

Transactions of the Sri Lanka Judges' Institute - 2019

The audit of the operations of the Sri Lanka Judges' Institute for the year ended 31 December 2019 was carried out under my direction in pursuance of provisions in Article 154 (3) 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

In terms of Section 16 (1) of the National Audit Act No. 19 of 2018, every auditee entity shall maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared in respect of such entity. In terms of Section 16 (2) of the National Audit Act No. 19 of 2018, the annual financial statements in respect of every other auditee entity, shall be submitted by the Chief Accounting Officer to the Auditor-General along with the annual performance reports, within such period as may be provided by rules. In terms of Section 38 (1) (d) of the Act, it shall be ensured that the annual and other financial statements are timely prepared and submitted and in addition, the Chief Accounting Officer shall be required to submit annual reports to Parliament pertaining to the auditee entity. Although the Annual Financial Statements of the Statutory Institutions should be submitted to the Auditor General within 60 days after the end of the financial year as per Section 6.5.1 of the Public Enterprises Circular No. PED / 12 dated 02 June 2003 and the Treasury Circular No. 01/2004 dated 24 February 2004, the financial statements for the year 2019 had not been submitted for audit even by 26 March 2021.

2. Audit Observations

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

	Reference to Laws, Rules and Regulations	Non -Compliance	Comments of the Management	Recommendation
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(a)	Financial Regulations of the Democratic Socialist Republic of Sri Lanka			
(i)	FR 110	A register on damages had not been updated and maintained in compliance with the prescribed format for recording damages.	A register on compensation for damages had not been maintained and I would like to inform you that action would be taken to start maintaining that register.	Action should be taken in terms of the Financial Regulations.

(ii) FR 395 (d)	A responsible officer of the Institute had not signed the bank reconciliation statements prepared for the year 2019 and there had been an unidentified balance of Rs.5,539,787 from December 2019 as per those bank reconciliation statements.	Bank Reconciliation Statements had not been duly prepared as at 31.12.2019 and the bank balance according to the cash book was Rs.7,142,089.51.	Action should be taken in terms of the Financial Regulations.
(iii) FR 1646	Daily running records of each month, along with the original copy of the monthly travel summary, had not been submitted to the Auditor General.	Reply had not been provided.	Action should be taken in terms of the Financial Regulations.
(iv) FR 1653	There had been many instances where the officer, who used the vehicles had not signed the daily running records.	Steps have been taken to sign the document without delay.	Action should be taken in terms of the Financial Regulations.
(b) Public Finance Circular No. 01/2014 dated 17 February 2014	The Action Plan had not been prepared in accordance with the above Circular.	I would like to inform you that the Action Plan would be prepared by including the requirements mentioned by you in the preparation of it for the ensuing year.	Action should be taken in accordance with the Circulars.
(c) Paragraph 3.1 of the Public Administration Circular No. 30/2016 dated 29 December 2016	Fuel testing had not been carried out for the vehicles of the Institute.	I would like to inform you that a fuel test will be carried out in the future in accordance with the relevant Provisions.	Action should be taken in accordance with the Circulars.

(d)	Public Administration Circular No. 02/2018 dated 24 January 2018	The Annual Performance Agreements had not been signed for the entire staff employed in the Institute as per Format No. 01 of the above Circular and the Human Resource Development Plan of the Institute had not been prepared as per Format No. 02.	I would like to inform you that a Human Resource Development Plan will be prepared for the year 2021.	Action should be taken in accordance with the Circulars.
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2.2 Management Inefficiencies

----- Audit Observation -----	Comments of the Management -----	----- Recommendation -----
Although provision of Rs. 6.5 million had been approved for the capital expenditure of the Institute, the entire provision had been saved as it had not been utilized.	Reply had not been provided.	The ability to accomplish the estimates should also be considered when preparing them.

2.3 Operational Inefficiencies

----- Audit Observation -----	Comments of the Management -----	----- Recommendation -----
(a) Although it had been planned to conduct 18 special seminars comprised of 04 seminars for High Court Judges, 06 seminars for District Judges, 06 seminars for Magistrate Judges and 02 seminars for Quasi-Judges as per the Action Plan, only 04 special seminars comprised of 1 seminar for High Court Judges, 02 seminars for judicial officers and one seminar for quasi-judges had been conducted.	Reply had not been provided.	Action must be taken to achieve the goals set out in the Action Plan.
(b) Arrangements had not been made to hold the Presentation Symposium of Judges and the Course on Research Methodology, which had been planned to be implemented for Judges under the capacity development programmes set out in the Action Plan.	Reply had not been provided.	Action must be taken to achieve the goals set out in the Action Plan.

2.4 Procurement Management

Audit Observation	Comments of the Management	Recommendation
(a) Although an invitation for procurement can be posted on the Website, in addition to the normal advertising procedure if the procurement entity wishes to do so, in accordance with Sub-Section 9.8 (a) of the Government Procurement Guidelines, quotations had been called via email to purchase air tickets for attending the training held in India on 12 and 13 January 2019.	The relevant tickets have been purchased by calling quotations via email owing to the urgent need and nature of this service.	Action should be taken in compliance with the provisions of the Government Procurement Guidelines.
(b) Quotations had been called via electronic media on 03 occasions by violating Section 9.8 (d) of the Government Procurement Guidelines.	The relevant tickets have been purchased by calling quotations via email owing to the urgent need and nature of this service.	Action should be taken in compliance with the provisions of the Government Procurement Guidelines.
(c) Amounts of Rs.103,125 and Rs.257,303 had been paid for entertainment activities of the workshops conducted at the Institute and for the cleaning service of the Institute respectively from 01 January 2019 to 30 June 2019 without entering in to agreements.	Payments are currently being made subsequent to entering in to the service agreement.	The procurement process should be carried out timely and payments should be made after entering into service agreements.

2.5 Staff Management

Audit Observation	Comments of the Management	Recommendation
Although the approved cadre of the institute was 24 and the actual staff was 13 and as a result, there were 11 vacancies in the entire staff. It accounted for 46 percent of the approved staff.	Arrangements are being made at present to recruit officers for the vacancies.	Action should be taken to fill the vacancies of the essential posts.