Head 2 30- Legal Draftsman’s Department - 2024

1. Financial Statements

1.1 Opinion

Head 230 - The audit of the financial statements of the Legal Draftsman’s Department for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024 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 2025 in terms of Section 11 (1) of the National Audit Act No. 19 of 2018. The Annual Detailed Management Audit Report pertaining to the Department was issued to the Accounting Officer on 29 August 2025 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 of the Legal Draftsman’s Department for the year ended 31 December 2024 give a true and fair view on the financial position and its financial performance and cash flows and all the materialities in compliance with the basis of preparation of the financial statements set out in Note 1 related to the financial statements.

1.2 Basis for Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibility, 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 Emphasis of Matter - Basis of Preparation of Financial Statements

I draw attention to Note 1 of the financial statements, which describes the basis of preparation of these financial statements. The financial statements had been prepared for the requirement of the Legal Draftsman’s Department, the Treasury and the Parliament in accordance with Financial Regulations 150 and 151 of the Government and State Accounts Guideline No. 06/2024 dated 16 December 2024, as amended on 21 February 2025. Therefore, these financial statements may not be suitable for other purposes. My report is intended only for the use of the Legal Draftsman’s Department, the Treasury and the Parliament of Sri Lanka. My opinion in this regard is not modified.

1.4 Responsibilities of the Chief Accounting Officer and Accounting Officer on Financial Statements

The Accounting Officer is responsible to prepare financial statements that give a true and fair view in all material aspects and to determine such internal control as is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error in accordance with Government Finance Regulations 150 and 151 and State Accounts Guideline No. 06/2024 dated 16 December 2024 as amended on 21 February 2025.

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.

1.5 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 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 is made aware of important audit findings, key internal control deficiencies and other matters identified in my audit.

2. Report on other Legal Requirements

I express 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 preceding year,

(b) The following recommendation made by me on the financial statements of the preceding year had not been implemented.

Reference to the paragraph in the preceding year	Non-Implemented Recommendation	Reference to the paragraph in this report
• 2.4 (ii)	No fuel consumption test had been done in respect of vehicles.	3.2 (b)

3. Financial Review

3.1 Management of Expenditure

Audit Observation	Comments of the Accounting Officer	Recommendation
Due to insufficient allocation of provisions in the annual estimate Rs.12,849,279 saved out of Rs.57,860,000 allocated for 03 recurrent objects and one capital object and those savings ranged from 15 percent to 81 percent.	It was reported that the savings in allocations had occurred due to several reasons, a reduced requirement for extra hour work at the end of the year, which resulted in a decrease in the payment of actual incentives, a decrease in other allowance expenses; a decrease in foreign travel expenses in accordance with paragraphs 6.1/ 6.2 of National budget Circular No. 01/2024, the non-procurement of the Firewall system from Sri Lanka Telecom, although discussions had been held for its purchase, due to the system being inactive and the inability to proceed with the acquisition during the year 2024, leading to savings in software maintenance expenses, and the	Estimates should be prepared based on identified requirements.

limitation of foreign training opportunities for staff.

3.2 Non-Compliance with Laws, Rules, and Regulations

Instances of non-compliance with the provisions in laws, rules and regulations observed during the course of audit test checks are analyzed below.

Observation			Comments of the Accounting Officer	Recommendation
Reference to Laws Rules and Regulations	**Value Rs.**	**Non - Compliance**		
(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka				
(i) F.R. 156(5)	1,446,417	When any error needs to be corrected, such correction shall be made by drawing a single line through the words, figures, etc., to be altered and writing the correct figures etc., in red ink above them. The responsible officer for the said corrections had not certified the relevant alterations and deletions by placing his short signature.	It was informed that action had been taken to rectify the deficiencies in the vouchers, and that the officers responsible for the preparation and verification of the vouchers had been informed of the need to carry out any corrections in accordance with the financial regulations when an error occurs.	The relevant amendments and deletions must be certified by the responsible officer in accordance with the financial regulations.
(ii) 237(b)	13,900	Although a certificate should have been attached confirming that the goods, had been received and duly entered in the relevant	It was informed that the items purchased under two vouchers amounting to Rs. 13,900 had been	When making payments for store supplies, must be attached certificate that the goods have been

			stock register and inventory book, it had not been done in respect of 02 purchases.	recorded in the stock book and the inventory goods issuing inventory register. Due to an oversight, it had not been possible to record this in the voucher itself, but the deficiencies has since been corrected.	received and that they have been recorded in the relevant inventory documents, such as the stock book.
	(iii) F.R.1646	-	Although the monthly summary of Journeys, prepared using the standard Form General 268(a), along with the original copy and the daily running charts for the respective month, should be submitted by the vehicle-in-charge officers through their respective Head of the department to the Auditor General before the 15 of the following month, this procedure had not been done in relation to 11 vehicles.	It was informed that action would be taken to promptly forward monthly summaries of the vehicles for the Audit.	Daily running charts must be submitted to the Auditor General in accordance with the financial regulations.
(b)	Public Administration Circulars • Paragraph 3.1 of Circular No. 30/2016 dated 29 December 2016	-	Although a fuel inspection should be conducted again at the earliest occurrence of either 12 months after the previous inspection, 25,000 kilometers traveled, or a major engine repair, fuel inspections had not been carried out for 03 vehicles of the institution.	It was informed that action would be immediately taken to conduct fuel inspections for the vehicles in reserve.	A fuel inspection must be conducted again at the earliest occurrence of either after a repair or maintenance.

4. Operating Review

4.1 Non - achievement of expected Output Level

The following observation is made.

Audit Observation	Comments of the Accounting Officer	Recommendation
According to the performance report submitted by the Department as at 31 December 2024, it was observed that as at 01 January 2024, there were 289 requests that had been drafted and submitted as preliminary or final drafts, which remained pending observations and instructions from the Attorney General or other Ministries and Departments and as at 01 January 2024. Out of a total of 385 requests, 96 requests had not yet been finalized in drafting, while 95 files had remained closed for a prolonged period without receiving any instructions. As at 31 December 2024, 45 requests for which the drafting had not been completed and remained as pending.	As at 01 January 2024, there were 289 requests submitted as preliminary or final drafts to the Attorney General or other Ministries and Departments, pending observations and instructions. Additionally, 96 requests had drafting processes not yet completed as at 01.01.2024. Between 01.01.2024 and 31.12.2024, 244 new requests were received from parties. Furthermore, by 31.12.2024, 19 requests that had been drafted in three languages and finalized in previous years, including the current year, were resubmitted for further amendments. Out of the total 648 requests, 95 files remained closed for an extended period without receiving any instructions or decisions from Ministries or the Cabinet. as at 31.12.2024, 192 requests had been drafted, in three languages, and submitted to the relevant parties. Moreover, as at 31.12.2024, there were 316 requests pending with the Attorney General or other Ministries and Departments awaiting observations and instructions in the form of preliminary or final drafts, while 45 requests remained with drafting incomplete.	Action should be taken to increase the performance of the department.

4.2 Annual Performance Report

Audit Observation	Comments of the Accounting Officer	Recommendation
In accordance with Paragraph 12.2 of Public Finance Circular No. 02/2020 dated 28 August 2020, an Annual Performance Report is required to be prepared. However, the Performance Report submitted for audit by the Department did not include key chapters such as the Institutional Profile Implementation Summary, Progress and the Future Outlook, Performance in achieving the Sustainable Development Goals (SDG) and the Human Resource aspect.	As per Paragraph 12.2 of Public Finance Circular No. 02/2020, it is the general method to prepare the Annual Performance Report by incorporating the relevant chapters after obtaining approval for the Annual Financial Statements submitted for audit. Accordingly, only the financial statements were submitted for approval. The preparation of the complete Annual Performance Report, is currently underway to facilitate for tabling in parliament in accordance with the circular provisions.	Chapters should be included in accordance with the provisions of the Circular.

5. Good Governance

5.1 Internal Audit

The following observation is made.

Audit Observation	Comments of the Accounting Officer	Recommendation
In terms of the provisions of Section 40(1) of the National Audit Act, No. 19 of 2018, an internal audit unit had not been established in the department. Furthermore, the position of Internal Auditor had not been approved.	The Department had not been established separate Internal Audit Unit. The Internal Audit Division conducts internal audits and issues audit queries under the Ministry of Justice and National Integration. It was further reported that the Chief Internal Auditor of the Ministry has been conducted the quarterly Audit Management Committee meetings.	Action should be taken in accordance with the National Audit Act.

6. Human Resource Management

The following observations are made**.**

	Audit Observation	Comments of the Accounting Officer	Recommendation
(a)	As at 31 December 2024, the approved cadre was 154, while the actual cadre was 92, and the a cadre vacancies was 62. Accordingly, there was 40 percent vacancies in the approved cadre.	It was informed that actions have been taken to fill the referent vacancies.	As the existence of vacancies effects the performance, therefore action should be taken to fill the vacancies. .
(b)	As at December 31, 2024, there were vacancies in 12 Senior Assistant Legal Draftsman positions, one Director (Administration) position, one Librarian position, and one Assistant Information and Communication Technology Officer position.	It was informed that actions have been taken to fill the relevant vacancies.	As the existence of vacancies effects the performance, therefore action should be taken to fill the vacancies.
(c)	There were a total of 35 essential vacancies in the department, including 07 vacancies for Editor positions, 11 for Documentation Assistant positions, 01 for Chief Language Translator, 01 for Development Officer, 08 for Language Translator positions, 03 for Driver positions, and 04 for Management Service Officer positions.	It was informed that actions have been taken to fill the relevant vacancies.	As the existence of vacancies effects the performance, therefore action should be taken to fill the vacancies.