

1.1 Unqualified Opinion

The audit of the financial statements of the National Authority for the Protection of Victims of Crimes and Witnesses for the year ended 31 December 2019 comprising the statement of financial position as at 31 December 2019 and the statement of comprehensive income, 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 Financial Act No. 38 of 1971 . My comments and observations which I consider should be report to Parliament appear in this report.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Authority as at 31 December 2019, 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 Unqualified Opinion

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 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 determine 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 Authority’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority’s financial reporting process.

As per Section 16(1) of the National Audit Act No. 19 of 2018, it 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 Authority.

1.4 Audit Scope (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 scepticism 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 the Authority's internal control.
- Evaluate the appropriateness of the accounting policies adopted by the management and the fairness of the accounting estimates used the related disclosures.
- 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 of information to enable a continuous evaluation of the activities of the Authority, and whether such systems, procedures, books, records and other documents are in effective operation;

- Whether the Authority has complied with applicable written law, or other general or special directions issued by the governing body of the Authority ;
- Whether the it has performed according to its powers, functions and duties; and
- Whether the resources had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

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

Reference to Laws, Rules, Regulations etc.	Non-compliance	Comments of the Management	Recommendation
(a) Assistance to and Protection of Victims of Crime and Witnesses Act No. 04 of 2015			
(i) Sub-section 12 (1) of Part IV	Although the administration and management of the affairs of the Authority should be assigned to a Board of Management, such a Board of Management had not been appointed on the date of submission of the financial statements of the Authority and as a result, there was a problem with having	Although the responsibility for the prepared final accounts for the year ended 31.12.2019 had been assigned to the Board of Management of the Authority, the Board of Management was resigned as per the Circular PS/SP/SB/Circular/02/2019 issued by the Presidential Secretariat	Actions should be taken to appoint the Board of Management promptly.
	responsibility for financial statements.	on 28.11.2019 and it has not been appointed yet. Taking the responsibility for financial statements was done by the Secretary to the Ministry of Justice, Human Rights and Law Reforms, the Chief	

Accounting Officer of the Authority.

(ii) Section 29(5)

There should be a security fund belonging to the Authority and although proper accounts should be kept in respect of the income and expenses and assets and liabilities of the Fund, the assets and liabilities of the Security Fund had not been consisted in the balance sheet of the Authority.

The statement of income and expenditure of the Security Fund of the Authority has been submitted separately. Transactions with regard to any asset or liability has not been occurred from the Security Fund by now. Accordingly, arrangements have been made to indicate the Security Fund of the Authority separately as an equity on the balance sheet by Note No. 16. Arrangements will be made to prepare a separate balance sheet for the Security Fund if any transaction will be occurred in future in order to the assets and liabilities regarding the Security Fund.

Actions should be taken in accordance with the provisions of the Act.

2. Financial Review

2.1 Financial Results

The operating result of the year under review was a surplus of Rs.543,765 and the corresponding surplus of the preceding year was Rs. 487,801. Accordingly, the growth in the financial result was Rs.55,964 .

3. Operating Review

3.1 Uneconomic Transactions

Audit Observation	Comments of the Management	Recommendation
<p>It had been determined by the Board of Directors Paper No. 19/2019 to conduct the Awareness Programmes at the Bandaranaike Memorial International Conference Hall (BMICH) without calling bids. Accordingly, the Authority had conducted 06 awareness programmes of the Colombo District therein and if it was held at the Sri Lanka Institute of Development Administration (SLIDA) which was the lowest bidder at the first call for bids, a sum of Rs.3,094,569 could have been saved.</p>	<p>When conducting awareness programmes bids have been called from three government agencies most of the time and there have been many occasions of practical difficulties faced in conducting programmes. Nevertheless, no such difficulties to be faced in conducting programmes at BMICH . The approval have been obtained from the Minute 2019/19 of Board of Directors based on this situation to held the Awareness Programmes conduct by the National Authority at BMICH.</p>	<p>Arrangements should be made in accordance with procurement tasks.</p>

3.2 Management Inefficiencies

Audit Observation	Comments of the Management	Recommendation
<p>(a) Although the provisions should be made for planned activities based on the action plan of the institution when preparing the budget estimates, a sum of Rs. 17 million saved due to the preparation of over estimates by the Authority for the year under review, had been returned to the Ministry.</p>	<p>As it had not happened to obtain another building on a rental basis as expected in the year under review, because of failure to recruit Protection Officers, not receiving the approval for the relevant Scheme of Recruitment for the post of Director (Care), Director (Assistant)</p>	<p>Estimates should be prepared in realistic and accurate manner.</p>

from the Department of Management Services, actions were taken to return a sum of Rs.17,000,000.00 from Recurrent Provisions to the Line Ministry subjected to the approval of the Board of Management.

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| <p>(b) Thus the advances provided at 26 instances were Rs. 785,675 and the expenditure was Rs.414,894, a sum of Rs.370,781 had been provided exceeding the required limit. It had ranged from 25 per cent to 100 per cent.</p> | <p>Even though the advances were obtained according to the number expected to be attended for the programmes, the advances obtained are saved due to non-participation of 100 per cent. The mistakes occurred were identified and steps will be taken to minimize these mistakes in future.</p> | <p>Only a sufficient amount of money should be given as advances for the relevant work based on the estimates</p> |
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3.3. Operational Inefficiencies

Audit Observation	Comments of the Management	Recommendation
<p>The number of complaints received to the Authority were totalled to 399 in the years 2016, 2017, 2018 and 2019 as 12, 49, 86 and 252 respectively. The total number of complaints completed during the four years was 153 and it was 8,37,47 and 61 respectively. It was 66, 75, 55 and 24 per cent as a percentage of the number of complaints received. Since the Security Division or the Assisting a Division has not yet been established by the Authority, the Legal Division had carried out activities of 16 requests made for assistance and 81 complaints had been referred to the Victims of</p>	<p>Out of all the complaints received by the Authority by the end of the year 2019, a number of 153 have been fully completed. Likewise, the Authority has given instructions when seeking legal advices by police stations at 22 occasions and security provisions relating to 14 orders under Section 24 issued by the Authority are being carried out with the support of Victims of Crimes and Witnesses' Assisting and</p>	<p>The Security Division and the Assisting a Division of the Authority should be established expeditiously.</p>

Crimes and Witnesses' Assisting and Security Division of the Sri Lanka Police Department.

Security Division under the interference of the Authority.

Accordingly, it is informed that the Authority had to keep many complaints open until the completion of court proceedings.

3.4 Procurement Management

Audit Observation	Comments of the Management	Recommendation
<p>Although it has been stated that electronic bidding will not be permitted in terms of Sub-section 9.8 (d) of the Government Procurement Guidelines, prices submitted through email (Gmail) had been accepted from a private bookstore for a purchase of Rs. 183,015 on 10 October 2018 and Bandaranaike Memorial International Conference Hall (BMICH) for Awareness Programmes at a total of Rs.4,704,819 on 06 occasions.</p>	<p>Attention will be drawn on the mistakes and steps will be taken to prevent happening of such things in future again.</p>	<p>Actions should be taken in accordance with the provisions of the Government Procurement Guidelines.</p>

3.5 Human Resources Management

----- Audit Observation -----	----- Comments of the Management -----	----- Recommendation -----
Although the approved number of employees of the Authority was 55 , the actual number was 38 as at 31 December 2019. Fourteen posts were in vacant that directly affected the role of the organization.	The Scheme of Recruitment for the Director vacancies has been submitted to the Department of Management Services for approval. There is 01 vacancy for investigating officers. Because of the Protection Officers are under the supervision of Directors, Protection Officers cannot be recruited until those vacancies are filled. The recruitments have been suspended until the vacancy of Communication Officer is further reviewed and notified as per the Management Services Circular dated 20.11.2019 .	Since the existence of vacancies in these positions directly affects the achievement of the objectives of the organization, actions should be taken to fill the vacancies.