

Api Wenuven Api Fund - 2012

1. Financial Statements

Opinion

In my opinion, the financial statements give a true and fair view of the financial position of the Api Wenuven Api Fund as at 31 December 2012 and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

2. Financial Review

Financial Results

According to the financial statements presented, the operations of the Fund had resulted in a surplus of Rs. 31,488,143 for the year under review as compared with the corresponding surplus for the preceding year amounting to Rs. 86,634,147. Increase of donation, telecommunication tower income, installment of the Ranajayapura Housing Project, interest on investment and income from wrist bands programme by Rs.6,162,625, Rs.54,040,581, Rs.20,054,493, Rs.18,179,427 and Rs.4,329 respectively and increase of project expenditure, bank charges and depreciation by Rs.153,567,735, Rs.1,747, and Rs.17,977 had attributed for the deterioration of financial results by Rs. 55,146,004 for the year under review as compared with the preceding year.

3. Operating Review

Management Inefficiencies

Even though a sum of Rs.800,000 should have been recovered by 200 monthly installments at the rate of Rs.4,000 per installment for a house from the members of three Armed Forces who had obtained houses from the Ipalogama Ranajayapura Housing

Project, the Fund had failed to recover the installments of Rs.2,640,000 which should be recovered from 55 houses by the month of December 2012 and also those installments had not been brought to account as installments receivable.

4. Accountability and Good Governance

4.1 Corporate Plan

A Corporate Plan had not been prepared even up to 31 December 2012 at least for 03 years from the year 2010 onwards in terms of letter No.PF/R/2/2/3/5(4) dated 10 March 2010 of the Director General of the Department of Public Finance.

4.2 Annual Action Plan

Even though an Action Plan should have been prepared for the year 2010 and onwards in accordance with the Corporate Plan, the Action Plan for the year under review had not been prepared even up to 31 December 2012.

4.3 Annual Performance Report

Even though an Annual Performance Report that should be prepared by the Api Wenuven Api Fund within 150 days after the closure of the financial year in terms of Public Finance Circular Nos.402 and 402(1) dated 12 September 2002 and 20 February 2004 should have been tabled in Parliament with a copy to the Auditor General, the performance report for the year under review had not been tabled in Parliament even up to 31 August 2013.

4.4 Annual Procurement plan

The Annual Procurement Plan in terms of National Budget Circular No.128 dated 24 March 2006 had not been prepared even up to 31 December 2012.

5. Systems and Controls

Deficiencies in systems and controls observed during the course of audit were brought to the notice of the Secretary of the Fund from time to time. Special attention is needed in respect of the following areas of control.

- (a) Recovery of Installments
- (b) Investment of Funds
- (c) Preparation of Plans