

Head 234 - Department of Registrar of Supreme Court

1. Financial Statements

1.1 Opinion

Head 234- The audit of the financial statement of the Department of Registrar of Supreme Court 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 including my comments and observations on the financial statements of the Department of Registrar of Supreme Court was issued to the Accounting Officer on 31 May 2023 in terms of Sub-section 11 (1) of the National Audit Act, No. 19 and the Detailed Annual Management Audit Report relating to the Department in terms of Sub-section 11 (2) of the National Audit Act, No. 19 of 2018 was issued to the Accounting Officer on 06 July 2023. This report will be presented in Parliament in pursuance of provisions in Article 154 (6) of the Constitution to be read in conjunction with Section 10 of the National Audit Act, No. 19 of 2018.

In my opinion, the financial statements give a true and fair view of the financial position of the Department of Registrar of Supreme Court as at 31 December 2022, and of its financial performance and its cash flows 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 (SLAuS). 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 qualified opinion.

1.3 Responsibilities of the Chief Accounting Officer and the Accounting Officer for the Financial Statements

The Accounting Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and provisions in Section 38 of the National Audit Act, No.19 of 2018 and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As per Sub-section 16(1) of the National Audit Act No. 19 of 2018, the Department of Multipurpose Development Task Force 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.

As per Sub-section 38 (1) (c) of the National Audit Act, the Accounting Officer shall ensure that effective internal control system for the financial control of the Department of Multipurpose

Development Task Force exists, and carry out periodic reviews to monitor the effectiveness of such systems and accordingly make any alterations as required for such systems to be effectively carried out.

1.4 Auditor's Responsibilities for the Audit of the 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 scepticism throughout the audit. I also:

- 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.

- It is not intended to express an opinion on the effectiveness of the Department's internal control in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- 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.

I communicate with the Accounting Officer regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

1.5. Report on Other Legal Requirements

I express the following matters in accordance with Section 6 (1) (d) of the National Audit Act, No. 19 of 2018.

- (a) The financial statements presented are consistent with the preceding year.
- (b) The recommendations made by me pertaining to the financial statements related to the previous year had been implemented.

2. Financial Review

2.1 Incurring of Liabilities and Commitments

Audit Observation	Comments of the Accounting Officer	Recommendation
Even though according to the treasury statements (SA92), liabilities amounted to Rs.7,733,665, it was stated as Rs.1,845,655 in the notes of account (iv) of the statement of liabilities . The same amount had been settled as at 31 March in the year 2023.	The balance of liabilities in the Supreme Court as at 31.12.2022 amounting to Rs.1,845,655 and , the same value has been included duly in the statement of liabilities and the balance shown in the treasury SA-92 statement caused the condition arisen due to the technical error in the CIGAS programme . As such, it had been informed that action will be taken to correct it in due course.	Should be responsible to reconcile the departmental books with treasury books.

2.2 Non- Compliance with Laws, Rules and Regulations

Instances of Non- Compliance with Laws, Rules and Regulations observed at audit test checks are described below

Audit Observation	Comments of the Accounting Officer	Recommendation	
Reference to Laws, Rules and Regulations	Non-compliance		
(i) Financial Regulation of the Democratic Socialist republic of Sri Lanka			
Financial Regulation 880	The number of 21 officers, who should give securities, had not given securities.	Approval of the Department of Attorney General has not been received as yet regarding the giving securities for the officers of the Department of Registrar of Supreme Court and delaying of giving securities of the officers who keep securities due as at 31.12.2022 has occurred due to the institutional subjects of the officers of the Appeal Registrar Office changed on the annual transfers . It had been informed that necessary action is being carried out by this time.	Actions should be taken to keep securities in terms of Financial Regulations.

(ii) Public Administration
Circulars

Paragraph 3.1 of the
Circular No.30/2016
dated 29.12.2016

Fuel combustion test had
not been carried out in
terms of the Circular ,
regarding 05 pooled
vehicles in the
Department.

Even though fuel combustion
test has been carried out for 04
vehicles , it had been informed
that unable to carry out fuel
combustion test due to it had
to limit the fuel expenses as a
result of COVID pandemic
situation, expenditure
management circulars and QR
code method.

Action should be
taken in terms of
the circular.

2.3 Issuance and Settlement of Advances

Audit Observation

Comments of the Accounting Officer

Recommendation

Even though settlement of sub -
impresst should be done within 10 days
of the completion of the relevant task
after issuing of ad-hoc sub-impresst in
terms of Financial Regulation 371(1),
Action had not been taken accordingly
regarding impresst of Rs.1,449,100
given in 20 instances .

Advances not obtained and action will be
taken to settle the advances properly in due
course by giving aware to the officers who
obtain advances.

Imprests should be settled in
terms of Financial
Regulations.

3 Operating Review

3.1 Management Inefficiencies

The following observations are made.

Audit Observation

Comments of the Accounting Officer

Recommendation

(a) Even though the balance of the
Advances to Public Officers
Account- B as at 01 January 2022
amounting to Rs.39,056,664, it
was Rs.39,124,909 according to

It has been informed to the Department
of Public Accounts to settle the balance
of the Advances to Public Officers
Account- B continuously brought
forwarded from the year 2011 , and

Action should be taken to settle
by identifying the difference.

the “ACA 05” statement relevant to the Advance - B Account as at 01 January 2022. As such, the balance of the advance B account had been over stated by Rs.68,246 than the balance in the treasury books in the statement of financial position. Even though the same difference had been continuously brought forwarded from the year 2021 , action had not been taken to settle .it by identifying.

discussions were held with the Treasury in many times. Accordingly, it had been informed that actions are being taken according to FR 113 under Section 3.1 of Paragraph 03 of part 1 of the Public Finance Circular No.01/2020 and guideline 01 issued under the same Circular.

- (b) The legal ownership of 07 vehicles which has been received from the Ministry of Justice, had not been vested as at 31 December 2022. It had been stated that 07 vehicles received from the Ministry of Justice to the use of the Department of Supreme Court , had been granted on temporary basis. Action should be taken to vest the ownership.
- (c) Even though a vehicle belonging to the Department was remained in a decayed condition and idle , more than a period of 02 years from 17 January 2021, action had not been taken to use it by doing repairs. The car of Mitsubishi Lancer No.300-8344 which is belonging to the Supreme Court has been forwarded to the mechanical engineer who is tested the vehicles of the Supreme Court and it had been informed that relevant actions are being taken to repair it. Repairing should be done without delay and the vehicles should be taken for use.
- (d) Action had not been taken to recover the balance of distress loan amounting to Rs.175,405 which has to recovered from an officer who is vacated post . After informed orally and in writing to the officer who vacated post on the loan balances recovered by this time , it had been informed that action has been taken to recover the loan balance as installments from March 2023. Loan balances should be recovered immediately.

(e) The total number of cases due to be settled which was belonging to 15 types of cases in the Supreme Court within the year 2022 were 6678 and the number of cases which the settlement has completed were 1196. It was 18 per cent as a percentage and the number of cases due to be settled at the end of the year was 5482. Accordingly, the progress of the settlement of cases within the year was at a minimum level.

It had been mentioned that the total number of cases to be settled as at 01.01.2022 in the Supreme Court is 5021 and the total number of cases newly filed within the year 2022 is 1032, and the total number of cases completed within the year 2022 is 1172.

Cases should be settled within due period .

(f) The total number of cases which were filed to be settled in the Appeal Court belonging to 23 types of cases in the year under review were 4595 and the number of cases settled in the year was 1172. It was 25 per cent as a percentage and the number of cases due to be settled at the end of the year is 3423. As such, the progress of settling cases was remained at a low level in the Registrar's office of Appeal Court as well.

The total number of cases to be settled as at 01.01.2022 in the Appeal Court is 3563 and the total number of cases newly filed within the year 2022 is 1032. It had been mentioned that the total number of cases completed within the year 2022 is 1172.

Cases should be settled within due period .

4 Human Resource Management

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Total approved cadre to the Department of Registrar of Supreme Court as at 31 December 2022 was 558 and the actual cadre as at that date was 428. Accordingly vacant in 130 officers .	It had been informed that requests had been made to the Director General of Combined Services and the Secretary of the Judiciary Service Commission through the Ministry of Justice regarding the vacancies existed.	Action should be taken to fill the vacancies without delay.
(b) An Accountant of another Department had been deployed based on the acting duty of two days per a week for the post of Accountant III and the same post was remained vacant for more than a period of one year from 03 January 2022.	It had been informed that requests had been made to the Director General of Combined Services and the Secretary of the Judiciary Service Commission through the Ministry of Justice regarding the vacancies existed.	Action should be taken to fill the vacancy without delay.

- (c) Even though approved cadre to the Department of Registrar of Supreme Court for the posts of translator, librarian, accounts assistant, judicial typist are 14,05,15,31 respectively, the attached actual cadre as at 31 December for the same posts were 08,04,08,16 respectively. As such the actual cadre was at a level less than 50 per cent, comparing with the approved cadre.
- It had been informed that requests had been made to the Director General of Combined Services and the Secretary of the Judiciary Service Commission through the Ministry of Justice regarding the vacancies existed.
- Action should be taken to fill the vacancies without delay.
- (d) Even though approved posts of translators to the Office of Registrar of Supreme Court are 10, no any officer had been attached to the same post as at 31 December.
- It had been stated that, even though covering up duties has been done by the Appeal Court Statutory Board Translators Unit of the Ministry of Justice by the approval of the cabinet in previous years, approval has not been given for the same unit for this year up to now.
- Action should be taken to fill the vacancies without delay.
- (e) A higher number of vacancies were existed in the posts of judicial clerk, Book binder in the Office of Registrar of Appeal Court and the same amount is 10 and 08 respectively.
- It had been informed that the vacancies of clerks in the Appeal Court are covered by programme assistants/development officers and judicial typists, vacancies in book binder are covered by the officers available at present as far as possible.
- Action should be taken to fill the vacancies without delay.