

Head -201 - Department of Buddhist Affairs

1. Financial Statements

1.1 Opinion

Head 201 - The audit of the financial statements of the Department of Buddhist 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 Buddhist Affairs was issued to the Accounting Officer on 11 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 22 August 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, 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 2023, 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
(a) Rs. 29,205,412 had been saved out of the Rs. 68,451,000 allocated for 04 expenditure subjects under Financial Regulations 66 and that saving had been ranged between 26 percent and 63 percent.	It was informed that these savings had been made due to that although allocations were transferred under F.R. 66, the requests were not submitted as expected.	After ascertaining that the estimated provision is insufficient, action should be made for transfer of provision.
(b) The variation between the annual budget allocation and the total net allocation for 06 expenditure subjects was ranged from 61 percent to 525 percent as a percentage of the initial estimate due to the weakness in the preparation of estimates.	Due to the reasons such as it should be act according to the prevailed situation in the country and the treasury circulars related to expenditure management, get additional provision for some expenditure subjects, the provision given in the budget estimate is insufficient under the conditions of rising prices of many goods and services, it was informed that there were variations between the initial estimate and the revised expenditure estimate.	Expenditure estimates should be prepared as accurately as possible.

(c) The recurrent provision of Rs. 05 million for the printing of Buddhist encyclopedias and the capital provision of Rs. 01 million to facilitate to the Sasanarakshaka Mandala had been fully remained and out of the estimated allocation for the printing of Buddhist encyclopedias, Rs. 1.72 million had been transferred to another expenditure subject.	As the work of preparing the index volume of the Buddhist encyclopedia was in its final stages, although the estimated provision was allocate for printing it as a book and paying the salaries of the editorial board, it was informed that the provisions remained due to the retirement of the Deputy Editor, the departure of the Deputy Editor and that the contract service period of the Chief Editor was not extended.	Expenditure estimates should be prepared accurately as possible.
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2.2 Incurring into Liabilities and Obligations

Audit Observation	Comments of the Accounting Officer	Recommendation
Although the value of liabilities worth Rs. 969,405 under expenditure subject No. 201-126-2-7-35-2401/12-p which is not applicable to the department were included in the SA-92 treasury computer printout as at 31 December 2023, actions were not taken to inform about it to the treasury and correct that printout.	It was informed that it is informed to the Ministry of Education with copies to the Director General of Public Accounts and the Director General of National Budget to correct the relevant mistake and action will be taken to inquire again.	The treasury should be informed immediately and action should be taken to correct the treasury printout.

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 Accounting Officer should have made assurances regarding the following matters, but it had not done accordingly.

Audit Observation	Comments of the Accounting Officer	Recommendation
(i) 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	It was informed that a review report about maintain an effective internal control system will be submitted to the Auditor General in future.	Should be followed the provisions of the section 38 of the National Audit Act No. 19 of 2018.

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 statements had not been furnished to the audit that the reviews had been carried out.

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| (ii) | Although the Chief Accounting Officer and the Accounting Officer shall ensure that there is an effective system for the proper execution of internal audit functions, that requirement was not fulfilled as per the observations mentioned in paragraph 4.1 of the report. | It was informed that answers have been given to the queries from the year 2018 to 2023 and there has been a delay in giving answers to the audit queries regarding temples and shrines of external institutions and reminder letters have also been sent to those institutions and action will be made to reduce these weaknesses in future. | Should be followed the provisions of the section 38 of the National Audit Act No. 19 of 2018. |
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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.

		Observation		Comments of the Accounting Officer	Recommendation
	Reference to the Laws, Rules and Regulations	Amount	Non-Compliance		
		Rs.			
(i)	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	288,844	The loan balance of Rs. 174,454 to be recovered from two retired offices between 01 and 02 years and the loan balance of Rs. 114,390 to be recovered from two deceased officers between 02 and 03 years had not been recovered.	It is informed that letters have been sent to the Director General of Pensions to recover the loan amount if Rs. 35,690 from the retired officers and the amount of Rs. 138,764 has been recovered from the pension payment on 19 March 2024 and charge the loan amount of deceased officers from	Action should be taken as per the provisions of the Establishment Code.

the death gratuity amount as per the instructions of the Department of Pensions.

(ii) Code of Financial Regulations of the Democratic Socialist Republic of Sri Lanka.

- Financial Regulations 104 (4) - Although a complete report should be submitted within three months from the date of the loss and damage, there was a delay of 02 months, 05 months an 18 months in submitting the complete reports regarding two vehicles involved in accident in the year 2022 and the missing a laptop in the Kurunegala regional office. It was informed that the complete report, which was delayed due to the delays in conducting the investigations, has now been submitted and that efforts will be made to avoid such delays in future. Action should be taken as per the Financial Regulations.

- Financial Regulations 1647(b) and 128(f) - A survey was not conducted in the year under review regarding the vehicles and related equipment owned by the department. It was informed that a vehicle survey board has been appointed for this purpose in the year 2024. Action should be taken as per the Financial Regulations.

3. Operational Review

3.1 Assets Management

Audit Observation	Comments of the Accounting Officer	Recommendation
Due to that information such as serial numbers, receiving order numbers etc. were not included in order to clearly identify the goods that included in the inventory books of the relevant divisions of the department, it was observed that it was difficult to verify the identity and security of the goods while transferring them to other divisions and offices and taking them out for repairs.	It was informed that the Heads of Divisions will be specially informed to enter the information of serial numbers and receiving order numbers of the relevant types of goods to maintain books in formal manner regarding assets management and board of survey work and to make adequate arrangements regarding their security.	Inventory books should be maintained accurately and correctly.

3.2 Bail of Government Officers

Audit Observation	Comments of the Accounting Officer	Recommendation
According to Government Officers' Bail Ordinance, which is section 612 of the Government Officers' Bail Ordinance, and Financial Regulations 881 of the Code of Financial Regulations of the Democratic Socialist Republic of Sri Lanka, although the bail should be done within two months from the date of appointment of an officer to the said position or from the date of transfer, arrangements were not made to collect the bail from 07 officers.	It was informed that the bail money of the officers who have not deposited the bail will be done immediately.	Action should be taken as per the Financial Regulations.

3.3 Management Inefficiencies

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) The department had not taken action to bring the estimated budget reports of 211 shrines and the semi -annual income and expenditure reports of 244 shrines out of the 254 shrines governed under section 4(1) of the Vihara Devalagam Ordinance No. 19 of 1931.	It is informed that reminder letters have been sent to bring the relevant budget reports as per Vihara Devalagam Ordinance No. 19 of 1931 and the head of the relevant division has been informed that the necessary action will be taken to bring the budget reports from the shrines from the year 2024 by overcoming the deficiencies related to this.	Arrangements should be made to bring estimated budget reports and semi-annual income and expenditure reports according to the provisions of the Act.
(b) Although the Mahanayaka Charikarama building was constructed by the department, the ownership of the relevant land had not been taken over to the department as at the date of this report.	Thimbirigasyaya Divisional Secretary requested that the land be surveyed and a trace be prepared and it was informed that the relevant survey requests have been submitted in two copies to the Colombo District Superintendent of Survey.	Action should be taken to take over the ownership of the relevant land on which the building is constructed.
(c) Even though more than 11 years have passed since the desire of Rev. Welamitiyawe Kusaladhamma Nayaka Thero to be handed over to the department in the year 2012, which is the Dasa Sil Matha headquarters was built in Kelaniya Eriyawetiya, was informed to the Divisional Secretary, the land acquisition process has not been completed and the legal right has not been confirmed yet now.	It was informed that the Kelaniya Divisional Secretary informed that the advertisement prepared under the seventh section related to land acquisition had been translated into Tamil and English languages and it has been handed over to the government press now for publish in the gazette.	Action should be made to take over the ownership of the relevant land, which is the building is constructed.
(d) Although the approval was given to the Assistant Commissioner (Control) appointed from November 2022 to cover the duties of the post of Assistant Commissioner of the Rathnapura Regional	It is informed that the former Commissioner General has used a common vehicle and performed duties with other officers for work programmes	Action should be taken to use pool vehicles as per approval and properly control

office due to the transfer of the former officer to use the pool vehicles for 02 days a week for the related duties, he had also used the vehicle attached to the Rathnapura Regional office for more days that that with the pool vehicles and 23,737 km had driven from November 2022 to December 2023 as 15,759 km from pool vehicles and 7,978 km from the vehicle attached to the Rathnapura Regional office.

in which several officers participate with the aim of using fuel sparingly and it is accepted that the former Assistant Commissioner (administration) has used the pool vehicles for more than two days a week and the vehicles for driving in and around Rathnapura and that further clarifications and information will be sought from the relevant officer personally. fuel expenses.

- (e) The total printing expenses of Rs. 4,739,864 had incurred contrary to the procurement guidelines of 2006 as Rs. 2,740,979 for the printing of circulars, formats, admissions and time tables of student competency evaluation programme, Rs. 252,540 for the printing of invitations and Rs. 1,746,345 for the printing of certificates and Rs. 252,540 had been incurred inactive expense to print 1500 invitations before 2 days for the event while letters were sent to invite the invited guests.

Furthermore, 2788 certificates were printed extra for the three phases at an expenditure of Rs. 45,422 without estimating the required number of certificates and it was also observed that the misuse of these certificates may occur. Accordingly, the expenditure of this programme excluding overtime and transportation expenditure was Rs. 41,608,881.

As the printing department is a government institution, it was informed that the necessary printing work was done by calling the prices as per F.R. 630 and the further clarifications and information will be obtained from the Commissioner of Dhamma Schools.

It is informed that 205 certificates are required for the first five positions for the 41 events per regional board in printing the certificates for this programme, but 210 certificates will be issued for each board and it is hoped to provide additional certificates in future after obtaining the information about the required quantity of certificates the quantity of wrongly written certificates given in providing additional certificate and the defective certificates will be brought and reissued instead in the case of requests for additional certificates as it is.

Printing of question papers, circulars, admission cards and certificates for Dhamma school student qualifications should be done on accurate estimates in accordance with government procurement guidelines.

- (f) An expenditure of Rs. 40,203,680 had been incurred for the printing of question papers and certificates for Dhamma school grade examinations in relation to the years 2021 and 2022. Further, although the number of students who applied for the grade examinations in the year 2022 was 832,875, due to printing of more than 165,609 question papers and 4,958 certificates more than the number of 645,042 students who faced for the examinations, 428,578 out of 1,067,946 question papers were printed without keeping information about the number of students who applied for the examination in the year 2021 and 35,632 certificates were printed more than the number of 639,368 students who faced for the examination, there was an inactive expenditure of Rs. 6,186,558.
- As the printing department is a government institution, it was informed that the necessary printing work was done by calling the prices as per F.R. 630 and the further clarifications and information will be obtained from the Commissioner of Dhamma Schools.
- Action should be taken to avoid unnecessary expenses by getting accurate data on numerical information and planning printing activities accordingly.
- (g) Due to not taking steps to return the remaining certificates after a responsible period of time by keeping statistical data on the remaining number of certificates issued for grade examinations, it was observed that there is a possibility of misuse the certificates.
- It was informed that instructions were given to the Dhamma School Commissioner to implement a suitable programme to ensure that the remaining certificates are not misused.
- Action should be taken to prevent the misuse of certificates with a proper programme to bring back the remaining certificates issued for grade examinations and student competency requirements.
- (h) According to the 2023 performance report, out of 309 legal case files started by the department up to the end of the year 2023, only 121 legal cases were completed.
- It was informed that the delay in judicial functions as well as the lack of human resources in the legal division of the department has also affected to this.
- Attention should be paid to taking possible actions from the department to complete the proceeding of legal cases immediately.

4. Good Governance

4.1 Internal Audit

Audit Observation	Comments of the Accounting Officer	Recommendation
There was not a conformation regarding the status of implementation of recommendations related to 50 audit queries submitted by the Internal Auditor of the department from the year 2018 to the year 2023.	It is informed that the answers to the queries related to the internal audit of the department have been given from the year 2018 to the year 2023 and the answers to the audit queries related to the temples and shrines of the external institutions have been delayed and reminder letters in this regard have been submitted to those institutions and it will take action to reduce these weaknesses in future.	Action should be taken to submit answers to audit queries immediately related to internal divisions and as well as external institutions such as temples and shrines.

5. Human Resource Management

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Although more than 19 months have passed since the post of Assistant commissioner in the Rathnapura regional officer, which covers the duties of the Assistant Commissioner (Administration), had been vacant, the vacancy was not filed from a permanent officer.	The Secretary of the Ministry of Buddhasasana, Religious and Cultural Affairs and the Director General of Combines Services of the Ministry of Public Administration, Home Affairs, provincial Councils and Local Government have been informed to fill the relevant vacancy and it was informed that arrangements are being made to fill the vacancy.	Vacancies should be filled immediately.

- (b) 83 Posts were vacant out of the approved number of 848 posts in the department as at 31 December 2023 and there were 06 Deputy and Assistant Commissioner posts including Additional Commissioner General, 22 Development Assistant posts and 13 Management Service Officer posts in that.
- It was informed that an awareness regarding the vacancies in the Sri Lanka Administrative Service has been forwarded to the Public Service Commission and a report on the vacancies in the department has been forwarded to the Ministry of Buddhasasana, Religious and Cultural Affairs. It is informed that the departmental posts of Buddhist Affairs Coordinator and Development Assistant have been approved as personal to the post holder and new recruitment will not be made and those officers will be abolished as per absorption in the service of Development Officer and the Director General of Combined Services has been informed regarding the vacancies of Management Service Officers and requested to be assigned to this department when new recruitments are made.
- Vacancies should be filled immediately.
- (c) 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 given transfers to allow working in other working places, but transfers were not made for 371 officers who completed more than 18 years from 05 years in the department.
- It was informed that the annual internal transfer orders of this department have been issued until now and that has been implemented from 02 May 2024.
- Transfers should be done as per circulars.