



Annual Performance Report
2023

Department of the Law Commission
Expenditure Head No -235

Annual Performance Report for the year 2022

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Expenditure Head No -235

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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 2023

- I. Mr.Ikram Mohomed, P.C.(Chairman)
- II. Mr. S. Anil Silva, P.C.
- III. Mr. Palitha Fernando, P.C
- IV. Mr. Aritha Wickremanayake
- V. Mr. Palitha Kumarasinghe, P.C
- VI. Mr. Chanaka De Silva, P.C
- VII. Dr. Harsha Cabral, P.C
- VIII. Mr. Manohara De Silva, P.C
- IX. Mr. Sanjeeva Jayawardane, P.C
- X. Ms. Priyanthi Pieris
- XI. Mr. Samantha Ratwatte, P.C
- XII. Mr. Nirmalan Wigneswaran
- XIII. Pro. (Ms.) Naazima Kamardeen
- XIV. Mr. Niran Anketell

Ex-Officio Members:

- I. Mrs.Piyumanthi Peiris, Additional Secretary(Legal) /Ministry of Justice
- II. Mr Parinda Ranasinghe, P.C
- III. Mrs Dilrukshi Samarasekera.

Department Staff:

- Ms. Sewwandi Abeysekera, Secretary (Acting) /Law Commission
- Ms. Lilanthi Pathinagoda, Assistant Secretary / Law Commission
- Ms. Yasanji Chathurangika, Assistant Secretary / Law Commission

Progress of the recommendations of law commission from 01.01.2023 to 31.12.2023

I. Insolvency Law Reforms.

Recommendation	Insolvency Law Reforms.
Background	<p>The Cabinet Memorandum on Insolvency Law Reforms No. 2023/Cab Memo/J/L/60 dated 07th June 2023 mentioned that the effective Insolvency Law is essential to improve domestic economy and attract international investors. As such, it is imperative to recognize the importance of a robust restructuring and insolvency regime that aims to safeguard viable businesses as going concerns and enable the fast and efficient exit or liquidation of non-viable, insolvent ones. The memorandum further highlighted that the economic reasons for strengthening the insolvency regime are numerous including: Access to credit is improved as creditor risk is better priced, jobs and supply chains are preserved, Entrepreneurship is promoted and Economic efficiency is enhanced.</p> <p>The Cabinet Memorandum has identified several gaps and lapses in the existing Insolvency Ordinance 1853 and provisions for corporate Insolvency being in the Companies Act No. 07of 2007. Therefore the Cabinet of Ministers proposed and approved that a unifies Insolvency law should be developed which incorporates recognized global “best practices” tools for the restructuring of viable business in distress; contains clear rules for the disclosure of non-viable business, which is supported by a legal and administrative framework that facilitate the effective application of these provisions would meet the needs of the foreign investors and would strengthen the domestic economy. The Cabinet requested Law Commission to discuss the above mentioned proposals with the relevant stakeholders and to propose new law reforms regarding Insolvency Law.</p>
Present status	<p>The Law Commission appointed a Subcommittee on Insolvency Law Reforms.</p> <p>Mr. Chanaka De Silva P.C. – Chairperson Dr. Harsha Cabral P.C. Mr. Parinda Ranasinghe P.C. Mr. Niran Ankatell Ms. Shehara Weerakoon (For Legal Draftsman)</p> <p>Preliminary Discussions - 08 Discussions with the World Bank Representatives via virtual meetings: Dates : 17.08.2023 / 23.08.2023/ 09.08.2023// 05.09.2023/ 12.09.2023 The following topics were discussed.</p> <ul style="list-style-type: none"> • Sri Lanka Insolvency Law Reforms – Key Policy Issues and Policy Questions. • Personal Insolvency Policy Issues – Research and country examples of personal bankruptcy.

Meetings with stakeholders: 02 meetings.

- 12.09.2023 – Coordinated by the Presidential Secretariat.
- 14.09.2023 – with the professionals of Legal, Financial and Banks fields.

Progress Review Meetings

With Presidential Secretariat – 23.10.2023

With World Bank Representatives – 25.09.2023 – 06.10.2023

Law Commission Meetings – Progress Review – 08

Updated Progress – Insolvency Laws.

Preparing a draft for reforms and making it open to professionals in Private sector, Courts and Government sector to present their ideas.

II. Reforming the law relating to Assisted Schools and Training Colleges.

Recommendation	Reforming the law relating to Assisted Schools and Training Colleges.
Background	<p>Hon. Minister of Justice has referred the matter to the Law Commission to propose necessary reforms by the letter No. MOJ/L7/LC – (01) 2018 dated 06.07.2023.</p> <ol style="list-style-type: none"> 1. To transfer the whole authority of the existing Assisted Schools to the Government or to Provincial Education Director or to the District Secretary. 2. Though the salary payments and promotions of teachers of Assisted Schools are done by the government at this moment in time, it is seen that the recruiting and transferring processes are done by the management systems of the non-government societies. Therefore, the processes of recruiting and transferring powers were fully given to the Ministry of Education and “Assisted Schools” is repealed from “Sri Lanka Assisted Schools Teachers’ Service”, hereafter functioning as “Sri Lanka Teachers’ Service”. 3. Strategic changes should be done to be given to the auditory, visual and mentally disordered children the benefits of the expertise in special education units which are maintained as a great burden by Ministry of Education at present. Updating the teachers of the Assisted Schools, conduct developmental sessions, supervision of subject content being transferred to Special Education Units of Zonal Educational Office could be done to attain this. 4. Developed countries of the world educate auditory, visual and mentally disordered children in the normal schools. This develop their personality. Since our country couldn’t reach that standard at once, as an intermediate step, a matching subject field and a time frame to learn together with the normal school children should be introduced – make accessibilities to join a teacher’s class in normal school for lessons regarding subjects and student activities, enjoy sports meets, concerts, Literature Societies, New inventions circles and handwork with normal school children. 5. Open new special needs schools by using schools or buildings which are now closing due to lack of students, or schools in which the play-ground premises are not used fully. 6. To create higher educational opportunities on the children with special needs for the teaching professionals.
Present status	<p>The Law Commission has appointed a Subcommittee. Pro. Nazima Kamardeen – The Chairperson Mr. Chanaka De Silva P.C.</p>

	<p>Ms. Shehara Weerakoon (For Legal Draftsman)</p> <p>Relevant documents and laws relating to the above matter has been perused. It is observed that there are a few Assisted Schools left and mostly governed by religious organizations. Some schools have become fully-private in the recent past due to salaries of the teachers been delayed by the government, e.g. Methodist College. Teacher Unions have an interest in bringing these schools under the governmental control, but this is practically impossible as many schools have become fully-private. Therefore, the subcommittee decided to have discussions with the relevant stakeholders.</p> <p>Number of subcommittee meetings - 02</p> <p>Discussions with the relevant stakeholders – 01</p> <p>Law Commission Meetings : 06 (Progress Review Meetings)</p> <p>Updated Progress: Law Commission finalized the subcommittee report on 02.12.2023 at the Law Commission meeting and forwarded to Hon. Minister of Justice and Secretary to the Ministry of Justice.</p>
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Report of the sub-committee on Reforming the Law related to Assisted Schools and Training Colleges

To: The Chairman, Law Commission of Sri Lanka

Date: 26th October 2023

1. Background and introductory remarks:

By letter dated 10th July 2023, the Ministry of Justice requested the Law Commission to examine the laws related to Assisted Schools and Training Colleges and to submit a report regarding any proposed reform to the same. The request was based on a letter dated 19.06.2023 sent to the Ministry of Education by one Amara Dissanayake and signed by several persons belonging to the Sri Lanka Assisted School Teachers Service. The letter alleges that the law relating to Assisted Schools and training colleges is outdated and no longer serves the needs of society.

Accordingly, a subcommittee consisting of the following members was appointed to study the matter: Prof. Naazima Kamardeen, Mr. Chanaka de Silva PC and Ms. Shehara Weerakoon.

The two attachments contain the following additional concerns and recommendations:

Attachment No. 1

The Main Concerns expressed in the Letter.

1. Assisted Schools operating now need to be taken over by the Government or their complete authority should be vested on the Zonal Director or the District Secretary.
2. While salary payments and promotions of the teachers of Assisted Schools at the moment are being conducted by the Government, recruitments and transfers are conducted by the management boards of the non-Governmental organizations. This situation of recruitments and transfers should take place under the power of Ministry of Education and in the term “Sri Lanka Assisted School Teachers Service”, the words “Assisted Schools” should be deleted and made recognizable as the “Sri Lanka Teachers Service”.
3. Practical changes should be made to transfer the expertise of the personnel working in special education units, which the Ministry of Education maintains at great expense at the moment, for the use of the children with auditory, visual, and intellectual disabilities. For this, the knowledge of the teachers in Assisted Schools can be updated regarding their development, by conducting training sessions and providing subject contents. Supervision can be carried out by the special education units of the Zonal Education Offices.
4. In developed countries of the world, children with auditory, visual, and intellectual disabilities continue their education in a normal school. This builds-up their personality. Since our country is unable to reach that position in one step, a co-subject field and a time frame can be introduced as an in between step – make possible to join a teacher’s class in normal school for lessons regarding subjects and student activities, to enjoy sports-meets, concerts, Literature Societies, new inventions circles and handwork with normal school children.

5. Open new special needs schools by using schools/buildings which are now closing due to lack of students, or schools in which the play-ground premises are not used fully.
6. Create the necessary facilities for children with special educational needs to follow Degrees, Post-graduates and Diplomas.

Attachment No. 2

Unsatisfactory Situation at present in Assisted Schools, as articulated in the Letter.

1. Groups who come-up with a non-Governmental organization at any level, appoint their friends and relations for the administrative board and arbitrarily forge donations and other receivables obtained for the educational purposes of the children.
2. The education process in most of the Assisted Schools is not done properly as most of the persons on the administrative boards are not educationists or even the handful who are there are prone to get personal benefits.
3. Since recruiting of teachers is done by an administrative board, the most suitable teacher may not be appointed. Appointing upon personal relationships is clearly visible.
4. When true teachers of the system stand against this system by revealing the bribery and corruption and child abuse, opposition and harassment by corrupt Principals and administration board is very common.
5. Boarding facilities and the state of food in the Assisted Schools are unsatisfactory at the moment.
6. The best evidence to prove that the present Assisted Schools are acting solely for their own betterment is: - quite a lot of children with visual disabilities, auditory disabilities and intellectual disabilities are remaining at home without advancing with special education.
7. Differently-abled children with auditory and visual disabilities are not with disorders in mental power, intelligence and sensitivity. Such Children in other countries have developed their talents to reach the top. Our country too should reach that level.

2. Matters to be undertaken in the research:

In deciding whether the existing laws require any reform, the subcommittee decided to study the following matters:

1. Whether the teachers in Assisted Schools are facing problems as a result of being unable to obtain transfers from their current schools.
2. Whether the facilities in these Assisted Schools are sufficient for their purposes.
3. Whether there is corruption in the management of these schools (as alleged in the letter sent)
4. Whether children with special educational needs attending these schools should be integrated into the regular school network and allowed to study certain subjects along with those children.

3. Methodology of the research:

3.1 Perusal of Documentation:

The first step consisted of desk-based research where the relevant laws and regulations were perused.

Laws related to Assisted Schools and Training Colleges

List of Laws and Regulations

1. Assisted Schools and Training Colleges (Special Provisions) Act No. 5 of 1960
2. Assisted Schools and Training Colleges (Supplementary Provisions) Act No. 8 of 1961
3. Education Ordinance No. 31 of 1939

Extracts from Relevant Laws and Regulations

Assisted Schools and Training Colleges (Special Provisions) Act No. 5 of 1960

Sec. 2 Application	“This Act shall apply to every Assisted School, other than any such school as is specified in the Schedule to this Act...”
Sec. 3	Minister may, by order, appoint a Director as the manager of every Assisted

Director	School to which this Act applies, provided that, where the proprietor of any Assisted School serves a notice on the Director stating that he has elected to carry on the administration of such school as an unaided school, Minister's order shall cease to apply to such School.
Sec. 6 Unaided schools	<p>If the proprietor of any school has made an election under Sec. 5 (for Grade I or II Assisted Schools), to be an unaided school, such proprietor shall</p> <ol style="list-style-type: none"> a. Educate and train the pupils in such school in accordance with the general educational policy of the Government; b. continue to maintain all such facilities and services as were maintained by such school on the day immediately preceding the date on which this Act was passed c. Not, after the date of such election, admit a pupil whose parent does not profess the religion of such proprietor unless prior permission is obtained from the Director d. not levy fees other than any fees for facilities and services which are permitted by regulations made in that behalf under the Education Ordinance; e. make no reduction in the accommodation provided in such school for pupils; f. not dismiss or discontinue any pupil who was in that school on the day prior to the date of such election, except upon disciplinary grounds and with the approval of the Director; g. comply with the provisions of any written law applicable to such school and matters relating to education; h. not, except with prior approval of the Director, terminate the services of any teacher or employee who is on the staff of such school, on or after the day this Act was passed. <ol style="list-style-type: none"> i. pay to every teacher and employee who is on the staff of such school the salary and allowances due to such teacher or employee in respect of any month not later than the tenth day of the subsequent month; j. not, except with the prior approval of the Director, alter the terms and conditions (including terms relating to salary, allowances and leave) of service of any teacher or employee who is on the staff of such school on or after the day this Act was passed

	<p>k. satisfy the Director that necessary funds to conduct and maintain the school will be available and shall conduct such school to the satisfaction of the Director; and</p> <p>l. not directly or indirectly by himself or any other person cause or permit any other person to have any strike or lock-out within or about the school premises which would have the effect of preventing such school being conducted to the satisfaction of the Director.</p>
<p>Sec. 7</p> <p>Proprietor may request Director to take a poll</p>	<p>Proprietor of any Assisted School may make a written request to Director to take a poll to enable teachers, parents of pupils in assisted school to elect whether the school should be administered by proprietor as unaided school.</p>
<p>Sec. 12</p> <p>Offence to obstruct Director</p>	<p>Every person who obstructs the Director or any officer authorized by him in the exercise, performance or discharge of his powers, functions or duties as manager of any school to which this Act applies shall be guilty of an offence.</p>
<p>Sec. 14</p> <p>Regulations</p>	<p>Minister may make regulations in respect of any matter for which regulations are authorised/required to be made by this Act and for the purpose of giving effect to the principles and provisions of this Act.</p>
<p>Sec. 15</p> <p>Offences and Penalties</p>	<p>Any person who contravenes or fails to comply with any provisions of this Act or of any Order or regulation made thereunder shall be guilty of an offence (punishment after summary trial before Magistrate is imprisonment for three months with/without fine, not exceeding 500 rupees)</p>
<p>Sec. 16</p> <p>Conflict</p>	<p>The provisions of this Act shall have effect notwithstanding anything contained in any other written law. In the event of conflict, the provisions of this Act shall prevail.</p>
<p>Sec. 17</p> <p>Interpretation</p>	<ol style="list-style-type: none"> 1. Assisted School - any school or training college to which aid is contributed from State funds or was contributed from such funds on July 21, 1960 2. Director – Director of Education 3. Parent – Father of pupil, or if the father is dead or resides outside Ceylon, his mother, or if both are dead or reside outside Ceylon, the legal guardian
<p>Schedule</p>	<ol style="list-style-type: none"> 1. Any school maintained exclusively for the education of children suffering from any mental or physical disability. 2. Any school maintained exclusively for the teaching of dancing.

	<p>3. Any estate school.</p> <p>4. Any school which was conducted on July 21, 1960, mainly for persons over fourteen years of age.</p>
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Assisted Schools and Training Colleges (Supplementary Provisions) Act No. 8 of 1961

Sec. 2 Application	This Act shall apply to every assisted school of which the Director was on December 1, 1960, or is, or becomes, the Manager by virtue of the operation of any Order made under the Assisted Schools and Training Colleges (Special Provisions) Act, No. 5 of 1960.
Sec. 7 Property vested in the Crown	Any property vested in the Crown by a Vesting Order may be used by the Director for and on behalf of the Crown for the purpose of conducting and maintaining a school.
Sec. 10 Divesting Orders	<p>Notwithstanding that any property used for the purpose of any school to which this Act applies has vested in the Crown, the Minister by a Divesting Order, shall,</p> <ul style="list-style-type: none"> • if such property ceases to be used/is not needed for the purpose of a school, • if the Director ceases to be manager of that school by virtue of the operation of any Order made under the Principal act • if a determination is made on a reference to arbitration under this Act that any property in respect of which that Vesting Order was made, is not property liable to vesting <p>revoke that Vesting Order in so far as relates to such property from the relevant date</p>
Sec. 11 No compensation	No person shall be entitled to compensation from the crown in respect of any property vested in the crown by a Vesting Order or possession/use by the crown of any vested property that was subsequently divested, or for any loss incurred by them by reason of such vesting or divesting of property in the crown.
Sec. 13 Offence	Every person who prevents or obstructs or resists any person from or in taking possession, under section 12, of any property for and on behalf of the Crown shall be guilty of an offence under this Act
Sec. 15	The Director may exercise, perform or discharge any power, duty or function vested in or imposed on the proprietor of any school to which this Act applies

Director	by the Education Ordinance or by any other law, and such proprietor shall cease to exercise, perform or discharge any such power, duty or function
Sec. 16 Power of entry	<ol style="list-style-type: none"> 1. Any of the following persons shall be entitled to enter the premises of any school to which this Act applies during such hours as may be determined by the Director from time to time 2. The Director or any person authorised by him in that behalf. 3. Any teacher in such school. 4. The pupils attending such school for instruction. 5. The parents of pupils attending such school. 6. Employees of such school. <p>(2) Any person who obstructs or resists any other person in the exercise of such other person's right of entry to any school to which this Act applies conferred by subsection (1) shall be guilty of an offence under this Act.</p>
Sec. 19 Director to make good any loss or repair any damage	Where any loss or damage has been or is caused to any property which had prior to the date of such loss or damage been used for the purposes of any school to which this Act applies or which is being conducted and maintained by the Director for and on behalf of the Crown, the Director may make good such loss or repair such damage, or may prepare an estimate of the cost of making good such loss or repairing such damage
Sec. 25 New schools	<p>(1) No person shall, on or after the date of the commencement of this Act—</p> <ol style="list-style-type: none"> a. establish any school for the education of persons who are between the age of five years and the age of fourteen years (both ages inclusive); or b. Establish any school, other than a school referred to in paragraph (a), for the education of persons who are below the age of eighteen years without the prior approval of the Director. <p>(2) Regulations may be made under this Act for the conduct and regulation of schools which are established with the approval of the Director given under paragraph (b) of subsection (1).</p> <p>(3) The preceding provisions of this section shall not apply to the establishment of a school solely for religious instruction.</p>
Sec. 27 Penalties for offences	Every person who is guilty of an offence under this Act shall, on conviction after summary trial before a Magistrate, be liable to imprisonment of either description for a term of six months with or without a fine not exceeding five

	hundred rupees.
Sec. 28 Offences by body corporate	Where an offence under this Act is committed by a body corporate, every person who at the time of the commission of that offence was a member of that body corporate shall be deemed to be guilty of that offence unless he proves that the offence was committed without his consent or connivance, and that he exercised all such diligence to prevent the commission of that offence as he ought to have exercised having regard to the nature of his functions in such capacity and in all the circumstances.
Sec. 30 No suit to lie against Minister/Director	No suit or prosecution shall lie against the Minister, Director or any officer or other person for any act which is in good faith done or purported to be done by him under this Act.
Sec. 31 Conflict	In the event of any conflict or inconsistency between the provisions of this Act and the provisions of any other written law, the provisions of this Act shall prevail over the provisions of such other written law.
Sec. 33 Interpretation	<ul style="list-style-type: none"> • “assisted school” has the same meaning as in the principal Act; • “Director” means the Director of Education, and includes any Additional Director of Education, any Deputy Director of Education, any Additional Deputy Director of Education, any Assistant Director of Education or any Additional Assistant Director of Education; • “property liable to vesting” means any property belonging to any class or description of property for the time being specified in the First Schedule to this Act, but does not include— <ul style="list-style-type: none"> a. any temple, mosque, kovil, church, chapel, or other place (by whatsoever name called) which was, on July 21, 1960, and is on the date of commencement of this Act, used for the purpose of public religious worship ; or b. any movable property which is, on the date of such commencement, kept in such temple, mosque, kovil, church, chapel, or other place, for exclusive use for that purpose; • “religious observance or worship” does not include any religious instruction given during school hours

Education Ordinance No. 31 of 1939

<p>Sec. 22</p> <p>Preparation of local education schemes</p>	<p>No local education scheme shall be valid, and no steps shall be taken to carry out any local education scheme until it has been approved by the Minister etc, provided that no such scheme shall be confirmed by the Minister, which is prepared in pursuance of any policy aimed against assisted denominational schools as such.</p>
<p>Sec. 34</p> <p>Religion etc not a bar for admission</p>	<p>No applicant shall be refused admission into any assisted school on account of the religion, nationality, race, caste, social status, or language of such applicant or either of his parents.</p>
<p>Sec. 35</p> <p>Religious Instructions</p>	<p>The person in charge of a government or assisted school shall not require or permit a pupil to attend in the school or in any place of worship situated within the school, any instruction in, or worship or observance connected with a religion which is not the religion of the parent of the pupil.</p> <p>If this provision is breached, the Director-General of any assisted school, may withhold or refuse to pay any such grant from State funds as may be payable to the manager of the school or remove the school from the list of registered schools.</p>
<p>Sec. 36</p> <p>Managers</p>	<p><i>Concerns the appointment of managers of Assisted Schools (overwritten by the Assisted Schools Act?)</i></p> <ol style="list-style-type: none"> 1. The DG may appoint as the manager of an assisted school, any person recommended in writing by the proprietor of the school. 2. The DG may (for reasons to be stated in writing and communicated to the proprietor of as assisted school) refuse to appoint as the manager of that school, the person recommended by the proprietor and may require the proprietor to recommend some other person as manager. 3. If proprietor refuses or neglects or is unable to recommend a person who appears to the DG to be a suitable manager, it shall be lawful for the DG, in their discretion, to appoint a suitable person as manager. 4. The DG may suspend or remove from office, the manager of an assisted school either on the DG's own motion or upon a written request made in that behalf by the proprietor of the school. 5. Where the proprietor makes a written request to DG to suspend or remove from office the manager of the school, the DG may (for reasons to be stated by them in writing and communicated to proprietor) refuse to suspend or remove the manager from office.

	<p>6. A person suspended/removed from office of manager by DG of DG's own motion, shall be entitled to appeal to the Minister against the suspension/removal. Decision of the Minister on any appeal shall be final and conclusive.</p> <p>7. Proprietor shall be entitled to appeal to Minister against any decision of the DG refusing to appoint as manager, the person recommended by the proprietor or the DG appointing as manager a person other than the person the proprietor recommended or suspending/removing from office the person appointed as manager on recommendation of the proprietor. Decision of Minister on such appeal shall be final and conclusive.</p> <p>8. Every appointment, retirement or removal of the manager shall be notified by DG in the Gazette</p> <p>9. No teacher of an assisted school and no person who derives any profit or emolument from an assisted school shall be appointed or shall act as manager of that school.</p> <p>10. Every person who, after he is suspended/removed from office of manager by the DG, refuses to vacate his office or resists or obstructs any other person lawfully appointed from entering upon or executing the duties of the manager OR acts as manager in contravention of subsection (2) shall be guilty of an offence (liable on conviction after summary trial before magistrate to a fine not exceeding 100 rupees and in the case of a continuing offence, a fine not exceeding 10 rupees in respect of each day during which the offence is continued.</p>
<p>Sec. 37 Regulations</p>	<p>(1) Minister may make regulations either for whole of SL or defined areas, for the purpose of giving effect to the principles and provisions of this Ordinance, provided that no regulation shall be made in pursuance of any policy aimed against any particular assisted denominational schools as such.</p> <p>(2) Minister may make regulations in respect of</p> <p style="padding-left: 40px;">a. the conditions subject to which grants from State funds will be paid in respect of an assisted school, the purposes for which such grants will be paid, and the conditions for the breach of which such grants will be stopped</p> <p style="padding-left: 40px;">b. the language through the medium of which instruction shall be given in any class in any government or assisted school.</p> <p style="padding-left: 40px;">c. The standards of accommodation and sanitation to be maintained in government and Assisted Schools</p>

<p>Sec. 47</p> <p>Fees</p>	<ol style="list-style-type: none"> 1. No fees shall be charged in respect of admission to, or of the education provided in, a government school or an assisted school. 2. Notwithstanding the above, regulations may be made under this Ordinance, authorising the charging of fees from pupils in government or Assisted Schools in order to defray the expenses incurred in providing therein facilities for games, PE or services for educational, recreational or health purposes. 3. Notwithstanding the above, fees may be charged in respect of the admission or education of a pupil admitted or promoted to a class above standard VIII in any assisted school, only if the pupil has not been certified under regulations made in that behalf to be suitable for senior secondary education. 4. In the case of any assisted school, the DG may, for the contravention of subsection (1) withhold or refuse to pay any such grant from State funds as may be payable to the manager of the school or remove the school from the list of registered schools.
<p>Sec. 62</p> <p>Interpretation</p>	<ol style="list-style-type: none"> 1. Assisted school – a school to which aid is contributed from State funds 2. Manager – in relation to an assisted school means the person who appoints, transfers or dismisses or discontinues teachers in such assisted school.

Findings based on the laws and regulations:

After studying these laws and regulations, the subcommittee concluded that there is no apparent deficiency in these laws as such that prevent the proper and efficient management of such schools. Therefore, the sub-committee decided to interview the teachers and principals of the Assisted Schools and invited them to a meeting via zoom.

3.2 Interviews with stakeholders:

An invitation was sent via the Ministry of Education, requesting the relevant stakeholders to be present for a virtual meeting at 2 pm on the 12th October. About twelve persons, consisting of teachers and principals, attended this meeting.

At the meeting, the following points were noted:

- The issue raised by the original letter was only in relation to schools catering to children with special educational needs, and not to all Assisted Schools. (semi-government schools)

- Teachers in these schools are recruited specifically for that school by the school itself, based on the needs of the school and the expertise of the teachers. There is no possibility of transfer as these teachers do not belong to the Sri Lanka Teacher Service. As a result, teachers who wish to move to another district or area on account of marriage or other considerations are unable to either do so or continue teaching since there is no possibility of transfer.
 - When questioned as to whether they were aware of this situation at the point of recruitment, they admitted in the affirmative, but they said that it was stifling their career prospects.
 - When the sub-committee queried as to whether there are any comparable schools that they could transfer to, they noted that the options were limited, but that if the option to at least get a mutual transfer was available, it would help.
 - One of the Principals also agreed with this view, since she said it was difficult to recruit and retain staff because of this problem.
- Regarding the facilities in these Assisted Schools, the persons who participated mentioned that there were sufficient facilities in their schools. They noted that there was a drop in funding during the COVID period but that it has picked up at present. They were concerned that there was a drop in students in these schools after COVID and the economic crisis, indicating perhaps that the parents are now unable to afford even the subsidized fees that are charged.
- None of the persons who participated mentioned that there was corruption in the management of these schools (as alleged in the letter sent). It was interesting to note that none of the persons who signed the letter attended the meeting. Therefore, this point cannot be effectively ascertained.
- On the question of whether children with special educational needs attending these schools should be integrated into the regular school network and allowed to study certain subjects along with those children, the Principal of the Chitra Lane school mentioned that children with minor learning challenges are already integrated into the regular system and that these Assisted Schools only cater to students with severe challenges, and that these children would not be helped by attending regular schools.

4. Main findings:

The subcommittee arrived at the following findings and conclusions:

1. There are very few Assisted Schools catering to children with special educational needs. Most of these are run by private organisations. Some are privately funded but others receive limited

funding from the government. Accordingly, they would fall within the category of Assisted Schools.

2. The teachers in these Assisted Schools are recruited by the respective Schools, depending on their needs. They are absorbed into the Sri Lanka Assisted School Teachers Service on the recommendation of the Manager of the Assisted School, upon the relevant teachers fulfilling the required qualifications, subject to the availability of vacancies in the approved cadre of teachers for the school. Otherwise, they remain outside the Sri Lanka Assisted School Teachers Service.
3. There is no possibility for teachers in these schools to transfer out of these schools, as they are recruited by the respective Schools. They have been aware of this situation at the time of their recruitment. This situation is not very different to any other private school or private institution, which does not have a network of branches. As such, once they have accepted the relevant appointments, they must be willing to stay on in these schools until resignation, termination, or retirement.
4. However, clearly this may become a daunting prospect for many of them, due to changes in circumstances for differing reasons. Nevertheless, this situation is no different to other employees in similar situations, who are in non-transferable employment.
5. It is not possible to ascertain whether funding presently received by such schools is sufficient, since the participants may not have been willing to portray a negative aspect of their schools. However, the general impression created by the participants at the public consultation was that the schools would definitely benefit from further funding.
6. It is not possible to ascertain whether there is corruption in the management of these schools. When directly questioned, the participants denied this. Further, none of the persons who made that allegation in the letter attended the public consultation.
7. It is not possible to recommend that unused schools should be rather used / be converted to meet the needs of these children. However the option of the children attending these Assisted Schools may be integrated into regular schools – although the persons who attended the public consultation were not inclined to such a move. Further, the subcommittee believes that this particular decision should be made by a person qualified in special needs education. Several private regular schools have been catering to children with special needs with much success.

5. Recommendations:

1. The teachers in Assisted Schools providing education to children with special educational needs render a very unique and necessary service. Their skills in dealing with and educating such children will necessarily develop and enhance with the practical experience they gain over the

years. Therefore, it would definitely be beneficial to such schools, the students in such schools and the society at large, to retain such experienced teachers in service for as long as possible.

In the circumstances, whilst there are legal and practical challenges to transfer these teachers as outlined above, it would be best to examine the possibility of devising a scheme of mutual transfers among teachers in these Assisted Schools. The relevant unit in the Ministry of Education supervising the schools may be able to maintain a list of persons desiring such transfers. Where there are matching requests, the transfer could be voluntarily worked out between such teachers and their schools, by mutual consent. Such a process would help in retaining experienced staff in the field, whilst also helping the teachers who need to relocate due to life choices.

2. There may be a need to expand such schools or open new ones in the future, depending on the statistical information of the children having special needs area wise, as may be prudent. The practical aspects of such expansion will have to be studied further.
3. The reported decline in student numbers is alarming as it reflects that these children are not getting the education that they need. The numbers of such students with special educational needs not receiving meaningful education and the reasons therefor, should be carefully studied, and suitable action should be taken to remedy the situation.
4. No major law reform is needed to affect any of the above measures. Therefore, the subcommittee does not recommend any amendments to the existing legislation

III. Amendments to the Primary Courts Procedure.

Recommendation	Amendments to the Primary Courts Procedure.
Background	The Ministry of Justice has referred the above matter to the Law Commission to propose necessary reforms by the letter No. MOJ/L4/556/2023 dated 22.05.2023.
Present status	<p>Law Commission appointed a subcommittee led by Mr. Samantha Ratwatte P.C. to propose law reforms for the above matter. Attention was given to amend Part VII of Primary Courts Procedure. It is observed that Part VII is limited only to Sections 66 to 76 of Primary Courts Procedure. The jurisdiction of a Primary Court under Section 66 is a special jurisdiction. It is a quasi-criminal jurisdiction. The primary object of this jurisdiction is the prevention of a breach of the peace arising in respect of a dispute affecting land. The Primary Court in exercising this jurisdiction should not be involved in an investigation into the title or the right to possession, which is the function of a Civil Court. The subcommittee report proposed that, Primary Court is required to take action of a preventive and provisional nature pending final adjudication of rights in a Civil Court.</p> <p>Updated progress: The report proposed by the subcommittee was presented to Law Commission and discussed. Law Commission decided to present the relevant report to Law Commission meeting on 18.01.2024 to finalize it.</p>

Report on the Primary Courts' Procedure Act aimed at reform
with particular emphasis on Part VII

Existing Jurisdiction

The jurisdiction of the Primary Courts is set out in Sections 32 and 33 of the Judicature Act.

The Civil jurisdiction vested is virtually redundant since the pecuniary limit is fixed at 1500 rupees apart from there being 36 categories of cases given in Schedule 4 which are specifically excluded from the jurisdiction of a Primary Court.

On the other hand, criminal jurisdiction can be made use of at the discretion of the Minister as Section 33 of the Judicature Act which deals with criminal jurisdiction can be given effect to upon regulations being gazetted by the Minister.

However, the requirement for the Minister to gazette setting out certain offences along with limitations, restrictions and other conditions in respect of such offences perhaps is the reason for criminal jurisdiction not being effectively used currently.

As such, the only practical usage of the Primary Court procedure seems to be confined to what is commonly known as Section 66 applications found from Section 66 to 76 of the Primary Courts' Procedure Act set out under Part VII of the said Act.

The jurisdiction regarding matters under Part VII has been judicially interpreted to mean as being quasi criminal without being categorized under civil or criminal jurisdiction.

The jurisdiction conferred on a Primary Court under section 66 is a special jurisdiction. It is quasi-criminal jurisdiction. The primary object of the jurisdiction so conferred is the prevention of a breach of the peace arising in respect of a dispute affecting land. The Court in exercising this jurisdiction is not involved in an investigation into title or the right to possession which is the function of a civil Court. Court is required to take action of a preventive and provisional nature pending final adjudication of rights in a civil Court. Vide. *Kanagasabai vs. Mylwaganam* 78 N.L.R. 280 and *Punchi Nona vs. Padumasena* [1994] 2 Sri L.R. 117

Invoking of Jurisdiction in a Section 66 application is either by:

1. The police officer inquiring into the dispute (Section 66(1)(a)); or
2. By any party to the dispute (private plaintiff - actually by way of an affidavit) (Section 66(1)(b)).

However, Court has discretion to decide whether in fact "a likelihood of a breach of peace" is disclosed or not, in instances where the police do not file a report but a Party makes an application.

Types of disputes and Orders

Depending on whether the dispute is regarding possession of land or regarding the right to any land other than possession of land, a S 68 or S 69 Order will be made respectively with a view to prevent a breach of peace.

A S 68 Order is made regarding the entitlement to possession of any land as envisaged in the Act.

In the case of possession, the duty of the Magistrate is to determine who was in possession on the date of the complaint and make an order as to who is entitled to possession without considering the title – Vide. Section 68 (1)

A Section 68 Order can also be made regarding the right to be placed in possession of land if the Magistrate is satisfied that any person who had been in possession of the land or part has been forcibly dispossessed within a period of two months immediately before the date of the complaint - Vide. Section 68 (3)

A Section 69 Order is made where the dispute relates to any right to any land or any part of a land, other than the right to possession of such land or part thereof, such as for example the right to servitude.

A person who is in possession based on a Section 68 Order or is using a right based on a Section 69 Order can continue to do so until the Orders are set aside by an order or decree of a competent Court.

Once a Section 68 or 69 Order is made, Section 76 of the Act enables a writ to be executed where appropriate.

Drawbacks and possible reforms

1. ***Orders being effective for a very long period*** - The greatest drawback in this procedure is not strictly related to the nature of Orders that are made by a Primary Court itself but due to delays that are inevitable in determining rights in a District Court action which is also subject to two appeals.

Since a Primary Court order prevails until a final decision is made by a District Court in view of the judgement of Kanagasabai vs Mylwaganam (78 N.L.R. 280), these Orders of a temporary nature made by a Primary Court continue to be effective for several years enabling even a trespasser or squatter to remain in possession for an inequitable period of time (sometimes till the appeals are determined).

“In an inquiry into a dispute as to the possession of any land, where a breach of peace is threatened or is likely under Part VII, of the Primary Courts Procedure

Act, the main point for decision is the actual possession of the land on the date of the filing of the information under section 66; but, where forcible dispossession took place within two months before the date on which the said information was filed the main point is actual possession prior to that alleged date of dispossession. Section 68 is only concerned with the determination as to who was in possession of the land or the part on the date of the filing of the information under section 66. It directs the Judge to declare that the person who was in such possession was entitled to possession of the land or part thereof Section 68(3) becomes applicable only if the Judge can come to a definite finding that some other party had been forcibly dispossessed within a period of two months next proceeding the date on which the information was filed under section 66. The effect of this sub-section is that it enables a party to be treated to be in possession on the date of the filing of the information though actually he may be found to have been dispossessed before that date provided such dispossession took place within the period of two months next proceeding the date of the filing of the information. It is only if such a party can be treated or deemed to be in possession on the date of the filing of the information that the person actually in possession can be said not to have been in possession on the date of the filling of the information. Thus, the duty of the Judge in proceedings under section 68 is to ascertain which party was or deemed to have been in possession on the relevant date, namely, on the date of the filing of the information under section 66. *Under section 68 the Judge is bound to maintain the possession of such person even if he be a rank trespasser as against any interference even by the rightful owner. This section entitles even a squatter to the protection of the law, unless his possession was acquired within two months of the filing of the information.*

That person is entitled to possession until he is evicted by due process of law. A Judge should therefore in an inquiry under Part VII of the aforesaid Act, confine himself to the question of actual possession on the date of filing of the information except in a case where a person who had been in possession of the land had been dispossessed within a period of two months immediately before the date of the information." Vide. *Ramalingam v. Thangarajah* [1982] 2 Sri.LR. 693

In addition, S 74 (2) states that an Order made under Part VII cannot be appealed against and a revision application, though possible, is not an effective remedy as rights of Parties can only be gone into by a District Court.

This anomaly can be remedied if a specific provision can be made that the District Court is entitled to vary or set aside an order made by the Primary Court under Part VII of the Primary Courts' Procedure Act, by way of an interim Order based on rights of Parties.

2. ***Discretion to exercise Jurisdiction*** - Based on S66 (1), a dispute can be referred to Court either by the Police or through a private complaint (actually an affidavit).

"Under Section 66 (1)(a) of the Primary Courts Procedure Act, the formation of the opinion as to whether a breach of the peace is threatened or likely is left to the police officer inquiring into the dispute. The police officer is empowered to file the information if there is a dispute affecting land and a breach of the peace is threatened or likely. The Magistrate is not put on inquiry as to whether a breach of the peace is threatened or likely. In terms of Section 66 (2) the Court is vested with jurisdiction to inquire into and make "a determination on the dispute regarding which information is filed either under Section 66 (1) (a) or 66 (1) (b). However, when an information is filed under Section 66 (1)(b) the only material that the Magistrate would have before him is the affidavit information of an interested person and in such a situation without the benefit of further assistance from a police report, the Magistrate should proceed cautiously and ascertain for himself whether there is a dispute affecting land and whether a breach of the peace is threatened or likely. "Vide. Velupillai and others v. Sivanathan [1993] 1 Sri L.R. 123

In information by a private party under section 66(1) (b) it is incumbent upon the Primary Court Judge to initially satisfy himself as to whether there was a threat or likelihood of a breach of the peace and whether he was justified in assuming such a special jurisdiction under the circumstances. Failure to so satisfy himself deprives the judge of jurisdiction." Vide. Punched Nona vs. Padumasena [1994] 2 Sri L.R. 117

When a complaint is made to the Police, the discretion lies with them to decide whether there is a likelihood of an actual breach of peace or not upon inquiry. Therefore, the Police have a wide power in their ability to decide whether or not to file a report under Section 66 of the Primary Courts' Procedure Act. This can be misused where in certain instances, the Police may not act on a complaint even when there is a valid case. Similarly, the Police may proceed to file a report despite there being no breach of peace in order to support the person complaining.

In addition, if the Police do not act on a complaint, individuals cannot proceed with an application automatically unless, Court is satisfied there is a likelihood of a breach of peace. As "satisfaction of the existence of a likely breach of peace" is subjective, Judges too can discourage the invocation of this jurisdiction by using discretion.

This anomaly can be rectified by conferring Jurisdiction in very clear form and removing the element of discretion as regards Jurisdiction. The provisions of

the proposed Protection of Occupants Act (Submitted by Mr. Palitha Kumarasinghe PC) with suitable amendments can be made use of, for this purpose.

The incorporating of those provisions into the Primary Courts' Procedure Act under Part VII for the purpose of clarifying the scope of the acts which can be complained of could be considered to form the basis of jurisdiction as far as possession of land or right to possession of land is concerned.

With regard to Jurisdiction in respect of disputes relating to a right in respect of any land other than a right to possession (such as servitudes where Orders under S69 are made), stating that any person is entitled to take any such dispute to a Primary Court to obtain an Order which would be effective only for a specific period within which such person should go to the District Court could be considered.

3. ***Unlimited time for execution*** - Another area that needs reform is the ability for the execution of writ at any stage unlike in the District Court where it is restricted to 10 years. This can cause grave injustice when a writ is executed many years after an Order (where a higher Court overturns an Order), perhaps when persons unconnected to the case are in possession. This aspect too could be reformed by prescribing a specific manner in which writ could be executed and a time frame. This anomaly too has come about due to apparently conflicting judicial decisions which make the *casus omissus* clause (S78) being made redundant as discussed in *Jayantha Gunasekara vs. Jayatissa Gunasekara and Others* [2011] 1 Sri L.R. 284.

Summary of suggestions

Accordingly, the suggested reforms are in the following manner:

1. Confer a right to the District Court to vary or set aside an order made by the Primary Court under and in terms of Part VII of the Primary Courts' Procedure Act, by way of an interim Order.
2. Enable any person to bring any dispute affecting land other than the right of possession to a Primary Court pending the right to go to the District Court (within a specified time)
3. Allow a Party as of right to invoke jurisdiction subject to certain restrictions on matters of possession of immovable property by incorporating the provisions of the proposed Protection of Occupants Act (Submitted by Mr. Palitha Kumarasinghe PC) with suitable amendments for the purpose of clarifying the scope of the acts which can be complained of.
4. Provide a timeframe for the execution of writ.

Subject to these reforms/ variations (amendments) it is recommended that provisions of Part VII be retained while repealing the redundant parts of the Primary Court procedure if desired.

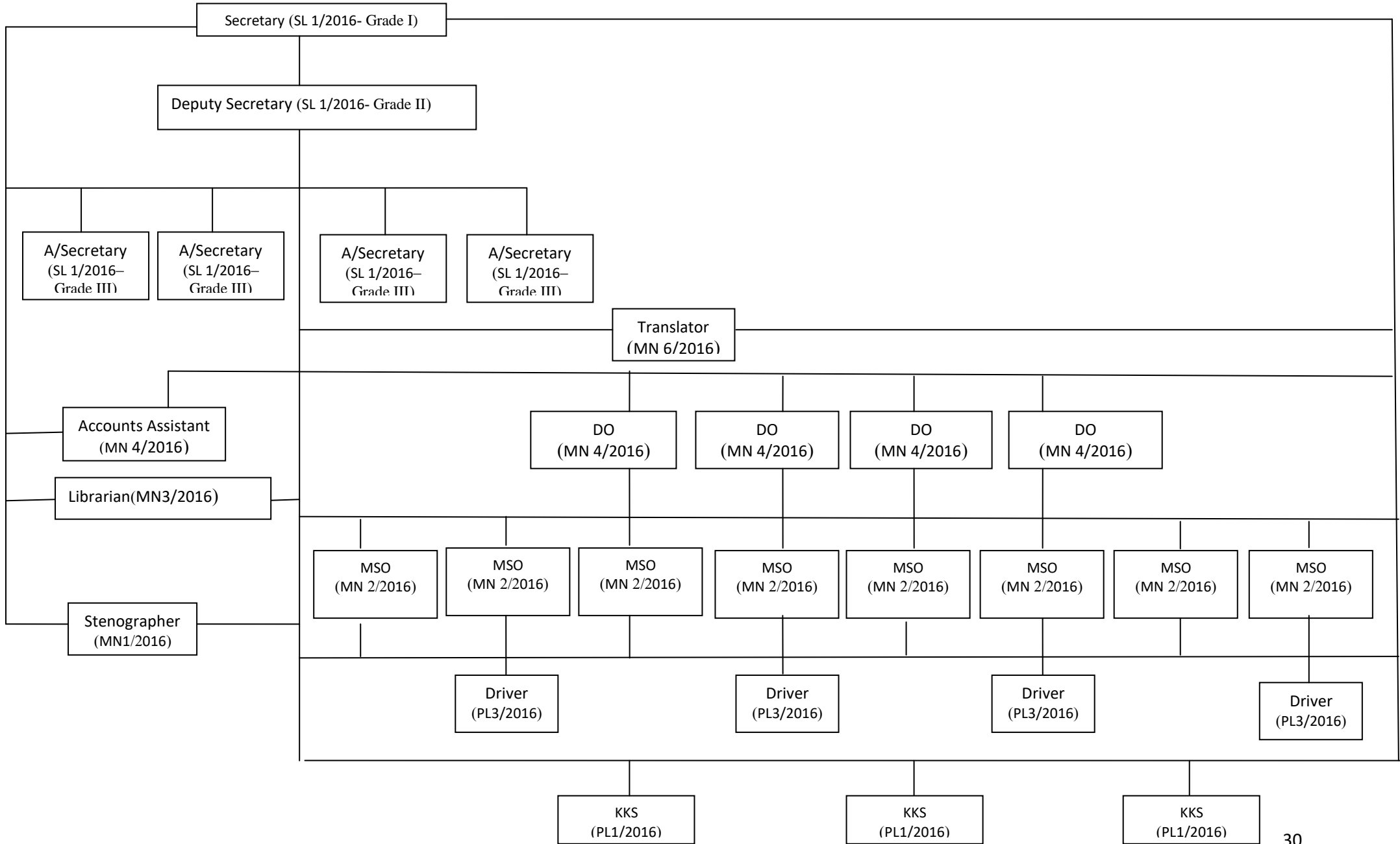
This report has been prepared as directed by the Chairman of the

Law Commission. Samantha Ratwatte.

References:

1. Judicature Act, Sections 32 and 33
2. Primary Courts' Procedure Act, In particular, Sections 66, 68, 69 and 76
3. Kanagasabai vs. Mylwaganam 78 N.L.R. 280
4. Puchi Nona vs. Padumasena [1994] 2 Sri L.R. 117
5. Ramalingam v. Thangarajah [1982] 2 Sri.LR. 693
6. Velupillai and others v. Sivanathan [1993] 1 Sri L.R. 123
7. Jayantha Gunasekara vs. Jayatissa Gunasekara and Others [2011] 1 Sri L.R. 284
8. Proposed Protection of Occupants Act (Submitted by Mr. Palitha Kumarasinghe PC)

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

Hon. President Mr. Ranil Wickckramasinghe appointed Mr. Iqram Mohomad P.C. as the new Chairman of Law Commission 2023. The Cabinet of Ministers proposed and approved that a unified Insolvency law should be developed which incorporates recognized global “best practices” tools for the restructuring of viable business in distress; contains clear rules for the disclosure of non-viable business, which is supported by a legal and administrative framework that facilitates the effective application of these provisions would meet the needs of the foreign investors and would strengthen the domestic economy. By the Cabinet Memorandum No. 2023/ Cab Memo / J/ L/ 60 dated 07th June 2023, the Cabinet requested Law Commission to discuss the above mentioned proposals with the relevant stakeholders and to propose new law reforms regarding Insolvency Law. It was a great achievement of the Law Commission presenting the drafted Law Reforms regarding Insolvency Law by December 2023, adhering to the deadlines of the World Bank by reviewing highly technical areas of law.

Further, the Law Commission successfully completed and forwarded to the Ministry of Justice, the legal reviews and legal recommendations on the law relating to Assisted Schools and Training Colleges at the request of Hon. Minister of Justice Dr. Wijayadasa Rajapakse in the year 2023 by achieving the performance targets of the year.

Moreover, Hon. Minister of Justice requested Law Commission to present recommendations on amending the Primary Courts Procedure. The Commission has widely discussed the existing practical issues and challenges of the Primary Courts Procedure Act with the legal professionals of the Law Commission and forwarded a comprehensive report to Hon. Minister of Justice Dr. Wijayadasa Rajapakse.

The year 2023 is highlighted as a successful year to the Law Commission as a year of achieving outstanding performance targets. The performance of the Law Commission commended at the Audit and Management meetings at the Ministry of Justice.

I hereby extend my heartiest gratitude to the Chairman and the members of the Law Commission to share their professional knowledge and experience to achieve the successful performance standard of the Law Commission in year 2023. Further, I thank the energetic staff of the Department of Law Commission for serving their maximum effort to fulfill the financial and administrative goals a success in this year.

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C. S. Abeysekera

Secretary

Department of Law Commission

**Chapter 03–Overall Financial Performance for the Year ended
31st December 2022**

3.1 Statement of Financial Performance

						ACA -F	
Statement of Financial Performance							
for the period ended 31st December 2023							
Budget 2023			No te	Actual		Restated	
				2023		2,022	
Rs.				Rs.		Rs.	
-	Revenue Receipts			-		-	
-	Income Tax		1	-		-	} ACA-1
-	Taxes on Domestic Goods & Services		2	-		-	
-	Taxes on International Trade		3	-		-	
-	Non Tax Revenue & Others		4	-		-	
-	Total Revenue Receipts (A)			-		-	
				-		-	
-	Non-Revenue Receipts					-	
-	Treasury Imprests			14,353,000		16,548,430	ACA-3
-	Deposits			-		-	ACA-4
-	Advance Accounts			973,738		869,105	ACA-5
-	Other Main Ledger Receipts			-		-	
-	Total Non-Revenue Receipts (B)			15,326,738		17,417,535	
	Total Revenue Receipts & Non Revenue Receipts C = (A)+(B)			15,326,738		17,417,535	
	Remittance to the Treasury (D)			45,093		27,015	
-	Net Revenue Receipts & Non Revenue Receipts E = (C)-(D)			15,281,645		17,390,520	

	Less: Expenditure					
-	Recurrent Expenditure					
11,400,000	Wages, Salaries & Other Employment Benefits	5	9,927,473	11,074,101		
9,350,000	Other Goods & Services	6	6,276,508	4,598,881	ACA-2(ii)	
250,000	Subsidies, Grants and Transfers	7	22,875	61,287		
	Interest Payments	8	-	-		
21,000,000	Other Recurrent Expenditure	9	-	-		
	Total Recurrent Expenditure (F)		16,226,856	15,734,269		
	Capital Expenditure					
840,000	Rehabilitation & Improvement of Capital Assets	10		188,724		
360,000	Acquisition of Capital Assets	11	266,353	43,257		
	Capital Transfers	12	-	-	ACA-2(ii)	
	Acquisition of Financial Assets	13	-	-		
100,000	Capacity Building	14	36,000			
	Other Capital Expenditure	15	-	-		
1,300,000	Total Capital Expenditure (G)		302,353	231,981		
	Deposit Payments		-	-	ACA-4	
2,000,000	Advance Payments		1,629,087	2,116,719	ACA-5	
	Other Main Ledger Payments		-	-		
	Total Main Ledger Expenditure (H)		1,629,087	2,116,719		
	Total Expenditure I = (F+G+H)		18,158,296	18,082,969		
	Balance as at 31st December J = (E-I)		2,876,651	692,450		
	Balance as per the Imprest Reconciliation Statement		(2,876,651)	(692,450)	ACA-7	
	Imprest Balance as at 31st December		-	-	ACA-3	
			(2,876,651)	(692,450)		

3.2 Statement of Financial Position

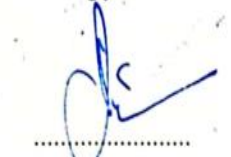
ACA-P

Statement of Financial Position As at 31st December 2023

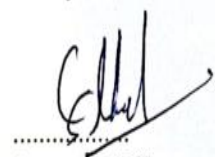
	Note	Actual Current Year Rs	Actual Previous Year Rs
<u>Non Financial Assets</u>			
Property, Plant & Equipment	ACA-6	24,906,562	26,540,210
<u>Financial Assets</u>			
Advance Accounts	ACA-5/5(a)	2,943,555	2,982,590
Cash & Cash Equivalents	ACA-3		
Total Assets		27,850,117	29,522,800
<u>Net Assets / Equity</u>			
Net Worth to Treasury		2,943,555	2,982,590
Property, Plant & Equipment Reserve		24,906,562	26,540,210
Rent and Work Advance Reserve	ACA-5(b)	-	-
<u>Current Liabilities</u>			
Deposits Accounts	ACA-4	-	-
Imprest Balance	ACA-3		
Total Liabilities		27,850,117	29,522,800

Detail Accounting Statements in ACA format Nos. 1 to 7 presented in pages from1.... to...24... and Annexures to accounts presented in pages from ...25.... to ...33..... form an integral part of these Financial Statements. The Financial Statements have been prepared in complying with the Generally Accepted Accounting Principles whereas most appropriate Accounting Policies are used as disclosed in the Notes to the Financial Statements and hereby certify that figures in these Financial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found in agreement.

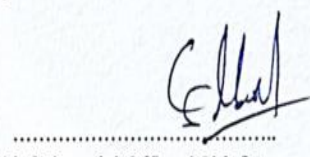
We hereby certify that an effective internal control system for the financial control exists in the Reporting Entity and carried out periodic reviews to monitor the effectiveness of internal control system for the financial control and accordingly make alterations as required for such systems to be effectively carried out.



.....
 Chief Accounting Officer
 Name :
 Designation :
 Date : 2024/02/27



.....
 Accounting Officer
 Name :
 Designation :
 Date : 2024/02/26



.....
 Chief Financial Officer/ Chief Accountant/
 Director (Finance)/ Commissioner (Finance)
 Name :
 Date : 2024/02/26

M.N. Ranasinghe
 Secretary
 Ministry of Justice, Prison Affairs and
 Constitutional Reforms
 No. 19, Sri Sangaraja Mawatha,
 Colombo 10.

සී.එස්. අබේසේකර
 ලේකම් (පැ.බ)
 ගිවි කොමිෂන් සභා පාලන මණ්ඩල
 අංක 80, 4 වන මහල, අධිකරණ මාවත
 කොළඹ 12.

සී.එස්. අබේසේකර
 ලේකම් (පැ.බ)
 ගිවි කොමිෂන් සභා පාලන මණ්ඩල
 අංක 80, 4 වන මහල, අධිකරණ මාවත
 කොළඹ 12.

3.3 Statement of Cash Flow

	Actual	
		Restated
	2023	2022
	Rs.	Rs.
<u>Cash Flows from Operating Activities</u>		-
Total Tax Receipts	-	-
Fees, Fines, Penalties and Licenses	-	-
Profit	-	-
Non-Revenue Receipts	-	-
Revenue Collected on behalf of Other Revenue Heads	-	-
Imprest Received	14,353,000	16,548,430
Recoveries from Advance	-	-
Deposit Received	-	-
Total Cash generated from Operations (A)	14,353,000	16,548,430
<u>Less - Cash disbursed for:</u>		
Personal Emoluments & Operating Payments	12,847,296	14,030,544
Subsidies & Transfer Payments	22,875	61,287
Expenditure incurred on behalf of Other Heads	-	669,137
Imprest Settlement to Treasury	45,093	27,015
Advance Payments	1,135,383	1,528,465
Deposit Payments	-	-
Total Cash disbursed for Operations (B)	14,050,648	16,316,449
NET CASH FLOW FROM OPERATING ACTIVITIES(C)=(A)-(B)	302,353	231,981
<u>Cash Flows from Investing Activities</u>		
Interest	-	-
Dividends	-	-
Divestiture Proceeds & Sale of Physical Assets	-	-
Recoveries from On Lending	-	-

Total Cash generated from Investing Activities (D)	0	0
<u>Less - Cash disbursed for:</u>		
Purchase or Construction of Physical Assets & Acquisition of Other Investment	302,353	231,981
Total Cash disbursed for Investing Activities (E)	302,353	231,981
NET CASH FLOW FROM INVESTING ACTIVITIES (F)=(D)-(E)	(302,353)	(231,981)
NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (G)=(C) + (F)	(0)	(0)
<u>Cash Flows from Fianacing Activities</u>		
Local Borrowings	-	-
Foreign Borrowings	-	-
Grants Received	-	-
Total Cash generated from Financing Activities (H)	-	-
<u>Less - Cash disbursed for:</u>		
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	-	-

Notes to the 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

<u>Classification of the cases by nature of Losses.</u>	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		No
Over	Rs. 25,000.01		No
Total			No

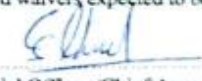
<u>Classification of the cases by Nature of Losses</u>	No. of Cases	Value	(Rs.)
1			No
2			No
3			No
4			No
Total			No

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 : 2024/02/26

C.S. Abeyssekara

Secretary (Finance)
Department of Law Commission
No. 80 4th Floor, Ashokanana Mawatha
Colombo 12

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	No
(ii)	Over Rs. 25,000.01	No	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						

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 : 2024/02/26

C.S. Abeysekera
 Secretary (ACF)
 Department of Law Commission
 No. 80 4th Floor, Adhikarana Mawatha
 Colombo 12.

Statement of Commitments and Liabilities as at 31st December

Name of Special Expenditure Unit/Ministry/Department/District Secretariat:

Expenditure Head No:

Programme No. & Title:

Name of the Person/Institution	Commitment No.	Date	Head	Programme	Project	Sub Project	Object Code	Item Code	Finance Code	Commitment (Rs.) (1)	Commitment Balance (Rs.) (2)-(1)-(3)	Liability Date	Liability Amount (Rs.) (3)	Revised Liability (Rs.) (4)	Paid Liability (Rs.) (5)	Liability Balance (Rs.) (6)-(4)-(5)
I. Ministries/Government Department																
Postal Department		December 2023	235	01	01		1402		11			December 2023	9,860			9,860
Total													9,860			9,860
3. Others (Private Parties)																
Sri Lanka Telecom Ltd		December 2023	235	01	01		1402		11			December 2023	19,973			19,973
Mobitel (Pvt) Ltd		December 2023	235	01	01		1402		11			December 2023	5,107			5,107
Commissioner Allowances		December 2023	235	01	01		1003		11			December 2023	4,000			4,000
Over-time payments		December 2023	235	01	01		1002		11			December 2023	13,879			13,879
American Premium Water System Ltd		December 2023	235	01	01		1409		11			December 2023	2,397			2,397
Total													45,356			45,356
Grand Total													55,216			55,216

*Nature of payments/Liabilities should be recognized separately as follows.

1. Ministries/Government Departments
2. State Corporations/Statutory Boards
3. Private Parties

Liabilities are transactions of which payments have not been made to the relevant parties, although goods, services or assets and services pertaining to construction contracts have been received during the respective accounting year.

Commitments are contracts or written agreements which have been entered in to with the external parties in order to obtain goods and services during the respective accounting year, although the relevant assets or services have not been received.



Chief Financial Officer /Chief Accountant/Director (Finance)

Commissioner (Finance)

Date: 2024/02/26

C.S. AbeysekaraSecretary (A.C.)
Department of Law Commission
No. 80 4th Floor, Adnikarana Mawatha
Colombo 12.

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/Statutory Boards								
Total								No
3. Others (Private Parties)								
Total								No
Grand Total								

.....
 Chief Financial Officer/Chief Accountant/Director(Finance)/Commissioner(Finance)

Date : 2024/02/26

C.S. Abeysekera
C.S. Abeysekera
 Secretary (Actg.)
 Department of Law Commission
 No. 80 4th Floor, Adhikarana Mawatha
 Colombo 12.

Statement of Liabilities - (ii)
Provision Transferred to the Deposit Account in terms of FR 215 (3) (b) & (c)

Name of Ministry / Department / District Secretariat :

Expenditure Code :

Programme No. & Title :

Name of the Person/Institution (To be identified at the time of Transferring the Provision to Deposit Accounts.) *	Description of Liability	L/C No.	Particular of Vote details from which Provisions were Transferred				Deposit Account No.	Amount Transferred (Rs.)
			Project	Sub Project	Object Code	Financing Code		
1. Ministries/Government Department Total							No	
2. State Corporations/Statutory Boards Total							No	
3. Others (Private Parties) Total							No	
Grand Total							No	

* should use only when relevant to the reporting entity



Chief Financial Officer/Chief Accountant/Director(Finance)/Commissioner(Finance)

Date : 2024/02/ 26

C.S. Abeysekara
 Secretary (Actg.)
 Department of Law Commission
 No. 60 4th Floor, Adhikarana Mawatha
 Colombo 12.

Statement of Claims under Reimbursable Foreign Aid

Ministry / Department / District Secretariat :

Programme No. & Title :

Rs.

(1) Provision in Estimates - 2023 under Reimbursable Foreign Aid including Supplementary provisions	
(2) Total Expenditure disbursed during the year 2023, against (1) above	No
(3) Total of Reimbursement Claims outstanding as at 01st January 2023	No
(4) Total of Reimbursement Claims made during the year 2023, in respect of years 2022 & prior years (if any)	No
(5) Total of Reimbursement Claims made during the year 2023, in respect of year 2023	No
(6) Total of Claims disallowed by the Donor, during 2023 (if any), in respect of Claims 2022 or prior years (if any)	No
(7) Total of Claims disallowed by the Donor, during 2023 (if any), in respect of Claims 2023	No
(8) Total of Reimbursements received during the year 2023, in respect of years 2022 or prior years	No
(9) Total of Reimbursements received during the year 2023, in respect of years 2023	
(10) Total of reimbursement Claims outstanding as at 31st December 2023 [(3+4+5) - (6+7)] - (8+9)	No
(11) Total of Reimbursement Claims made after 31/12/2023 in respect of 2021 up to the finalization of the Financial Statements	No
(12) Total of Reimbursement received after 31/12/2023 up to the finalization of the Financial Statements	No
(13) Total of Reimbursement Claims outstanding as at the date of presenting the Financial Statements (10 + 11 - 12)	No



Chief Financial Officer / Chief Accountant
Director (Finance) / Commissioner (Finance)
Date : 2024/02/26

C.S. Abeysekera
Secretary (Actg.)
Department of Law Commission
No. 80 4th Floor, Adhikarana Mawatha
Colombo 12.

* should use only when relevant to the reporting entity

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 : 2024/02/ 26

C.S. Abeysekera
Secretary (Actg.)
Department of Law Commission
No. 80 4th 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	21,000,000	21,000,000	16,226,856	77.27%
Capital	1,300,000	1,300,000	302,353	23.26%

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

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

3.8 Performance of the Reporting of Non-Financial Assets

Assets Code	Code Description	Balance as per Board of Survey Report as at 31.12.2023	Balance as per financial Position Report as at 31.12.2023	Yet to be Accounted	Rs. ,000
					Reporting Progress as a %
9151	Building and Structures				
9152	Machinery and Equipment				
9153	Land				
9154	Intangible Assets				
9155	Biological Assets				
9160	Work in Progress				
9180	Lease Assets				
-	Vehicles	12,310,000	12,310,000		100%
-	Furniture and Office Equipment	12,596,562	12,596,562		100%

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.

My No.JLO/A/DLC/FA/2023/44

Your No.

Date 28th May 2024

Secretary

Department of Law Commission.

Head 235 – Auditor –General's Summary Report as per the Section 11 (1) of National Audi Act, No.19 of 2018 regarding the financial statements of the Department of Law Commission for the period ended 31 December 2023.

1. Financial Statements.

1.1 Expressing a qualified opinion.

Head 235 -The audit was carried-out by my command as per the provisions of the National Audit Act, No.19 of 2018 which should be read together with the provisions included in the Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka regarding the Statement of Financial Position as at 31st December 2023, Statement of Financial Performance for the period ended on that same day, and the Financial Statements for the year ended from 31st December 2023 containing the Statements of Cash Flows of the Department of Law Commission and notes to financial statements including the information relevant to quantitative accounting policies. This report mentions my presentation of views and observations about these Financial Statements submitted to the Department as per Section 11(1) of National Audit Act, No. 19 of 2018. The Auditor-General's report that should be submitted as per the Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka which should be read together with Section 10 of the National Audit Act, No. 19 of 2018 will be submitted to Parliament in future.

I am in the opinion that, except the effect of the matters stated in Section 1.6 of this report, the Financial Position from the Financial Statements of the Department of Law Commission as at 31st December 2023 and Financial Performance and Cash Flows for the period ended on that same

day reinforce true and fair status complying with the Generally Accepted Accounting Principles in the Financial Statements prepared.

1.2 Basis of expressing a qualified opinion.

My qualified opinion will be expressed on the matters in Section 1.6 of this report. I carried-out the audit in accordance with the Sri Lanka Auditing Standards (SLAS). The Section deals under Responsibilities of the Auditor-General further explains my responsibility regarding the Financial Statements. I believe the audit proof that I have obtained is substantial and appropriate to provide a basis to my opinion.

1.3 Responsibility of Chief Accounting Officer and Accounting Officer regarding the Financial Statements.

Responsibility of the Accounting Officer is to prepare Financial Statements reinforcing a true and fair view complying with the Generally Accepted Accounting Principles and to the provisions mentioned in Section 38 of the National Audit Act, No. 19 of 2018, and to decide the required internal controls to enable preparation of Financial Statements without qualitative misrepresentations that may occur from frauds and errors.

The Department should maintain proper books and records of all its income, expenditure, assets and liabilities, to enable the preparation of annual and periodic financial statements as per Section 16 (1) of the National Audit Act, No. 19 of 2018.

Accounting Officer should ensure that an effective internal control system for the financial control exists in the Department and carry-out periodic reviews to monitor the effectiveness of such systems and accordingly make any alterations as required for such systems to be fruitfully carried-out as per sub-section 38(1) (c) of the National Audit Act, No. 19 of 2018.

1.4 Responsibilities of the Auditor-General regarding the Financial Statements.

My aim is to give a fair confirm that the Financial statements are in general without qualitative misrepresentations that may occur from frauds and errors, and issue the Auditor-General's report including my opinion. Even though, the fair certification is a higher level certification, it will not be a confirming of a revelation of qualitative misrepresentations each time when it is carried-out as an audit as per Sri Lanka Auditing Standards. The

qualitative misrepresentations might occur due to individual or group frauds and errors and the qualitatively manner will depend on the effect of the economic decisions taken by the users based on these Financial Statements.

The audit has been carried-out by me as per Sri Lanka Auditing Standards with professional judgment and professional suspicion. Further,

- When finding a base for the stated audit opinion, identifying and estimating the risks causing qualitative misrepresentations in the Financial Statements due to frauds and errors, the appropriate audit procedures, as per the case may be, are planned and activated. Affects caused due to fraudulency are more powerful than affects caused by qualitative misrepresentations due to wrong interpretation, because they are from reasons of misstatements, making forged documents, purposely avoiding, wrongly interpreted or avoiding the internal controls.
- Not intended to state an opinion about the effectiveness of the internal control of the Department, but to obtain an understanding about the internal control in order to plan the appropriate audit procedure.
- To praise that the transactions and incidents that led to the structure and content of the Financial Statements which contain disclosures on the Financial Statements are included appropriately and in a fair way.
- Presentation in general is praised for including transactions and incidents which led to the structure and content of the Financial Statements in an appropriate and in a fair way, and also for including revealing in Financial Statements.

The Accounting Officer is notified about the important audit findings, weaknesses in the main internal controls and other matters identified during my auditing.

1.5 Report regarding Other Legal Requirements.

I declare the following as per the Section 6 (1) (d) of the National Audit Act, No.19 of 2018.

- (a) That the Financial Statements are in accordance with the preceding year.

- (b) My recommendations regarding Financial Statements of the preceding year had been operated.

1.6 Ideas regarding the Financial Statements.

1.6.1 Non-Revenue Receipts.

According to the Treasury Prints SA 52, the Advance Accounts Receipts were Rs. 1, 320, 930 whereas the Statement of Financial Performance under Non-Revenue Receipts mentioned it as Rs. 973, 738 which meant a lesser value of Rs. 347, 192.

1.6.2 Advance Payments.

According to the Treasury Prints SA 52, Advance Payments were Rs.1, 281, 895 whereas the Statement of Financial Performance mentioned it as Rs.1, 629,087 which meant an extra value of Rs. 347, 192.

1.6.3 Balance in the Statement of Imprest.

- (A) Even though, credits from other Heads to Advanced B account, according to Treasury Prints SA 51 was Rs.1, 320,930 it was added to the Statement of Imprest Reconciliation as Rs. 973,738 which meant a lesser value of Rs. 347, 192.
- (B) Even though, debits from other Heads to Advanced B account, according to Treasury Prints SA 51 was Rs. 146, 512 it was deducted from the Statement of Imprest Reconciliation as Rs. 493, 704 which meant a lesser value of Rs. 347,192.

1.6.4 Property, Plant and Equipment Reserve.

- (A) Even though the vehicle value was Rs. 7,000,000 according to the Fixed Assets Register, the Statement of Non-Financial Assets in Financial Statement showed a vehicle value of Rs. 12,310,000 as at 31st December, in the year under review and this was a Rs. 5,310,000 extra value in Financial Statements apart from the value stated in the Fixed Assets Register. The value of one motor vehicle was not entered in the Fixed Assets Register.
- (B) Even though Rs. 1,900,000 was mentioned less on the Statement of Non-Financial Assets in Financial Statements as

vehicle value changes, it was not valuated by a qualified valuation firm.

2. Financial Review.

2.1 Expenditure Management.

(A) From provisions Rs. 22,300,000, Rs. 5,770,791 had been saved for 15 Recurrent Expenditure codes and 04 Capital Expenditure Codes and it was ranged from 10 percent to 100 percent.

(B) Though the provision of Rs.600, 000 had been transferred under Financial Regulations 66 for Expenditure Code – 1409, at the end of the reviewed year, it was totally saved and the whole of the total saved provisions in that Expenditure Code was Rs. 653,430.

2.2 Approach to Liabilities and Commitments.

Even though all other payments, except Personal Emoluments and Allowances should be recognized as Commitments as per State Accounts Circular No. 255/2017 dated 27 April 2017, Overtime and Travel Allowances payments of Rs. 17, 899 was inserted to Statements of Liabilities and Commitments Annexure (iii) in the Financial Statements.

2.3 Non-Complying with Laws, Rules and Regulations.

Laws, Rules and Regulations reference.

Non-compliance.

(A) Announcement of the Amended Gazette Extraordinary No. 1530/13 dated 01 January from the Stamp Duty (Special Provisions) Act No.12 of 2006.

A Stamp Duty of Rs. 25 should be charged for payments above Rs. 25,000 but 10 payments of Rs. 771,817 had not charged this.

(B) State Accounts Guidelines No. 03/2023 dated 11 November 2023 by State Accounts Department.

The submitting of Advanced B Account of the Public Officers' was not done as per the Specimen No.s 01, 04 and State Accounts Guideline 3.11.

(C) Financial Regulations 371 (2) (a) of Ministry of Finance Circular

Even though the maximum payable limit of Rs. 5,000 in Petty Cash Advance

No.01/2020 dated 28 August 2020.	should not be exceeded for once use, had spent more than Rs.5, 000 during 04 times.
(D) Section 4.3 of Public Administration Circular No. 30/2016 dated 29 December 2016.	A report from a qualified mechanical engineer was not obtained as per the Circular, when paying twice for repairs of total Rs. 187,235.
(E) Public Administration Circular No. 13/2008 dated 26 June 2008.	Even though all drivers assigned to Official vehicles should continue to maintain the Specimen Form as introduced in Annexure 01, only one Daily Chart had being maintained for the two Official vehicles and had been driven 3553Km without a certification of a responsible officer in 2023.

3. Operations Review.

3.1 Performance.

3.1.1 Planning.

The three law reforms done in the year 2023 was not included in the Action Plan for the year 2023.

3.1.2 Annual Performance Report.

Even though the Annual Performance Report should be tabled in Parliament before the expiry of 150 days of the Financial Year ends, as per Paragraph 12.1 in Public Finance Circular No. 2/2020 dated 28 August 2020, the Annual Performance Report for the year 2022 was tabled at Parliament on 21st August 2023.

3.2 Procurements.

As per Public Finance Circular No. 06/2019 (i) dated 12 September 20196, General Insurance Covers can be obtained on competitive basis from Insurance service Providers registered under the Insurance Regulatory Commission of Sri Lanka through their agents/ brokers, but 03 motor vehicles owned by Department of Law Commission was insured for Rs. 174,802 at Sri Lanka Insurance Corporation Limited.

3.3 Management of Assets.

(a) As per Financial Regulations 507, Survey of goods should be conducted on 31st of December for verification of stores and fixed

assets but Department of Law Commission had conducted the survey on 27th and 29th of December 2023.

- (b) 08 types of goods to be destroyed as they are unusable and 03 types of items to be auctioned had not followed Financial Regulations 756 (6).
- (c) As per Paragraph 3.1 in Public Administration Circular No.30/2016 dated 29th December 2016, after every fuel check of vehicle, it is compulsory to do a fuel check again when matters are among after the first application that is, at completion of 12 months after running a distance of 25000 Km or after a major update related to the engine. When investigating Log books related to vehicles it was not revealed that provisions of the above circular were followed for the 03 vehicles of the institution and the last fuel check was in 2018.

3.4 Security of Public Officers.

As per Financial Regulations 880, where officers who are administratively responsible for, or who under delegation are entrusted with, the receipt or custody of public money, revenue stamps or stores, or the disbursement of public money or the issue of stamps or stores and those who certify vouchers or sign cheques on Government Account are required to give security in accordance with the Public Officers (Security) Ordinance (Cap. 612) for the faithful discharge of their duties, and as per Ministry of Justice Circular No. 01/2011 dated 18th January 2011, two of the officers had not furnished security.

3.5 Management weaknesses.

- (a) 05 members out of the 18 members had not attended any meeting in the year 2023.
- (b) The institution web site is not functioning at the moment, but Web hosting facility had been renewed by expending Rs. 28,350 with the intention of maintaining the data system for the year 2023/2024.
- (c) Most of the vouchers of the Department of Law Commission were not carrying the signature of the receiver.
- (d) According to the Treasury Prints SA 52 the maximum limit of the true value for Advance B Account debits were Rs.3, 144,235 but the account showed it as Rs. 2, 486, 561 which was Rs. 657,674 lesser amount.

4. Good Governance.

4.1 Internal Audit.

As per the provisions mentioned in Section 40 (1) of National Audit Act, No. 19 of 2018, Department of Law Commission had not established an internal audit unit.

5. Human Resource Management.

5.1 Attached Cadre, True Cadre.

	No. of Approved <u>Employees</u>	No. of True <u>Employees</u>	Vacancies <u>(vacant)</u>
Senior Level	06	03	03
Tertiary Level	01	01	00
Secondary Level	15	06	09
Primary Level	<u>07</u> -----	<u>05</u> -----	----- <u>02</u>
	<u>29</u>	<u>15</u>	<u>14</u>

Even though the Secondary Level was of 15 approved designations, No. of True employees being 06 presented 09 vacancies. Vacancies available were - Assistant Accountant, 01 Development Officers, 06 Assistant Management Officers and Typist.

Sgd. /Illegibly

R.S. Katugampola

Senior Assistant 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			
3. Acquisition of Furniture and Office Equipment			74%
4. Staff Trainings			36%

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%
<p>According to the Sustainable Development Goals three main goals have been identified.</p> <p><u>Goal 5:</u> Achieve gender equality and empower all women and girls.</p> <p><u>Goal 10:</u> Reduce inequality within and among countries.</p> <p><u>Goal 16:</u> Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.</p>	<ol style="list-style-type: none"> 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. 	<ol style="list-style-type: none"> 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

The proposed Law reform proposal on the Insolvency Law presented by the Law Commission with the coordination of the World Bank representatives in order to overcome the challenges in achieving the sustainable development targets amidst of the present-day economic crisis encountered by Sri Lanka is very important. These legal amendments expect to strengthen the legal frame on Insolvency and to attract international investors to our country.

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	3	1
Territory			
Translator	1	1	-
Secondary			
Accounts Assistant	1	-	1
Development officer	4	3	1
Librarian	1	1	-
Management Service Officer	8	2	6
Stenographer	1	-	1
Primary			
Driver	4	2	2
KKS	3	3	-
Total	29	15	14

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

Name of Programme	Number of employees trained	Duration of the Programme	Total Investment (Rs.)		Kind of Programme (Local / Foreign)	Output / Knowledge gained*
			Local	Foreign		
Second Int'l Library Research Conference - 2023	01	01 Day	Rs. 2,500	-	Local	Knowledge regarding Library Science.
Roles and Responsibilities of Leave Clerks.	01	02 Days	Rs. 9,500	-	Local	Knowledge of Leave subject.
Workshop on Transportation Management	01	01 Day	Rs. 6,000	-	Local	Knowledge of Transportation subject.
Workshop on Government Payroll System	01	02 Days	Rs. 18,000	-	Local	Knowledge on the Government Payroll System

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

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. Not using CIGAS and all monthly account summaries are prepared by using the debit summary.		
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	This department does not use the CIGAS program and prepares monthly account summaries by debit summary. Accordingly, the software package for payments will be used with the ITMIS program from October 2020		
4	Preparation of Annual Plans			
4.1	The annual action plan has been prepared			
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 Regulation 134(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	Audit and Management Committee meetings are organized and held by the Ministry of Justice, Human Rights & Law Reforms.		
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	Complied		

	aforesaid circular			
8.3	The boards of survey was conducted and the relevant reports submitted to the Auditor General on due date in terms of Public Finance Circular No. 05/2016	Complied		
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	Not Complied	Unable to carry out the excess and deficits that were disclosed through the board of survey and other relating recommendations, actions during the period specified in the circular.	Actions taken to carry out work as per the circular in years ahead.
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	Complied		

	been prepared, got certified and made ready for audit by the due date			
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	This Department does not possess loan balances in arrears for over one year.		
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	Complied		

	the completion of the task			
14.3	The ad-hoc sub imprests had not been issued exceeding the limit approved as per F.R. 371	Complied		
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	Revenue collections are being directly remitted to the Treasury.		
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	Complied		

	or alternative measures and has it been facilitated to appreciate / allegation to 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	Acitizensformulated and implemented by the Institutioninterms 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 interms 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 theaforesaid Human ResourcePlan	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