

Sri Lanka Judges' Institute – 2018

The audit of the operational activities of the Sri Lanka Judges' Institute for the year ended 31 December 2018 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 .

1.2 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Each audit entity should maintain its own books and records of its income, expenditure, assets and liabilities to enable it to prepare annual and periodic financial statements on that entity in terms of Section 16 (1) of National Audit Act No. 19 of 2018 . The Annual Financial Statements for each audit entity should be submitted to the Auditor General by the Chief Accounting Officer along with the Annual Performance Report of such instances as may be specified by the rules in terms of Section 16 (2) of the Act. It should be ascertained to prepare Annual Reports and other financial statements within the required time period in terms of Section 38 (1) (d) of the Act and in addition to that the Chief Accounting Officer should be responsible for presenting of the Annual Reports related to the entity which was being audited to Parliament. However, the annual financial statements of the Statutory Boards should be submitted to the Auditor General within 60 days after the closure of the accounting year in terms of Section 6.5.1 of the Public Enterprises Circular No. PED/ 12 of 02 June 2003 and the Treasury Circular No. 01/2004 of 24 February 2004, the financial statements of the year 2018 had not been presented for audit even by 31 May 2020 .

2. Audit Observations

2.1 Non-compliance with Laws, Rules and Regulations

Reference to Laws, Rules and Regulations	Non-compliance	Comments of the Management	Recommendation
(a) Financial Regulation of Democratic Socialist Republic of Sri Lanka			
(i) Financial Regulation 261 (1) and 261 (2)	The voucher numbers and cheque numbers had not been stated on the appropriate places in all the vouchers of December 2018 voucher file (Pages No.1 to 208)	The relevant vouchers had not been properly prepared	The voucher number and cheque number were required to have at the appropriate place in all payment

and November 2018 voucher file (Pages 1 to 150).

due to the absence of a permanent Accountant in the Institute at that time and it is informed that the actions would be taken to prepare it properly in future.

vouchers in terms of Financial Regulation.

(ii) Financial Regulation (d) 396

Actions had not been taken in respect of 08 cheques valued at Rs. 16,924 as per the bank reconciliation statement submitted by the Institute as at 31 December 2018.

The aforesaid problematic situation has been arisen due to the absence of a permanent Accountant in the Institute at that time.

Measures should be taken in terms of Financial Regulation.

(b) Public Finance Circulars

(i) Circular No. 01/2014 of 17 February 2014

Measures had not been taken in terms of the Circular whilst preparation of the Action Plan.

Circulars have not been followed when preparing the Action Plan 2018 and it is informed that the measures will be taken in terms of the aforesaid Circular in due course.

Measures should be taken in terms of the Circular.

(ii) Circular No. 03/2015 of 14 July 2015	It was impossible to observe adequately through the existing advance register whether the ad hoc sub imprest activities took place within the Institute.	It is accepted that the aforesaid problematic situations have arisen due to the absence of a permanent Accountant. Steps will be taken to avoid such issues in future.	Measures should be taken in terms of the Circular.
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2.2 Activity and Review

Audit Observation	Comments of the Management	Recommendation
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2.3 Management Activities

The following observations are made.

Audit Observation	Comments of the Management	Recommendation
<p>(a) It could not be satisfied with the financial performance of the Institute since the ledger and journal entries were not maintained as at 31 December 2018 .</p>	<p>Those problematic situations have arisen due to the absence of a permanent Accountant in the Institute by the year 2018 and steps are being taken to prevent arising of such problems in future.</p>	<p>The accounts should be updated by maintaining account records and books and reporting the relevant transactions accurately.</p>
<p>(b) Capital provision for the year under review was Rs.6 million and the expenditure as at 31 December 2018 was Rs.0.22 million. Accordingly, since the financial progress was 3.65 per cent as at 31 December 2018, utilization of capital allocations had remained very low.</p>	<p>The capital allocation for the year under review was Rs.6 million and the expenditure as at 31.12.2018 was Rs. 0.22 million out of that. It is informed that purchases were not made because of the following reasons.</p> <p>To purchase books to the Library. Although it was expected , as a result of the anticipation of the removal of the library from that place by 2018 for renovations on the upper floor, book purchases were not made.</p> <p>To purchase Photocopy Machines Although it was expected, there was no possibility of conducting weekend workshops because of the crowd of pigeons on the roof in the Auditorium of</p>	<p>The ability to perform the estimates when preparing them should also be taken into consideration and provisions should be utilized in a way that generate a value for money.</p>

Judges at that time. For this reason, purchasing of new Photocopy Machines were not taken place.

Purchase of Furniture and Chairs did not take place due to the fact that the roof of the upper floor was to be renovated and no workshops were held.

Although it had been planned to renovate the auditorium and the library of the upstairs by occupying the Army and Navy by the year 2018, it was not carried out. Later on, the repair works were commenced by the Ministry of Justice.

Current Status: (The works are currently being completed.)

2.4 Staff Management

Audit Observation	Comments of the Management	Recommendation
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<p>Being the approved cadre of the Institute as at 31 December 2018 was 24 and the actual number of employees were 13, the number of vacancies were 11 . The number of vacancies was 46 per cent out of the approved cadre. Among the vacant posts, there were the posts such as Research Officer, Assistant Accountant and Management Assistant which had directly contributed to the functions and performing of the task of the Institute.</p>	<p>It is stated that the steps has not been taken in this regard by the year 2018 and the applications have been called for all vacancies according to the current situation.</p>	<p>Arrangements should be made to fill the vacancies.</p>