

## Transaction Report of the Buddhasasana Fund - 2024

---

The operational activities of the Buddhasasana Fund for the year ended 31 December 2024 was audited under my direction in terms of the provisions of the National Audit Act No. 19 of 2018 read in conjunction with the Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act No. 38 of 1971 and Section 12(2) of the Buddhasasana Fund Act No. 35 of 1990. The financial statements for the years 2022, 2023 and 2024, which are required to be submitted in terms of Section 13(6) of the Finance Act, had not been submitted as at the date of this report. This report only contains my observations on the functioning of the Fund, which I intend to submit to Parliament in terms of Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

### 1.2 Responsibilities of Management and Those Charged with Governance for the Submission of the Financial Statements

As per Section 16(1) of the National Audit Act No. 19 of 2018, the entity 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 entity. According to the Section 16(2) of the said Act, annual financial statements of the every audited entity shall be submitted by the Chief Accounting Officer to the Auditor General within such period as may be provided by rules, ensure the timely preparation and submission with the Performance Reports of those entities. According to 38(1) (d) of the said Act, the Chief Accounting Officer must ensure that annual reports and other financial statements are prepared within the required time and in addition, the Chief Accounting Officer must ensure that annual reports relating to the audited entity are submitted to the Parliament.

### 1.3 Non-Submission of Financial Statements for Audit

Although the financial statements must be submitted to the Auditor General within 02 months of the end of the accounting year in accordance with Financial Regulation 877(2) (d) as amended by paragraph 15 of the Public Finance Act No. 01/2020 dated 28 August 2020, the financial statements for the years 2022, 2023 and 2024 had not been submitted even at the date of this report.

## 2. Audit Observations

### 2.1 Unauthorized Transactions

Description of Unauthorized Transactions	Management Comment	Recommendation
Approval was given in the 89 <sup>th</sup> Board meeting held on 22 May 2024 by the Board Paper No. 89/16 to pay Rs. 5,000 per month to 23 Monks and Dasa Sil Matha under the Bhikku Medical Assistance Scheme from June to December 2024. However, Rs. 85,000 had been paid by Rs. 5,000 per each person for the month of May to 17 persons in the	After the selection of qualified applications, registration and submission to the Board, approval is obtained to payments from the month of registration. Although the monks have been selected since May 2024, approval for the payments has been received since June 2024. It was	Approval of the Board should be obtained for the payment of allowances.

relevant document without an approval. informed that since the payments had been done from the month of May, action would be taken to deduct those payments from the payments of this year.

## 2.2 Documentary Evidences not made available for Audit

Item available	Amount Rs.	Evidence not	Management Comment	Recommendation
Although every payment should be confirmed that the gross amount mentioned in the voucher is received from the payee by a receipt with properly stamped in accordance with Financial Regulation 264(1), action had not been taken in accordance with the relevant regulation regarding 141 vouchers paid by the Fund in the year 2024.	48,139,056	Receipts	It was reported that officers were informed to take action to obtain a certificate of receipt of all payments in future.	Proof of payment should be obtained for every payment in accordance with Financial Regulation 264(1).

## 2.3 Accounts Receivable and Payable

### 2.3.1 Advances

Audit Observation	Management Comment	Recommendation
Advances of total amounting to Rs. 1,000,000 were given to the staff officers attached to the Buddhasasana Division of the Ministry of Buddhasasana, Religious and Cultural Affairs apart from the staff of the Fund on 13 occasions during the year under review for the purposes of the Fund.	The maximum advance amounts has had to be limited to Rs. 200,000 since there are only two staff officers and, advance amount was obtained from staff officers of the Ministry of Buddhasasana, Religious and Cultural Affairs, which belongs the fund, since that amount was insufficient for some programmes and it was informed that action will be taken to implement programmes to minimize this situation in future.	Advance payments should not be given to officers who are not assigned relevant responsibilities.

## 2.4 Non-compliance to Laws, Rules, Regulations and Management Decisions etc.

Reference to Laws, Rules, Regulations etc.	Non-compliance	Management Comment	Recommendation
(a) Sub-section 16(1) of the National Audit Act No. 19 of 2018	Although the Fund should maintain proper books and records of its income, expenses, assets and liabilities as to enable the preparation of annual and periodic financial statements, action had not been taken in this regard in the year 2024.	It was informed that action will be taken to correct the relevant accounting deficiencies, including the general ledgers, for the year 2024 and submit them for audit in future.	Books and records should be maintained to enable the preparation of the annual and periodic financial statements of the Fund.
(b) Code of Financial regulations of the Democratic Socialist Republic of Sri Lanka			
(i) F.R. 135	The functions related to the financial control of the Fund had not been delegated for the year 2024.	It was informed that the delegation of functions regarding financial control is scheduled to be carried out in the year 2025 under F.R. 135.	Action should be taken in accordance with relevant Financial Regulation.
(ii) F.R. 395	The bank reconciliation statements for the year 2024 had not been submitted to the Auditor General even at 31 October 2025.	It was informed that it will be submitted in future.	Action should be taken in accordance with relevant Financial Regulation.

(c) Financial Regulations amended and published by the Public Finance Circular No. 01/2020 dated 28 August 2020.

- (i) Section 1 of Guideline 04 under F.R. 877(2) (c) Although all receiving and payments from a statutory fund should be properly recorded in appropriate subsidiary ledgers, primary books and ledger accounts based on source documents, the general ledger had not been maintained using the double-entry system to record transactions relating to income of Rs. 80,406,085 and expenses of Rs. 60,574,208 for the year under review. It was informed that action will be taken to prepare the relevant accounting deficiencies, including the general ledger, for the year 2024 and submit them for audit in future. Action should be taken in accordance with relevant Financial Regulation.
- (ii) Section 3 of Guidelines 04 under F.R. 877(2) (c) Although the quarterly reports (Quarterly reports on progress of preparing bank reconciliations, reports on achieving budget targets, quarterly progress reports on the Action Plan) on the main functions of the Fund should be prepared and submitted to the Department of Public Finance and National Budget Department with a copies to the Auditor General before 15 days from the end of the quarter as the progress of the Fund can be reviewed at the end of each quarter, those reports had not been submitted for the year under review. It was informed that quarterly reports will be prepared and submitted in future. Action should be taken in accordance with relevant Financial Regulation.

### 3. Operational Review

#### 3.1 Management Inefficiencies

Audit Observation	Management Comment	Recommendation
(a) Some assets among the assets used by the Buddhasasana Fund were purchased by the Fund and some assets are owned by the Ministry. Accordingly, although it had not been separately identify the assets purchased by the Fund and the assets owned by the Ministry, assets amounting to Rs. 8,014,031 were included as assets of the Fund in the Draft Annual Report.	It has been informed that the 2024 Draft Annual Report will be revised to include only the assets of the Buddhasasana Fund.	Assets belonging to each entity should be identified and recorded separately.
(b) The Subasinghe Walawwa and land located on Anula Mawatha, Anuradhapura, which was owned by the Buddhasasana Fund, had been donated to the Anuradhapura Thuparama Viharaya by deed No. 94 dated 18 June 2024, but the relevant land and the Walawwa were mentioned as assets of the Fund as at 31 December 2024 under the reporting the performance of non-financial assets in the Draft Annual Report prepared for the year 2024.	It had been informed that Subasinghe Walawwa and the land will be removed from the performance register as at 31 December 2024.	The performance report should be prepared by entering correct information.
(c) Although the 89 <sup>th</sup> Board meeting had approved the transfer of balance of Rs. 1,384,796, which was carried forward as Tsunami aid for 15 years, to the Buddhasasana Fund account in the financial statements of the Buddhasasana Fund, action had not been taken in this regard as at the date of this report.	Action will be taken to account in future.	Action should be taken to settle the relevant balances as per the recommendations of the Board of Council.
(d) The necessary officers and employees should be appointed to administer and manage the affairs of the Fund in accordance with sub-section 11(a) of the Buddhasasana Fund Act No. 35 of 1990.	Officers of the Ministry of Buddhasasana have been assigned for the Secretary, Accountant and other staff. It has been informed that the further actions will be taken to	Action should be taken as per the relevant provisions of the Act and recruited an officer with knowledge of

Accordingly, although the staff had been approved, they had only been recruited for one permanent position and only two officers from the Ministry of Buddhasasana had been assigned to other positions. Furthermore, another officer had been assigned for the duties of the fund and action had not been taken to attach to the fund. Due to that non-assigning of the officer with accounting knowledge to this assignment and non-proper guidance from an Accountant, the audit had revealed that there was an impossible situation to prepare the financial statements.

complete the approved staff for the Buddhasasana Fund and if the entire staff was to be permanently recruited and paid more than 10% of the annual income (about Rs. 70 million) would have to be paid as salaries and allowances. It was also informed that it has not been possible to prepare these accounts-related reports due to there is not an Accountant in full time and an officer who has subjective knowledge about accounts.

accounting matters to the fund.

- (e) Although a programme to provide scholarships of Rs. 2,000 per month to 1,000 novice monks and student Dasasilmatha under the sponsorship scholarship scheme was identified in the revised budget estimate for the year 2024, that programme had not been implemented during the year under review.
- It was informed that since the President's Fund has commenced providing a monthly scholarship of Rs. 6000/= from May 2024 to novice monks and Dasasilmatha, who are studying in Pirivens, the project for the payment of scholarships was temporarily suspended due to consider that programme and providing scholarships under this project only to monks who do not receive benefits under those scholarship programmes or pay the scholarships after confirming that a person does not receive two scholarships and accordingly, this project was restarted from July 2025 as per the approval given at the 92<sup>nd</sup> Governing Council.
- Action should be taken to implement the planned programmes for the year in that manner.

### 3.2 Operational Inefficiencies

Audit Observation	Management Comment	Recommendation
(a) Although the relevant certificates should be done after the Certifying Officer has confirmed that the amount allocated for the current financial year is not exceeded due to any payment and that it has been recorded in the relevant register in accordance with Financial Regulation 138(2) of the Code of Financial Regulations of the Democratic Socialist Republic of Sri Lanka, payments for the fund had been certified even though they had not been recorded in the relevant account in the general ledger.	It had been informed that ledgers and journals etc. relevant to the financial statements of the year 2022 and financial statements, ledgers and journals relevant to the years 2023 and 2024 should be prepared and it has not possible to prepare these accounts-related reports due to there is not an Accountant in full time and an officer who has subjective knowledge about accounts.	The amount allocated for the current financial year will not be exceeded due to any payment in accordance with the Financial Regulations and the relevant certifications should be done after the Certifying Officer confirm that the it has been entered in the relevant register.
(b) Although payments should be done after the Paying Officer has ensured that every payment is recorded in the prescribed documents and properly accounted in accordance with Section 139(8) of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka, payments had been done without pay attention in that regard and the payments were made in the situation of non-recording the relevant expenses in the general ledger.	It had been informed that ledgers and journals etc. relevant to the financial statements of the year 2022 and financial statements, ledgers and journals relevant to the years 2023 and 2024 should be prepared and it has not possible to prepare these accounts-related reports due to there is not an Accountant in full time and an officer who has subjective knowledge about accounts.	Every payment is recorded in the prescribed documents immediately in accordance with Financial Regulations and payments should be done after the Paying Officer has ensured that properly accounted.
(c) Due to that failure to prepare and implement an Action Plan for the functions of the fund for the year 2024 and the human resource management has not been properly assigned to carry out the functions of the fund by appointing the officer and employees required to administer and manage the affairs of the fund as approved, a formal plan and methodology had not been implemented to fulfil the objectives of the fund.	An Action Plan has been prepared with correcting those deficiencies in the year 2025. Furthermore, it was informed that since these deficiencies have occurred due to the insufficient staff of this fund, it has been decided to give priority to fill the staff vacancies in future.	A formal plan and methodology should be implemented to achieve the objectives of the fund.

#### 4. Accountability and Good Governance

##### 4.1 Tabling of the Annual Performance Report in Parliament

Audit Observation	Management Comment	Recommendation
(a) Although the annual report of a statutory fund should be published 180 days or earlier after the end of the financial year in terms of sub section 47(4) of the Public Financial management Act No. 44 of 2024, action had not been taken to submit the annual reports of the Buddhasana fund to Parliament after the year 2019.	There has been a delay in preparing the final accounts and the Cabinet decision has now been received for the final reports for 2020 and 2021 and it was informed that it had been submitted	Action should be taken in accordance with the relevant provisions of the Public Financial Management Act.
(b) Although the draft performance report of the fund for the year 2024 stated that it is compliance with the following things, but action had not been taken accordingly.	Instructions were given to the relevant officers to prepare and revise the compliance document of the 2024 draft performance report. Accordingly it was informed that action will be taken to provide the revised the draft report immediately.	The report should be prepared by entering the correct information according to the performance report format.
(i) Compliance with the financial statements have been submitted on time		
(ii) A Fixed Assets Register is maintained as up-to date.		
(iii) It is consisted with the delegation of financial powers within the institution.		
(iv) Although it has been stated that there is compliance with the preparation of the Annual Action Plan and the Procurement Plan, an Action Plan and Procurement Plan had not been prepared for the year 2024.		

(v) The annual estimate has been prepared and submitted to the National Budget Department on the due date.

(vi) The Annual Cash Flow Statement has been submitted to the Department of Treasury Operations on due date.

(vii) Bank reconciliation statements have been prepared and certified on the due date and submitted for audit.

(viii) The deficiencies pointed out in the audit reports issued by the Auditor General for the previous year have been corrected.

(ix) Information on assets purchases and misappropriations has been submitted to the Office of the Comptroller General in accordance with Chapter 07 of the Assets Management Circular No. 1/2017.

(x) According to the Chapter 13 of the Assets Management Circular No. 1/2017, a Coordination Officer has been appointed to implement the provisions of the said circular and the details of that officer have been reported to the Office of the Comptroller General.

(c)	The performance indicators of the Buddhasasana Fund had not been mentioned under the performance indicators in the 2024 Draft Annual Report.	It was informed that action will be taken to correct the revised Draft Annual Report for the year 2024.	The report should be prepared by entering the correct information according to the performance report format.
-----	--	---	---

(d)	The 74 <sup>th</sup> Board meeting of the Buddhasasana Fund held on 07 July	It was informed that action will be taken to correct the	The report should be prepared by entering the
-----	---	--	---

2015 had approved a staff of 11 officers for the fund. However, 6.1 of Chapter 06 of the Draft Annual Report for the year 2024 – was stated that the approved staff as 08 under the Staff Management. Accordingly, the information included in the Draft Annual Report was not accurate.

revised Draft Annual Report for the year 2024.

correct information according to the performance report format.

#### 4.2 Budgetary Control

Audit Observation	Management Comment	Recommendation
<p>According to Financial Regulations 877(1) as amended and published by Public Finance Circular No. 01/2020 dated 28 August 2020, the Governing Authority of any fund should be prepared the annual budget in according to target of that fund for further year annually and taken approval from the Secretary and Hon. Minister of the relevant Ministry and submitted to the Director General of National Budget for approval of the Treasury before 30 September of the current year and a copy of that should be submitted to the Director General of Public Finance. However, the budget estimate for the year under review of the fund was submitted to the Board approval on 22 May 2024 and it had not been submitted for approval by the General Treasury.</p>	<p>It was informed that the budget estimate for the year 2025 had been sent for the submission to the Department of National Budget through the Ministry.</p>	<p>The budget document should be approved in accordance with the relevant Financial Regulation.</p>