

National Child Protection Authority

1. Financial Statements

1:1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 1.2 of this report, the financial statements give a true and fair view of the financial position of the National Child Protection Authority of Sri Lanka as at 31 December 2012 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards..

1:2 Comments on Financial Statements

1:2:1 Accounting Deficiencies

The following observations are made.

- (a) A separate Fund Account had not been established for the receipts and payments of the National Child Protection Fund, and those had been brought to account under the statement of financial performance of the Authority.
- (b) Two motor vehicles valued at Rs.17,450,000 received by the Authority in the year 2011 had been brought to account in the year 2012 without being brought to account in the year 2011. The annual depreciation of the motor vehicles for the year 2011 amounting to Rs.1,745,000 had been understated. As such the accumulated provision for depreciation had been understated by that amount.
- (c) Even though a sum of Rs.50,025 had been paid as employees gratuity to an officer in the year under review, that amount had not been transferred from the employees gratuity investments to the cash book.
- (d) Even though assets under 02 Projects costing Rs.2,510,672 had been depreciated 100 per cent action had not been taken to revalue and account for them though they are being used.

1:2:2 Non-compliance with Laws, Rules and Regulations

Instances of non-compliance with the laws, rules and regulations observed during the course of audit are given below.

Reference to Laws, Rules and Regulations -----	Non-compliance -----
(i) Finance Act, No. 38 of 1971 Section 14(1)	The Annual Reports for the years 2009, 2010 and 2011 had not been tabled in Parliament.
(ii) Financial Regulations of the Democratic Socialist Republic of Sri Lanka ----- Financial Regulation 371	Out of the advances granted to the officers of the Authority, a sum of Rs.4,292,914 had not been settled by 31 December 2012. One hundred and nine instances of advances exceeding Rs.20,000 up to Rs.226,000 granted in the year under review were observed. The Chairperson had, by letter of 29 October 2013 informal that it takes a long time for the settlement of the balances through the District Secretariats.
Financial Regulation 1646	Motor Vehicle Log Books had not been maintained for 19 motor vehicles of the Authority.

2. Financial Review

2:1 Financial Results

According to the financial statements presented, the operations of the Authority for the year under review had resulted in a deficit of Rs.11,428,602 as against the surplus of Rs.6,826,677 for the preceding year. As compared with the preceding year, a deterioration of Rs.18,255,279 in the financial results was observed. The main reasons for the deterioration had been the decrease of Rs.4,810,000 received in the year under review from the Treasury for the formulation and implementation of the National Plans, the decrease of Rs.9,794,019 in the receipts from the other agencies and the increase of Rs.7,093,319 in the payment of personal emoluments.

2:2 Analytical Financial Review

According to the financial statements presented, the value of net assets amounted to Rs.112,277,411 and that as compared with the net assets of the preceding year amounting to Rs.84,321,565 indicated an increase of Rs.27,955,846 or 24 per cent. The working capital for the year under review amounted to Rs.15,548,563 and that as compared with the working capital of the preceding year amounting to Rs.12,608,539 indicated an increase of Rs.2,940,024 or 23 per cent.

3. Operating Review

3:1 Performance

3:1:1 The number of complaints received by the Authority in the year under review and the performance relating to the regulation of those had been as follows.

- (a) Out of the 2,549 complaints received in the year under review by the Legal Division of the Authority, the regulation work of only 76 complaints had been completed while the regulation work of 2,473 complaints was in progress.

- (b) The Police Unit of the Authority had received 4,010 complaints during the year under review and the investigation of only 34 complaints had been completed. The number of complaints referred to outside Police Stations had been 3,976. Replies for 635 of these complaints had not been received for 635 completely.
- (c) Out of the 1,405 complaints received by the Psycho-Social Unit, counselling services had been provided and completed.

3:1:2 Even though 14 programmes/projects had been planned according to the Action Plan of the Authority for the year under review, the progress of achieving the targets had been as follows.

- (a) Even though the following programmes had been planned financially, the number of programmes to be conducted had not been determined. The progress of those activities had been as follows.
 - (i) Even though a sum of Rs.228,000 had been allocated for Tsunami Programmes, 08 meetings had been held at a cost of Rs.337,000.
 - (ii) An expenditure of Rs.910,000 had been planned for the purchase of child protection equipment and a sum of Rs.581,000 had been spent for that purpose.
 - (iii) A sum of Rs.1,638,000 had been allocated for the conduct of awareness programmes on the Children's Day/ Women's Day, and 49 programmes had been conducted at a cost of Rs.1,738,000.
- (b) A sum of Rs.455,000 had been allocated for updating the Video Filming Unit and a sum of Rs.216,000 had been spent for conducting 02 workshops and purchase of equipment for that Unit.

3:2 Management Inefficiencies

A land had been selected for the establishment of a "Sureki Piyasa" Children's Centre in the Anuradhapura District. A sum of Rs.258,018 had been sent to the Medawachchiya Divisional Secretary for constructing the boundary fence without securing the transfer of the land. Even though that land could not be used for the purpose due to a land dispute, action had not been taken for the recovery of the money sent for the construction of the fence.

3:3 Underutilization of Funds

The sum of Rs.2,222,000 paid in the year 2011 to the Building Material Corporation for the construction of the boundary wall of the Authority had been recovered from that institution and deposited in the Child Protection Fund Account.

3:4 Objectives not Adequately Achieved

The Committee on Public Enterprises had, at the meeting held on 06 January 2009, directed the Authority to complete the formulation of the National Policy on the Prevention of Child Abuse, in accordance with the objects set out in Section 14 of the National Child Protection Act. “The National Policy on the Protection of the Children from all kinds of Abuse, Harm and Exploitation” had not been formulated and presented to the Cabinet of Ministers even by 31 December 2012.

4. Accountability and Good Governance

4:1 Corporate Plan

The Corporate Plan on the functions of the Authority for the years 2007 to 2012 had been prepared. The specific periods for the achievement of the benefits of each programme in the Corporate Plan had not been identified in terms of the Public Enterprises Circular No. PED/12 of 02 June 2003.

4:2 Action Plan

As the specific periods for the achievement of the expected targets of the Corporate Plan had not been identified, its progress could not be examined timely.

4:3 Audit Committee

The Authority had held two meetings of the Audit Committee during the year 2012.

5. Systems and Controls

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

- (a) Accounting
- (b) Payment of Advances
- (c) Acquisition of Lands