

## **National Secretariat for Persons with Disabilities - 2022**

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### **1. Financial Statements**

#### **1.1 Opinion**

The audit of financial statements of the National Secretariat for Persons with Disabilities for the year ended 31 December 2022 comprising the Statement of Financial Position as at 31 December 2022 and the Statement of Financial Performance, Statement of Changes in Net Assets and Cash Flow Statement for the year ended, and notes to the financial statements, including a summary of significant accounting policies, 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 and Finance Act, No. 38 of 1971. My comments and observations which I consider should be reported to Parliament appear in this report.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Secretariat as at 31 December 2022, financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

#### **1.2 Basis for the 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 the 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 Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Secretariat's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Secretariat or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Secretariat's financial reporting process.

As per Section (1)16 of the National Audit Act No. 19 of 2018, it 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 of the Secretariat.

## 1.4 Responsibility of Auditor regarding the Audit of 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 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, 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 judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement 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.
- Obtain an understanding of internal control relevant to the audit 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 Secretariat's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Secretariat's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Secretariat to cease to continue as a going concern.
- 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.

The scope of the audit also extended to examine as far as possible and as far as necessary the following;

- Whether the organization, systems, procedures, books, records and other documents have been properly and adequately designed from the point of view of the presentation of information to enable a continuous evaluation of the activities of the Secretariat, and whether such systems, procedures, books, records and other documents are in effective operation;

- Whether the Secretariat has complied with applicable written law, or other general or special directions issued by the governing body of the Secretariat ;
- Whether the Secretariat has performed according to its powers, functions and duties; and
- Whether the resources of the Secretariat had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

#### 1.5 Non-compliance with Laws, Rules, Regulations and Management Decisions etc.

Following observations were made.

<b>Reference to the Laws, Rules and Regulations etc.</b>	<b>Non-compliance</b>	<b>Management Comment</b>	<b>Recommendation</b>
(a) Section 7(3) of Protection of Rights of Persons with Disabilities Act No.28 of 1996	(i) Although the Council should meet at least once a month, the meetings were conducted only 03 times for the year 2022.	Due to the issues such as political and fuel prevailed in the country; council meetings of persons with disabilities had been limited to 03.	It should be acted in accordance with the provisions of the Act.
	(ii) It had not been provided space for fulfilling functions of the Council sufficiently due to the non-prevalence of the favourable condition to provide space for making decisions by discussing the members of the Council. Form that, it was impacted unfavourably for the fulfilment of the objectives of the National Council of Persons with Disabilities.	In addition to national council meetings, 12 meetings of sub-committees were held and the required decisions had been taken by referring the recommendations of those committees to council meetings.	It should be taken decision for the functions of the Council by meeting members of the Council on required time.

## 2. Financial Review

### 2.1 Financial Results

The operating results of the year under review amounted to a surplus of Rs.81,537,169 and the corresponding surplus in the preceding year amounted to Rs.183,179. Therefore, a growth amounting to Rs.81,353,990 of the financial result was observed. The increase in revenue from Supiri Wasana lottery by Rs.77,116,750 had been reasoned mainly for this growth.

## 3. Operating Review

### 3.1 Management Inefficiencies

	<b>Audit observation</b>	<b>Management Comments</b>	<b>Recommendation</b>
(a)	Although it should be received an amount of Rs.5,985,145 as at 31 December 2021 and an amount of Rs.90,012,050 as at 31 December 2022 as aids for the programme of housing aid of the persons with disabilities from the "Supiri Wasana Sampatha" lottery, an amount of Rs.13,400,000 had only obtained and the balance of Rs.82,597,195 was income receivable. Due to this, the objectives of the programme of housing aid of the persons with disabilities had not been fulfilled properly.	The information on income receivable from the National Lotteries Board had been obtained in writing after the Audit. According to the information provided from the Letter No. NLB/FIN/OF/03/02/ii dated 28 March 2023 of General Manager of National Lotteries Board, it was confirmed that the amount to be agreed to provide and given from the Treasury was correct.	It should be acted to obtain the income receivable from the Treasury.
(b)	Although it was shown in the previous year Audit Report regarding the preparation of a database including information of disabled community to identify the number of persons with disabilities and district wise density, age structure, disability condition, economic condition and to take specific, accurate and productive decisions for the implementation of programs and projects for giving equality for persons with disabilities, strengthening, welfare and wellbeing so as to make it easy to provide benefits equally in transparency and properly in national level, actions had not been	It was planned to collect these data from the data collected by Social Benefits Board and the database prepared by the Department of Social Services.	Actions should be taken to maintain an active database.

taken in that regard sufficiently and efficiently.

- (c) The sufficient attention of the National Council had not paid to implement the following functions for the promotion of rights of persons with disabilities, advancement and being accountable for the protection as per provisions of Section 13 of the Protection of Rights of Persons with Disabilities Act No. 28 of 1996.

(i) Providing advices to the government regarding the promotion of welfare of persons with disabilities, protection of their rights and advancement.	The activities of drafting new Act and Sign Language Act were in the final stage. The gazette of providing access facilities had been completed by preparing.	The attention of the National Council should be directed to perform the functions mentioned in the Act.
(ii) Ensuring the acceptance of and compliance with the relevant international declarations and conventions relating to persons with disabilities by the government.	The Protection of Rights of Persons with Disabilities Act was drafted in comply with international protocol.	The attention of the National Council should be directed to perform the functions mentioned in the Act.
(iii) Maintenance of accurate statistic reports regarding the persons with disabilities and services that could be obtained for such persons.	Details on all services for persons with disabilities had been included in the website of the National Secretariat for Persons with Disabilities.	The attention of the National Council should be directed to perform the functions mentioned in the Act..
(d) Identification of main causes of disablement by searching and the promotion of effective measures for their prevention and control.	Medical aids programmes are conducted with the aim of prevention of being disabled of persons with disabilities and the persons prone to long term diseases.	The attention of the National Council should be directed to perform the functions mentioned in the Act.
(e) Preparation of measures that should be taken for the rehabilitation of persons with disabilities and promotion of them.	Cabinet approval has been obtained for 06 caring centres. The construction works of the Akuressa pre early childhood development centre from Project of Pre Early Childhood Development under World Bank Aids are being done since year	The attention of the National Council should be directed to perform the functions mentioned in the Act.

2022. Even the matters related to transferring ownership of the land for Dambulla caring centre are being done.
- (f) Establishment and Maintenance of rehabilitation centres for persons with disabilities. It was planned to carry out a caring centre for persons with disabilities as a second phase of the Akuressa Pre Early Childhood Development Centre. The attention of the National Council should be directed to perform the functions mentioned in the Act.
- (g) Establishment and maintenance of institutions for caring them by providing accommodation facilities for person with disabilities and, providing educational and vocational training for such persons. It is currently implemented by Department of Social Services. It can be provided accommodation, caring and giving required training for persons with disabilities after constructing 06 caring centres. The attention of the National Council should be directed to perform the functions mentioned in the Act.
- (h) Introduction of programs to arrange the physical environment accessible to persons with disabilities and implement schemes to provide access to information and communication by persons with disabilities. According to the order on access of persons with disabilities No.01 of 2006, actions of preparing gazette on access order as per standards and specifications of international level are being done. It is kindly informed that the suitable decisions have been taken by discussing with Ministry of Transport, Ministry of Civil Aviation and Urban Development Authority in this regard. The attention of the National Council should be directed to perform the functions mentioned in the Act.
- (i) Insufficiency of aware of public on the status of the persons with disabilities and needs through publishing magazines and other programs. The public has been aware at 19 mobile services conducted in year 2022 and 02 thousand strengthening programs. The public awareness was even done through the official website and Facebook account of persons with disabilities. The public was aware from the radio and television programmes in parallel to International Disability Day for the persons with disabilities that falls on 03<sup>rd</sup> December. The attention of the National Council should be paid to fulfil the functions specified in the Act.

### 3.2 Underutilization of Funds

<b>Audit observation</b>	<b>Management Comments</b>	<b>Recommendation</b>
<p>The excess cash balance remained as at 31 December of the year under review by utilizing government grants received for the fund was Rs.9,834,598 and, the cash balance in the range of Rs.5,170,082 to Rs.12,062,703 had been retained in the Current Account during the period of last 04 years. Although it is able to invest any amount as determined by the National Council as per the provisions of Section 19 of Protection of Rights of persons with Persons Act No. 28 of 1996, actions had not been taken to invest as such during the period of last 05 years. It was observed that approximately Rs.4,300,000 of interest income had been lost to the Fund during the period from 2018 to 2022 due to not investing those excess money.</p>	<p>It was recommended at the Audit and Management Committee meeting held on 23 December 2022 that it was suitable to invest excess money. As per the decision taken there, fixed deposits were started at annual interest rate of 25 per cent for Rs.05 Million for 400 days and at annual interest rate of 24 per cent for Rs.02 Million for 03 months at Bank of Ceylon (Super Grade) branch, Battaramulla.</p>	<p>It should be acted in compliance with the objectives of the Act.</p>

### 3.3 Human Resources Management

<b>Audit observation</b>	<b>Management Comments</b>	<b>Recommendation</b>
<p>Although the posts of the cadre had been approved by the Department of Management Services on 19 March 2018, a Scheme of recruitment had not been prepared and approved</p>	<p>The required amendments have been done. It is being studied regarding those matters as it has to make amendments to some points of the scheme of recruitment of the post of Brail Advisor when studying the scheme of recruitments of other institutions by comparing linked with the other institutions that established that post.</p>	<p>Action should be taken to approve the scheme of recruitment.</p>