

## Parliamentary Scholarships Board - 2010

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### 1. Financial Statements

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#### 1:1 Opinion

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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 Parliamentary Scholarships Board 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 and give a true and fair view of the state of affairs of the Parliamentary Scholarships Board as at 31 December 2010 and the financial results of its operations and cash flows for the year then ended.

#### 1:2 Comments on Financial Statements

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

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The following non-compliances were observed.

Reference to Laws, Rules, Regulations, etc.	Non-compliance
(a) Parliamentary Scholarships Act, No. 22 of 2002	
(i) Section 3	Action had not been taken in the year under review towards the progress of education by the supply of money for educational, research, consultancy services and other educational activities and making arrangements for the citizens of Sri Lanka to proceed to the institutions of higher education in foreign countries, and for the citizens of foreign countries to study in the institutions of higher

education in Sri Lanka. The Secretary informed that it is not possible to fulfill the objectives set out in Section 3 of the Act as the Parliamentary Scholarships Board is not functioning at present.

(ii) Section 5

The Parliamentary Scholarships Board had not appointed a Board of Control. In this connection, the Secretary informed by letter dated 23 May 2011 that the Act has been referred to the Leader of the House of Parliament to make amendments to enable the Speaker to make nomination to the Scholarships Board in terms of Section 5 of the Act, on the recommendation of the Constitutional Council.

(b) Public Enterprises Circular  
No. PED/12 of 02 June 2003

Non-preparation of Performance Reports and the Action Plan and the non-establishment of Audit and Management Committee. The Secretary to the Parliamentary Scholarships Board informed that these matters cannot be done as the Parliamentary Scholarships Board is not functioning at present.

(c) Public Enterprises Circular  
No. PED/47 of 18 December  
2007.

A Corporate Plan had not been prepared. The Secretary of the Scholarships Board informed that the Corporate Plan cannot be prepared at present as it is the responsibility of the Parliamentary Scholarships Board.

## 2. Financial and Operating Review

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### 2:1 Financial Review

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#### 2:1:1 Financial Results

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According to the financial statements presented, the operations of the Board for the year ended 31 December 2010 had resulted in an excess of income over expenditure of Rs.1,026,711 as compared with the excess of income amounting to Rs.632,099 for the preceding year, thus indicating an increase of Rs.394,612 in the financial result. The increase of the Government grant by a sum of Rs.1,000,000 and the decrease of the expenditure on the maintenance of motor vehicles, maintenance of office equipment, postal expenses and the donations to the Parliament by a sum of Rs.81,223 had been the main reasons for such position.

#### 2:1:2 Transactions of Contentious Nature

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Salaries and allowances amounting to Rs.1,164,629 had been paid in the year 2010 to the staff of 05 officers. Out of those 04 officers did not possess the approved letters of appointment for the year under review.

### 2:2 Operating Review

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#### 2:2:1 Performance

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No scholarships had been awarded in the year under review.

## 3. Systems and Controls

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Special attention is needed in respect of the following areas of control.

- (a) Salaries and Allowances of Staff
- (b) Laws, Rules and Regulations