

Head -204 - Department of Hindu Religious and Cultural Affairs

1. Financial Statements

1.1 Qualified Opinion

Head 204 - The audit of the financial statements of the Department of Hindu Religious and Cultural Affairs for the year ended 31 December 2023 comprising the statement of financial position as at 31 December 2023 and the statement of financial performance and cash flow statement for the year then ended and notes to the financial statements, including material accounting policy 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 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 Hindu Religious and Cultural Affairs was issued to the Accounting Officer on 14 June 2024 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 31 July 2024 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, except for the effects of the matters described in paragraph 1.6 of this report, the financial statements give a true and fair view of the financial position of the Department of Hindu Religious and Cultural Affairs as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Qualified Opinion

My opinion is qualified based on the matters described in paragraph 1.6 of this report. I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibility for the financial statements is further described in the Auditor's Responsibilities Section. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Responsibility 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 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 following recommendations made by me on the financial statements of the preceding year had not been implemented.

Reference to Paragraph	Non-implemented Recommendation	Reference paragraph in this report
1.6.1 (a)	Although the registration rights of the used vehicles should be settled as per Asset Management Circular No. 07/2017 dated 21 December 2017, the ownership of vehicle No. KF 9142 given to the Department by the Ministry of National Integration, Official Languages, Social Progress and Hindu Religious Affairs on 22 January 2019 had not been settled and the value also had not been disclosed under non-financial assets.	1.6.1

1.6 Comments on the Financial Statements

1.6.1 Accounting Deficiencies

Property, Plant and Equipment

Audit Observation	Comments of the Accounting Officer	Recommendation
Although the ownership of the vehicle given to the department by the Ministry of National Integration, Official Languages, Social Progress and Hindu Religious Affairs had been settled in January 2019, its value had not been assessed and disclosed under non-financial assets.	It was informed that it will be corrected in the year 2024.	Fixed assets should be accurately assessed and included into the financial statements.

2. Financial Review

2.1 Incurring into the Liabilities and Obligations

Audit Observation	Comments of the Accounting Officer	Recommendation
The expenses related to four expenditure subjects paid in the year 2024 amounting to Rs. 1,322,716 in relation to the year 2023 were not disclosed under the obligations and liabilities of the financial statements and the cumulative liabilities and liabilities report generated by the CIGAS web application was attached to the financial statements as a blank report.	It was informed that the accounts were kept in the year 2023 as well as in the year 2022.	Financial statements should be presented as per the circular.

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

Audit Observation	Comments of the Accounting Officer	Recommendation
The Chief Accounting Officer and the Accounting Officer shall ensure that an effective system of internal control is developed and maintained for the financial control of the department and the effectiveness of the system should be reviewed from time to time and necessary changes should be made accordingly to make the system effective and those reviews should have been written and a copy submitted to the Auditor General, but statements that such reviews were made were not submitted to the audit.	Comments were not given.	Action should be taken as per the provisions of section 38 of the National Audit Act No. 19 of 2018.

2.3 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
(a) Sub sections 4.2.5, 4.4, 4.5, 4.6 and 6.3 of Chapter XXIV of the Establishment Code of the Democratic Socialist Republic of Sri Lanka.	Proper actions were not taken to recover the disaster loan balance of Rs. 220,300 coming from one year to be charged from an officer who left the service and the loan balance of Rs. 46,462 coming from over 29 years to be charged from three transferred officers.	It was informed that Rs. 220,300, which was the balance of the disaster loan to be charged, has been agreed to be paid in installments and requests have been made to cut off the loan balance of Rs. 46,462.	Action should be taken to recover.
(b) Public Administration Circular No. 30/2016 dated 29 December 2016	There was not done a fuel consumption test on the vehicles belonging to the department an action was not taken to submit the monthly transport service noted for the year 2023 related to the vehicles.	It was informed that it could not be done due to the work of coming to new office.	Action should be taken as per circulars.

3. Operational Review

3.1 Planning

Audit Observation	Comments of the Accounting Officer	Recommendation
According to paragraph 04 of public Finance Circular No. 02/2020 dated 28 August 2020, the annual procurement plan for the next year should be prepared before 10 December of the current year and the approval of the Chief Accounting Officer should be obtained and copies thereof should be submitted to the National Procurement Commission, the Auditor General and the Public Finance	It was informed that it was noted to be implemented from 2025.	The annual procurement plan should be prepared and approved within the relevant time periods.

Department, but the relevant approvals were not obtained and submitted for the procurement plan of the year under review.

3.2 Annual Performance Report

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>The functions to be done were not implemented such as submission of copies of internal audit reports to the management audit department, submission of board of survey reports to the Auditor General on the due date, redundancies, deficiencies and other recommendations revealed in the annual board of survey being made within the relevant time, preparing daily running charts and monthly summary reports for reserve vehicles and submission them to the Auditor General on the due date, maintaining vehicle log books and updating them, re-checking fuel consumption of vehicles, Preparing bank reconciliations, certification and submission to the audit on due date and settling the interim imprests within one month after the end of that period etc., but those had been included in the draft performance report of the year under review as they had been duly accomplished.</p>	<p>It was informed that it was noted to implement in future.</p>	<p>Attention should be given to include factual information in the performance report.</p>

3.3 Assets Management

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>A three-wheeler bought in the year 2002 had been parked without used since the year 2015.</p>	<p>It was informed that it was noted to implement in future.</p>	<p>Relevant decisions should be implemented immediately.</p>

3.4 Bail of Government Officers

The following observation is made.

Audit Observation	Comments of the Accounting Officer	Recommendation
According to Financial Regulations 880 of the Code of Financial Regulations of the Democratic Socialist Republic of Sri Lanka, although the officers who are required to post bail should be bailed according the authority of section 612 of the Government Officers' Bail Ordinance, there was not taken action to collect the bail from the officers of the department such as the Director, Accountant, Driver etc.	It was informed that the applications related to the bails have been sent to the treasury in November 2023.	Bail should be collected from the relevant officers as per the Financial Regulations.

3.5 Management Inefficiencies

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) The buildings where the Navalar Cultural Center and Kurukulam Anapandi school are located, which had been used for the activities of the department from more than 20 years, and the related land were not handed over to the department by the Jaffna Municipal Council.	It was informed that a case has been filed to take over the relevant land to the department from the Jaffna Municipal Council.	The relevant take over activities should be completed immediately.
(b) Since there was no approved criteria and method including the selection of temples, the amount of aid given and priority etc. related to providing financial aids to the temples by the department, it was not observed that temples in real need of aids were identified and given financial aids.	It was informed that temples in need of aids have been identified and financial aids has been given to them.	When providing financial aids, the temples that are truly in need of aids should be identified and given priority.

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| <p>(c) Although the competitions of Dhamma school level, regional level, district level and national level of the national design competition for the year 2022 (2023) were held from the month of January to December 2023 with an expense of Rs. 4,310,630 and issued results, the related certificates and prizes have not been awarded as on the date of this report.</p> | <p>It was informed that the awarding certificates and prizes will be held in August 2024.</p> | <p>Awards of certificates and prizes related to the competition should be done immediately.</p> |
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4. Good Governance

4.1 Internal Audit

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>According to section 40(4) of the National Audit Act No. 19 of 2018, copies of internal audit reports should be submitted to the Management Audit Department, but this was not done accordingly.</p>	<p>Copies of internal audit reports have been submitted to the Management Audit Department.</p>	<p>Action should be taken as per the provisions of the National Audit Act.</p>

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5. Human Resource Management

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>According to 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 transferred to allow him to work in another working place, but transfers were not done for 117 officers who completed a period from 05 years to 35 years as at 31 December 2023.</p>	<p>It was informed that it has been submitted to the Ministry of Public Administration.</p>	<p>Action should be taken to give transfers in coordination with the Ministry of Public Administration. for officers who have been in the institution from long time.</p>