

FLOOD DISASTER RESPONSE PROJECT – 2011

1. Opinion

So far as appears from my examination and to the best of information and according to the explanations given to me, I am of opinion that,

- (a) the Project had maintained proper accounting records for the period from 18 February to 17 August 2011 and the financial statements give a true and fair view of the state of affairs of the Project as at 17 August 2011 in accordance with Generally Accepted Accounting Principles,
- (b) the funds provided had been utilized for the purposes for which they were provided,
- (c) the statement of expenditure (SOEs) submitted could be fairly relied upon to support the applications for reimbursement in accordance with the requirements specified in the Grant Agreement,
- (d) the financial covenants laid down in the Grant Agreement had been complied with.

2. Financial Statements

2.1 Financial Performance

According to the financial statements presented, the expenditure of the Project for the period from 18 February to 17 August 2011 amounted to Rs.331,167,300. A summary of the expenditure for the six month period under review is given below.

Expenditure -----	Expenditure for the period 18 February to 17 August 2011	
	SLRs. -----	US\$ -----
Food, Bottled drinking water and Personal hygiene kits	73,598,927	666,722.77
Cash for Work	257,568,373	2,333,277.23
Total	331,167,300	3,000,000.00
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3. Audit Observation

The following observations are made.

Funds amounting to Rs.331,167,300 had been allocated for the carrying out of four relief activities as listed below to assist the effected parties due to flood and land slides in seven Districts.

- (i) Provision of food, bottled drinking water, medical items and personal hygiene kits
- (ii) Purchase of water purification and sanitation systems
- (iii) Provision of transitional shelter, temporary class rooms and teaching equipment
- (iv) Debris sifting and site clearance

However, relief activities had been carried out in 5 Districts only and out of the above activities, activity No.1 only had been attended and new activity which was cash for work had been attended with the concurrence of the ADB by spending Rs.257,568,373 or 77.77 per cent of the total allocation.