

Right to Information Commission - 2023

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Right to Information Commission for the year ended 31 December 2023 comprising the statement of financial position as at 31 December 2023 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, 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 and the Finance Act No. 38 of 1971. My comments and observations which I consider should be report to Parliament appear in this report.

In my opinion, except for the effects of the matters described in Paragraph 1.5 of this report, the accompanying financial statements give a true and fair view of the financial position of the Commission as at 31 December 2023 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards

1.2 Basis for Qualified Opinion

My opinion is qualified based on the matters described in Paragraph 1.5 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 qualified opinion.

1.3 Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing as applicable matters related to going concern and using the going concern basis for accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

As per Sub Section 16(1) of 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 of the Commission.

1.4 Scope of Audit (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 skepticism throughout the audit. I also

- Appropriate audit procedure were designed and performed identify and assess the risks of material misstatement in financial statements whether due to fraud or errors in providing a basis for the expressed audit 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
- An understanding of internal control relevant to the audit was obtained 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 the Commission's internal control
- Evaluate the 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
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- 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 scope of the audit also extended to examine as far as possible and as far as necessary the following.

- Whether the organization, systems, procedures, books, records and other documents have been properly and adequately designed from the point of view of the presentation to enable a continuous evaluation of the activities of the Commission, and whether such systems, procedures, books, records, and other documents are in effective operation
- Whether the Commission has complied with applicable written law, or other general or special discussions issued by the governing body of the Commission
- Whether the Commission has performed according to its powers, functions and duties and
- Whether the resources of the Commission had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

1.5 Audit Observations on Preparation of Financial Statements

1.5.1 Internal Control Over the Preparation of Financial Statements

Entities are required to “devise and maintain” a system of internal accounting controls sufficient to provide reasonable assurance that, transactions are executed in accordance with Management’s general or specific authorization, transactions are recorded as necessary to permit preparation of financial statements in conformity with the applicable reporting standards, and to maintain accountability for assets, access to assets is permitted only in accordance with Management’s general or specific authorization, and the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

1.5.2 Non-Compliance with Sri Lanka Public Sector Accounting Standards

Non-compliance with Reference to Relevant Standard	Comments of the Management	Recommendation
(a) While preparing the statement of financial position, the assets, liabilities and gross/net assets had not been included in the correct order as per the format mentioned in Sri Lanka Public Sector Accounting Standard No. 01.	It has been informed that these accounting errors will be rectified in the future.	Assets, liabilities and gross/net assets should be entered in the correct order as per the format specified in Public Sector Accounting Standard No. 01.

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| (b) | Although the Commission had depreciated the assets on the reducing balance method, it had not been disclosed in the financial statements in accordance with Section 86 (b) of Public Sector Accounting Standard 7 of Sri Lanka. | It has been informed that these accounting errors will be rectified in the future. | It should be acted in accordance with Section 86(b) of Public Sector Accounting Standard 7 of Sri Lanka. |
| (c) | As per capital grants received in previous years amounting to Rs.10,362,333 was stated as stated capital in Statement of Financial Position without taking into income in accordance with Sri Lanka Public Sector Accounting Standard 11 (Amendment), the retained earnings balance shown in the statement of financial position less than that value and the stated capital balance more than that value has been stated. | It has been informed that assets, liabilities and claims will be accounted for from the next year according to the format mentioned in Sri Lanka Public Sector Accounting Standard 01. | It should be acted in accordance with Public Sector Accounting Standard 11 of Sri Lanka. |

1.5.3 Accounting Deficiencies

Audit Observation	Comments of the Management	Recommendation
Since the computer and printer service charges of Rs.82,996 paid in the year under review for the coming year have been accounted as expenses of the year under review, it had been stated the deficit in the year under review in more than that value and current assets in less than that value.	It has been informed that it will be ensured that not to occurrence of the recording of the expenses incurred for future years as expenses of the current year.	Payments made for the coming year should be identified and properly accounted for.

1.6 Non-compliance with Laws, Rules, Regulations, and Management Decisions etc.

	Reference to Laws, Rules, Regulations etc.	Non-compliance	Comments of the Management	Recommendation
(a)	Public Administration Circular No. 09/2009 dated 16 April 2009	A fingerprint recording machine was not used to record the arrival and departure of the officers to the office.	It has been informed that a letter has been sent to get a new machine to replace the currently used machine from the concerned institution and taken actions even to enter into a service agreement for the coming years.	It should be acted as per the Public Administration Circular.
(b)	Public Administration Circular No. 21/2013 dated 07 October 2013	Although the prior approval of the secretary of the relevant ministry should be obtained in the case of working on holidays with the prior approval of the Head of Department and if it is required to work for more than two days in a month, holiday allowances amounting to Rs.39,879 were paid without taking action accordingly.	It has been informed that these matters will be corrected in the future. It has been informed that due to the severe shortage of officers, the officers who are currently working in the office board have to refer to their additional duties.	It should be acted as per the Public Administration Circular.
(c)	Public Finance Circular No. 01/2020 dated 28 August 2020	An annual Board of Survey as at 31 December 2023 had not been conducted by the Commission.	After the audit related to the year 2023, it has been stated that we have conducted a Board of Survey for the year 2023 and are currently preparing its documents.	It should be acted as per the Public Finance Circular.

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| (d) | Section 4.4 of the Guideline on Corporate Governance for Public Enterprises No. 01/2021 dated 16 November 2021 | The commission was started in the year 2018 and an internal audit has not been carried out according to the relevant provisions. | It has been stated that an application has been made to the Department of Management Services for a revision of the entire cadre, and once the proposal is confirmed, it is expected to establish an internal auditor position. | It should be acted as per Guideline. |
| (e) | Section 6.6 of the Operational Manual of Public Enterprises issued by the Department of Public Enterprises No. 01/2021 dated 16 November 2021 | Although it is stated that the draft annual report must be submitted to the Auditor General within 60 days after the end of the accounting year and the annual report including the financial statements and the audit report must be tabled in Parliament within 150 days (05 months) after the end of the accounting year, as of the date of this report, the commission had not submitted the draft annual report for the year 2023 for audit and the commission had not tabled the annual reports for the years 2021 and 2022 in Parliament. | Due to delays in the Tamil language translation of the 2021 annual report, it has not been printed yet and the 2022 annual report has been sent to the Ministry of Mass Media for tabling in Parliament. It also informs that the draft annual report for the year 2023 is being prepared. | The annual action plan should be prepared according to the relevant format and got approval. |

2. Financial Review

2.1 Financial Results

The operating result for the year under review was a deficit of Rs.1,815,984 and the correspondence deficit for the preceding year was Rs.1,912,855. Accordingly, a deterioration of Rs.96,871 was observed in the financial result. Increase in allocated receipts by 22 percent and cutting expenses during the year under review had been reasoned fro this.

3. Operational Review
3.1 Management Inefficiencies

Following observations were made.

Audit Observation	Comments of the Management	Recommendation
(a) An agreement was not reached between the Commission and the relevant company regarding the annual servicing of the fingerprint recording machine which was purchased last year for Rs.51,500. Also, the arrival and departure time records were not obtained from the machine and the machine was out of order at the audited dated of 10 April 2024.	At present, a letter has been sent to the company that supplied the machine to correct the defects of the machine in question and the company has also been asked to enter into a service agreement for the coming years.	An agreement should be entered into with the relevant company and arrival and departure from the machine should be recorded.
(b) The number of appeals available for examination as of 31 December 2023 and its age analysis information that requested on 11 December 2023 to review the performance of the Commission had not been submitted for audit even on April 30, 2024.	A summary report of appeals related to the year 2023 is currently being prepared by the appeals division.	The number of appeals and its age analysis information should be submitted.

3.2 Human Resource Management

Following observations were made.

Audit Observation	Comments to the Management	Recommendation
(a) On the recommendation of the Constitutional Council, the President appoints 5 members including the Chairman to the Commission. According to Section 13 of the Right to Information Act No. 12 of 2016, the Chief Executive Officer of the Commission is the Director General	Although the approved cadre of this commission is 26, the cadre currently working is 10 and recruitment will be done to fill the vacancies in the future.	Arrangements should be made to fill up vacancies in essential posts.

and the Commission shall appoint such number of officers and employees as are determined to be necessary to carry out the work of the Commission. Accordingly, the approved total cadre of the Commission was 26, but the actual number of employees was 10, leaving 16 vacancies as at 31 December 2023.

- (b) No permanent officer was appointed for the post of Director General of the Commission from the beginning and the post was filled on contract basis and cover up duties basis. Furthermore, it was unable to avoid in the audit that the presence of 04 vacancies for the position of Senior Research Officer, Legal Officer and Legal Assistant on 31 December 2023 may adversely affect the performance of the Commission.
- According to Section 13 of the Right to Information Act No. 12 of 2016 for the post of Director-General of the Commission, the Commission can appoint a Director General as per the powers vested in the Commission and accordingly a Director General has been appointed. Officers have been appointed for the vacant positions of Research Officer and Legal Officer as per the approval of the Cabinet and recruitment for the vacant positions of Senior Research Officer is currently underway.
- Arrangements should be made to fill up vacancies in essential posts.