

Head 101 - Report of the Auditor General on the Ministry of Buddha Sasana Year 2017

The Appropriation Account and the Reconciliation Statement under Head and Item Number stated in the First Schedule and Third Schedule of the Appropriation Act, No. 24 of 2016 as amended by the Appropriation (Amendment) Act, No.32 of 2017 were presented to Audit by the Ministry of Buddha Sasana. The financial and physical performance reflected by the said account and the reconciliation statements were audited in terms of Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

1.2 Responsibility of the Chief Accounting Officer for the Financial Management and Accountability

The Minister of Finance is charged with the raising of Revenue and the collection of other Government monies as well as with the general oversight of all the financial operations of Government in terms of Financial Regulation 124 of the Democratic Socialist Republic of Sri Lanka. The Chief Accounting Officers have been appointed by the Minister of Finance to discharge the above responsibility in terms of Financial Regulation 124(2). The Head of the Department will be the Accounting Officer in respect of all the financial transactions of his Department in terms of Financial Regulation 125(1)(a) and the Revenue Accounting Officer has been appointed by the Treasury. This responsibility includes designing, implementing and maintaining internal controls relevant to the maintenance, preparation and fair presentation of Accounts and Reconciliation Statements presented within the limitations imposed by Parliament 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, Government Financial Regulations and Administrative Regulations.

1.3 Scope of Audit

The audit of the Ministry of Buddha Sasana – Head 101 for the year ended 31 December 2017 was carried out in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka in respect of designing of financial and physical performance, Government expenditure, Government revenue, management of human and physical resources, apply of internal control systems, compliance with laws, rules and regulations and maintenance of books, registers, records and reconciliation statements in an updated manner, preparation and presentation of accounts in timely manner, issuance of performance reports to respective parties based on the performance indicators. The audit observations, comments and findings on the accounts and the reconciliation statements were based on a review of the plans, accounts, reconciliation statements and performance reports 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.

1.4 Audit Observation

The material and significant audit observations out of the audit observations of the Ministry of Buddha Sasana revealed for the year ended 31 December 2017 appear from paragraph 2.3 to 2.10 of this report. It was observed that the accountability as the Chief Accounting Officer and the Accounting Officer had been satisfactorily executed, to ensure the adequacy of the financial administration subjected to the following summarized audit observations revealed in the execution of the provisions of the Financial Regulation 127 of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka.

Accountability of the Chief Accounting Officer in terms of Financial Regulation 127	Non-compliance with that Provision by the Chief Accounting Officer	Reference to the Paragraph of the report which included the Observation
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Financial Regulations

127(1)(b)	A system which provides adequate controls over expenditure and the collection of revenue should be evolved.	1. Irregular Transactions	2.3
		2. Management Deficiencies	2.5
		3. Unresolved Audit paragraphs	2.4
		4. Non-compliances	
		5. Shortcomings in Human Resources Management	2.9 2.10
127(3)	That all cases of doubt or difficulty are referred to him so that he may bring his own administrative experience to bear on them.	1. Irregular use of assets owned by other institutions	2.2(c)
		2. Irregular use of assets not vested properly	2.2.(d)
		3. Weaknesses in rendering services to the public	2.5(e)
		4. Non-registration of assets	2.2(a)
		5. Failure in testing fuel consumption	2.2.(b)

127(4)	Appropriation Accounts are duly rendered by each of his Accounting Officers, and examined at the Ministry before he signs them and that important differences in the Estimates and the actual expenditure are critically investigated by him.	1.Deficiencies in General Deposit Accounts 2.Deficiencies in operation of bank accounts	2.7 2.8
127(5)	That, important variations between departmental Estimates and expenditure receive critical examination at the Ministry.	1.Non-utilization of provisions 2.Excess provisions 3.Deficiencies in utilization of provisions made from supplementary estimates.	2.6(i) 2.6(ii) 2.6(iii)

2. Material and Significant Audit observations

2.1 Obtaining Supplies and Services through Procurement Process

Provisions of Rs.29.46 million had been made for obtaining supplies and services by the Ministry in terms of Government Procurement Guidelines and out of that, only a sum of Rs.28.88 million had been utilized.

2.2 Assets Management

The following observations are made.

(a) Non-registration of Assets

The Kurundankulama Rajarata Circuit Bungalow which comes under the purview of the Ministry and the land on which it is situated, had not been valued and entered in the Register of Fixed Assets.

(b) In terms of paragraph 3.1 of the Public Administration Circular No.30/2016 of 29 December 2016, the consumption of fuel must be re-tested after a period of 12 months from each fuel test or after running a distance of 25,000km or after carrying out a major repair to the engine, whichever occurs first. However, the fuel consumption test had not been carried out for the motor vehicles of the Ministry.

(c) Irregular use of Assets owned by other Institutions

Four motor vehicles comprising of a motor vehicle of the Ministry of Sustainable Development and Wildlife, a motor vehicle of the Ministry of Infrastructure Development, Fisheries and Housing and 2 motor vehicles of the Ministry of Provincial Councils and Local Government are being used by the Ministry of Buddha Sasana and these motor vehicles had not been transferred by the Ministry. One motor vehicle out of these had not been in running condition.

(d) Irregular Use of Assets not vested

Even though a building for the Dhamma School had been constructed by the Ministry on a land belonging to the Department of Agrarian Services by spending a sum of Rs.32 million from the year 2012 to the year 2015, this land had not been vested up to 30 September 2018. Moreover, the building had not been made use of due to the unavailability of the keys of the constructed building with the Ministry or with the relevant Dhamma School.

2.3 Irregular Transactions

Certain transactions entered into by the Ministry had been devoid of regularity. Such an instance observed is given below.

Providing Motor Vehicles to Most Venerable Mahanayaka Theros

Four motor vehicles taken over from the Ministry of Finance in the year 2017 had been registered under the Ministry of Buddha Sasana and provided to the Most Venerable Mahanayake Theros. However, in addition to that, a sum of Rs.25 million had been granted to a bhikku for a motor vehicle already purchased. Nevertheless, the relevant motor vehicle had not been registered in the Ministry.

2.4 Unresolved Audit Paragraphs

Reference to the shortcomings indicated by audit paragraphs relating to the Ministry included in the Reports of the Auditor General on which follow-up action had not been finalized, is given below.

Reference to Report of Auditor General		Subject under Reference
Year	Paragraph Number	
(a) 2016	3.7 (b)	The relevant reports on works for repairs of Rs.14,608,026 carried out in the Naigala Raja Maha Vihara for the State Vesak Festival 2016 were not available and the expenditure as well was not estimated.

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|-----|------|-----------|---|
| (b) | 2015 | 3.9.1 (a) | Even though a sum of Rs.one million had been paid for composing a “Bodu Bathi Gee” parallel to the National Vesak Festival in the year 2015, the said composition had not been carried out up to now. |
| (c) | 2015 | 3.9.1 (b) | The entire provision of Rs.2,250,000 made for holding exhibitions on Buddhist cultural value for the year 2015 had been utilized for the printing of Buddhist diaries without obtaining approval. |
| (d) | 2015 | 3.10.2 | A sum totalling Rs.3,807,000 had been paid in the years 2013 and 2014 for designing a web site for the Ministry and 05 departments which were under the purview of the Ministry during that period. Even though a sum of Rs.3,003,000 had been paid for the development of web sites for 05 departments which were under the purview of the Ministry, web sites had not been designed and handed over to the said departments. |
| (e) | 2015 | 3.11.3 | The Ministry of Buddha Sasana had paid a sum of Rs.2,000,000 for an expenditure report of Rs.3,189,858 submitted by the All Ceylon Buddhist Congress for commemorating the birth anniversary of Srimath Anagarika Dharmapala and for the Buddhist Literary Festival held for the year 2014. Even though bills had been properly submitted for expenditure of Rs.1,561,264, bills had not been obtained for expenditure of Rs.438,736. |
| (f) | 2015 | 3.12.1 | Even though a sum of Rs.2,640,792 had been spent for the construction of the parapet wall of the Bhikku Training Centre of the Mirisawetiya Maha Vihara in Anuradhapura, this activity had been abandoned halfway due to the negligence of the ownership of the land by the Ministry prior to the commencement of the activity. |

2.5 Management Weaknesses

The following weaknesses were observed during the course of audit test checks.

(a) The International Vesak Day Celebrations of the United Nations –Publicity Activities

The Ministry of Mass Media had prepared plans for the publicity activities of the International Vesak Day celebrations of the United Nations. Allocation of financial provisions therefor had been carried out by the Ministry of Buddha Sasana and a sum of Rs.20 million had been paid to the Selacine Television Institute by the Ministry. The

Selacine Institute had demanded for a sum of Rs.6,985,024 apart from the sum of Rs.20 million indicating that extra work had been carried out. As such, a Committee on study of relevant publicity activities had been appointed at Ministerial level on 25 May 2017 after the conclusion of the International Vesak Day celebrations and neither the activities carried out by the said sum of Rs.20 million had been reviewed nor a report on the progress of publicity activities had been submitted.

(b) Recreation of Kapilavasthupura Shakya Janapada

According to the Cabinet Decision No. १०३/16/1733/730/009 dated 05 September 2016, a project on recreating the Kapilavasthupura Shakya Janapada had been commenced on the land of Regidalewatte of 77 acres in extent located at Kahapola in Piliyandala belonging to the Samarakoon legacy vested in the Ministry of Buddha Sasana. The Ministry of Buddha Sasana had not made the Government of Nepal aware of this Project and obtained the consent in writing through the Ministry of Foreign Affairs and even though agreements had been entered into on 03 March 2017 with a private company for recreating Kapilavasthupura Shakya Janapada, steps had not been taken to implement the project even by 21 February 2018.

(c) Project on Uplifting of Remote Temples with Financial Difficulties

A sum of Rs.76,712,741 had been granted to 20 Districts as financial aid under the programme of uplifting temples facing financial difficulties. Aid had been granted to 213 temples which had not been approved by the committee report and aid had been granted to 204 temples of 17 Districts without being based on feasible studies. Even though aid had been granted to 9 temples which had obtained minimum marks in 5 Districts, action had not been taken to grant aid to 81 temples of 16 Districts which had obtained maximum marks.

(d) State Vesak Festival – 2017

A sum of Rs.20 million had been granted in 4 instances for 4 phases during the years 2016 and 2017 for the construction of the Dhamma Sala of the Sri Arahath Maliyadeva Vihara at Wattarama. Estimates, reports on work done, progress reports on provisions granted etc., approved by the National Physical Planning Department for the said sum of Rs.20 million had not been made available to Audit. Moreover, the Ministry had not taken follow up action on the activity relating to this construction which had been carried out by the Army.

(e) Rendering of Services to the Public

According to Circulars of the Ministry of Public Administration and Home Affairs Nos.05/2008 of 06 February 2008 and 05/2008 (1) of 24 January 2018, the Citizenship Charter should be prepared and implemented in all Government institutions. Nevertheless, the Ministry had not taken action to prepare and implement the Citizenship Charter.

2.6 Utilization of Provisions made available by Parliament for Performance of Functions

Details on provisions made for the Ministry during a period of 05 years ended 31 December 2017, utilization and savings thereof and audit observations thereon appear below.

Year	Type of Expenditure	Net Provision	Utilization	Savings	Savings as a Percentage of Net Provisions
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		Rs.Millions	Rs.Millions	Rs.Millions	
2013	Recurrent	121.74	118.25	3.50	2.87
	Capital	551.55	484.96	66.59	12.07
	Total	673.29	603.20	70.09	10.41
2014	Recurrent	170.27	169.06	1.21	0.71
	Capital	494.86	485.87	8.99	1.81
	Total	665.13	654.93	10.20	1.5
2015	Recurrent	179.51	159.25	20.26	11.3
	Capital	652.77	640.48	12.29	1.9
	Total	832.28	799.73	32.55	3.9
2016	Recurrent	175.02	162.73	12.29	7
	Capital	726.60	708.99	17.61	2
	Total	901.62	871.72	29.90	3
2017	Recurrent	130.05	127.51	2.54	1.95
	Capital	36.44	30.72	5.72	15.66
	Total	166.49	158.23	8.26	5

The following observations are made.

(i) Non-utilization of Provisions

The entire net provision amounting to Rs.125 million made for 02 Objects had been saved without being utilized.

(ii) Excess Provisions

Excess provision of Rs.679,444,780 had been made during the year under review for 08 Recurrent and Capital Objects and as such the savings, after the utilization of provisions totalled Rs.354,327,370, ranged between 40 per cent to 100 per cent of the net provisions.

(iii) Provisions made from Supplementary Estimates

Provisions of Rs.241,333,586 made by supplementary estimates for 4 Objects had not been utilized during the year. Out of those, savings exceeding supplementary provisions in 3 Objects had been observed.

2.7 General Deposit Accounts

The balance of the General Deposit Account amounted to Rs.56,938,563 as at 31 December 2017 and action had not been taken in terms of Financial Regulation 571 relating to 05 deposits totalling Rs.2,256,324 older than 02 years.

2.8 Operation of Bank Accounts

Balances to be adjusted

According to the Bank Reconciliation Statement as at 31 December 2017 submitted by the Ministry, action should be taken in terms of Financial Regulation 396(d) to address the payee and take to the Revenue in respect of 17 cheques valued to the total of Rs.104,207 issued but not presented to bank or to issue new cheques. However, action had not been so taken.

2.9 Non-compliances

Non-compliance with Laws, Rules and Regulations

In terms of Financial Regulation 66 (2) (a) of the Democratic Socialist Republic of Sri Lanka, provision cannot be transferred out of the capital expenditure component of any Programme under which it is provided. However, contrary to that, capital provisions of Rs.3,659,932 made under development of sacred areas had been provided to the Government Press for printing of the year planner of the Vihara without obtaining approval. These payments had been made under circumstances in which provisions had not been made by the annual estimate for the year planner of the Vihara.

2.10 Human Resources Management

Approved Cadre, Actual Cadre and Expenditure on Personal Emoluments

The position of the approved cadre, actual cadre and vacancies as at 31 December 2017 for the performance of the functions of the Ministry, is as follows. The Ministry had spent a sum of Rs.16 million for the Category of Personal Emoluments for the year under review. Accordingly, the per capita expenditure had been Rs.124,031.

	Category of Employees	Approved Cadre	Actual Cadre	Vacancies
(i)	Senior Level	14	12	02
(ii)	Tertiary Level	02	01	01
(iii)	Secondary Level	139	82	57
(iv)	Primary Level	46	26	20
(v)	Casual/Contract	08	8	-
Total		209	129	80

Eighty vacancies had existed by the end of the year under review while steps had not been taken to fill those vacancies or to revise the approved cadre as required.