

Fisheries Rewards Fund -2013

The audit of financial statements of the Fisheries Rewards Fund for the year ended 31 December 2013 comprising the balance sheet as at 31 December 2013 and the statement of income and expenditure, cash flow statement, statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory notes was carried out under my direction in pursuance of provisions in Article 154(3) of the Constitution of the Democratic Socialist Republic of Sri Lanka and Section 59(5) of Part 10 of the Fisheries and Aquatic Resources Act, No. 2 of 1996.

1.2 Management's Responsibility for Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Public Sector Accounting Standards and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Standards of Supreme Audit Institutions (ISSAI-1810). Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

2. Financial Statements

2.1 Opinion

In my opinion, the financial statements give a true and fair view of the financial position of the Fisheries Rewards Fund as at 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

2. Non- compliance with Laws, Rules, Regulations and Management Decisions

The Performance Report of the Fund had not been presented along with the financial statement of the Fund in terms of paragraph 4.3(a) of the Public Finance Circular No. PF/423 dated 22 December 2006.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the operations of the Fund during the year under review had resulted in a surplus of Rs.81,021 as compared with the corresponding surplus of Rs.477,415 for the preceding year, thus indicating a deterioration of Rs. 396,394 as compared with the preceding year.

4. Operating Review

4.1 Performance

The number of cases filed in the year under review for the violation of the provisions in the Fisheries and Aquatic Resources Act and the Orders in force had been 354 and the number of cases in the preceding year had been 165.

4.2 Management Inefficiencies

The following observations are made.

- (a) In the payment of rewards to the officers who participated in raids, a sum of Rs.92,334 had been overpaid as rewards in the year under review due to non-use of the relevant Gazette Notification as the basis.
- (b) In the payment of rewards out of the Fisheries Rewards Fund, copies of relevant case records had not been obtained.

5. Systems and Controls

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

- (a) Receipts
- (b) Income Receivable