

## **Trust Fund for Rehabilitation of Visually Handicapped Persons - 2015**

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The audit of financial statements of the Trust Fund for the Rehabilitation of Visually Handicapped Persons for the year ended 31 December 2015 comprising the statement of financial position as at 31 December 2015, statement of financial performance and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No.38 of 1971 and Section 9(2) of the Trust Fund for the Rehabilitation of Visually Handicapped Persons Act, No.9 of 1992. My comments and observations which I consider should be published with the Annual Report of the Fund in terms of Section 14(2) (c) of the Finance Act appear in this report.

### **1.2 Responsibility of the Management for the Financial Statements**

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Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Public Sector Accounting Standards and for such internal controls as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

### **1.3 Auditor's Responsibility**

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My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Auditing Standards of Supreme Audit Institutions (ISSAI 1000 – 1810). Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Sub-sections (3) and (4) of Section 13 of the Finance Act, No. 38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **2. Financial Statements**

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### **2.1 Opinion**

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In my opinion, the financial statements give a true and fair view of the financial position of the Trust Fund for the Rehabilitation of Visually Handicapped Persons as at 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

## **3. Comments on Financial Statements**

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### **3.1 Financial Result**

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According to the statement of financial performance presented, the operations of the Fund for the year under review had resulted in a surplus of Rs.1,256,732 as against the deficit of Rs.285,389 for the preceding year thus indicating an improvement of Rs.1,542,121 in the financial result of the year under review as compared with the preceding year. The increase of Government grants of the year under review by Rs.1,500,000 as compared with the preceding year had mainly attributed to the improvement of the surplus.

## **4. Operating Review**

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### **4.1 Performance**

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- (a) According to the Trust Fund for the Rehabilitation of Visually Handicapped Persons Act, No. 09 of 1992, the main objectives were as follows.
- ❖ Providing educational and vocational training facilities for visually handicapped persons
  - ❖ Creating employment opportunities for the visually handicapped persons and where necessary, to provide them financial assistance and guidance for self-employment
  - ❖ Providing housing facilities to the visually handicapped persons to enable them to pursue academic courses or to obtain vocational training
  - ❖ Implementation of schemes for the welfare of the visually handicapped persons and providing facilities for the marketing of products manufactured by visually handicapped persons
  - ❖ Taking action to eliminate conditions that prevent the visually handicapped persons gaining equal rights and equal opportunities.
- (b) Provisions amounting to Rs.7,000,000 had been made for the achievement of above mentioned objectives of the Trust Fund for the Rehabilitation of Visually Handicapped Persons during the year under review. Further, a provision of Rs.6,050,000 had been utilized to implement 04 objectives out of the aforesaid objectives whereas only Rs.4,722,117 had been spent therefrom.

The following observations are made in this connection.

- (i) Even though provisions amounting to Rs.2,125,000 had been made to assist in educational and cultural activities of 250 students during the year under review, only

165 students had been assisted. It was a decrease of 15 per cent as compared with the preceding year.

- (ii) According to the revised Action Plan, it had been planned to provide rehabilitation aid for 70 blind persons in 03 institutions under the Rehabilitation Programme. Nevertheless, aid had been provided to only 16 persons, thus it represented a deterioration of 42 per cent as compared with the preceding year.
- (iii) Even though provisions had been made to give vocational training for 04 persons during the year under review, only 02 persons had been given the vocational training. Therefore, 50 per cent of the entire provision made could not be utilized.
- (iv) Provision had not been made for the implementation of two objectives, that is providing housing facilities to visually handicapped persons to enable them to pursue academic courses or to obtain vocational training and providing facilities for the marketing of products manufactured by visually handicapped persons.

#### **4.2 Management Activities**

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The following observations are made.

- (a) In terms of Section 2 of the Trust Fund for the Rehabilitation of Visually Handicapped Persons Act, the management and administration of the Fund had been assigned to a Board of Management. Nevertheless, two members of the Board had not participated in any meeting of the Board of Management held during the preceding year and the year under review.
- (b) In the meetings of Board of Management held during the year under review, proposals had been adopted for the maintenance of a data base on the number of visually handicapped persons and all disabled persons and for the formulation of a social security system for visually handicapped persons. Nevertheless, those activities could not be carried out.

### **5. Accountability and Good Governance**

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#### **5.1. Action Plan**

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Even though the Action Plan for the Trust Fund had been revised for the promotion of activities, the targets of the plan could not be achieved.

#### **5.2 Budgetary Control**

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Variances between the expenditure shown in the Budget and the actual expenditure ranged from 17 per cent to 86 per cent, thus it was observed that the Budget had not been made use of as an effective instrument of management control.