

## National Child Protection Authority - 2010

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### 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 National Child Protection Authority 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 Sri Lanka Accounting Standards give a true and fair view of the state of affairs of the National Child Protection Authority 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

##### 1:2:1 Sri Lanka Accounting Standards

The fixed assets costing Rs.19,578,120 fully depreciated as at 01 January 2007 and are in continuous use had not been revalued in terms of Sri Lanka Accounting Standard 18.

##### 1:2:2 Accounting Deficiencies

The following observations are made.

- (a) Recurrent expenditure relating to the year under review had been understated by a sum of Rs.105,586.
- (b) Provision had not been made for audit fees in respect of the years 2008, 2009 and 2010.

- (c) Withholding Tax amounting to Rs.71,150 that should be remitted to the Commissioner General of Inland Revenue had been paid direct to the contractor and that amount had been shown in the accounts as tax payable.
- (d) An air – conditioner purchased for Rs.34,500 on 12 March 2004 had been recorded twice in the Schedule of Assets – Air – Conditioners.

1:2:3 Accounts Receivable

A sum of Rs.49,899 receivable by the Authority from an officer who had resigned from the Authority on 26 November 2009 had not been recovered even up to the end of the year under review.

1:2:4 Non – compliance with Laws, Rules, Regulations and Management Decisions

Non – compliances with the following laws, rules, regulations, etc. were observed.

Reference to Laws, Rules,  
Regulations, etc.

Non - compliance

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Financial Regulations of the  
Democratic Socialist Republic  
of Sri Lanka (F.R.)  
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(a) F.RR. 237 (b) and 257 (a)

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Certificates that the goods purchased had been received and recorded in the registers had not been issued prior to making payment for goods purchased.

(b) F.R. 702 (3)

Copies of contracts had not been furnished to the Auditor General.

- (c) F.R. 754 The Inventory Register had not been balanced at the end of the financial year.
- (d) F.R.R. 1645 and 1646 The Daily Running Charts and Monthly Performance Summaries had not been furnished for audit.

## 2. Financial and Operating Review

### 2:1 Financial Review

#### 2:1:1 Financial Results

According to the financial statements presented, the working of the Authority for the year ended 31 December 2010 had resulted in a deficit of Rs.1,578,502 as compared with the corresponding deficit of Rs.2,234,052 for the preceding year, thus indicating an improvement of Rs.655,550 in the financial results.

#### 2:1:2 Analytical Financial Review

According to the financial statements presented, the income for the year 2010 amounted to Rs.58,314,830 and as compared with the income of Rs.55,962,488 for the preceding year indicated an increase of Rs.2,352,342. This had been mainly due to the increase of Rs.3,851,213 in the Treasury grants and the grants received from other agencies in the year under review as compared with the preceding year.

#### 2:1:3 Transactions without Authority

A provision of Rs.550,000 had been made in the annual estimates for the year 2010 for printing works and a sum of Rs.1,156,931 had been spent in the year for the printing of calendars for the year 2010. Even though the UNICEF had agreed to reimburse a sum of Rs.1,112,500 for the printing of calendars only a sum of Rs.720,131 had been reimbursed.

2:2 Operating Review2:2:1 Physical Performance

(a) The total number of information and complaints on child abuse received by the Legal Division of the Authority in the year ended 31 December 2010 had been 3,892 and the number of information and complaints on child abuse on which the Legal Division had commenced regulatory action had been 3,825.

(b) Police Unit Attached to the Authority

The total number of information and complaints on child abuse received by the Police Unit of the Authority in the year ended 31 December 2010 and the progress on the regulatory action taken on the information and complaints on child abuse by the Police Unit in the year had been as follows.

Nature of Offence	Number of Complaints and Information reported	Reported to Courts	Enquiries Finalized	False Cases	Enquiries not finalized	Referred to External Stations
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Sexual Offences	27	04	--	17	04	02
Serious Sexual Abuse	37	20	--	06	07	04
Protection and Custody	85	37	12	16	05	15
Personal Rackets	09	04	--	03	--	02
Rape	23	22	--	--	01	--
Assault and Injury	31	01	--	16	06	08
Release from Protection	12	01	--	04	04	03
Domestic Service	09	--	--	--	03	06
Cruelty	15	03	--	03	03	06
Keeping Obscene Publications	04	02	--	--	02	--
Begging by exposing Children	03	02	--	--	--	01

Posing as an impostor	02	02	--	--	--	--
Mother						
Sundry Offences / Family Quarrels / School Incidents	57	--	30	09	10	08
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Total	314	98	42	74	45	55
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### 2:2:2 Contract Administration

The construction of the Kurunegala Diridaru Piyasa Resources Centre had been awarded to a contractor for the lowest price of Rs.1,423,000 without obtaining the reports of the Evaluation Committee and the technical reports and entering into an agreement. Even though payments on this contract amounting to Rs.1,418,000 had been made up to 31 December 2008, the contract had been stopped halfway. No legal action had been taken against the contractor for the failure to complete the work.

### 2:2:3 Operating Inefficiencies

- (a) In terms of Sections 8 (2) (1), 11(1) and 12 (2) of the Tsunami (Special Provisions) Act, No. 16 of 2005, action should be taken to provide foster parent protection to every child and youth rendered destitute. The number of children needing the foster parent protection in the 06 Districts of Colombo, Kalutara, Gampaha, Galle, Hambantota and Matara had been identified as 1,332 and the number of children who had lost their parents due to the tsunami disaster in the Districts of Jaffna, Batticaloa, Ampara and Trincomalee had been identified as 1,329 by November 2010. Out of the total of 2,661, foster parent protection had been provided only for 264 children even up to the end of the year under review. That represented 9.92 per cent.
- (b) Seven Child and Youth Centres had been commenced during the years 2005, and 2006 with the aid amounting to Rs.29 million received from both local and foreign donors for assisting the children rendered destitute by the tsunami. All those Centres had been closed down by the end of the year 2010.

- (c) The Child and Youth Centre at Hikkaduwa had been closed with effect from 01 January 2007 and the assets therein valued at Rs.736,691 had been made available for commencing a new centre in a private house on the verbal instructions of the then Chairperson. Neither the commencement of the new Centre nor the handing over of the assets to the Authority had been done from the year 2007 up to December 2010.
- (d) Assets and equipment valued at Rs.873,316 had been received by the Authority under the UNICEF aid in the year 2005 for the establishment of 03 Children's Centres at Padiyatalawa, Nuwara Eliya and Negombo. The Centres had not been established even up to the end of the year under review while those assets had not been made use of by the Authority as well.

#### 2:2:4 Identified Losses

The following observation is made.

The laptop computer valued at Rs.47,104 received under the UNICEF aid for the creation of a database on the children displaced by the tsunami disaster had been misplaced in the year 2006. The investigation thereon had not been completed even up to 31 December 2010.

#### 2:2:5 Cadre Position

- (a) Particulars of the approved and the actual cadre of the Authority are given below.

Category of Employees	Approved Cadre	Actual Cadre	Vacancies
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Executive Grades	08	07	01
Secondary Grades	79	76	03
Primary Grades	07	07	--
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	94	90	04
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Action had not been taken up to end of the year under review to fill the vacancies.

- (b) The District Child Development Committee which form the source for obtaining the information required for making decisions by the Authority should function in all the districts. Nevertheless, two posts of District Psychology Co-ordinator in respect of the District Child Development Committees of the Jaffna and Mullaitivu Districts remained vacant.

#### 2:2:6 Internal Audit

An Internal Audit Unit had not been established in terms of the Treasury Circular No. IAI/98/02 of 03 August 1998.

#### 3. Systems and Controls

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

- (a) Monitoring of Child and Youth Centres
- (b) Foreign Funds
- (c) Tsunami Follow – up Programmes