

## **National Council for Persons with Disabilities - 2015**

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The audit of financial statements of the National Council for Persons with Disabilities for the year ended 31 December 2015 comprising the statement of financial position as at 31 December 2015 and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13 (1) of the Finance Act, No. 38 of 1971 and Section 18(3) of the Protection of Rights of Persons with Disabilities Act, No.28 of 1996.

### **1.2 Management's Responsibility for the Financial Statements**

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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**

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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 1000-1810). 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 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 Council's preparation and fair presentation of 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 Council'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 the financial statements. Sub-sections (3) and (4) of the Section 13 of the Finance Act, No.38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the Audit.

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

## **2. Financial Statements**

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### **2.1 Opinion**

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In my opinion, the financial statements give a true and fair view of the financial position of the National Council for Persons with Disabilities as at 31 December 2015 and its financial performance and cash flows for the year ended in accordance with Sri Lanka Accounting Standards.

## **2.2 Comments on Financial Statements**

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### **2.2.1 Accounting Deficiencies**

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Savings of Rs.18,906,285 from the money given to the council by the “*Supiri Wasana*” lottery for granting housing aids in the year under review and the previous year and savings of Rs. 568,782 from the money given by the Treasury to give aids to disabled persons had been brought to accounts as other income instead of accounting as deposits. As such the surplus of the year under review had been overstated by Rs.19,475,067.

## **3. Financial Review**

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### **3.1 Financial Results**

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The operation of the Council had resulted in a surplus of Rs.19,449,836 as compared with the surplus of Rs.747,803 for the preceding year thus indicating an improvement of Rs.23,988,766 in the financial result as compared with that of the preceding year. The decrease of the operational expenditure by a sum of Rs.18,702,033 as compared with the preceding year had been the main reason for the above improvement of the financial results.

## **4. Operating Review**

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### **4.1 Performance**

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Action had not been taken to achieve the following functions out of the objectives stated in the Protection of Rights of Persons with Disabilities Act, No.28 of 1996.

Action had not been taken to achieve functions such as maintaining accurate statistics relating to the services which could be provided for persons with disabilities, identifying the principal causes of disablement and promoting effective measures for the prevention and control, providing accommodation facilities and educational and vocational training for persons with disabilities, establishing and maintaining rehabilitation centres for them. Further, the following observations are made in respect of the progress in achieving the 07 functions included in the Action Plan of the year under review.

- (a) Even though plans were set out to provide aids for 120 students with disabilities in the year under review and provisions amounting to Rs.8,837,000 were allocated therefor, only a sum of Rs.1,779,320 of that had been utilized and it represented 20 per cent of the total provision.

- (b) Even though a sum of Rs.8,494,483 had been paid as medical assistance, in the year under review the database system including information of the beneficiaries applied for medical assistance had not been updated and maintained and a follow- up process had not been carried out on the beneficiaries.
- (c) Even though it was planned to distribute 5,000 spectacles in the year under review, only 81 spectacles valued at Rs.52,650 had been purchased and action had not been taken to distribute those spectacles in the year under review.
- (d) Even though a sum of Rs.85,000,000 had been estimated to provide housing grants to 300 Persons with disabilities under the “Programme on providing housing aids for homeless and low income persons with disabilities”, only a sum of Rs.43,000,000 had been received out of the “*Supiri Wasana Sampatha*” lottery income of the National Lotteries Board. The following observations are made in this regard.
- (i) Only a sum of Rs.31,110,356 had been spent in the year under review for 267 persons with disabilities.
- (ii) A sum of Rs.17,999,656 or 27 per cent had been saved as at the end of the year out of the money received to provide housing grants in the year under review. However, payments of the first, the second and the third installment payable to the persons with disabilities by the end of the year under review had been 114,296 and 401 respectively.

#### **4.2 Management Activities**

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The approval had been granted by the Secretary to the Treasury to provide a monthly transport allowance of Rs.750 to low income students with disabilities. Accordingly, even though 10,502 suitable students with disabilities had been identified, a transport allowance of two months had been paid only for 4,706 students with disabilities in the year under review.

#### **4.3 Personnel Administration**

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The cadre approved by the Department of Management Services for the Council was 26 and the actual cadre as at 31 December 2015 was 15. Accordingly, 11 posts remained vacant. It could not be ruled out in audit that it would not be an obstruction in achieving a lot of functions entrusted by the Act due to the existence of these vacancies.

### **5. Accountability and Good Governance**

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#### **5.1 Budgetary Control**

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An annual budget had not been prepared in terms of Section 4.1 of the Public Finance Circular No.PF/423 of 22 December 2006 and as such, attention had not been paid by the Council to make use of the budget as an effective instrument of financial management control.

## 5.2 Unresolved Audit Paragraphs

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Instances where the following directives taken at meeting of the Committee on Public Enterprises, held on 12 October 2012, not even by the end of the year under review are given below.

<b>COPE Directive No.</b> -----	<b>Directive</b> -----
05	To take suitable action following discussions with the Minister whether the bill for the rights of the persons with disabilities presented to the Attorney General by the National Secretariat for the persons with disabilities, had been prepared in accordance with the Charter of the United Nations.
06	To present a report with regard to the maintenance of a data bank consisting recent information of the persons with disabilities living in the country.
08	Drawing attention on the following matters with regard to the possibility of registering the schools for the persons with disabilities under the Ministry of Education.  (a) Establishment of 25 schools island wide in order to provide special educational facilities to persons with disabilities.  (b) Provision of facilities to be developed in those schools.  (c) Training of teachers.  (d) Finding the possibility of providing permanent appointments to teachers.  (e) The importance of registering those schools under the Ministry of Education

## 6. Systems and Controls

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

**Areas of Systems and Controls**

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**Observations**

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(a) Accounting	Aids not properly accounted.
(b) Personnel Administration	Not filling staff vacancies properly.
(c) Operating Control	(I) Not properly receiving aids to the suitable persons with disabilities.
	(II) Not maintaining Registers of aids.