

## Report of the Auditor General on Head 101 – Ministry of Buddha Sasana -Year 2016

The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records of the Head 101 – Ministry of Buddha Sasana for the year ended 31 December 2016, was carried out in pursuance of provisions of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Secretary to the Ministry on 02 October 2017. The audit observations, comments and findings on accounts and reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

### 1.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the provisions in Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other Statutory Provisions, Public Finance and Administrative Regulations. This responsibility includes; designing, implementing and maintaining internal control necessary to enable the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements, whether due to fraud or error.

## 2. Accounts

### 2.1 Appropriation Account

#### Total Provision and Expenditure

The total net provision made for the Ministry amounted to Rs.901.62 million and out of that, Rs.871.72 million had been utilized by the end of the year under review. Accordingly, savings out of the net provisions of the Ministry amounted to Rs.29.90 million or 3.32 per cent. Details appear below.

Expenditure	As at 31 December 2016			Savings as a percentage of net provisions
	Net Provisions	Utilization	Savings	
	Rs.Millions	Rs.Millions	Rs.Millions	
Recurrent	175.02	162.73	12.29	7.02
Capital	726.60	708.99	17.61	2.42
Total	901.62	871.72	29.90	3.32

## 2.2 Advances to Public Officers Account

### Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers Account Item No. 10101 relating to the Ministry and the actual amounts are shown below.

Expenditure		Receipts		Debit Balance	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
7.00	6.56	2.40	3.49	22.00	14.52

## 2.3 Imprest Account

The balance of Imprest Account No.7002/0000/00/0209/0016/000 of the Ministry as at 31 December 2016 amounted to Rs.30,000.

## 2.4 General Deposit Account

The balances of 4 Deposit Accounts of the Ministry as at 31 December 2016 totalled Rs. 68.86 million. Details appear below.

Deposit Account Number	Balance as at 31 December 2016
	Rs.Millions
6000/0000/00/0002/0058/000	0.19
6000/0000/00/0018/0015/000	25.81
6000/0000/00/0016/0013/000	42.74
6000/0000/00/0013/0149/000	0.12
Total	68.86

## 2.5 Audit Observation

The Appropriation Account and Reconciliation Statements of the Ministry of Buddha Sasana for the year ended 31 December 2016 have been prepared satisfactorily, subject to the audit

observations appearing in the Management Audit Report referred to in Paragraph 1.1. The material and significant audit observations out of the audit observations included in that Management Audit Report appear in paragraph 3.

### **3. Material and Significant Audit Observations**

-----

#### **3.1 Non-maintenance of Registers and Books**

-----

Even though a Security Register containing the names of officers required to give security shall be maintained so as to include the information mentioned in Financial Regulation 891 (i), the Ministry had not maintained a Security Register.

#### **3.2 Replies to Audit Queries**

-----

Replies to two audit queries issued to the Ministry in the year under review had not been furnished even by 30 September 2017. The value of quantifiable transactions relevant to those audit queries had been Rs.123.35 million.

#### **3.3 General Deposit Account**

-----

Action in terms of Financial regulation 571 had not been taken on 7 deposits totalling Rs.8,875,856 older than 2 years.

#### **3.4 Assets Management**

-----

##### **Non-assessment of Assets**

-----

Action had not been taken to value and register the Kurundamkulama Rajarata Circuit Bungalow and land in the custody of the Ministry.

#### **3.5 Incurring of Commitments**

-----

Contrary to Financial Regulation 94(1), commitments of Rs.2.31 million had been incurred exceeding the savings after utilization of provisions made for 14 Objects.

#### **3.6 Non-compliance with Laws, Rules, Regulations etc.**

-----

Instances of non-compliances with the provisions in laws, rules and regulations observed during the course of audit test checks are analyzed below.

<b>Reference to Laws, Rules and Regulations</b>	<b>Value</b>	<b>Non-compliance</b>
-----	-----	-----
	<b>Rs.</b>	
(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka ----- Financial Regulation 104	212,683	According to Financial Regulation 104 (1), as soon as a loss or damage occurs, inquiries should be instituted to ascertain the extent and causes of the loss and to fix responsibility, it had not been so done relating to two motor vehicle accidents.
(b) Public Accounts Circulars ----- Public Accounts Circular No.243/2015 of 24 June 2015 and Section 149(1) of the Constitution	5,000,000	The monies granted for The State Vesak Festival by sponsors after celebrating the Festival in the year 2015 should be credited to the Consolidated Fund. Instead, it had been given to the Buddha Sasana Fund.

### **3.7 Performance**

Observations on the progress of the Ministry according to the annual budget estimate and the Action Plan of the year 2016 are given below.

#### **(a) Activities contrary to Key Functions**

Instances of action taken by the Ministry deviating from its objectives were observed and an instance so revealed during the course of audit test checks appears below.

#### **National Drug Prevention Programme -2016**

A sum of Rs.2,698,750 representing 54 per cent of provisions amounting to Rs.5 million allocated for the prevention of drugs, had been provided to the Department of Buddhist Affairs for conducting a Prose, Verse and Short Drama Competition for the students of Dhamma Schools in the Southern Province.

**(b) Key Functions not executed adequately**

-----  
**State Vesak Festival - 2016**  
-----

The State Vesak Festival of 2016 had been held at Naigala Raja Maha Vihara belonging to the Divisional Secretariat Division of Weeraketiya of the Hambanthota District. The Ministry had spent a sum of Rs.47,559,140 for the development of the temple and for holding the festival. The following matters were observed in this connection.

- (a) The Ministry of Buddha Sasana had not decided on a place to hold the State Vesak Festival and had not specifically decided and prepared plans for the development work thereon.
- (b) A sum of Rs.14,608,026 had been spent for the repairs of the Naigala Raja Maha Vihara. Even though a total cost estimate should be prepared including all related expenses according to Guideline 4.3.1 of the Procurement Guidelines with detailed information relating to those expenses, it had not been so done.
- (c) The reports on work done relating to constructions and repairs carried out in the Naigala and Kasagala Viharas parallel to the Vesak Festival were not available and the expenses had not been estimated.

**3.8 Irregular Transactions**

-----  
Certain transactions entered into by the Ministry had been devoid of regularity. Several such instances observed are given below.

**(a) Provision of Financial Aid for the Constructions of the Nagadeepa Raja Maha Vihara**

-----  
A sum of Rs.6,657,605 had been provided by the Ministry of Buddha Sasana to construct the third floor of the Dharmasala at the Nagadeepa Raja Maha Vihara. The following matters were observed in that connection.

- (i) The Ministry had not obtained an estimate and reports on expenditure relating to constructions, from the Navy who had carried out the constructions.
- (ii) The constructions should have been completed by 31 August 2016. However, during the audit examination that was carried out on 22 August 2016, it was observed that the physical progress of the entire completion of works had been 58 per cent. Even though the Secretary to the Ministry had replied that the relevant functions had been executed in a satisfactory manner, the relevant reports had not been presented to Audit.

**(b) Releasing Provisions for the Development Activities of the Asgiri Maha Vihara**

-----

A sum totalling Rs.121.79 million comprising of Rs.87.88 million to the Navy Commander and a sum of Rs.33.91 million to institutions such as the Electricity Board, District Secretary of Kandy and the National Physical Planning Department had been paid from the year 2012 to the year 2016 for the development activities of the Asgiri Maha Vihara. The following matters were observed in that connection.

- (i) The National Physical Planning Department had prepared an estimate of Rs.91 million for the Asgiri Maha Vihara Development Project. A sum of Rs.20 million had been paid to the Navy Commander for laying carpet to the road from the Kandy Katugasthota Road up to the Wahalkada which was not included in that estimate. Additional provisions had to be obtained from the Treasury for activities such as road development and supply of electricity which had not been included in the above estimate and the monies allocated under the Expenditure Head on Development of Poojabhoomi had to be utilized therefor.
- (ii) The hill on the right side of the building had been removed and the purpose for which the soil was used had not been explained.
- (iii) According to the estimate, gutters had not been laid.
- (iv) No plans had been prepared to dispose of rain water falling from the roof and to dispose of sewerage waste.
- (v) Even though plans for the construction of the Upali Maha Thero Commemorative Rest under the Asgiriya Development Project had not been made, a sum of Rs.15 million had been spent in 4 instances therefor subjected to the covering approval of the Cabinet of Ministers. The approval of the Cabinet of Ministers had not been obtained therefor. Moreover, a receipt had not been obtained for those payments.
- (vi) The Upali Maha Thero Commemorative Rest is a construction that had been started with private funds by engaging private contractors. Even though Government Funds had been utilized for the completion of its works, reports on the performance of the funds utilized had not been obtained.
- (vii) A sum of Rs.17.15 million had been estimated for the construction of a concrete retention wall of 320 feet in length and 22 feet in height. The location of the access road is higher in ground level than the official Aramaya. As such, it was observed that water flows towards the official Aramaya. In preventing this, it had been proposed to remove a layer of soil so as to connect with the access road of Asgiri Vihara, located lower. As a result, the constructions of the retention wall had been abandoned halfway.
- (viii) A sum of Rs.2.00 million had been provided to the Kandy District Secretary to construct an English Medium Dhamma School and a Bhikshu Training Centre.

The Ministry had not obtained progress reports in respect of the constructions of this building.

- (ix) Despite not having entered into an agreement in respect of fees payable for preparation of plans for the development activities of the Asgiriya Vihara and for providing technical instructions, a sum of Rs.1.20 million had been paid to the National Physical Planning Department in 2 instances as 5 per cent of the estimate. It was further confirmed to Audit that the service agreement entered into on 15 February 2012 relating to these payments, had been forged.

### 3.9 Human Resources Management

#### ----- Approved Cadre and Actual Cadre -----

The position on the cadre as at 31 December 2016 had been as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies	Excess
-----	-----	-----	-----	-----
(i) Senior Level	14	09	05	-
(ii) Tertiary Level	02	01	01	-
(iii) Secondary Level	141	80	61	-
(iv) Primary Level	36	28	08	-
(v) Contract Basis	-	04	-	04
<b>Total</b>	193	122	75	04
	=====	=====	=====	=====