

The Prisoners' Welfare Fund of the Department of Prisons - 2010

1. Financial Statements

1:1 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 the Prisoners' Welfare Fund of the Department of Prisons had maintained proper accounting records for the year ended 31 December 2010 and except for the effects on the financial statements of the matters referred to in paragraph 1.2 of this report, the financial statements have been prepared in accordance with Generally Accepted Accounting Principles give a true and fair view of the state of affairs of the Prisoners' Welfare Fund of the Department of Prisons as at 31 December 2010 and the financial results of its operation and cash flows for the year then ended.

1.2 Comments in Financial Statements

1.2.1. Accounting Deficiencies

Even though 195 books had been received in the year under review as donations to a Prison, those had not been valued and recorded in the Register of Fixed Assets. Their value had not been taken into the accounts.

1.2.2. Unreconciled Control Accounts

The following observations are made.

- (a) Differences were observed between the expenditure incurred on the programmes executed as disclosed in the Performance Report and the expenditure disclosed in the financial statements. Details appear below.

Programme	Expenditure According to Performance Report	Expenditure according to Financial Statements	Difference
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	Rs.	Rs.	Rs.
Spiritual and Religious	324,929	316,145	8,784
Educational and Welfare	377,655	487,592	109,937
Sports and Other Facilities	542,318	424,202	118,116
Expenditure on Rewards	450,965	195,965	255,000
Post – Custody Services	18,865	15,000	3,865

- (b) According to the Performance Report , the receipts from the supply of prison labour amounted to Rs. 1,276,081, whereas according to the accounts the recoveries made from other Departments on the supply of prison labour amounted to Rs. 1,635,354. Thus a difference of Rs. 359,273 was observed.

1.2.3. Lack of Evidence for Audit

The following observations are made.

- (a) Even though a provision of Rs.635,000 had been made for giving rewards to prisoners, a detailed register of the rewards given by spending 30.9 per cent of the provision amounting to Rs.195,965 had not been furnished.
- (b) The Schedule of Free Donation Assets had not been furnished with the financial statements.
- (c) A Schedule of Fixed Assets depicting the purchases made in the year and the donations received had not been furnished with the financial statements.

The following observations are made.

- (a) Significant variances were observed between the budget estimates of the Prisoners' Welfare Fund for the year under review and the actual income and expenditure, thus indicating that the budget had not been made use of as an effective instrument of management control. Details appear below.

Item	Estimate	Actual Income / Expenditure	Variances More / (less)	Variance as a Percentage of Estimate
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	Rs.	Rs.	Rs.	%
Total Income	2,788,285	2,264,567	523,718	18.8

Expenditure

Spiritual and Religious Expenditure	869,100	316,145	552,955	63.6
Educational and Welfare Expenditure	1,117,500	487,592	629,908	56.4
Sports and Other Facilities Expenditure	812,750	424,202	388,548	47.8
Expenditure on Rewards	635,000	195,965	439,035	69.0
Post – Custody Services	322,250	15,000	307,250	95.0
Refundable Advances	680,000	00	680,000	100.0

- (i) Even though a total income of Rs. 2,788,285 had been estimated no income whatsoever had been earned from the estimated income

