Annual Performance Report

2025

Law Commission of Sri Lanka
Expenditure Head No -235

Annual Performance Report for the year 2025

Law Commission of Sri Lanka

Expenditure Head No -235

Contents

			Page No
Chapter 01	-	Institutional Profile/Executive Summary	3 - 19
Chapter 02	-	Progress and the Future Outlook	20
Chapter 03	-	Overall Financial Performance for the Year	21 - 38
Chapter 04	-	Performance indicators	39-40
Chapter 05	-	Performance of the achieving Sustainable Development Goal (SDG)	41 - 42
Chapter 06	-	Human Resource Profile	43 - 45
Chapter 07	-	Compliance Report	46 - 53

Chapter 01- Institutional Profile/Executive Summary

1.1 Introduction

The Law Commission of Sri Lanka was established under the Law Commission Act No. 03 of 1969, and it is the main government institution which recommends legal reforms. The Department of Law Commission is constituted to extend administrative and research support.

1.2 Vision, Mission, Objectives of the Institution

Vision

To promote reform of the Law for good governance

Mission

Implementation of the functions prescribed in the Law Commission Act No 03 of 1969 for the promotion of the reform of the Law.

Objective

The main object of the Law Commission is to promote the reform of the law.

1.3 Key Functions

i. The codification of Law.
ii. The elimination of anomalies.
iii. To take and keep under review the law both substantive and procedural with a view to its systematic development and reform.
iv. The repeal of obsolete and unnecessary enactments.
v. The simplification and modernization of the law.
vi. To receive and consider any proposals for the reform of the law.
vii. To prepare and submit to the Minister, from time to time, programmes for the examination of different branches of the law with a view to reform.
viii. To obtain such information as to the legal systems of other countries.
ix. To keep under constant review the exercise by bodies, other than parliament, of the power to legislate by subsidiary legislation with a view to ensure that they conform to well establish principles and to the rule of law.
x. To formulate programmes for rationalizing and simplifying legal procedures including procedures of an administrative character connected with litigation.
xi. To formulate programmes for the codification of the law in Sinhala, Tamil and English.

Law Commission members in year 2025

I. Hon. Retired Judge Mr. E. A. G. R. Amarasekara – Chairman
II. Hon. Retired Judge Mr. Ruwan Fernando
III. Ms. Indira Samarasinghe (P.C)
IV. Mr. Niel D.B. Unamboowe (P.C)
V. Mr. Aruna Shantha De Silva (P.C)
VI. Ms. Indika Demuni de Silva (P.C)
VII. Ms. Farzana Jameel (P.C)
VIII. Mr. Harsha Fernando (P.C)
IX. Mr. Viran Corea (P.C)
X. Prof. Ms.Wasantha Senewiratne
XI. Dr. Sunil D.B. Abeyratne
XII. Riad Ameen - AAL

Ex-officio members.

I. Hon. (A.G) Parinda Ranasinghe (P.C), Attorney General's Department.
II. Ms. Shehara Weerakoon – Deputy Legal Draftsman, Legal Draftsman's Department.
III. Ms. Piyumanthi Peiris – Addl.Sec. (Legal Division, Ministry Of Justice).

Department Staff:

- Ms. Sewwandi Abeysekera, Secretary /Department of Law Commission
- Ms. Lilanthi Pathinagoda, Deputy Secretary / Department of Law Commission
- Ms.Yasanji Chathurangika, Assistant Secretary / Department of Law Commission

Law Commission of Sri Lanka – Law Reforms Discussed – 2025.08.15 -2025.12.31

The Law Commission appointed by the President on 15th August 2025 by the President of Sri Lanka.

Reference and date	Name of the Law Reform	Brief Introduction on the Reform	Completed duties during the period and the progress
The Hon. Minister of Justice forwarded the letter No. MOJ/L(1)/523/2021, MOJ/L(1)/547/2023, MOJ/L(1)/370/2023, MOJ/L5/590/2024(SUB)/MOJ/L 13/571/2023 dated 26.08.2025 on "Submission of Draft Legislation for Review and Further Action"	1.Prison Administration Bill – L.D.O.6/2015	Draft Bills forwarded to the review of the Law Commission	Appointed a subcommittee to study. (Conducted 01 subcommittee meeting) Waiting for receiving the comments of the Commissioner General of Prisons for the letter sent by Ministry of Justice (MOJ/L/(1)/370/2023 dated 2025.11.24
	2. Penal Code (Chapter 19) Strengthening Legal provisions to prohibit sexual harassment and sexual assault. (Supplement dated 04.07.2024)		Appointed a subcommittee to study. (Conducted 03 subcommittee meeting) Finalized Reports 01
	3.Commission for Truth Unity and Reconciliation in Sri Lanka Bill (Supplement dated 01.01.2024)		Appointed a subcommittee to study. (Conducted 05 subcommittee meeting) Research Reports :01
	4. Amendment to the Primary Court Procedure Act (Supplement dated 26.07.2024)		Appointed a subcommittee to study. (Conducted 02 subcommittee meeting) Finalized Reports :01

	5. Remission of Sentence Act – L.D.O 62/2024		Appointed a subcommittee to study.) (Conducted 03 subcommittee meetings Research Reports :01
The Chairman and the members of the Law Commission – 09.08.2025 01st Law Commission meeting	Planning Committee - Programme of Work 2026	To propose the programme of work 2026	Appointed a Planning Committee (Conducted 02 subcommittee meetings) Finalized Reports :01
Committee to consider the establishment of the Office of the Director of Pubic Prosecution The Chairman of the Law Commission appointed to the above Committee by the Ministry of Justice. Therefore, the Chairman proposed to appoint a subcommittee to study and review.		Appointed a Subcommittee to Study and review 2025.10.02	No. Subcommittee meetings:02 Research papers tabled:02
Forwarded by Hon. Minister of Justice to the Law Commission by the letter No. MOJ/L7/LC-(01)/2018 dated 19.09.2025	Disciplinary Control of Attorneys at Law and the Supreme Court Rules	Appointed a Subcommittee to Study and review 2025.10.02	No. Subcommittee meetings:02 Research Papers tabled:01

Finalized Reports 2025

Programme of Work for the Year 2026 of the Law Commission

1. Introduction

The Law Commission Act, No. 3 of 1969, established the Law Commission of Sri Lanka as the government institution responsible for legal reforms. Its primary purpose is to review and recommend changes to the law to promote its systematic development, reform, and modernization. The vision of the Law Commission is to promote reform of the Law for good governance. The mission is to implementation of the functions prescribed in the Law Commission Act No 03 of 1969 for the promotion of the reform of the Law.

2. Present selection criteria of the research areas.

At present the Commission select the research areas based on the requests forwarded by the Ministry of Justice and the other line ministries and the suggestions forward by the members of the Law Commission at the Law Commission meetings.

3. Strategy proposed by the Law Commission to identify the areas of law which need reforms

The Commission decided to offer research and internship opportunities to the university students and to collect information with regard to research already done by the universities which suggest law reforms. The Planning Committee had a meeting with the Bar Association representatives to develop a strategy to collect information with regard to areas of law which need reviews and reforms. The Commission decided to request from the Judicial Service Commission to provide information on any decision made by the judiciary which recommends law reforms. The Planning Committee decided to meet with various stakeholders to collect information with regard to law reforms on various fields such as Chamber of Commerce etc.

The Committee had a meeting with the representatives of the Organization of Professional Association and intend to develop a close relationship with OPA regarding law reforms where necessary.

4. Areas identified by the Law Commission to consider in the Programme of Work 2026

The Planning Committee of the Law Commission decided to research and provide recommendations on the following areas of existing legal framework.

i) <u>Competition Law</u>

Competition Law/ Antitrust Law is a set of regulations designed to promote fair competition in the market by preventing anti-competitive practices such as monopolies, cartels, and abuse of dominant market positions. Its goal is to protect consumers, encourage innovation, and ensure a level playing field for businesses.

ii) Digital law

Digital law is the body of law that regulates activities and relationships in the digital world, covering areas like online conduct, data protection, and cyber security. It adapts existing legal principles and creates new regulations to address the challenges of digitalization, ensuring a safer and fairer online environment for individuals and organizations.

Further the Commission decided to study the need of a legal framework relating to AI.

iii) Bail Act

Sri Lanka’s Bail Act, No. 30 of 1997 is the main statute governing bail. Under the Act, the guiding policy is that “the grant of bail shall be the rule, and the refusal of bail shall be the exception.”

However, there are sections and other laws (e.g. Prevention of Terrorism Act, other “special laws”) in which bail is only granted under exceptional circumstances or where the Act expressly limits the court’s discretion.

The Commission decided to consider the above area as the letter No: MOJ/P/GP dated 02.09.2025 on the Government Policy on “Good Country and Beautiful Life “and the Action Plan forwarded by the Ministry of Justice.

iv) Writ Proceedings in Small Claims Courts.

The Small Claims Court is intended to handle smaller monetary disputes (value limited by section 29A of Judicature Act and as specified by the Minister). Pleadings are reduced: plaint, answer, replication.

Evidence and documents: affidavits and exhibits attached to the pleadings, and discovery or production of documents is permitted under certain sections. There is a provision for appeals to the High Court for Province for errors in fact or law or with leave.

Time limit expectation: The law aims to resolve small claim cases within 18 months of initiation of proceedings.

V) **Disciplinary Control of Attorney at law and the Supreme Court Rules**

Hon. Minister of Justice Mr. Harshana Nanayakkara forwarded the above matter for the consideration of the Law Commission by the letter No. MOJ /L7/LC/ (01)/2018 dated 19.09.2025. He referred to the request made by him at the Executive Committee meeting of the Bar Association of Sri Lanka held on 07th April 2025 to consider suitable Amendment of the Judicature Act No.02 of 1979 (as amended) in relation to disciplinary control of Attorneys at law for the attention of the Law Commission from the above letter.

vi) **Legal Education**

The duty of the Law Commission of Sri Lanka regarding legal education is to review the system and formulate programs for its reform and development. This mandate is explicitly outlined in Section 5 of the Law Commission Act, No. 3 of 1969, and is performed in consultation with the Council of Legal Education.

The commission expects to have a consultation with Council of Legal Education in this and act accordingly.

5. Finalized Recommendations

The Commission will be prioritized the areas to be discussed upon the urgency of the recommendations on request. Therefore, some arrangements in the Programme of Work will be varied upon the urgency and the proposals receive outside the Programme of Work. Priority will also be given to any balance work (if any) remaining from the previous year.

The commission expect to conclude at least five recommendations for the year 2026 that may be collected through the item 2,3 and 4 due to the limitations in the existing resources. If the Commission could enhance its capabilities to do more research in accordance of the strategy proposed under Item 3 the Commission will endeavored to do more research.

The commission expects to see the possibility of restarting the annual journal of the Law Commission on concluded recommendations of the Law Commission along with articles written by eminent legal personalities on yearly basis upon the availability of funds and budgetary allocations.

Chairman,
Law Commission
Colombo 12.

Observations on the proposed Primary Court's Procedure (Amendment) Bill

Introduction

These observations are made with reference to the above-mentioned Bill, which seeks to introduce several amendments to the Primary Courts' Procedure Act No. 44 of 1979. Concerns arise both in relation to the procedural framework and the potential consequences of the proposed amendments. The foregoing discussion outlines the key problems identified and sets out the corresponding observations.

Proposed Amendments

This amendment has introduced two new sections, 70A and 70B, immediately after the present section 70 of the Primary Court's Procedure Act. Proposed Sections provide for the Judge of the Primary Court to transfer any case record of which he has made an order under section 68 or 69 to the relevant District Court where:

(a) any party to the dispute as specified in section 66(1)(a) makes an application [S. 70A (1)]
(b) the Primary Court Judge is of the opinion that the matter in dispute is related to a title or interest of a party and is appropriate to be adjudicated by the District Court. [S. 70A(b)]

Issue No:1

The sole purpose of Section 66 of the Primary Court's Procedure Act is undermined.

The scope of the inquiry under special jurisdiction is purely of a preventive nature, awaiting a final adjudication of the rights of the parties in a civil suit. Thus, what is expected of the Primary Court is to maintain the status quo until the rights of the parties are finally decided by the competent court, i.e., the District Court. This view was decided in many reported cases, including *Kanagasabai v Mylvanagam* 78 NLR 280 and *Velupillai and Others v Sivanathan* 1993 1 SLR 123. The above case law highlights that the primary duty of the Judge of the

Primary Court is to maintain peace or to prevent any possible breach of peace arising out of a land dispute.

However, with the proposed amendment mentioned in Section 70A(1)(b), an additional duty is cast upon the Primary Court Judge to form an opinion whether the matter in dispute relates to a title or interest of a party and whether it is appropriate to be adjudicated by a District Court. This additional duty does not reflect the intention of the legislature in enacting the statute. Moreover, under the proposed amendment, the Primary Court Judge would, in effect, be required to assume the role of a District Court Judge. This is not the intended purpose of the original enactment.

Issue No. 2

The proposed procedure may dilute the actual nature of the dispute

Once the case record is forwarded to the District Court, the case is converted into a civil action related to a title or interest of a party. The District Judge must then proceed with the matter as if such a matter had been instituted under Chapter XLIII of the Civil Procedure Code, which relates to the interpleader actions. An **interpleader action** is a legal proceeding filed in the District Court when a person or entity (often called the *stakeholder)* holds money that two or more other persons (the *claimants*) are each claiming, and the stakeholder does not know to whom it should be delivered.

The underlying dispute may, in fact, take the form of a *rei vindicatio*, a partition action, or any other substantive claim, which are distinct actions. While a partition action resolves disputes among co-owners by dividing or selling the property, a rei vindicatio action is instituted by an owner seeking to recover property in the possession of another who lacks legal right. The institution of a partition action requires adherence to specific procedural rules, such as filing a properly constituted plaint in the correct court, providing details about the property's location, extent, shares, ownership, and registration of the action as a lis pendens with the Registrar of Lands to notify other claimants. A rei vindicatio action is filed to recover possession of property from a person who is unlawfully in possession of the land, and the basis of the action is ownership of the property.

When the interpleader procedure is invoked in such circumstances, the essential character of the dispute becomes somewhat diluted. The process under the Primary Courts Procedure Act primarily focuses on preserving the status quo until the District Court adjudicates the matter, rather than determining the substantive rights of the rival claimants. Consequently, the underlying issues of the dispute may remain insufficiently addressed within the framework of the interpleader action.

Concerning the procedure governing interpleader actions, the relevant chapter in section 70B (2) contains no express provision for the identification of the corpus in dispute. This omission is likely to create further disputes among the parties and may result in a proliferation of unnecessary applications and lawsuits, particularly in relation to land matters.

Issue 3

Interim orders of the District Judge under section 70A (2) may nullify the orders granted to maintain peace and encroach upon the revisionary jurisdiction of the Provincial High Court

Section 70A (2) empowers the District Court to revisit the final order made by the Primary Court Judge whilst the matter is pending before the Provincial High Court.

Issue 4

Section 70B (4) may open flood gates in creating further disputes between parties and may encroach on the revisionary powers of the Provincial High Court

The proposed amendment in Section 70B (4) empowers the District Court to set aside, vary, alter, or amend any order made by the Primary Court Judge as per its own motion or on the application of parties at any stage before the final judgment is pronounced.

As per Chapter 4 of the Judicature Act, the District Court shall be a court of record and shall, within its district, have unlimited original jurisdiction. Section 19 of the Judicature Act categorically states that the District Court has exclusive and unlimited “original” jurisdiction. However, Section 70B (4) empowers the District Court to revisit the orders made by the Primary Court Judge and set aside, vary, alter, or amend any such order made under section 70A at any stage before the final judgment is pronounced.

Any nullification of an order made by the Primary Court Judge under section 70A, at any stage prior to the pronouncement of the final judgment, is likely to generate further disputes and uncertainty. A conflicting situation may arise where an order made by the Primary Court Judge under section 68 or 69 is either affirmed or set aside by the Provincial High Court, while the District Court simultaneously issues a contrary order under section 70B (4), or vice versa.

Such circumstances would inevitably open the floodgates to a multiplicity of suits. Although the Primary Court Judge is vested with powers to make orders preserving peace between the parties, the amendment, variation, or setting aside of such orders may precipitate further breaches of the peace until the District Court conclusively determines the rights of the parties. This would frustrate the legislative intention underlying the principal enactment, namely, the maintenance of public peace and the prevention of possible breaches of the peace in land disputes until the final determination of the dispute by the District Court.

Issue 5

Section 70B (5) creates procedural ambiguity

Section 78B (5) seeks to incorporate the procedural rules of the Civil Procedure Code. However, where an action instituted in the District Court is subsequently transformed into a partition action, a dispute relating to State lands, or any other matter governed by special laws, the Civil Procedure Code cannot be mechanically applied while shifting between the regular procedure and that of interpleader actions. As the provision in section 70B (5) remains silent on the procedure to be followed in cases arising under such special laws, it creates procedural uncertainty, which in turn encourages unnecessary applications and the institution of avoidable land actions.

Issue 6

Additional administrative tasks may contribute to further delays

When all cases are mandatorily referred to the District Court under section 70A(b), irrespective of the parties' consent, the workload of the District Court will inevitably increase, resulting in delays in litigation. Such an outcome runs contrary to the intended purpose of the original enactment.

Conclusion

In light of the foregoing issues and their potential consequences, it would be imprudent to adopt the proposed Primary Court's Procedure (Amendment) Bill in its present form, as it risks creating procedural ambiguity, chaos, multiplicity of suits, and undue delays in the administration of justice.

Justice Dr. Ruwan Fernando
29.09.2025

[These observations are based on research conducted by eight Trainee Judges of the Sri Lanka Institute]

Chairman and Members of the Law Commission

Final observations on the Act to Amend the Penal Code (Chapter) 19

The above Bill was referred to the Law Commission by the Hon. Minister of Justice for observations.

The Bill

The Bill under reference seeks to amend section 345 of the Penal Code which deals with the offence of *'Sexual Harassment'*. This offence was introduced by Act, No. 22 of 1995 and was later amended by Act, No.16 of 2006.

The Cabinet of Ministers having considered the Memorandum dated 22.11.2022 titled *'Strengthening the legal provisions to prohibit sexual harassment, sexual assault and sexual bribery and punish the offence of such criminal acts'* submitted by the Minister of Justice had decided on 22.12.2022 to grant approval to amend the said section of the Penal Code as proposed in paragraph 03 thereof. [Vide Cabinet Memorandum and decision]

Accordingly, the draft Bill had been considered by the Hon. Attorney General and following the issuance of the COC it had been published in the Government Gazette of 28.06.2024. [Vide Government Gazette].

However, it appears that the Bill was not been proceeded with thereafter.

Way Forward

In the aforesaid circumstances, it is necessary to obtain a fresh policy decision of the Cabinet of Ministers and follow the applicable procedure in the Constitution and the Standing Orders of Parliament, if, the Government wishes to enact the Bill into law.

Subject to the above, the Law Commission considered the provisions of the Bill having regard to the offence of 'sexual harassment' as set out in Section 345 of the Penal Code, similar legislation in India, Pakistan, South Africa, Singapore, Malaysia, UK, Australia and USA as well as Article 11 of the Convention on the Elimination of Discrimination against Women (CEDAW) General Recommendation No. 19: Violence against Women and applicable decided cases from Sri Lanka and other Jurisdictions.

The Law Commission also considered decided cases, both local and foreign, to better understand the scope, extent and application of the offence and in particular the proposed amendment in section 345(2) of the Bill.

<u>Amendments Proposed to the provisions of the Bill</u>

Although the provisions of section 345 as contained in the Bill are not inconsistent with the Constitution, the Law Commission proposes the following amended texts for the purpose of clarity and lucidity:

<u>English Text</u>

345(1) Whoever, by assault or use of criminal force or by the use of words or actions or by ***~~means of~~*** any communication ***of a sexual nature*** causes ***~~sexual~~*** annoyance or harassment to another person commits the offence of sexual harassment and shall on conviction be punished with imprisonment of either description for a term which may extend to five years or with fine or with both and may also be ordered to pay compensation of an amount determined by court to the person in respect of whom the offence was committed for the injuries caused to such person.

Explanation - "Use of words or actions or by any communication" which amount to sexual harassment shall where it is done in good faith, exclude implied or expressed words or anything done directly or indirectly or a communication upholding moral, ethical or cultural standards and religious orders of the society.

(2) The "use of words or actions" referred to in subsection (1) which amount to sexual harassment includes, ***directly or indirectly -***

(a) making any sound or gesture;
(b) exhibiting any object;
(c) disrobing or compelling ***or inducing*** such person to be naked;
(d) physical contact and advances involving unwelcome and explicit sexual overtures;
(e) demanding or requesting for sexual favours;
(f) showing pornography against the will of such person;
(g) making sexually coloured remarks; or
(h) exposing genitals with the intention of causing alarm or distress.

(3) The "communication" referred to in subsection (1) which amounts to sexual harassment includes ***showing,*** transmitting, distributing, sharing, generating, propagating or publishing, any sexually explicit message, remark, ***symbol, expression, statement,*** image, audio, video ***or other representation or any combination of these, including*** *~~through~~* ***by*** electronic means or internet ***or Artificial Intelligence (AI).***

Explanation 1 - "Publish" means to make the communication available in any such form that it can be heard, seen or otherwise perceived by the public or a member of the public, and includes cause to be published.

Explanation 2 - "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic or similar capabilities regardless of the medium.

Explanation 3 – "Artificial Intelligence" means a machine based system that, for explicit or implicit objectives, infers, from the inputs it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments.

(4) For the purposes of this section an assault may include any act that does not amount to rape under section 363 or grave sexual abuse under section 365B; and

Explanation - "injuries" includes psychological or mental trauma.

Sinhala Text

345 (2) (ඇ) වගන්තිය

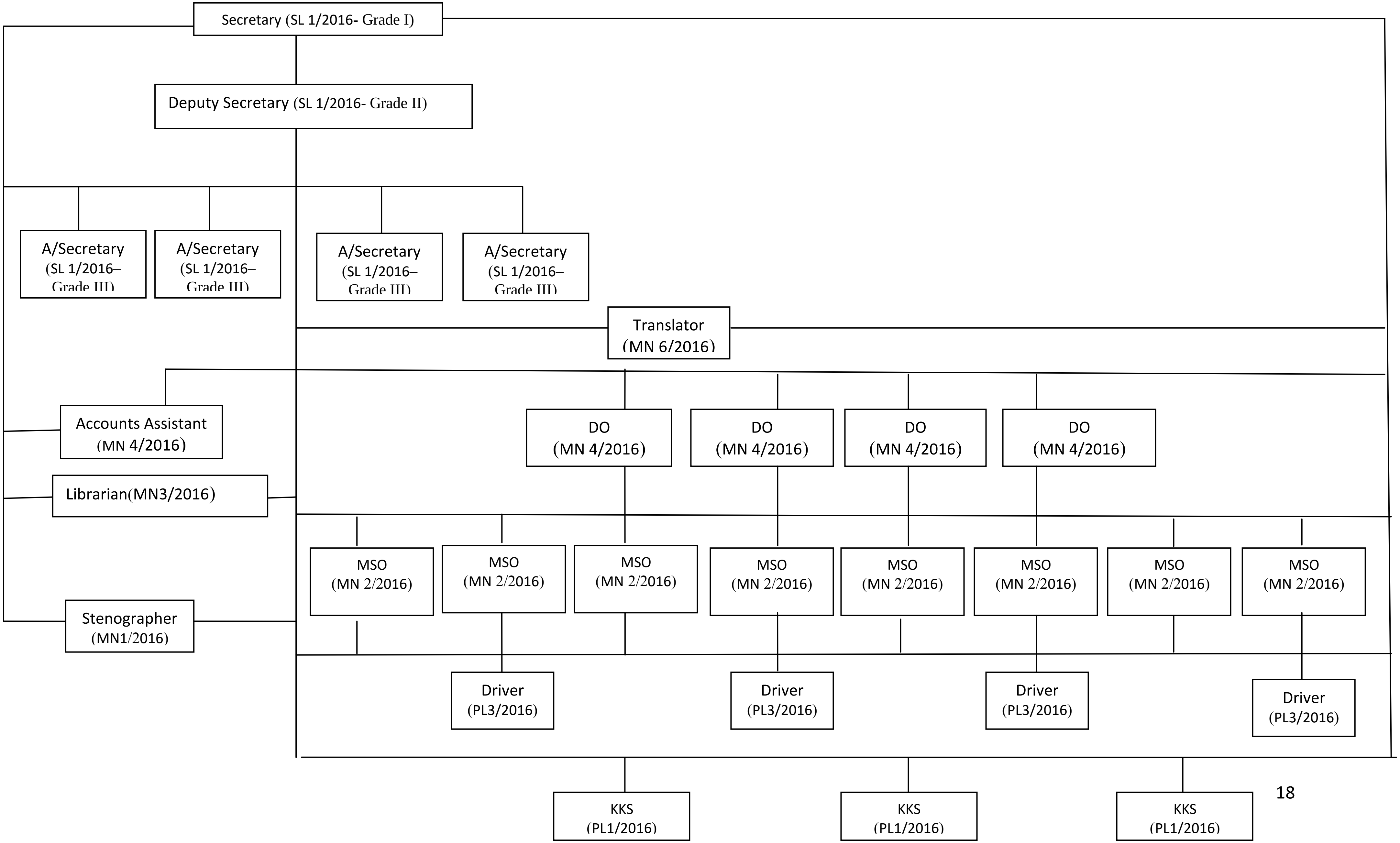
ඇඳුම ගැලවීම හෝ ඒ තැනැත්තාට නිරුවත්වීමට **පෙළඹවීම හෝ** බල කිරීම,

Recommendation

The Law Commission is of the view that the Bill in its present form cannot be proceed with. Hence, the policy underlying it should be referred to the Cabinet of Ministers for a fresh decision. The amendments suggested by the Law Commission should also be considered and where appropriate, be incorporated into the new draft Bill. Thereafter, the procedure laid down in the Constitution and the Standing Orders of Parliament can be followed to enact the Bill into law.

Subject to the above, the Bill and its provisions are not inconsistent with the Constitution. There is no legal impediment under the Thirteenth Amendment to the Constitution in the Bill being enacted into law.

1.4 Organizational Chart



1.5 Departments under the Ministry/ Main Divisions of the Department/ Divisional Secretariats of the District Secretariat

Not relevant to this department.

1.6 Institutions/Funds coming under the Ministry/ Department/ Divisional Secretariats of the District Secretariat

Not relevant to this department.

1.7 Details of the Foreign Funded Projects (if any)

a) Name of the Project
b) Donor Agency
c) Estimated Cost of the Project –Rs. Mn
d) Project Duration

Not relevant to this department.

Chapter 02 - Progress and the Future Outlook

Briefly explain Special Achievements, challenges and future Goals

With the expiration of the term of office of the Law Commission in the year 2025, a new Law Commission had to be appointed to carry out the future work of the Law Commission in the year 2025.

Accordingly, on 15th August 2025, His Excellency the President appointed the new Law Commission with the participation of retired Supreme Court Judge Gamini Amarasekara. It is a very satisfying fact that a Law Commission consisting of retired Judges who held high positions in the legal field of the public service, President's Counsels and university professors, and President's Counsels and attorneys with extensive experience in the legal field has been appointed.

Although the Law Commission was in its final stage of the third quarter of 2025 when it was appointed, the Law Commission was able to plan its legal tasks and activities well in advance for the last quarter of 2025, which helped overcome the challenges related to performance.

Accordingly, it was an achievement of the new Law Commission in 2025 to successfully take the Law Commission's performance towards its goals by achieving key performance indicators optimally within the planned framework.

Hence, the Law Commission's programme plan for the year 2026 was submitted to the Minister of Justice, and the fact that the Minister of Justice was able to study two draft amendments sent to the Law Commission for its consideration and submit final recommendations to the Minister of Justice is also an effective achievement achieved by the Law Commission in a very short period of time.

On behalf of the Law Commission Department, I would like to express my gratitude to the new Chairman of the Law Commission and all the Commissioners who have contributed significantly enhancing the performance of the Law Commission in a very short period of time.

According to the program plan for the year 2026, the Law Commission aims to bring forward proposals on timely and important legal amendments, and it is also expected to provide university students with the opportunity to contribute to legal research activities with the Law Commission.

I also extend my heartfelt gratitude to all the officers of the Department who have been instrumental in enhancing the overall performance of the Department by optimally carrying out their duties towards the goals.

………………………………………

Secretary,

Department of Law Commission

Chapter 03–Overall Financial Performance for the Year ended 31st December 2025

3.1 Statement of Financial Performance

ACA -F

Statement of Financial Performance
for the period ended 31st December 2025

Revised Budget Allocations 2025 Rs.		Note	Actual 2025 Rs.	Actual 2024 Rs.	
-	**Revenue Receipts**			-	
-	Income Tax	1		-	
-	Taxes on Domestic Goods & Services	2		-	ACA-1
-	Taxes on International Trade	3		-	
-	Non Tax Revenue & Others	4		-	
-	**Total Revenue Receipts (A)**			-	
-	**Non Revenue Receipts**		-	-	
-	Treasury Imprests		20,603,000	17,737,902	ACA-3
-	Deposits		-	-	ACA-4
-	Advance Accounts		947,405	807,918	ACA-5
-	Other Main Ledger Receipts		-	-	
-	**Total Non Revenue Receipts (B)**		**21,550,405**	**18,545,820**	
	Total Revenue Receipts & Non Revenue Receipts C = (A)+(B)		**21,550,405**	**18,545,820**	
	Remittance to the Treasury (D)		**310,812**	875,852	
-	**Net Revenue Receipts & Non Revenue Receipts E = (C)-(D)**		**21,239,593**	**17,669,968**	
	Less: Expenditure				
-	**Recurrent Expenditure**				
14,970,000.00	Wages, Salaries & Other Employment Benefits	5	14,457,009	11,491,955	
9,810,000.00	Other Goods & Services	6	8,270,517	9,036,542	ACA-2(ii)
-	Subsidies, Grants and Transfers	7	-	1,491	
20,000.00	Interest Payments	8	-	-	
-	Other Recurrent Expenditure	9	-	-	
24,800,000.00	**Total Recurrent Expenditure (F)**		**22,727,526**	20,529,988	
	Capital Expenditure				
850,000.00	Rehabilitation & Improvement of Capital Assets	10	642,713	583,987	
1,950,000.00	Acquisition of Capital Assets	11	1,597,378	293,105	
-	Capital Transfers	12	-	-	ACA-2(ii)
-	Acquisition of Financial Assets	13	-	-	
400,000.00	Capacity Building	14	227,753	93,648	
-	Other Capital Expenditure	15	-	-	
3,200,000.00	**Total Capital Expenditure (G)**		**2,467,845**	**970,740**	
	Deposit Payments		644,400	773,473	ACA-4
700,000.00	Advance Payments		-	-	ACA-5
	Other Main Ledger Payments		-	-	
	Total Main Ledger Expenditure (H)		**644,400**	**773,473**	
	Total Expenditure I = (F+G+H)		25,839,771	22,274,201	
	Balance as at 31st December J = (E-I)		(4,600,178)	(4,604,233)	
	Balance as per the Imprest Adjustment Statement		(4,600,178)	(4,604,233)	ACA-7
	Imprest Balance as at 31st December		-	-	ACA-3
			-	-	

C.S. Abeysekara
Attorney-at-Law
Secretary
Department of Law Commission
No. 80, 04th Floor, Adhikarana Mawatha,
Colombo 12

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3.2 Statement of Financial Position

ACA-P

Statement of Financial Position
As at 31st December 2025

	Note	Actual 2025 Rs	2024 Rs
Non Financial Assets			
Property, Plant & Equipment	ACA-6	48,468,419	46,784,790
Financial Assets			
Advance Accounts	ACA-5/5(a)	2,740,050	2,909,110
Cash & Cash Equivalents	ACA-3	-	-
Total Assets		**51,208,469**	**49,693,900**
Net Assets / Equity			
Net Worth to Treasury			
Property, Plant & Equipment Reserve		2,740,050	2,909,110
Rent and Work Advance Reserve	ACA-5(b)	48,468,419	46,784,790
Current Liabilities			
Deposits Accounts	ACA-4	-	-
Unsettled Imprest Balance	ACA-3	-	-
Total Liabilities		-	-
		51,208,469	**49,693,900**

Detail Accounting Statements in ACA format Nos. 1 to 7 presented in pages from 7 to 29 and Annexures to accounts presented in pages from 30 to 35 form an integral part of these Financial Statements. **The Financial Statements have been prepared in accordance with the Government Financial Regulations 150 & 151 and State Accounts Guideline No. 02/2025, dated 17.12.2025** and hereby certify that figures in these Finacial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found in agreement.

We hereby certify that an effective internal control system for the financial control exists in the Reporting Entity and carried out periodic reviews to monitor the effectiveness of internal control system for the financial control and accordingly make alterations as required for such systems to be effectively carried out as per the Section 38(1) (C) of the National Audit Act No.19 of 2018

Chief Accounting Officer	Accounting Officer	Chief Financial Officer/ Chief Accountant/ Director (Finance)/ Commissioner (Finance)
Name :	Name :	Name :
Designation :	Designation :	
Date : 2026.02. 25	Date : 2026.02.20	Date : 2026.02. 20

Ayesha Jinasena, P.C.
Secretary
Ministry of Justice and National Integration
No: 19, Sri Sangaraja Mawatha,
Colombo 10.

C.S. Abeysekara
Attorney-at-Law
Secretary
Department of Law Commission
No. 80, 04th Floor, Adhikarana Mawatha,
Colombo 12

C.S. Abeysekara
Attorney-at-Law
Secretary
Department of Law Commission
No. 80, 04th Floor, Adhikarana Mawatha,
Colombo 12

2

3.3 Statement of Cash Flow

ACA-C

Statement of Cash Flows
for the Period ended 31st December 2025

	Actual 2025 Rs.	2024 Rs.
Cash Flows from Operating Activities		
Total Tax Receipts	-	-
Fees, Fines, Penalties and Licenses	-	-
Profit	-	-
Non Revenue Receipts	-	-
Revenue Collected on behalf of Other Revenue Heads	8,695	-
Imprest Received	20,603,000	17,737,902
Recoveries from Advance	145,500	-
Deposit Received	-	-
Total Cash generated from Operations (A)	**20,757,195**	**17,737,902**
Less - Cash disbursed for:		
Personal Emoluments & Operating Payments	17,296,935	15,085,159
Subsidies & Transfer Payments	-	-
Rehabilitation & Improvement of Capital Assets,Capital Transfers, Capacity Building and Other Capital Expenditure	870,466	293,105
Expenditure incurred on behalf of Other Heads	32,903	32,678
Imprest Settlement to Treasury	310,812	875,852
Advance Payments	644,400	773,473
Deposit Payments	4,300	-
Total Cash disbursed for Operations (B)	**19,159,817**	**17,060,267**
NET CASH FLOW FROM OPERATING ACTIVITIES(C)=(A)-(B)	**1,597,378**	**677,635**
Cash Flows from Investing Activities		
Interest	-	-
Dividends	-	-
Divestiture Proceeds & Sale of Physical Assets	-	-
Recoveries from On Lending	-	-
Total Cash generated from Investing Activities (D)	-	-
Less - Cash disbursed for:		
Capital Asset Construction, Purchases and Other Investment Acquisitions	1,597,378	677,635
Total Cash disbursed for Investing Activities (E)	**1,597,378**	**677,635**
NET CASH FLOW FROM INVESTING ACTIVITIES(F)=(D)-(E)	**(1,597,378)**	**(677,635)**
NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (G)=(C) + (F)	-	-
Cash Flows from Fianacing Activities		
Local Borrowings	-	-
Foreign Borrowings	-	-
Grants Received	-	-
Total Cash generated from Financing Activities (H)	-	-
Less - Cash disbursed for:		
Repayment of Local Borrowings	-	-
Repayment of Foreign Borrowings	-	-
Total Cash disbursed for Financing Activities (I)	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(H)-(I)	-	-
Net Movement in Cash (K) = (G) + (J)	-	-
Opening Cash Balance as at 01st January	-	-
Closing Cash Balance as at 31st December	-	-

C.S. Abeysekara
Attorney-at-Law
Secretary
Department of Law Commission
No. 80, 04th Floor, Adhikarana Mawatha,
Colombo 12

3

Notes to Financial Statements

Annexure-(i)

Statement of Losses and Waivers
(Losses under F.R. 106 and F.R. 113)

Expenditure Head No : **Ministry / Department / District Secretariat :**
Programme No. & Title :

(i) **Statement of Losses Recovered/Written off/Waived off during the year.**

	Value	No.of Cases	Total Amount (Rs.)
Below	Rs. 25,000.00		No
Over	Rs. 25,000.01		No
	Total		No

Classification of the cases by nature of Losses.	No.of Cases	Value (Rs.)
1		No
2		No
3		No
4		No
Total		No

(ii) **Statement of Losses being held to be Written off/Waived off or recoverable so far**

	Value	No.of Cases	Total Amount (Rs.)
Below	Rs. 25,000.00		
Over	Rs. 25,000.01		

Classification of the cases by Nature of Losses	No.of Cases	Value (Rs.)
1		No
2		No
3		No
4		No
Total		No

Age Analysis per (ii)

Less than five years	No.of Cases	
	Amount	Rs. No
5-10 years	No.of Cases	
	Amount	Rs. No
Over 10 years	No.of Cases	
	Amount	Rs. No

Note- Details on losses under F.R.106 and waives under F.R. 113 accounted under object code no 1701 and such losses and waivers expected to be accounted in coming years should be included.

* When there are no information with regard to this report, a nil report should be submitted

Chief Financial Officer /Chief Accountant/Director (Finance)/
Commissioner (Finance)
Date : 2026.02. 20

C.S. Abeysekara
Attorney-at-Law
Secretary
Department of Law Commission

Annexure-(ii)

Statement of Write off from books

Expenditure Head No : **Ministry / Department / District Secretariat :**
Programme No. & Title :

1 **Statement of losses and waivers under F.R. 109 during the year**

	Value		No. of Cases	Value (Rs.)
(i)	Below Rs. 25,000.00	....	....	No
(ii)	Over Rs. 25,000.01	....	....	No
	Total			

2 **Statement of write off from the book and recoveries under F.R. 109 during the year**

Nature of Loss	Opening balance which was not written off	Value of loss	Recoveries	Value written off from the book	Balance carried forward which was not written off	Reference No. of Approval for write off from the book
	Rs.	Rs.	Rs.	Rs.	Rs.	
1						
2						
3						
4						
5						
6						
Total						No

Note - Excluding losses and waivers to be accounted in Annexure(i), only any other losses and waivers under F.R.109 should be included in this format.

* When there are no information with regard to this report, a nil report should be submitted

....

Chief Financial Officer /Chief Accountant/Director (Finance)/
Commissioner (Finance)
Date : 2026.02. 20

C.S. Abeysekara
Attorney-at-Law
Secretary
Department of Law Commission
No. 80, 04th Floor, Adhikarana Mawatha,
Colombo 12

Cumulative Commitment/ Liability Report for the Year - 2025

To
(235)
From

Director General, ,
Department of State Accounts, ,

General Treasury, Colombo1. .

Printed by **Dishani**
New Table No **:SA-92**
Old Table No :--
Report Date 2/19/2026 10:26:22 AM

NEW CIGAS
FINAL 2025
REPORTS

Nature	Commit_No	Date	To_whom	Vote	Commitment	Commit_bal	L_Date	Liability_amt	Revised_Lia	Paid	Liability_Bal	Reported_By
SOE	C2512113*2	31 Dec 2025	Rakna Arakshaka Lanka Ltd	235-1-01-000-1407-000/11-P	85,550.00	85,550.00	01 Jan 2024	0.00	0.00	0.00	0.00	230
PVT	C251258	31 Dec 2025	Nipuni Cleaning Services Pvt Ltd	235-1-01-000-1405-000/11-P	43,880.00	0.00	31 Dec 2025	43,880.00	0.00	0.00	43,880.00	235
PVT	C251259	31 Dec 2025	American Premium Water Systems (Pvt) Ltd	235-1-01-000-1409-140/11-P	4,641.56	0.00	31 Dec 2025	4,641.56	0.00	0.00	4,641.56	235
PVT	C251260	31 Dec 2025	Sri Lanka Telecom PLC	235-1-01-000-1402-000/11-P	19,252.09	0.00	31 Dec 2025	19,252.09	0.00	0.00	19,252.09	235
PVT	C251261	31 Dec 2025	Mobitel (Pvt) Ltd	235-1-01-000-1402-000/11-P	3,281.53	0.00	31 Dec 2025	3,281.53	0.00	0.00	3,281.53	235

This is a computer-generated document. No signature is required.

Report Generated by the new CIGAS Web Application--Developed by Department of State Accounts, Ministry of Finance Planing and Economic Developme
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Annexure (iv)

Statement of Liabilities - (i)

Statement of Commitments in terms of FR 94 (2) and (3)

Name of Ministry / Department / District Secretariat :
Expenditure Head No. :
Programme No. & Title :

Name of the Person/Institution	Description of Commitments	Project	Sub Project	Object Code	Financing Code	Maximum Commitment Ceiling In terms of FR 94(2) Provisions (Rs.)	Total Cost Estimate In terms of FR 94(3) (Rs.)	Commitment & Liability Amount (Rs.)
1. Ministries/Government Department								
....								
....								
Total								No
2. State Corporations/Statutary Boards								
....								
....								
Total								No
3. Others (Private Parties)								
....								
....								
Total								No
Grand Total								

....
Chief Financial Officer/Chief Accountant/Director(Finance)/Commissioner(Finance)
Date : 2026.02. 20

C.S. Abeysekara
Attorney-at-Law
Secretary
Department of Law Commission
No. 80, 04th Floor, Adhikarana Mawatha,
Colombo 12

33

Annexure-(vii)

Statement of Missing Vouchers

Ministry / Department / District Secretariat :
Expenditure Head No :
Programme No. & Title :

Date	Voucher No.	Name of Payee	Nature of Payment	Amount (Rs.)
No	No	No	No	No

* When there are no information with regard to this report, a nil report should be submitted

Chief Financial Officer /Chief Accountant/Director (Finance)/
Commissioner (Finance)
Date : 2026.02. 20

C.S. Abeysekara
Attorney-at-Law
Secretary
Department of Law Commission
No. 80, 04th Floor, Adhikarana Mawatha,
Colombo 12

Annexure-(viii)

The Status Report as at 31/12/2025 on Bank Accounts opened
in terms of Treasury Operation Circular No. 3/2015 of 23/10/2015

Expenditure Head No. : **Ministry / Department / District Secretariat :**

Serial No.	Name of Bank	Account No.	Balance as per Bank Statement as at 31/12/2025 (Rs.)	Balance as Per Cash Book as at 31/12/2025 (Rs.)	Total Value of Cheques not yet Presented to Bank as at 31/12/2025 (if exceeds 6 months)	Month of Last Bank Reconciliation Prepared
	Bank of Ceylon- Hulftsdorp	7041539	529,475			December 2025

I hereby certify that the above information is true and correct.

Chief Financial Officer /Chief Accountant/Director (Finance)/
Commissioner (Finance)
Date : 2026.02. 20

C.S. Abeysekara
Attorney-at-Law
Secretary
Department of Law Commission
No. 80, 04th Floor, Adhikarana Mawatha,
Colombo 12

3.5 Performance of the Revenue Collection

Rs.

Revenue Code	Description of the Revenue Code	Revenue Estimate		Collected Revenue	
		Original	Final	Amount (Rs.)	as a % of Final Revenue Estimate
-	-	-	-	-	-

*** Kindly be informed that this Department is not engaged in the process of Revenue Collection.**

3.6 Performance of the Utilization of Allocation

Rs.

Type of Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
	Original	Final		
Recurrent	26,000,000	24,800,000	22,727,616	92%
Capital	2,000,000	3,200,000	2,467,845	77%

3.7 In terms of F.R.208 grant of allocations for expenditure to this Department/District Secretariat/Provincial Council as an agent of the other Ministries/ Departments

Rs.

Serial No.	Allocation Received from Which Ministry /Department	Purpose of the Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
			Original	Final		

3.8 Performance of the Reporting of Non-Financial Assets

Rs. ,000

Assets Code	Code Description	Balance as per Board of Survey Report as at 31.12.2025	Balance as per financial Position Report as at 31.12.2025	Yet to be Accounted	Reporting Progress as a %
9151	Building and Structures				
9152	Machinery and Equipment				
9153	Land				
9154	Intangible Assets	578,000	578,000		100%
9155	Biological Assets				
9160	Work in Progress				
9180	Lease Assets				
-	Vehicles	12,000,000	12,000,000		100%
-	Furniture and Office Equipment	35,890,419	35,890,419		

3.9 Auditor General's Report**

** The final audit report issued by the Auditor General to be scanned and placed here while submitting to the Parliament.

NATIONAL AUDIT OFFICE.

My No. } JLO/A/DLC/FA/2025/02 Your No. } Date } 27th May 2026

Secretary

Department of Law Commission.

Head 235 – Auditor –General's Summary Report in terms of Section 11 (1) of National Audi Act, No.19 of 2018 on the Financial Statements of the Department of Law Commission for the year ended 31 December 2025.

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1. **Financial Statements.**

   1.1 Expressing a qualified opinion.

   Head 235 - The Financial Statements of the Department of Law Commission for the year ended 31 December 2025, comprising the Statement of Financial Position as at 31 December 2025, the Statement of Financial Performance and Cash Flow Statement for the year then ended and the notes to the Financial Statements, including information on significant accounting policies, were audited under my direction in accordance with the provisions of Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with the provisions of the National Audit Act, No. 19 of 2018. This report contains my comments and observations on these financial statements submitted to the Department of Law Commission in terms of Section 11(1) of the National Audit Act, No. 19 of 2018 (as amended). The Auditor General's report required to be submitted in terms of Section 10 of the National Audit Act, No.19 of 2018 read in conjunction with Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka will be presented to Parliament in due course.

In my opinion, except the effect of the matters set out in paragraph 1.6 of this report, the Financial Statements of the Department of Law Commission for the year ended 31 December 2025, present fairly, in all material respects, the Financial Position, Financial Performance and Cash Flows of the Department in accordance with the basis of preparation of the Financial Statements set out in Note 1 to the Financial Statements.

1.2 Basis for the qualified opinion.

My opinion is based on the matters in paragraph 1.6 of this report. I conducted my audit in accordance with the Sri Lanka Auditing Standards (SLAuSs). My responsibilities under those auditing standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of this 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 of Department of Law Commission to Note 1 of the Financial Statements, which describes the basis of preparation of these financial statements. The Financial Statements have been prepared for the use of the Department of Law Commission, the Treasury and the Parliament in accordance with Government Finance Regulations 150 and 151 and State Accounts Guidelines No. 02/2025 dated 17 December 2025. Accordingly, these Financial Statements may not be suitable for other purposes. My report is intended only for the use of the Department of Law Commission, the Treasury and the Parliament of Sri Lanka. My opinion on this matter is not modified.

1.4 Responsibility of the Chief Accounting Officer regarding the Financial Statements.

The Accounting Officer is responsible for preparing Financial Statements that give true and fair view of all material aspects in accordance with Government Financial Regulations 150 and 151 and State Accounts Guidelines No. 02/2025 dated 17 December 2025, and for determining 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 terms of Section 16 (1) of the National Audit Act, No. 19 of 2018, the Department shall maintain proper books and records of its income, expenditure, assets and liabilities to enable it to prepare annual and periodic financial statements.

For the financial control of the Department in terms of subsection 38(1) (c) of the National Audit Act, the Accounting Officer must ensure that an effective internal control system is established and maintained, and must periodically review the effectiveness of that system and make any necessary changes to ensure that the system continues to operate effectively.

1.5 Auditor’s responsibility for the audit of Financial Statements.

My objectives are to provide reasonable assurance that the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit 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 material misstatements. Fraud and error, individually or in the aggregate, can cause material misstatements, the significance of which depends on the economic decisions that users make on the basis of these financial statements.

I exercised professional judgment and professional skepticism as part of my audit in accordance with Sri Lanka Auditing Standards. I further state,

- In providing a basis for the audit opinion expressed, we designed and performed audit procedures that were appropriate to the circumstances to identify and access the risks of material misstatement of the financial statements, whether due to fraud or error. The effects of fraud are more likely to be greater than those of material misstatements due to misstatement. This is due to reasons such as collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Although not for the purpose of expressing an opinion on the effectiveness of internal control, an understanding of internal control was obtained in order to design audit procedures that are appropriate in the circumstances.

- The structure and content of the financial statements, including disclosures, were assessed to be appropriate and fair in the financial statements, reflecting the underlying transactions and events.

- The overall presentation of the financial statements, including disclosures was evaluated for its appropriate and fair inclusion of underlying transactions and events, and the structure and content of the financial statements.

I inform the Accounting Officer of significant audit findings, major internal control weaknesses and other matters identified during my audit.

1.6 Commenting on the Financial Statements.

1.6.1 Income.

Although the revenue collected under other Heads as per the consolidated balance sheet was Rs. 844,350, it was understated by Rs. 835,655 as Rs.8, 695 under cash flows generated from operating activities in the cash flow statement.

1.6.2 Non-revenue receipts.

Although the advance recoveries as per the consolidated balance sheet were Rs.1, 081,350, it was understated by Rs.935, 850 as Rs.145, 500 under cash flows generated from operating activities in the cash flow statement.

1.6.3 Recurring Expenses.

(A) Although salaries, incentives and other employee benefits under recurring expenses in the financial performance statement were Rs.14,457,009, according to the Treasury printed SA 10, it was Rs.14,504,409, which was Rs.47,400.

(B) Although the amount of other goods and services under recurring expenditure in the financial performance statement was Rs.8,270,517, it was Rs.8,223,117 as per SA 10 printed by the Treasury, which was an overstatement of Rs. 47,400.

(C) Although the personnel salaries and operating expenses under the cash expenditure for operating activities in the cash flow statement were Rs.17,296,935, according to the consolidated balance sheet it was Rs. 18, 938,795,which was an understatement of Rs. 1,641,860.

1.6.4 Other general ledger account payments.

Although the deposit payments under the main ledger expenses in the statement of financial performance were Rs.644,400, according to the Treasury printed SA 31, it was Rs.2,250, which was an overstatement of Rs.642,150.

1.6.5 Balance of the opening balance sheet.

Although the credit made to the Advance "B" Account by the Department under other Heads was Rs.133,945 as per the consolidated balance sheet, the same was not recorded in the final reconciliation statement and therefore the final reconciliation statement was overstated (due to negative understatement) by that account.

1.6.6 Initial Balance.

Although the initial receipts from other sources were Rs.195,365 as per the Treasury printed SA 71, Rs.154,195 had been included in the CA 3 form , and Rs. 41,170 had been under-entered.

2. Report on other legal requirements.

In accordance with Section 6 (1) (d) of the National Audit Act, No. 19 of 2018, I hereby declare the following facts and circumstances.

(a) That the Financial Statements are consistent with the previous year.

(b) The recommendations I had made regarding the Financial Statements for the previous year had been implemented.

3. Financial Review.

3.1 Expenditure Management.

(A) The total amount of the provision amounting to Rs.70,000 under the Recurrent Expenditure item and the Capital Expenditure item was left over. In this case, after transferring 90 percent of the estimated provisions under the Recurrent Expenditure item through Financial Regulation 66, the remaining provision was leftover.

(B) Out of the allocated Rs.6,215,000 for 08 Recurrent Expenditure items and 03 Capital Expenditure items, Rs.1,832,382 remained, which ranged from 14 to 85 percent.

(C) Although the reason given for the savings of Rs.510,952 in the total of 05 expenditure items was “savings after incurring expenses” , the estimates were prepared without identifying the need.

(D) The reasons given for the remaining provisions of Rs.34,000 i.e. 68 percent of the estimated provision in the expenditure item 1003-002 were that these provisions were left after all the officers who had fulfilled the current eligibility criteria were given. There are only 07 officers in the approved staff who are entitled to the uniform allowance, and the estimates had been prepared without considering this.

3.2 Exceeding Limits.

The maximum debit limit had been exceeded due to the credit balance of Rs.133,945 of a driver who obtained transfers from the Presidential Secretariat being recorded under 235-11 instead of 235-12. Even when the annual financial statements were prepared as of 31 December 2025, no steps had been taken to rectify this situation.

3.3 Non-compliance with laws, rules and regulations.

Reference to Laws, Rules and Regulations.	Non-compliance.
(A) Financial Regulations 880, 612 of the Government of the Democratic Socialist Republic of Sri Lanka as well as the Bail Ordinance and the Circular of the Ministry of Justice	No steps had been taken to obtain bail from the officers who were required to post bail.

	No.01/2011 dated 18th January 2011.	
(B)	Paragraph 7.10 of State Accounts Guideline No.02/2025 dated 17th December 2025.	In the presentation of information relating to the year 2024, asset rehabilitation transfers and capital improvements, capital capacity building and other capital expenditures were Rs.677,635, which was Rs.293,105, a decrease of Rs.384,530, and capital asset construction purchase and other investment acquisitions were Rs.293,105, which was Rs. 677,635, a decrease of Rs.384,530.
(C)	Annexure II of Chapter 06 of the Procurement Manual.	A private company had been selected to purchase 03 Laptops, 01Desktop Computer and 02 UPS for the Department for Rs.1,153,373,and when the bids were opened, the bid opening records had not been prepared according to the accepted formats.

4. Operational Review.

4.1 Management weaknesses.

(a) The term of office of the Law Commission expired on 13 February 2025, and therefore remained inactive for a period of 07 months from 14 February 2025 to 14 August 2025 until a New Council was appointed.

(b) The balance of the existing Distress Loan due from an Office Assistant on No-pay for a period of 1 – 3 years had reached Rs.162,500.

Sgd. /Illegibly

K.K.S. Jayakody

Deputy Auditor-General

For the Auditor-General.

Chapter 04 — Performance indicators

4.1 Performance indicators of the Institute (Based on the Action Plan)

Specific Indicators	Actual output as a percentage (%) of the expected Output		
	100%- 90%	**75%-89%**	**50%- 74%**
1. Rehabilitation & Improvement of Plant Machinery and Equipment			
2. Vehicles		80%	
3. Acquisition of Furniture and Office Equipment		82%	
4. Staff Trainings			57%

Serial No.	Index	Unit		Weighting percentage by Indicator		Goals and Progress (Cumulative)							
					Q 1	%	Q2	%	Q3		Q4	%	Total
		Number	**T**		-	-					05		**05**
01	Number of Legal Reforms included in the Agenda.		**P**		-						09	100%	**09**
		Number	**T**		01						03		**04**
02	Number of Meetings held.		**P**	20%	01	100%					04	100%	**05**
		Number	**T**		01						03		**04**
03	Number of Stakeholder Meetings held.		**P**	40%	01	100%					20	100%	**21**
04	Number of Research Papers discussed.	Number	**T**	30%	01	100%					03	100%	**04**
			P		01						03		**04**
		Number	**T**		-						03		**03**
05	Number of Reports completed and Research Reports discussed.		**P**	10%	-	-					03	100%	**03**
Normal Physical Progress				**100%**									
Performance according to Indicators				**100**									

Chapter 05 - Performance of the achieving Sustainable Development Goals (SDG)

5.1 Indicate the Identified respective Sustainable Developments Goals

Goal / Objective	Targets	Indicators of the achievement	Progress of the Achievement to date		
			0%-49%	50%-74%	75%-100%
According to the Sustainable Development Goals three main goals have been identified. Goal 5: Achieve gender equality and empower all women and girls. Goal 10: Reduce inequality within and among countries. Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	1. End all forms of discriminating laws and ensure the equality legal protection and reduce the discriminating gaps. 2. Update the existing law with new legal remedies and concept in accordance with the progressive international standers. 3. Identification of issues to be developed in existing legal system and identification of the best legal remedies. 4. Promote the rule of law and ensure the equal access to justice for all. 5. Introduce new legal recommendation for general public, students and academic to create analytical discussion on law.	1. Discuss the legal proposals and suggestions forwarded by the general public and the government institutions. 2. Prepare research papers and analyze according to the international legal standards. 3. Prepare legal recommendation with views and suggestions of the Law Commission. 4. Forward the finalized legal recommendations to the Ministry of Justice or the relevant authorities to take further actions. 5. Update finalize legal recommendations and Acts passed by the parliament proposed by the Law Commission in the Law Commission’s official web site.			✓

5.2 Briefly explain the achievements and challenges of the Sustainable Development Goals

Among the sustainable development goals of the Law Commission, the submission of timely legal amendments is key. Accordingly, the Law Commission's recommendations regarding timely important legal amendments were brought to the attention of the Minister of Justice.

- Considerations and recommendations on proposed amendments to the Primary Courts Procedure Act No.44 of 1979.
- Recommendation of Law Commission on the Bill to amend the Penal Code (Chapter19).

Chapter 06 - Human Resource Profile

6.1 Cadre Management

	Approved Cadre	Existing Cadre	Vacancies / (Excess)**
Senior			
Secretary	1	1	-
Deputy Secretary	1	1	-
Assistant Secretary	4	1	3
Territory			
Translator	1	1	-
Secondary			
Accounts Assistant	1	-	1
Development officer	4	3	1
Librarian	1	1	-
Management Service Officer	8	3	5
Stenographer	1	-	1
Primary			
Driver	4	3	1
KKS	3	3	-
Total	29	17	12

06.2 **Briefly state how the shortage or excess in human resources has been affected to the performance of the institute.

The institution was able to bring its performance to a satisfactory level by managing efficiently human resources of the present staff, although there had been vacancies in Staff Grade posts as well as in other posts.

06.3 Capacity Development of the Staff

*Briefly state how the training program contributed to the performance of the institution

	Date of Course	**Name of Course**	**Name of Institution**	**Name of the Officer**	**Designation**	**Amount spent on the Course (Rs)**
01	150 hrs	Tamil Language Training Programme	Non-Judicial Officers Training Institute	∗Ms.D.G. Pieris ∗Ms.K.V.D. Liyanage	∗Development Officer ∗Management Service Officer	2,573.34
02	2025/03/04	The Seminar on New Procurement Guidelines	PRAG INSTITUTE	∗Ms.C.S Abeysekara ∗Ms.P.L.K.Pathinagoga ∗Ms.A.G.P.Y. Chathurangika	∗Secretary ∗Deputy Secretary ∗Assistant Secretary	42,000.00
03	2025/03/19	The Seminar on New Procurement Guidelines	PRAG INSTITUTE	∗Ms.K.V.D. Liyanage ∗MS.G.T.N. Madhushani	∗Management Services Officer ∗Management Services Officer	28,000.00
04	2025/05/29	Formal Letter Fillings	PRAG INSTITUTE	∗Ms. D.G. Pieris ∗MS.N.G.N.Dilhani ∗Ms.W.A.R.Dilhani	∗Development Officer ∗Development Officer ∗Management Services Officer	42,000.00
05	2024/08/27	Scientific savings contribute to safe driving (Obtaining Certificates)	Construction, Machinery Training Centre	∗Mr.N.A.S. Muthukumara ∗Mr.A.A.S.P. Senevirathna	∗Driver ∗Driver	1,180.00
06	20258/09/23	Use of Artificial Intelligence	Sri Lanka Library Asssociation	∗Ms.H.M.BuddhiMaheka	∗Librarian	3,000.00
07	2025/10/17	Income Tax calculation 2024/25	PRAG INSTITUTE	∗MS.W.A.R. Dihani	∗Management Services Officer	14,000.00
08	2025/10/24 - 2024/10/26	Law Society	BAR ASSOCIATION OF SRI LANKA	∗Ms.C.A Abeysekara ∗Ms.A.G.P.Y. Chathurangika	∗Secretary ∗Assistant Secretary	95,000.00

Chapter 07– Compliance Report

No.	Applicable Requirement	Compliance Status (Complied/Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
1	**The following Financial statements/accounts have been submitted on due date**			
1.1	Annual financial statements	Complied		
1.2	Advance to public officers account	Complied		
1.3	Trading and Manufacturing Advance Accounts (Commercial Advance Accounts)	Not relevant to this Department.		
1.4	Stores Advance Accounts			
1.5	Special Advance Accounts			
1.6	Others			
2	**Maintenance of books and registers (FR445)**			
2.1	Fixed assets register has been maintained and update in terms of Public Administration Circular 267/2018	Complied		
2.2	Personal emoluments register/ Personal emoluments cards has been maintained and update	Complied		
2.3	Register of Audit queries has been maintained and update	Complied		
2.4	Register of Internal Audit reports has been maintained and update	Complied		
2.5	All the monthly account summaries (CIGAS) are prepared and submitted to the Treasury on due date	Complied.		
2.6	Register for cheques and money orders has been maintained and update	Complied		
2.7	Inventory register has been maintained and update	Complied		
2.8	Stocks Register has been maintained and update	Complied		
2.9	Register of Losses has been maintained and update	Complied		
2.10	Commitment Register has been maintained and update	Complied		

2.11	Register of Counterfoil Books (GA – N20) has been maintained and update	Complied		
03	**Delegation of functions for financial control (FR 135)**			
3.1	The financial authority has been delegated within the institute	Complied		
3.2	The delegation of financial authority has been communicated within the Institute	Complied		
3.3	The authority has been delegated in such manner so as to pass each transaction through two or more officers	Complied		
3.4	The controls has been adhered to by the Accountants in terms of State Account Circular 171/2004 dated 11.05.2014 in using the Government Payroll Software Package	Complied		
4	**Preparation of Annual Plans**			
4.1	The annual action plan has been prepared	Complied		
4.2	The annual procurement plan has been prepared	Complied		
4.3	The annual Internal Audit plan has been prepared	This Department does not operate an Internal Audit Unit and the duty is carried on by the Ministry of Justice, Human Rights & Law Reforms.		
4.4	The annual estimate has been prepared and submitted to the NBD on due date	Complied		
4.5	The annual cash flow has been submitted to the Treasury Operations Department on time	Complied		
5	**Audit Queries**			
5.1	All the audit queries has been replied within the specified time by the Auditor General	Complied		

6	**Internal Audit**			
6.1	The internal audit plan has been prepared at the beginning of the year after consulting the Auditor General in terms of Financial Regulation 134(2))DMA/1-2019	This Department does not operate an Internal Audit Unit and the duty is carried on by the Ministry of Justice, Human Rights & Law Reforms.		
6.2	All the internal audit reports has been replied within one month	Complied		
6.3	Copies of all the internal audit reports has been submitted to the Management Audit Department in terms of Sub-section 40(4) of the National Audit Act No. 19 of 2018	Complied		
6.4	All the copies of internal audit reports has been submitted to the Auditor General in terms of Financial Regulation134(3)	Complied		
7	**Audit and Management Committee**			
7.1	Minimum 04 meetings of the Audit and Management Committee has been held during the year as per the DMA Circular 1-2019	Complied		
8	**Asset Management**			
8.1	The information about purchases of assets and disposals was submitted to the Comptroller General's Office in terms of Paragraph 07 of the Asset Management Circular No. 01/2017	Complied		
8.2	A suitable liaison officer was appointed to coordinate the implementation of the provisions of the circular and the details of the nominated officer was sent to the Comptroller General's Office in terms of Paragraph 13 of the aforesaid circular	Complied		
8.3	The boards of survey was conducted and the relevant reports submitted to	Complied		

	the Auditor General on due date in terms of Public Finance Circular No. 05/2016			
8.4	The excesses and deficits that were disclosed through the board of survey and other relating recommendations, actions were carried out during the period specified in the circular	Complied		
8.5	The disposal of condemn articles had been carried out in terms of FR 772	Complied		
9	**Vehicle Management**			
9.1	The daily running charts and monthly summaries of the pool vehicles had been prepared and submitted to the Auditor General on due date	Complied		
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning	Kindly be informed that this Department does not own condemned vehicles.		
9.3	The vehicle logbooks had been maintained and updated	Complied		
9.4	The action has been taken in terms of F.R. 103, 104, 109 and 110 with regard to every vehicle accident	Complied		
9.5	The fuel consumption of vehicles has been re-tested in terms of the provisions of Paragraph 3.1 of the Public Administration Circular No. 30/2016 of 29.12.2016	Complied		
9.6	The absolute ownership of the leased vehicle log books has been transferred after the lease term	Kindly be informed that this Department does not own such vehicles.		
10	**Management of Bank Accounts**			
10.1	The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date	Complied		
10.2	The dormant accounts that had existed in the year under review or since previous years settled	Kindly be informed that this Department does not own Dormant Accounts.		
10.3	The action had been taken in terms of Financial Regulations regarding balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made, and had those balances been settled within one month	Kindly be informed that this Department does not own balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made.		

11	**Utilization of Provisions**			
11.1	The provisions allocated had been spent without exceeding the limit	Complied		
11.2	The liabilities not exceeding the provisions that remained at the end of the year as per the FR 94(1)	Complied		
12	**Advances to Public Officers Account**			
12.1	The limits had been complied with	Complied		
12.2	A time analysis had been carried out on the loans in arrears	This Department does not possess any loans in arrears to carry out time analysis.		
12.3	The loan balances in arrears for over one year had been settled		Not Complied	Due to being involved in a sudden accident, the officer is currently undergoing medical treatment.
13	**General Deposit Account**			
13.1	The action had been taken as per F.R.571 in relation to disposal of lapsed deposits	It is not necessary for this Department to maintain a General Deposit Account.		
13.2	The control register for general deposits had been updated and maintained			
14	**Imprest Account**			
14.1	The balance in the cash book at the end of the year under review remitted to TOD	Complied		
14.2	The ad-hoc sub imprests issued as per F.R. 371 settled within one month from the completion of the task		Not Complied	The ad-hoc sub imprest was not required.

14.3	The ad-hoc sub imprests had not been issued exceeding the limit approved as per F.R. 371	Complied	Not Complied	The ad-hoc sub imprest was not required.
14.4	The balance of the imprest account had been reconciled with the Treasury books monthly	Complied		
15	**Revenue Account**			
15.1	The refunds from the revenue had been made in terms of the regulations	Kindly be informed that this Department is not engaged in the process of collecting revenue.		
15.2	The revenue collection had been directly credited to the revenue account without credited to the deposit account	There was no income received in the year 2025.		
15.3	Returns of arrears of revenue forward to the Auditor General in terms of FR 176	No arrears of revenue.		
16	**Human Resource Management**			
16.1	The staff had been paid within the approved cadre	Complied		
16.2	All members of the staff have been issued a duty list in writing	Complied		
16.3	All reports have been submitted to MSD in terms of their circular no.04/2017 dated 20.09.2017	Complied		
17	**Provision of information to the public**			
17.1	An information officer has been appointed and a proper register of information is maintained and updated in terms of Right To Information Act and Regulation	Complied		
17.2	Information about the institution to the public have been provided by Website or alternative measures and has it been facilitated to appreciate / allegation to	Complied		

	public against the public authority by this website or alternative measures			
17.3	Bi- Annual and Annual reports have been submitted as per section 08 and 10 of the RTI Act	Complied		
18	**Implementing citizens charter**			
18.1	A citizens formulated and implemented by the Institution in terms of the circular number 05/2008 and 05/2018(1) of Ministry of Public Administration and Management	Complied		
18.2	A methodology has been devised by the Institution in order to monitor and assess the formulation and the implementation of Citizens Charter / Citizens client's charter as per paragraph 2.3 of the circular	Complied		
19	**Preparation of the Human Resource Plan**			
19.1	A human resource plan has been prepared in terms of the format in Annexure 02 of Public Administration Circular No.02/2018 dated 24.01.2018.	Complied		
19.2	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan	Complied		
19.3	Annual performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid Circular	Complied		
19.4	A senior officer was appointed and assigned the responsibility of preparing the human resource development plan, organizing capacity building programs and conducting skill development programs as per paragraph No.6.5 of the aforesaid Circular	Complied		
20	**Responses Audit Paras**			

20.1	The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified	Complied		

END