

Head 110 - Ministry of Justice, Prison Affairs and Constitutional Reforms - 2024

1. Financial Statements

1.1 Qualified Opinion

Head 110 - The audit of the financial statements of the Ministry of Justice, Prison Affairs and Constitutional Reforms 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 Ministry of Justice, Prison Affairs and Constitutional Reforms was issued to the Chief Accounting Officer on 26 June 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 Ministry was issued to the Chief Accounting Officer on 22 September 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, except for the effects of the matters described in Paragraph 1.6 of this report, the financial statements prepared give a fair view in all the material aspects of the financial position of the Ministry of Justice, Prison Affairs and Constitutional Reforms as at 31 December 2024 and its financial performance and cash flow in accordance with the basis of preparation of the financial statements set out in Note 1 to the financial statements.

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 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 Ministry of Justice, Prison Affairs and Constitutional Reforms, 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 Ministry of Justice, Prison Affairs and Constitutional Reforms, 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 Chief 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 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.

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

1.6 Comments on Financial Statements

1.6.1 Accounting Deficiencies

(a) Deposits

The following deficiency was observed in the payment of deposits and accounting for balances relating to the financial statements.

Audit Observation	Comment of the Chief Accounting Officer	Recommendation
Rs. 9,690,402 of 6 retention money deposits, which could be released after the completion of project activities, had not been released and that amount was still held in the general deposit account as at 31 December of the year under review.	It was informed that the retention money would be released in the future.	Actions should be made to release the retention money as scheduled.

(b) Property, Plant and Equipment

The following deficiency was observed in accounting for Property, Plant and Equipment.

Audit Observation	Comment of the Chief Accounting Officer	Recommendation
Although the value of non-financial assets purchased during the year under review was Rs. 6,763,417 as per Treasury printed SA-10. Its value as per Treasury printed SA-82 was Rs. 6,526,162, which was less than Rs. 237,255 and was included in the statement of non-financial assets.	As at the 31.12.2024, the amount of asset purchases as per SA-10 was Rs. 6,763,417, of which the expenditure incurred by the Ministry of Justice for the purchase of assets was Rs. 6,526,162. The expenditure related to the purchase of other assets, which was Rs. 237,255, was from the provisions provided by the	The financial statements should be recorded the accurate value.

Ministry to the District Secretariats for the purchase of assets under Expenditure Subject No. 110-1-5-2102 The purchase of office equipment required by the Joint Officers attached to the District. Secretariats/Divisional Secretariats under the Ministry was carried out under Expenditure Item No. 110-1-5-2102, and the procurement and accounting for the purchase of such assets are carried out at the Divisional Secretariats. Since no capitalization of assets has been done there, steps will be taken to rectify this error by carrying out the relevant capitalization by the Ministry in the year 2025.

(c) Lack of Audit Evidence

Audit Evidence on the following transaction had not been made available.

Audit Observation	Comment of the Chief Accounting Officer	Recommendation
Although allocations for 03 projects implemented using local funds were transferred to the Divisional Secretariats and expenditure of Rs. 46,990,768 was incurred in this regard, and the relevant expenditure reports to verify those expenditures were not submitted to the audit.	As pointed out in the audit observation, the allocations related to the 3 expenditure items were transferred to the Divisional Secretariats and the relevant expenditure is borne by those Divisional Secretariats and accounted for through treasury printouts. Stated that the vouchers related to those expenses were available in the Divisional Secretariat where the expenditure was incurred.	Expenditure reports should be obtained to confirm whether the relevant objectives have been achieved with the allocated provisions.

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

3. Financial Review

3.1 Management of Expenditure

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) The 14 recurrent expenditure items and 16 capital expenditure items of Rs 3,148,260,000 items had totally remained as savings without spent.	It was informed that the allocations were not utilized due to expenses not being incurred as expected, savings under the expenditure head of the Ministry arising due to the resignation of the Minister on 31 July 2024, with regard to the projects, the relevant institution had directly incurred the expenses and had not made any claims for reimbursement of those expenses, the expenditure relating to the provisions allocated for the Samatha Mandalaya borne by the Ministry.	Requirement should be correctly identified and prepare the estimates.
(b) Although a total provision of Rs. 3,375,000 had been transferred in respect of four expenditure subjects through Financial Regulation 66, but the transferred provision had not been fully utilized and remained the balance.	It was informed that the allocation had a saving due to changes arising from policy decisions and the failure to incur the expected expenditure as impress were not received on time.	The requirement should be correctly identified and action should be taken to transfer provisions.

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| <p>(c) Although a sum of Rs. 1,880,000 had been allocated for the expenditure item 110-1-1-0-1003-0/11 through the supplementary estimates, the amount so allocated had remained in entirety by the end of the year under review, and the total saving of the provisions for that expenditure item was Rs. 2,393,369.</p> | <p>A supplementary estimate for expenditure item 110-1-1-0-1003-0/11 was provided by the National Budget Department to cover additional expenditure incurred for the increased cost of living allowance. However, due to the resignation of the Honorable Minister and that staff in the middle of year 2024, the expected level of expenditure was not required which resulting in a savings of allocations.</p> | <p>The requirement should be correctly identified and the supplementary should be obtained accordingly.</p> |
| <p>(d) Out of the allocated Rs. 2,326,071,250 for 21 recurrent expenditure items and 11 capital expenditure items, as savings Rs. 1,406,807,233 remained which ranged from 16 to 98 percent.</p> | <p>It was stated that the reasons were the limitation on expenditure as per the budget circular, the failure to incur expenditure as expected, the non-receiving approvals for the expected projects, non-requesting for tax refunds, and the inability to hold programs during the election period.</p> | <p>Planned tasks should be performed as expected.</p> |
| <p>(e) Although an allocation of Rs. 19,490,000 had been made under expenditure item 110-1-2-24-2509-17 for the progress of supporting of the Sri Lankan judicial sector, only Rs. 224,796, which was the VAT expenditure, was spent under this expenditure item for obtaining internet facilities in June 2024.</p> | <p>Two expenditure items have been allocated for the Support to Justice Sector project, as 110-01-02-024-2509 and 110-01-02-034-2509. The project is being implemented under the expenditure subject mentioned above, and the expenses incurred under the financial provisions provided to the Ministry have been duly accounted for. However, the expenditure subject 110-01-02-034-2509 has been included by the Department of External Resources without any request from this Ministry.</p> | <p>It is necessary to identify the requirements and take action to plan and implement the planned activities.</p> |

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.

Reference to Laws, Rules and Regulations	Observation		Comments of the Chief Accounting Officer	Recommendation
	Value	Non-compliance		
	Rs.			
Circular No. 5/2008 dated 06 February 2008 as amended by Circular No. 5/2018(I) dated 24 January 2018.	-	The citizen/client charter has not been prepared.	It should be acted as per the circular.	It is stated that the Internal Affairs Unit will prepare it before the end of August 2025.

4. Operating Review

4.1 Non- performances of Functions

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer		Recommendation
(a) Although it was planned to train 3,000 officers through regional training programs utilizing Rs. 15 million from the Support to Justice Sector Project (SJSP), the program was not implemented due to the non-receipt of funds.	It was planned to conduct six regional (provincial) training programs during the year 2024, covering approximately 3,000 officers serving in the courts, utilizing funds provided by the government and facilities received through the Support to Justice Sector project. However, facilities were not available for conducting regional training programs under the Support to Justice Sector project for the year 2024, and due to difficulties in providing the necessary facilities to conduct the said programs in accordance with the provisions under National Budget Circular 01/2024, and therefore regional		Plans should be prepared and implemented through proper study.

training programs could not be conducted.

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| <p>(b) An amount of Rs. 300,000 was estimated for the information technology-based accounting training program. Although it was planned to train approximately 250 officers by the end of the year under review, this program had not been commenced.</p> | <p>It was stated that since the Ministry had decided to relocate the training institute to another location, it was not possible to maintain the computer lab in a operational condition due to the inability to network the computer lab and provide internet facilities for it, and therefore it was not possible to conduct training programs.</p> | <p>The planned activities should be properly implemented.</p> |
| <p>(c) The allocation of Rs. 584,075 provided to 22 Divisional Secretariat Offices under the National Integration Division for the establishment and restructuring of reconciliation societies (110-1-5-14-2509) had not been utilized.</p> | <p>A sum of Rs. 1,962,144 has been released to 15 District Secretariats from the allocation of Rs. 2 million set aside for the establishment and restructuring of reconciliation societies. However, during the period in which the Presidential and Parliamentary elections were held in the 3rd and 4th quarters, the implementation of projects such as the establishment of reconciliation societies were prevented under election laws. As a result, funds amounting to Rs. 584,075 released to the Divisional Secretariat have been returned.</p> | <p>The planned activities should be properly implemented.</p> |
| <p>(d) In accordance with the directives issued by the Committee on Public Account 29th March 2016, and 9th June 2023, the work relating to the preparation of a new Act to replace the Prisons Ordinance No. 16 of 1877 had not been completed as at 31 December 2024.</p> | <p>It was stated that the Attorney General's Department has forwarded recommendations regarding the amendment of the Prisons Ordinance to this Ministry, and that the proposals and recommendations of the Commissioner General of Prisons for those recommendations are being further studied by this Ministry, and that it is planned to present</p> | <p>Steps should be taken to implement the orders of the Public Accounts Committee.</p> |

them to Parliament by December 2025.

4.2 Non-achievement of expected Output Level

The following observation is made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
The total number of training programs planned to be conducted for mediation officers during the year under review was 203, and the total number of programs conducted during the year through government allocations and under the SEDR project was 40, which was a minimum level of 19 percent.	It has been informed that it was not possible to conduct the training program as planned due to insufficient provisions.	Plans should be prepared and implemented after proper study.

4.3 Procurements

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) Although the Fabrication of Record room racks for the Court of Appeal was awarded to a private institution for Rs. 15.7 million on 23 rd October 2024. The agreement for the relevant contract was signed on 22 November 2024, and it had taken nearly one month to complete. The relevant work had not been completed as of the date of this report.	It was stated that the signing of the contract was delayed due to the delay in securing the performance bond, and that although the contractor had provided the racks, the installation was delayed due to limited space.	It should be done in accordance with the agreement.
(b) Although an agreement was signed with the selected contractor on 19 June 2024 for Rs. 20,095,000 to complete the work of implementing an information management system	It was stated that the system is being developed as a module for system installation, of which four have been completed, and that the completion period of the work has been extended due	Tasks should be performed in accordance with the agreement.

for the posts of Commissioner of Oaths, Coroner, Justice of the Peace and Sworn Translator and the work had not been completed by the end of the year under review.

4.4 Assets Management

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) The computer training programs, which are an activity of the Judicial Officers' Training Unit, had not been commenced during the year, and the Computer Unit too had not been in an operational condition. A total of 23 CPUs, 26 monitors, 39 UPS, and furniture and equipment in the computer laboratory remained idle.	Due to the Institute for Training of Non-Judicial Officers having to be moved several locations time to time, the computer equipment mentioned in the audit observation remains idle . It has been proposed to establish this division in the premises of the Ministry of Justice, and it is expected to implement a computer laboratory there in the future and expect to make use idle computer equipment. Furthermore, the CPU unit bearing number 35009871A has been handed over to the store and arrangements have been made to deliver it to the Information Technology Division for inspection. If it is in usable condition, it will be handed over to a division that needs a CPU machine.	Tasks should be performed as planned, and actions should be taken to use of the equipment.
(b) Although it had been proposed to dispose a motorcycle and a three-wheeler, disposal had not been carried out to dispose of them as at 31st December of the year under review.	The WPQB 2005 three wheeler was confiscated by the Matara Magistrate's Court and has been given to use for this Ministry by the Matara Magistrate since 26 August 2014. Before the disposing, a copy of the registration certificate should be obtained,	Action should be taken to implement the recommendations of the Board of survey.

and the requisition should be submitted to the Commissioner of Motor Traffic. The necessary action is being taken for that. The WPMO 2024 motorcycle is currently being examined both physically and documentary. And Action will be taken to dispose after identifying and rectifying the existing deficiencies.

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| <p>(c) Although more than six years have passed since the vehicle was in an accident, the Department of Motor Traffic is currently conducting an investigation because the chassis number and engine number of the vehicle do not match the records in the Department's database. Although more than a year has passed since the commencement of this investigation, it has not yet been concluded.</p> | <p>A request has been made to the Investigations from the Department of Motor Traffic to provide information regarding the current status of the physical examination of the vehicle bearing registration number PA 5045. As a response has not yet been received, a reminder will be sent, and the investigation will be concluded and then further action will be taken accordingly.</p> | <p>Action should be taken to conclude the investigation promptly.</p> |
| <p>(d) Twelve vehicles had been provided to six institutions, including four institutions under the Presidential Secretariat, the Ministry of Fisheries, and the Ministry of Justice; however, no action had been taken either to reassign them or to transfer them to those institutions.</p> | <p>Information regarding this matter will be obtained, and based on the approval of the Ministry, the vehicles will be assigned physically to the respective institutions and further action will be taken.</p> | <p>Action should be taken to seize or transfer the relevant vehicles.</p> |
| <p>(e) The acquisition of the land of 0.2023 hectares where the Nuwara Eliya Tourist Bungalow is located, the land of 01 Ruda 10 perches where the Rakwana Tourist Bungalow is located, the land of 0.1760 hectares where the Battaramulla Children's Magistrate's Court is located and the land of 2.4281 hectares (06</p> | <p>It was informed that a follow-up would be conducted regarding future actions.</p> | <p>Land acquisition activities should be completed.</p> |

acres) belonging to the BCC Lanka Company where the courthouse is being constructed, had not been completed the acquisition activities during the year under review.

4.5 Security of Public Officers

The following observation is made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
According to Financial Regulation 880, the public Officers' security Ordinance, and the Ministry of Justice Circular No. 01/2011 dated 18th January 2011, 12 officers who are required to furnish sureties had not done so as at the 31 st of December 2024.	The security deposit applications of the officers of this Ministry who have not yet kept their deposits were forwarded to the Attorney General's Department on 13 th October 2024.	Actions should be taken to provide security in accordance with financial regulations.

4.6 Management Weaknesses

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) A cab had met with an accident on 17 th January 2020, and although the final report on losses under Financial Regulation 104(4) submitted in November 2021 had recommended recovering of the outstanding amount of Rs. 218,175 from the driver, which had not been reimbursed by the insurance company, no action had been taken to recover it.	The relevant officers have been informed to take the necessary measures to conduct a subsequent review regarding this matter and to recover the losses.	Actions should be taken to recover the losses after completion the subsequent review.

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| <p>(b) Although a preliminary report on losses under Financial Regulation 104(3) was submitted on 10 April 2024 regarding the displacement of the front number plate of the vehicle WPPH 1288 on 09 April 2024, the final report had not been issued by the date of audit. Furthermore, this vehicle had also been met with an accident on 26 August 2024.</p> | <p>The relevant officers have been informed to act in accordance with Financial Regulation 104.</p> | <p>Losses should be investigated and reported.</p> |
| <p>(c) The total number of disputes to be resolved by the Mediation Boards during the year under review was 233,648, out of which the total number of disputes for which certificates of settlement were issued was 67,044. This was a low percentage of 29 percent, and out of which the number of disputes that were not resolved due to the non-appearance of the parties to the proceedings was 91,083.</p> | <p>It was identified that the public's lack of awareness regarding the mediation methods has been the reason for this, and that community awareness programs are being implemented to increase public awareness and confidence in mediation and that public officials and the community are being educated through Mediation Development Officers and Development Officers at the Divisional Secretariat level.</p> | <p>Dispute resolution should be resolved promptly and measures should be taken to educate the public about mediation.</p> |
| <p>(d) In the examination of the attendance of members at the meetings of the Mediation Board Commission, the participation of one member was at a minimum level. Out of the 33 meetings held from January to September 2024, he had attended only 04 meetings and had received a monthly allowance of Rs. 25,000 for four months.</p> | <p>Discussions were also held with the Department of Management Services in this regard, and it was proposed to revise this allowance as a Sitting Allowance for meetings. The Department of Management Services will take further action in this regard.</p> | <p>Efforts should be made to involve members in meetings.</p> |
| <p>(e) Out of the 329 Mediation Boards, 175 gazette Mediation Boards whose terms of office terminated before 30 June 2024 had not yet been appointed as at the date of the audit of which more than 03 years had passed</p> | <p>Due to the insufficient allocations provided by the budget estimates for the year 2023 as well as the year 2024 (although Rs. 25 million was requested, only Rs. 0.5 million was allocated for the year</p> | <p>The establishment of mediation boards and the appointment of members should be done promptly.</p> |

- since the term of office of 72 Mediation Boards had terminated.
- 2024), it was not possible to conduct the five-day training workshops on mediation skills and tactics as expected, and therefore, the appointment of new members has been delayed.
- (f) The total outstanding balances of Rs. 695,221 due from 04 suspended officers and 02 officers who had left the service had remained uncollected for more than 05 years.
- It was stated that legal action had been taken against the suspended officers and that the debts of the two officers who had left the service had been referred to the Attorney General's Department.
- Action should be taken to recover the debt promptly.
- (g) The project to construct 3000 rainwater harvesting tanks in Jaffna district had a provision of Rs. 160 million remain to the non-signing of MOUs between the Government of India and the Government of Sri Lanka. Although the project period had now terminated, its physical progress remained at a low level of 22 percent.
- The MOU signed between the two countries for this project, which is being financed by the Government of India, has not been extended yet. Discussions are ongoing regarding the extension of the MOU. However, since this is an agreement between two states, the National Integration Division will take immediate action.
- Actions should be taken to properly complete the planned work.
- (h) The implementation agreement with the Ministry had not been signed due to the non-approval of the new social integration project proposal, which consisted of a foreign grant of Rs. 300 million and foreign financing of Rs. 500,000.
- The implementation agreement has not been signed as the project proposal was not approved.
- Actions should be taken to properly complete the planned work.