

## **Buddhasasana Fund – 2016**

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The audit of the operating activities of the Buddhasasana Fund for the year ended 31 December 2016 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 12(2) of the Buddhasasana Fund Act, No.35 of 1990. My observations which I consider should be furnished to the Parliament in terms of Article 154(6) on the operation of the Fund in the year under review appear in this report.

### **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.

## **2. Financial Statements**

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### **2.1 Presentation of Financial Statements**

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The financial statements for the year 2016 that should be furnished to the Auditor General in terms of Section 12(1) of the Buddhasasana Fund Act No.35 of 1990 had not been furnished to audit even by 02 March 2018.

### **2.2 Maintenance of Account Books and Registers**

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Even though the activities of the Fund had been continuously maintained, the Account Books and Registers relating to the year under review had not been completed.

### **2.3 Not furnishing Information for Audit**

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Information relating to the Income, Expenditure and the Deposit Money of the year 2016 requested for audit by the Letter No.CAS/D/BSF/16/06 of 13 December 2017 had not been provided to audit even up to 31 March 2018.

### **2.4 Existence of Assets and Liabilities**

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Details on the Assets, Liabilities, Income and Expenditure stated in the financial statements as at 31 December 2015 prepared finally by the Fund appear below.

<b>Assets</b>	<b>Value</b>
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	Rs.
Fixed Assets	10,571,873
Investments	483,124,346
<i>Buddhajayanthi</i> coins	317,400
Books on Buddhism	12,896,049
Advances and other receivable money	13,024,546
Receivable Treasury Bills	6,047,086
Receivable Interest for the Fixed Deposits in the National Savings Bank	621,863
Samanera Foster Project- Receivable Investment Interest	301,096
Co- operative Sales Development Deposits	4,270
Royal Asiatic Society	7,282
Receivable Interest- National Savings Bank (retained tax)	605,352
<b>Money and Banks</b>	
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Central Bank of Sri Lanka	2,956,630
Bank of Ceylon	94,156
 <b>Current Liabilities</b>	
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Payable Novice Monk Allowances	612,500
Money payable for the translation of <i>Pali Teeka</i> into Sinhala	544,409
Money payable for the Authors of the Book "2600 Years of Buddhism"	1,168,025
<b>Total Income</b>	<b>34,403,622</b>
<b>Total Expenditure</b>	<b>6,458,049</b>
<b>Surplus</b>	<b>27,945,573</b>

## 2.5 Non-compliance with Laws, Rules, Regulations and Management Decisions

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Non- compliances with laws, rules and regulations observed during the course of audit appear below.

### Reference to laws, rules and regulations

### Non- compliance

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(a) Section 8(b) of the Buddhasasana Fund Act, No.35 of 1990

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Even though the income received from the investments should be credited to the Current Account opened in the Central Bank of Sri Lanka, instances where that income being re- invested without crediting to the relevant Account were observed.

**(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka**

- (i) Financial Regulation 395(c) Even though every Institution with a Bank Account should prepare a Bank Reconciliation Statement relating to the transactions as at the end of each month before the 15<sup>th</sup> of the forthcoming month, Bank Reconciliations had not been prepared by the Fund.
- (ii) Financial Regulations 756,757 and the Public Finance Circular No.05/2016 of 31 March 2016 Activities of the Boards of Survey had not been carried out for the year under review.
- (c) Paragraph 4.2(d) of the Public Finance Circular No.PF/423 of 22 December 2006 Bank Account Books had not been compared constantly and reports had not been prepared quarterly and had not been furnished to the Director General of Public Finance.

**2.6 Transactions not supported by Adequate Authority**  
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Eighty- five per cent of the donation money or a sum of Rs.70,596,618 received to the Fund from the year 2011 to the year under review had been received from a private finance company. That money had been released to the Contributing Council of the Batamulla Kanda Buddhist Centre for the activity of sculpturing a Buddha Statue that will be carried out in Matugama area in Kalutara, by a *vihara development society*, considering the requirement of the persons who donated that money. The Fund had not been mediated in awarding this contract and the Company which made those donations itself had awarded the contract.

**3. Operating Review**  
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**3.1 Performance**  
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It had been planned to implement 9 projects according to the Action Plan of the year under review. Only 5 projects out of them had been implemented and the Fund had failed to execute those functions with relevance to the whole year. The following observations are made in this connection.

- (i) Foster Scholarships had not been paid relating to the period from October to December 2016.
- (ii) Even though payments should be made relating to 192 months for 16 Novice Monk Institutions, payments had been made only relating to a period of 111 months.

- (iii) Even though it had been planned to implement 06 practical training programmes relating to the ascetic life to the Buddhist Monks who entered into the ascetic life in old age in the year under review, only 3 programmes had been implemented.
- (iv) Even though a sum of Rs.25,696,736 had been received in the year under review as income of the Fund, only 26 per cent of it had been spent for the objectives of the Fund and a sum of Rs.13,970,109 had been retained in the Current Account of the Central Bank of Sri Lanka, being non functional.

### **3.2 Personnel Administration**

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The following observations are made.

- (a) Work could not be distributed in a manner that a proper distribution of work and an internal control could be carried out due to not approving a separate staff for the Fund.
- (b) The Director of Sacred Areas of Ministry of Budhhasasana and the Chief Accountant had been appointed as acting officers for the posts of the Secretary to the Buddhasasana Fund and for the post of the Accountant and it was observed that the functions of the officers attached for the Fund not being constantly monitored by them.

## **4. Accountability and Good Governance**

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### **4.1 Internal Audit**

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A separate Internal Audit Unit had not been established for the Fund and a sufficient internal audit had not been carried out by the relevant Line Ministry.

### **4.2 Action Plan**

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Even though an Action Plan had been prepared for the year 2016, the relevant revisions in the Action Plan had not been carried out as per the decisions made by the Board of Control in the year under review.

### **4.3 Budgetary Control**

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Even though a Budget should be prepared and the approval should be obtained to it by furnishing it to the Director General of National Budget and the Director General of Public Finance and, the expenditure should be incurred accordingly in terms of Paragraph 4.1 of the Public Finance Circular No.PF/423 of 22 December 2006, a Budget had not been prepared for the year under review.