

National Council for Persons with Disabilities – 2017

The audit of financial statements of the National Council for Persons with Disabilities for the year ended 31 December 2017 comprising the statement of financial position as at 31 December 2017 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. My comments and observations which I consider should be published with the Annual Report of the Council in terms Section 14 (2) (c) of the Finance Act appear in this report. A detailed report in terms of Section 13(7)(a) of the Finance Act was issued to the Chairman of the Council on 30 July 2018.

1.2 Management’s Responsibility for the Financial Statements

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 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

2.1 Opinion

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 2017 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

3. Financial Review

3.1 Financial Result

According to the financial statements presented, the financial result for the year under review had resulted in a deficit of Rs.7,790,035 as compared with the corresponding deficit of Rs.8,540,930 for the preceding year, thus indicating an improvement of Rs.750,895 in the year under review as compared with the preceding year. Even though the total income of the Council in the year under review had decreased by a sum of Rs.11,632,963, the decrease of the housing assistance expenditure by a sum of Rs.13,938,540 had been the main reason for the above improvement.

4. Operating Review

4.1 Performance

4.1.1 Operation and Review

The following observations are made.

(a) Action had not been taken to achieve the following objectives out of 22 objectives mentioned in the Protection of Rights of Persons with Disabilities Act, No.28 of 1996.

- (i) Maintaining accurate statistics relating to the services that could be provided for differently-abled persons.
- (ii) Informing on the main reasons for disabilities and [promoting effective steps of their control and prevention.
- (iii) Providing educational and vocational training by providing accommodation to differently-abled persons and establishing and maintain Rehabilitation Centres for them.

(b) **Distribution of Assistance Equipment**

It had been planned to distribute 2,500 spectacles by mobile services to differently-abled persons on the provisions amounting to Rs.1,625,000 in terms of the Action Plan of the year under review. However, only 565 spectacles valued at Rs.456,300 had been provided in the year under review.

(c) Providing Housing Assistance for Differently- abled Persons

The following observations are made relating to the Programme of providing housing assistance for the differently- abled persons with low income and without housing facilities implemented on the provisions amounting to 5 per cent of the income of the *Supiri Wasana* lottery of the National Lotteries Board.

- (i) It had been planned to provide housing assistance to 700 differently- abled persons on the provisions amounting to Rs.60,000,000 in terms of the Action Plan in the year under review. However, only a sum of Rs.36,406,521 had been provided to 389 beneficiaries of housing assistance in the year under review. A sum of Rs.29,394,672 out of that paid to 315 beneficiaries of housing assistance had been outstanding installment payments relating to the preceding years.
- (ii) Even though a sum of Rs.7,296,000 had been paid as initial installments out of the sum of Rs.15,803,000 approved relating to the period from the year 2007 to the year 2015 as housing assistance for 93 beneficiaries of housing assistance in 19 Districts, a sum of Rs.8,507,000 remained further payable to the beneficiaries on reasons such as not receiving sufficient funds and identifying new beneficiaries despite payable housing assistance being remained. As such, period of delay between 02 years to 10 years was observed even by 31 December 2017.

(d) Providing Self- Employment Assistance for the Generation of Income

Provisions amounting to Rs.10,000,000 had been made available to provide between a sum of Rs.10,000 to a sum of Rs.25,000 to 360 persons either to development of self-employment to improve the economic condition of the families with differently- abled persons with low income or to initiate self- employment. As such, a sum of Rs.9,987,610 had been provided to 422 differently- abled persons. Even though it had been instructed in writing to the Divisional Secretariats to provide the Progress Reports to the National Secretariat for Persons with Disabilities by carrying out direct supervision in this connection, the Progress Reports of 199 beneficiaries of self-employment had not been provided even by the date of audit of 31 July 2018.

4.2 Management Activities

The following observations are made.

- (a) The constructions should be carried out in a manner that enables the entrance of differently-abled persons for all public buildings, public places and for places which provide public services in terms of the Gazette Notifications No.1467/15 of 17 October 2006 and No.1619/24 of 18 September 2009, according to the Protection of Rights of Persons with Disabilities. Examining whether the relevant constructions had been carried out accordingly and reporting had not been carried out even up to the end of the year under review by the National Secretariat for Disabled Persons despite approximately 09 years had lapsed after issuing the relevant Gazette Notification.

- (b) The database system had not been updated for obtaining information on the number of installments paid relating to the housing assistance paid to differently-abled persons, the number of payable constructions either as Districts or as Divisional Secretariat Offices from the year 2007 on which providing housing assistance by the National Secretariat was initiated, to the year 2017.
- (c) Even though 2,116 differently-abled persons had been applied for housing assistance from the National Secretariat for Disabled Persons by 31 December of the year under review, a Waiting List for those applicants had not been prepared and follow-up action had not been carried out in this connection after completing the payment of all 03 housing assistance installments.

05. Accountability and Good Governance

5.1 Budgetary Control

A Budget had not been prepared for the Council for the year 2017 and the utilization of the provisioned funds released from the Appropriation Account under the Line Ministry had been occurred. As such, attention of the Council had not been paid in using the Budget as an instrument of management control

06. Systems and Controls

Deficiencies in systems and controls were brought to the notice of the Chairman of the Council from time of time and special attention should be paid in providing housing assistance.