

Head -201 - Department of Buddhist Affairs

1. Financial Statements

1.1 Opinion

The audit of the financial statements of the Head 201 - Department of Buddhist Affairs for the year ended 31 December 2022 comprising the statement of financial position as at 31 December 2022 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 containing my comments and observations on the financial statements of the Department of Buddhist Affairs was issued to the Accounting Officer on 09 May 2023 in terms of Section 11(1) of the National Audit Act, No.19 of 2018. The Annual Detailed Management Audit Report relevant to the Department was issued to the Accounting Officer on 23 May 2023 in terms of Section 11(2) of the National Audit Act, No.19 of 2018. This report will be tabled in Parliament in pursuance of 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, the financial statements of the Department of Buddhist Affairs give a true and fair view of the financial position of the department as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with the Generally Accepted Accounting Principles.

1.2 Basis for Opinion

I conduct my audit in accordance with Sri Lanka Accounting Standards (SLAuS). My responsibility, under those audit standards are further described in the Auditor's Responsibility for the Audit of Financial Statements section of this 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 and the Accounting Officer for the Financial Statements

The 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 provisions in Section 38 of the National Audit Act, No.19 of 2018 and for the determination of the internal control that 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 Department is required to maintain proper books and records of all its income, expenditure, assets and liabilities to enable the preparation of annual and periodic financial statements.

In terms of Sub-section 38(1)(c) of the National Audit Act, the Accounting Officer shall ensure that an effective internal control system for the financial control exists in the Department 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 Responsibility 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 an auditor's summary report 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 and its materiality depends on the influence on economic decisions taken by users 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:

- Appropriate audit procedures were designed and performed to identify and assess the risk of material misstatement in financial statements whether due to fraud or errors in providing a basis for the expressed audit 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.
- An understanding of internal control relevant to the audit was obtained in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.
- Evaluate the 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.
- Evaluate the overall presentation, structure and content of the financial statements including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the 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 Requirements

I express the following matters in terms of Section 6 (1) (d) of the National Audit Act, No. 19 of 2018.

- (a) The financial statements are consistent with the preceding year,
- (b) The recommendations made by me on the financial statements of the preceding year had been implemented.

2. Financial Review

2.1 Expenditure Management

Audit Observation	Comments of the Accounting Officer	Recommendation
Out of the provision of Rs. 6,500,000 transferred from the Financial Regulation 66 for the expenditure subject of 201-2-11-2205 Dhamma school teacher training programme and Dhamma University programme with considering that the financial allocation allocated for the expenditure subject will insufficient, Rs. 2,778,350 was saved without expending and that is 43 as a percentage.	At the time of transfer of Rs. 6.5 million under Financial Regulation 66 for Dhamma school teacher training programme and Dhamma university programme, this amount is estimated for lecturer's allowances and payment for centers and These savings were made due to reduction of lecture centers due to expenditure management, non-completion if lectures due to the fuel crisis and the existing environment and due to the reduction of expected expenses as conducting lectures through online methods.	Those arrangements should be made for transfer of provisions after confirming that the estimated provisions are inadequate.

2.2 Incurring into Liabilities and Obligations

Audit Observation	Comments of the Accounting Officer	Recommendation
As per letter No. GP/F/B/01/37 dated 11 March 2023 addressed to the Chief Accountant of the Department of Buddhist Affairs by the Chief Accountant of the Government Printing Department, the amount to be paid on 31	A formal report has been requested from the Government Printing Department to review and confirm the accuracy of the	The amount to be paid should be reviewed and confirmed the accuracy.

December 2022 for the printing work done by the Government Printing Department is Rs. 24,830,199. However, it was not reviewed about that and confirmed the accuracy.

amount of Rs. 24,830,199 that has been to be paid and further action will be done as soon as received answers for that.

2.3 Certification to be done by the Chief Accounting Officer/ Accounting Officer

According to the provisions of section 38 of the National Audit Act No. 19 of 2018, the Chief Accounting Officer/ Accounting Officer should have made assurances regarding the following matters, but it had not done accordingly.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) The Chief Accounting Officer and the Accounting Officer should ensure that an effective internal control system for the financial control exists in the department 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. Such reviews should be carried out in writing and a copy thereof should be submitted to the Auditor General, but no statements had been furnished to the audit that the reviews had been carried out.	Action will be taken to review the effectiveness of the internal control system in future and accordingly make the necessary changes and reviews to maintain the system effectively and submit it to you in writing.	Should be followed the provisions of the section 38 of the National Audit Act No. 19 of 2018.
(b) The Chief Accounting Officer and the Accounting Officer shall ensure the timely preparation and submission of annual and other financial statements and in addition, the Chief Accounting Officer shall be required to submit annual reports to parliament pertaining to the auditee entity. However, the said requirements had not been fulfilled due to audit observations indicated in paragraph 3.3 in the report.	Action will be taken to submit the annual performance report to parliament with copies to the Auditor General within 150 days after the end of the financial year. The performance report of the year 2021 has not been submitted on due date due to a delay.	Should be followed the provisions of the section 38 of the National Audit Act No. 19 of 2018.

2.4 Non-compliance with Laws, Rules and Regulations

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

Reference to the Laws, Rules and Regulations	Non-compliance	Comments of the Accounting Officer	Recommendation	
In the Code of Financial Regulations of the Democratic Socialist Republic of Sri Lanka	(a) Financial Regulations 103 (1) (b) and 1642	All accidents involving vehicles should be reported to the nearest police and if it is not reported, strict action should be taken regarding it, but 03 accidents have not been reported to the police in the last 03 years and accidents related to 2 vehicles were reported in late.	Due to the bad situation in the country, the police could not complain about one accident. Complaints were delayed about the remaining two accidents.	Should be act as per the Financial Regulations 103 (1) (b) and 1642 of the Code of Financial Regulations.
	(b) Section 4.2 of Public Administration Circular No. 30/2016 dated 29 December 2016	Although tenders or quotations should be called for repairs, 11 vehicles were repaired during the period from 2020 to 2022 without following the circular provisions.	The system has been corrected now and it is being carried out accordingly.	Should be act as per the circular.

3. Operational Review

3.1 Planning

Audit Observation	Comments of the Accounting Officer	Recommendation
According to section 03 of the Public Finance Circular No. 02/2020 dated 28 August 2020, the action plan for the following year should be prepared before 15 December of the conversion year and submitted to the Chief Accounting Officer	Action plan prepared quarterly for the year 2022 and the action plan for the government policy statements of the vision of prosperity in the year 2022 has been submitted to the Secretary of the	Should be act as per the circular.

for approval. Nevertheless, the approval of the Secretary to the ministry for the action plan for the year 2022 was not obtained.

Ministry of Buddhasasana, Religious and Cultural Affairs for approval and it has proceed accordingly, but the approval has not been received in writing. Instructions were given to the relevant officers to get the approval as scheduled in future.

3.2 Non-Performance of Duties

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
Rs. 75 million had been allocated from the initial estimate for the provision of providing facilities for Dhamma schools, Dhamma schools buildings and equipments and that amount was Rs. 40.7 million in the revised estimate. It was observed that the amount spent during the year from that provision was Rs. 10 million only as Rs. 6 million for Dhamma schools buildings and Rs. 4 million for providing equipment.	According to the National Budget Circular No. 3/2022 dated 26/04/2022, as it was not possible to begin and implement new project, there was a saving in the expenditure related to providing facilities for Dhamma schools.	The provision allocated for the direct purposes of the institution should be used to fulfill those purposes.

3.3 Annual Performance Report

Audit Observation	Comments of the Accounting Officer	Recommendation
According to section 12.1 of the Public Finance Circular No. 2/2020 dated 28 August 2020, the performance report for the year should be submitted to Parliament with a copy to the Auditor General within 150 days after the end of the financial year, but the performance report of the year 2021 was submitted to the Parliament on 08 August 2022.	Action will be taken to submit the annual performance report to the Parliament with copies to the Auditor General. The performance report of the year 2021 has not been submitted on the schedules date due to a by mistake.	The performance report should be tabled in the Parliament within the relevant period.

3.4 Assets Management

Audit Observation	Comments of the Accounting Officer	Recommendation
Although Kelaniya Silmatha training institute had incurred expenses of Rs. 2 million for maintenance work in the year 2022, training was held only 4 days during the year. Accordingly, it was observed that the remaining period of the year remained idle.	Although the Kelaniya Silmatha training institute has planned to hold training programmes throughout the year, the relevant programmes were not implemented due to the prevailing political crisis and the limitation of spending according to the Expenditure Control Circular 3/2022.	Training programmes should be planned and the building should be utilized effectively.

3.5 Management Inefficiencies

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) When the vehicle accident is occurred, vehicle should be referred to a Motor Vehicle Inspector / Motor Mechanical Engineer for recommendations in the vehicle accident inspection and After the repair, the payment should be made after obtaining certificate that the repair has been properly carried out. However, action was not taken accordingly regarding 04 vehicles involved to the accident.	Other technical recommendations have not been obtained as the insurance company make payments as per technical recommendations while making payments.	The recommendations of a Motor Mechanical Engineer should be obtained before and after repairing a vehicle.
(b) The ownership of the land on which the Mahanayaka Charikarama building is located had not been transferred as at the date of this report.	Thimbirigasyaya Regional Secretary has been notified to take over the land and currently the Surveying Officer (Colombo) has been notified for surveying. It will be handed over after that.	Arrangements should be made for legal acquisition of the land.

- | | | | |
|-----|--|--|--|
| (c) | Although it has been more than 10 years since the desire of Rev. Welamitiyawe Kusaladhamma Nayaka Thero to hand over the land on which was built Dasa sillmatha headquarters in Kelaniya Eriyawetiya to the department in the year 2012, the land acquisition process has not been completed yet and the legal right has not been confirmed. | Letters were sent to inquiring about the steps taken by the Secretary of the Ministry of Land in this regard and its progress.
The gazette notification has been published now under section 5 of the Land Acquisition Act. | The acquisition of the land should be done immediately. |
| (d) | The loan balances of Rs. 114,330 to be recovered from two deceased persons from 01 to 03 years and Rs. 134,710 to be recovered from an officer who left from the service from more than 04 years had not been recovered. | The Director General of Pensions has been informed to recover the balance of loan of one deceased officer from death gratuity and since the death gratuity of the other deceased officer has not been applied till now, there is not possibility of recovery of the loan balance from the death gratuity. Action will be taken to inquire from the treasury and the Department of Pensions in this regard. | Immediate action should be taken to settle the loan balance. |

4. Good Governance

4.1 Internal Audit

Audit Observation	Comments of the Accounting Officer	Recommendation
Comments were not submitted regarding 44 audit queries submitted to the Commissioner General of Buddhist Affairs from the year 2018 to 2022.	10 Out of 44 related audit queries belonging to the head office and regional offices and answers have been submitted to them. The remaining 34 queries are related to temple shrines and shrines and 5 out of that have been answered. Accordingly, reminder letters have been sent regarding the remaining 29 queries. Further, an officer has been nominated at the regional office level to deal with the audit queries related to temples and shrines and the relevant officers have been informed to follow up regularly and to take necessary legal actions in future.	Action should be taken to give comments for the internal audit queries immediately.

5. Human Resource Management

Audit Observation	Comments of the Accounting Officer	Recommendation
According to the Public Administration Circular No. 18/2001 dated 22 August 2001, every officer who has worked in the same working place in 05 years should be give transfers to allow him to work in another working place, but transfers were not made for 571 officers who completed more than 21 years from 05 years in the department, which is 76 percent of the 752 officers of the department as at 31 December 2022.	As preference has not been expressed for absorption of Buddhist Affairs Co-ordinating Officers into Development Officers which is a departmental post, the transfers are subject to transfers as per the annual internal transfer policy of the public Service Commission. The transfer of all other officers except those offices and staff officers are done by the Ministry of Public Administration, Provincial Councils and Local Government. The list of officers serving more than 05 years in the department is submitted to the Director General of Combined Services every year.	Should be act as per the circular.