by the provision of 110-1-2-1-1404 of the year 2022.	A sum of Rs.507,377 has been paid to the Colombo Municipal Council as arrears of rates from 2011 to 2017 pertaining to the ground floor of the new building of the Justice Ministry Located at Rate No. 80, Adhikarana Mawatha, Colombo 12 from the expenditure object 110-01-02-01-1404 with the F.R.115 approval of the Secretary of Justice. Necessary arrangements are being made to obtain legal ownership of this property and it had been informed that the property will be handed over to this Ministry by the	Actions should be taken in terms of Financial Regulations

			Divisional Secretary in due course on the recommendation of the Commissioner General of Lands.	
(ii)	Public Administration Circulars Paragraph 4 of Circular No. 13/2008 dated 26 June 2008	A document showing the amount of additional fuel approved for each officer had not been maintained by the Ministry as per the Circular.	As the approval of the Secretary of Justice is obtained for the additional fuel provided for each officer of the Ministry, although a register is being currently maintained for that purpose, the amount of additional fuel obtained so far is mentioned in the additional fuel request form. It had been informed that, it was noted to make arrangements according to the circular from now on.	Actions should be taken in terms of Public Administration Circular.

2.5 Issuance and Settlement of Advances

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
Even though the sub-impresst should be settled within 10 days after the completion of the relevant task when the issuing of ad hoc sub impressts in terms of Financial Regulation 371 (5), actions had not been so taken in respect of Rs.2,375,071 given in 72 cases.	In this case, after issuing the ad hoc sub-impressts, although the final settlement of the sub-impressts should be done within 10 days after the completion of the relevant tasks, it had been informed that, this was not done in 72 cases. However, in 16 cases, the sub-impressts have been settled within the prescribed number of days. It is kindly informed that although the advances have been settled immediately by	Actions should be taken to settle sub - impressts as per Financial Regulations.

receipts just after the respective task has been completed, the settlement voucher has been submitted to the Accounts Division with delays.

However, there are cases where the advances could not be settled within a period of 10 days and the relevant staff officers have been made aware to pay or submit bills on ad hoc sub imprests to shroff immediately after the completion of the task, in the future and it had been informed that the actions will be taken to settle those advances promptly by drawing special attention to advances exceeded 10 days.

3. Operational Review

3.1 Failure to Perform Tasks

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) By presenting observations to the Cabinet Memorandum No. 2020/Ampa/J/L/88 submitted by the Ministry of Justice for the establishment of a Judicial Administration Service, despite the Minister of Finance as well as the Minister of Public Service, Provincial Councils and Local Government have said that the problems arising from the establishment of this service as well as the tasks to be performed by that service are already established in the public	Since a need to establish a Judicial Administrative Service in maintaining the affairs of the scope of judicial have been arisen, a Committee has been appointed to study and make recommendations in this regard and membership allowances have been paid for the said Committee to meet and gather information, study the matter and to act in respect of it. Although requests have been made to the Committee on several occasions to provide	Arrangements should be made to get the Committee Reports soon.

service, for that, even though 02 years had elapsed by January 2023 for appointing a committee to study and submit recommendations, a report had not been submitted for that and a sum of Rs.539,675 had been spent as membership allowances for Committee Meetings.

the Committee Reports as soon as possible, it had been informed that the report has not yet been given by the Committee.

- (b) Although the Cabinet Secretary's Letter No. 20/1252/330/001- 1 and Cabinet Decision Notification dated 10 September 2020 had suggested that it is appropriate to identify a specific timeline to complete the drafting of a new Constitution by the Honorable Minister of Finance, An estimate had not been prepared for a timeline and expenditure even up to 31 December 2022, which was the date of audit. Further, for this purpose, a total of Rs. 154.7 million have been made available as the provisions of Rs. 50 million, Rs. 100 million and Rs. 4.7 million, in the Annual Estimates of 2020, 2021 and 2022 respectively without identifying the requirement, the provisions of Rs. 41,093,108, Rs.88,063,094 and Rs.3,681,742 equal to 78 per cent to 88 per cent had been saved in the years 2020, 2021 and 2022 respectively.

Even though estimates had been made in previous years based on market prices, to print (Digital Artwork) 20th Constitution, the provision was saved in the year 2022, by making the expenditure very less through the government press.

It had been informed that the provisions have also been saved due to not having to pay the rent due to the institutions which were reserved for the meetings, transport, entertainment and participation allowance due to the officials due to non-holding of meetings.

Arrangements should be made to prepare estimates considering practical situation.

3.2 Assets Management

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) From a property belonging to a private company situated at Rate No. 21, Mills Street, Colombo 12, an extent of 2.4281 hectares (06 acres) had been taken over by Government under Sub-section 38(a) of the Land Acquisition Act and the ownership of the land had been handed over to the Ministry of Justice on 11.04.2019 for the construction of the Adhikarana Piyasa. Even though the provision has been made to the Ministry of Lands to compensate the private company for this purpose, paying of compensation was not done and accordingly, the respective land had not been handed over to the Ministry of Justice formally.	Actions are being taken to acquire an extent of 2.4281 hectares of the land belonging to the private company located at Rate No. 21, Mills Street, Colombo 12 by this Ministry and at present, the Ministry has taken over the ownership of that plot of land. However, the acquisition process does not end as soon as the ownership is taken over and the Divisional Secretary has completed the investigation of compensation claims as per Section 9 of the Land Acquisition Act. Accordingly, it had been informed that as soon as the Ministry of Tourism and Lands released the assessed compensation amount to the Divisional Secretary, it has been stipulated to finalize the compensation and hand over the relevant property to this Ministry	Actions should be taken to take over properties to the Ministry.
(b) The Ministry of Justice had not obtained the copy of the plan of the land belonging to the building located where the Legal Draftsman Department established and finished the acquiring process of the land.	The Valuation Department has informed that a valuation report cannot be given without submitting the documents confirming the ownership of this property. Therefore, it had been informed that the assessed value of the said land and building will be taken after obtaining the legal ownership of the relevant land to this Ministry, and as soon as the assessed report is	Actions should be taken to take over properties to the Ministry and assess and account for.

received, those values will be accounted for through the CIGAS programme.

- (c) The acquisition process of an extent of 0.2023 hectares of land where the Nuwara Eliya Circuit Bungalow is situated, 01 rood and 10 perches of land where Rakwana Circuit Bungalow is situated and 0.1760 hectares of land where the Battaramulla Juvenile Magistrate's Court are occupied by the Ministry of Justice had not been finished and the values had also not been assessed.
- It had been informed that the actions will be taken to obtain the assessed value of the said land and buildings after obtaining the legal ownership (Certificate of Transfer) of these land plots to this Ministry and as soon as the assessed report is received, those values will be accounted for through the CIGAS programme.
- Actions should be taken to acquire the lands expeditiously and assess and account for.
- (d) Actions had not been taken to dispose of the three-wheeler, which was in dilapidated condition for a period of 04 years, even by the date of audit.
- It had been informed that the appointing of disposal committees for dispose of three wheel under the provisions of Paragraphs (a) and (b) of Section 13.2 Public Finance Circular No. 01/2020 and the related activities are being carried out.
- Actions should be taken to dispose expeditiously.
- (e) About 160 items of goods were identified as unusable goods as per the Board of Survey Report of the year 2021 in the State Ministry of Prison Management and Prisoner Rehabilitation and the actions had not been taken to dispose of and remove from the accounts. Even though 21 items identified as electronic waste had been handed over to the Green Link (Private) for destruction on 28 October 2021 the value of those goods had also not been removed from the accounts.
- It had been informed that the journal entries have been made for the removal of disposed and auctioned goods (identified in the Register of Fixed Assets) through the CIGAS programme as per the Board of Survey Report 2021 of the State Ministry of Prison Management and Prisoner Rehabilitation by now.
- It had been informed that the journal entries have been made to remove the items identified as electronic waste in the Register of Fixed Assets in the year 2021, through the CIGAS Programme.
- It should be removed from the CIGAS Programme and the financial statements should be prepared accurately.

3.3 Securities to be Kept by Public Officers

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
The officers who had to keep securities had not kept securities by 31 December 2022 in terms of Ministry of Justice Circular No. 01/2011 dated 18 January 2011 and Finance Regulation 880 .	It had been informed that the applications and documents of the officers of the Ministry have been forwarded to the Attorney General's Department to obtain recommendations registration of securities.	According to the circular, the officers who have to keep securities should be identified and get securities.

3.4 Losses and Damages

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) Eight vehicles had experienced in accidents during the year under review and the loss of 05 vehicles had been assessed as Rs.1,673,076. The loss had not been assessed in respect of 03 vehicles and all those losses had not been entered in the statement of losses and waive offs (Note i) ii- in the financial statements format - statement of further recoveries or write-offs or losses to be waived off.	The final report has been given by the Inspection Committee appointed under F.R. 104 in respect of accidents experienced to two cars and it had been informed that after getting the approval to remove from the register of losses and damages, actions will be taken to accurately account for and to make the relevant notes in the future. It had been informed that, the actions are being taken by the Insurance Company for giving insurance claims in respect of the accident occurred on 20.11.2022 to one motor vehicle.	All the losses should be entered in the statement of losses and omissions in the format of financial statement.

- | | | | |
|-----|---|---|--|
| (b) | Loss recoveries related to 04 vehicles amounted to Rs.165,670 had not been entered in the Format (I) of the financial statement. | The Losses relating to two motor vehicles have been included in Note I in the financial statements in the year of the vehicle accident. It is accepted that the other vehicles have been omitted in the financial statements. It had been informed that the actions will be taken to obtain the approval of the Secretary of Justice and to properly account for and to put the relevant notes. | Recovery of losses should be entered in the Format (I) of the Financial Statement. |
| (c) | Vehicle losses of Rs.85,978 written off during the year had not been entered in the Note (II) of the statement of write offs from books in the financial statement. | The written off losses indicated in the audit query have been included in the statement of losses and damages in Note I to the financial statements. However, it had been informed that actions will be taken in future to enter such write-offs in the note (II) statement of write-offs in the financial statements. | The written off vehicle loss should be included in the Note (II) of the financial statement. |

3.5 Uneconomic Transactions

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) A Special Unit had been established by the Decision of the Cabinet of Ministers CMP/20/1400/330/013 to strengthen the process of administration of justice and although a sum of Rs. 7,238,875 had been paid up to 2022 for the members of the Advisory Committee established for the reform of civil law, which was one of its	It had been informed that , as the reports sent and included in the file by the Civil Law Reform Committee have been forwarded through the online (E-Mail) system, it has not been forwarded with signatures.	The copies of progress reports should be obtained and filed.

special tasks, progress reports of it had not been formally signed and confirmed.

- | | | |
|--|---|--|
| <p>(b) Even though the recommendations had been given to recruit officers from the Multipurpose Development Task Force, for the Special Unit established by the Cabinet Decision CMP/20/1400/330/013, seven officers had been recruited for that purpose without considering those recommendations and a sum of Rs. 895,609 had been paid to those officers for the year 2022 and the Special Unit had also not been implemented .</p> | <p>Although the Department of Multipurpose Development Task Force has been requested on several occasions to provide the required employees for the existing vacancies as mentioned in the observations of the Minister of Finance according to the Cabinet Memoranda, it has been informed that due to not receiving employees for that, new employees have been recruited according to the decisions taken in the Committee Meeting of the Special Unit held on 21.10.2020 under the Chairmanship of the Secretary of the Ministry.</p> | <p>The employees should be properly recruited.</p> |
|--|---|--|

3.6 Management Weaknesses

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
<p>(a) The construction industry of Puttalam Legal Aid and Community Corrections Building with 02 floors had been awarded to an external party on 15 September 2010 at a contract value of Rs. 5,583,770 and although the work was supposed to be completed on 27 March 2011, its period had been extended on 03 occasions up to 13 October 2022. However, the</p>	<p>It has been sent to seek advice from the Attorney General's Department to recover these Performance Bonds and Mobilization Advances receivable and it had been informed that the actions will be taken according to the instructions of the Attorney General in the future.</p>	<p>Actions should be taken to expeditiously recover the amount receivable from the Mobilization Advance and Performance Bond.</p>

construction of this Project had been stopped in the middle without being completed the work and as a result, the need to establish a separate office for counseling and for carrying out office works of community correctional convicts, had not been fulfilled. Further, a sum of Rs. 254,691 from the Mobilization Advance amount paid to the said contractor on 21 October 2010, a sum of Rs. 339,535 to be collected from the Performance Bond had not been recovered as at 31 December 2022.

- | | | |
|---|---|--|
| <p>(b) Twelve vehicles belonging to the Ministry of Justice were temporarily given to other institutions by this Ministry and actions had not been taken to get returned those vehicles.</p> | <p>This Ministry has issued letters asking them to return the vehicles given to the Ministry of Fisheries out of the vehicles temporarily given to other institutions.</p> | <p>Actions should be taken to get returned the vehicles.</p> |
| <p>(c) The debt balances receivable from 05 suspended officers and 03 officers who had left the service totaled to Rs. 795,902 had remained without being recovered for more than 05 years.</p> | <p>The debt balance of suspended officers - Rs.552,517
Two persons were notified by registered post and by the Grama Niladharee of the area. Accordingly, a complaint has been lodged with the Keselwatta Police to recover the debt from one person, and there has been no response from the Keselwatta Police up to now.
A case is being heard against another person in the Colombo High Court.</p> | <p>Actions should be taken to recover outstanding debts.</p> |

Debt balance of retired officers Rs.233,405 (238,395 -4990)

The relevant information has been forwarded to the Attorney General's Department for taking necessary legal actions to recover the debt balances of these officers.

4. Human Resources Management

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
<p>(a) There were vacancies of 16 senior level officers, 08 tertiary level officers, 40 secondary level officers and 16 primary level officers in the staff of the Ministry of Justice, Prison Affairs and Constitutional Reforms.</p>	<p>It has been sent to the Public Service Recruitment Review Committee on several occasions to recruit for the posts to be recruited by the Ministry of Justice out of the vacant posts. Accordingly, recruitment process related to the approved post of Assistant Secretary (Legal) is currently being done. It had been informed that the arrangements have been made to inform the authorities of the appointment of the other posts regarding the vacancies.</p>	<p>Actions should be taken to recruit to vacant posts.</p>
<p>(b) Two posts of Translator (Sinhala - English) and 01 post of Still Photographer were in excess.</p>	<p>The Director General of Combined Services has been informed regarding the 02 excess posts of translator (Sinhala - English). It had been informed that the excess posts of still photographer has been approved by the letter No. DMS/CM/05-VolIII of Director General of Management Services dated 16.05.2023 .</p>	<p>The approval of the Director of Management Services should be obtained for excess positions.</p>

- (c) Although two Still Photographers were employed since 2007 and 2014, the approval of the Management Services had not been obtained for those 02 posts. It had been informed that the 02 positions of Still Photographers have been approved by the letter No. DMS/CM/05-Vol II of Director General of Management Services dated 16.05.2023 . Approval should be obtained from the Department of Management Services for the respective positions.