

1. Financial Statement

1.1 Opinion

The audit of the financial statements of the Provident Fund of the Buddhist and Pali University of Sri Lanka for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then 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 (3) 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. Comments and observations which I consider should be submitted 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 Fund as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for 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 Fund'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 intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

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

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

1.4 Auditor's Responsibility on 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 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 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 Fund'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 Fund 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 Fund, and

whether such systems, procedures, books, records and other documents are in effective operation;

- Whether the Fund has complied with applicable written law, or other general or special directions issued by the governing board of the Fund;
- Whether the Fundy has performed according to its powers, functions and duties; and
- Whether the resources of the Fund 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

	Reference to Laws, Rules, and Regulations	Non compliance	Comment of the Management	Recommendation
(a)	Section 28 (3) of the Sri Lanka Buddhist and Pali University Act, No. 74 of 1981	The total amount credited in an account should be paid to the contributor within 03 months from the date of its closure, in case of delay in such payment, interest shall be calculated for the same and the entire amount shall be paid. However an amount of Rs.1,547,200 payable for an officer who terminated his service on 20 March 2013 had been identified as a creditor and the total amount due had not been identified and settled.	Due to the officer's disagreement with this calculation, payment was made as recommended by an independent special finance committee and the governing council, but that cheque was also rejected. Since a petition has been submitted to the Public Petitions Committee of Parliament in this regard, in accordance with regulations in the Section 9.4.6 of the approved Provident Fund will be maintained as a separate deposit until the recommendations of the Labour Commissioner or the Public Petitions Committee of Parliament and the approval of the Governing Council.	Action should be taken to settle outstanding amounts promptly.

(b) Regulation No. 6.1.2 for the Governance, Administration and Management of the Sri Lanka Buddhist and Pali University Provident Fund	Without submitting the recommendation for the interest rate by the Governing Council and get the approval of the Minister of Finance for that rate, an interest of Rs.52,167,279 had been calculated considering the annual interest rate at 11.09 percent for contributory accounts.	The value obtained after deducting income tax, creditor investment provisions and interest on closed accounts from the total income is distributed among the active members according to the approved criteria for calculating provident fund interest, and the recommendations of the Internal Audit Division are obtained and submitted to the Governing Council for approval. After obtaining the approval, the interest rate of the year will be forwarded to the Minister of Finance for approval in accordance with the Act.	Relevant approvals should be obtained for crediting interest rates in accordance with laws, rules, regulations and directives.
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2. Financial Review

2.1 Financial Result

The operating result of the year under review amounted to a surplus of Rs. 52,440,919 and the corresponding surplus in the preceding year amounted to a Rs. 75,808,538, thus observing a deterioration of Rs. 23,367,619 in the financial result. The decrease in interest income on fixed deposit by Rs. 27,200,477 had mainly attributed to the said deterioration.

2.2 Trend Analysis of major Income and Expenditure items

Interest income from fixed deposits decreased by 30.94 percent or Rs. 27,200,477 in the year under review compared to the previous year.

2.3 Ratio Analysis

Total current assets were Rs. 537,180,773 and current liabilities were Rs. 6,132,217 in the year under review, as such, the current ratio was 88:1. This ratio in the previous year was 23:1 and there was an increase in that ratio in the year under review compared with the previous year.