

Head 101 –Ministry Of Buddhasasana

1. **Financial Statements**

1.1 **Qualified Opinion**

The audit of the financial statements of the Ministry of Buddhasasana for the year ended 31 December 2018 comprising the statement of financial position as at 31 December 2018 and the statement of financial performance and cash flow statement for the year then ended, 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 provisions of the National Audit Act, No.19 of 2018. The summary report including my comments and observations on the financial statements of the Ministry of Buddhasasana was issued to the Chief Accounting Officer on 31 May 2019 in terms of Sub-Section 11(1) of the National Audit Act, No.19 of 2018 and the Detailed Annual Management Audit Report relating to the Ministry in terms of Section 11(2) of the National Audit Act was issued to the Chief Accounting Officer on 19 June 2019. This report will be tabled in Parliament in pursuance of the provisions in Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka to be read in conjunction with Section 10 of the National Audit Act, No.19 of 2018.

In my opinion, except for the effects of the matters described in the paragraph 1.6 of this report, the financial statements give a true and fair view of the financial position of the Ministry of Buddhasasana as at 31 December 2018, and of its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 **Basis for Qualified Opinion**

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor’s Responsibilities for the Audit of Financial Statements Section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 **Responsibilities of the Chief Accounting Officer for the Financial Statements**

Chief Accounting Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and the provisions in Section 38 of the National Audit Act, No.19 of 2018 and for such internal control as the Chief Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As per Section 16(1) of the National Audit Act, No.19 of 2018, the Ministry is required to maintain proper books and records of all its income, expenditure, assets and liabilities to enable annual and periodic financial statements to be prepared.

As per Sub-section 38 (1) (c) of the National Audit Act, the Chief Accounting Officer shall ensure that an effective internal control system for the financial control of the Ministry exists and carry out periodic reviews to monitor the effectiveness of such systems and accordingly make any alterations as required for such systems to be effectively carried out.

1.4 Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue the summary report of the Auditor General that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatements, of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional, omissions, misrepresentations, or the override of internal control.
- In order to design audit procedures that are appropriate in the circumstances, an opinion on the effectiveness of the Ministry's internal control, is not expressed.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Chief Accounting Officer regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

1.5 Report on Other Legal and Regulatory Requirements

I express the following matters in accordance with Section 6 (d) and Section 38 of National Audit Act, No.19 of 2018.

- (a) Since there was no requirement for the Ministry of Buddhasasana to prepare financial statements for the preceding year, recommendations on the financial statements had not been made.
- (b) Since there was no need for the preparation of financial statements for the preceding year, it could not be stated that the financial statements presented for the year under review were consistent with the preceding year.

1.6 Comments on Financial Statements

1.6.1 Presentation of Accounts

The following observations is made

Audit Observation	Recommendation	Comment of the Chief Accounting officer
----- In terms of paragraph 2 of the State Accounts circular No. 267/2018 of 21 November 2018, financial statements need to be presented trilingual in Sinhala, Tamil and English. The Ministry had not presented the Tamil version of the financial statements of the year under review.	----- Financial statements need to be presented in trilingual as per the circular	----- It had been referred to an external party for Tamil translation and submit in due course soon.

1.6.2 Non - compliance with generally Accepted Accounting principles

The following observations is made

Audit Observation	Recommendation	Comment of the Chief Accounting officer
----- In terms of State Account circular No.267/2018 of 21 November 2018, corresponding figures of the previous year should be stated in the financial statements. The corresponding figures had not been stated in the financial statements of the Ministry.	----- Prior year corresponding figures need to be presented in order to compare financial statements	----- A new format for the year has been introduced by the Department of State Accounts and only he current year's figures have been presented in the accounts accordingly.

1.6.3 Advance Accounts Balances

The following observations is made

Audit Observation	Recommendation	Comment of the Chief Accounting officer
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(a) It was failed to recover a sum of Rs.32,155 due from an interdicted officer since more than 3 years.	Expedite the recovery	The interdicted officer has been informed to settle the outstanding loan balance.
(b) Loan balance of Rs.10,757 recoverable from a female officer who had obtained maternity leave and no pay leave for 3 months, had not been recovered	Expedite the recovery	The officer who was on no pay leave was made aware to settle outstanding loan instalment and interest and action has been taken to recover it in due course.

1.6.4 Non - compliance with laws rules regulations

The following observation is made

Audit Observation	Recommendation	Comments of the Chief Accounting Officer									
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<table border="0" style="width: 100%;"> <tr> <td style="width: 30%;">Reference to Laws, rules etc</td> <td style="width: 20%;">Value Rs</td> <td style="width: 50%;">Non compliance</td> </tr> <tr> <td>-----</td> <td>-----</td> <td>-----</td> </tr> <tr> <td>Financial Regulation 571 of the Democratic Socialist Republic of Sri Lanka</td> <td>5,708,192</td> <td>Out of the deposit balances totalling Rs.47,104,906 as at 31 December of the year under review, action</td> </tr> </table>	Reference to Laws, rules etc	Value Rs	Non compliance	-----	-----	-----	Financial Regulation 571 of the Democratic Socialist Republic of Sri Lanka	5,708,192	Out of the deposit balances totalling Rs.47,104,906 as at 31 December of the year under review, action	Action need to be taken in respect of deposits lapsed for more than 2 years.	Necessary actions are being taken in terms of F.R. 571 in respect of deposits in lapsed for more than 2 years.
Reference to Laws, rules etc	Value Rs	Non compliance									
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Financial Regulation 571 of the Democratic Socialist Republic of Sri Lanka	5,708,192	Out of the deposit balances totalling Rs.47,104,906 as at 31 December of the year under review, action									

had not been taken in terms of Financial Regulations in respect of balance totalling Rs.5,708,192 lapsed for more than 2 years.

2. Financial Review

2.1 Expenditure Management

The following observation is made

Audit Observation -----	Recommendation -----	Comments of the Chief Accounting Officer -----
Out of the total provisions made for 2 recurrent objects and 4 capital expenditure objects, Provisions totalling Rs.121.23 million ranging from 11 per cent to 99 per cent were saved	Annual requirement need to be appropriately forecasted and the funds be utilised at an optimum Level.	Non - receipt of sufficient imprests and expenses not requested had caused to these savings.

2.2 Liabilities and incurring of commitments

The following observation is made

Audit Observation -----	Recommendation -----	Comments of the Chief Accounting Officer -----
Even though Liabilities totalling Rs.28.35 million relating to 5 objects had been disclosed in the financial statements, it had not been posted to the Liability register	Liability register needs to be updated	Liabilities shown in the financial statements had not been posted to the Liability register by an oversight.

3. Reaching Sustainable Development Goals

The following observation is made

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
----- Every public entity needs to be act in accordance with the 2030 agenda of the United Nations on Sustainable Development. Nevertheless, action had not been taken to identify sustainable development goals, targets, turning points to reach such targets, indicators to measure the reaching such targets in respect of functions come under the scope of the Ministry relating to the year under review	----- Being identified objectives of the Ministry, establish targets to achieve such objectives and formulate indices to measure the reaching such targets	----- Sustainable development objectives and targets had been identified relating to a time frame of the year 2020 by now and it is being prepared up to 2030 time frame

4. Human Resources Management

The following observation is made

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
----- There were 75 vacancies by the end of year under review. Steps had not been taken to fill the vacancies or to get the approved cadre revised	----- Fill the vacancies or revise the approved cadre	----- Even though requests have been made to the Ministry of Public Administration to fill the vacancies from time to time; no response up to now.