

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Ambuluwawa Dissanayake Mudiyansele Jayaratne Religious Centre and Bio-diversity Complex Trust Fund 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 net assets 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 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka to be read in conjunction with Section 10 (4) of the Ambuluwawa Dissanayake Mudiyansele Jayaratne Religious Centre and Bio-diversity Complex Trust Fund Act , No. 44 of 2009 and provisions of the National Audit Act, No.19 of 2018 and the Finance Act No.38 of 1971. My report to Parliament, in terms of Article 154 (6) of the Constitution, will be tabled in due course.

In my opinion, except for the effects of the matters described in paragraph 1.5 of this report, the accompanying financial statements of the Fund give a true and fair view of the statement of financial positions 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 Qualified Opinion

My opinion is qualified on the matters described in paragraph 1.5 of this report.

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 qualified 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 intend 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 of the Authority.

1.4 Audit Scope (Auditor's Responsibilities 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 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:

- 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 Fund'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 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 body of the Board,
- Whether it has performed according to its powers, functions and duties; and
- Whether the resources had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

1.5 Audit observation on the preparation of financial statements

1.5.1 Non-compliance with Sri Lanka Public Sector Accounting Standards

	Non-compliance with reference to the relevant standard.	Comment of the Management	Recommendation
(a)	In accordance with Paragraph 55 of Public Sector Accounting Standard No. 01, when reclassifying items in annual financial statements, related information should be disclosed in the financial statements. An amount of Rs. 5,372,320 spent during the previous year for the ongoing Cable Car project had been shown in the previous year's financial statements as incomplete construction, and including this amount, the total of Rs. 93,680,989 invested in the project as of December 31 of the year under review had been stated as investment in the financial statements of the year under review. However, information relating to the reclassification was not disclosed in the financial statements.	The Cable Car project does not fall under constructions according to agreements and represents 14 per cent of the fund's investments. Hence, the classification of financial statement items will be corrected.	Actions should be taken in accordance with Sri Lanka Public Sector Accounting Standards.

1.5.2 Accounting Deficiencies

	Audit Observations	Comment of the Management	Recommendation
(a)	Although the total expenditure for employee provident fund and employee trust fund for the year under review was Rs. 2,293,901, it was stated in the financial statements as Rs. 1,305,285, understating by Rs. 988,616.	In 2024, contributions were paid based on the basic salary, and requests have been made from the Department of Labour to provide verification following a verification in this regard.	The correct value should be verified and included in the financial statements
(b)	According to the computer system established for operations in the Ambuluwa premises, there was a discrepancy of Rs. 1,604,777 between total souvenir sales revenue per souvenir type and the monthly summaries for the year under review.	The errors have been corrected.	Measures should be taken to strengthen internal controls to prevent such a situation from occurring.
(c)	Adventure Park and Souvenir Shop revenue had been understated by Rs. 116,250 during the income recognition of the year under review.	Due to a calculation error, amounts were understated by 96,250 and 20,000 respectively.	Correct values should be included in the financial statements.
(d)	A total of Rs. 1,000,070 had been paid for 14,744 long feet and 5,797 square feet of timber, and for the timber the length of which was not specified, from the trees that had been felled in the pine plantation, but only Rs. 288,180 of the cost incurred for the swan timber was stated as inventory in the financial statements and the remaining amount of Rs. 711,890 was accounted for as an expense of the theatre. The value of 7015 long feet of timber that remained at the end of the year had not been assessed and accounted for.	Having calculated the value of timber obtained from felled trees in the pine plantation, the revised financial statements will be corrected accordingly.	Correct value should be included in the financial statements.

1.5.3 Lack of Written Evidence for Audit

	Item	Amount Rs.	Evidence not furnished	Comment of the Management	Recommendation
(a)	Fixed Assets	483,501,310	Fixed asset registers	Asset register will be submitted with reply as of 31-12-2024	Fixed asset register should be prepared and submitted according to the prescribed format.

(b)	Fuel Stock	142,428	Stock records	Relevant reports will be submitted to verify fuel stock	Stock records should be provided for audit.
(c)	Receivables	6,944,247	Balance confirmations	Rs.6,944,247 of debtors' age analysis will be provided.	Balance confirmations should be made available for audit.
(d)	Constructions and supplies	16,196,981	Confirmation documents such as work done reports, purchase quantity sheets, rates.	Payment confirmations were previously submitted and those will be resubmitted along with this.	Sufficient evidence should be presented with vouchers to confirm balances.

1.6 Payables

	Audit Observation	Comment of the Management	Recommendation
(e)	Outstanding 06 creditor balances of Rs. 627,119 continued to exist from 2022 and 2023 had not been settled.	Efforts have been made to settle this based on agreement with the creditors.	Action should be taken to promptly settle creditor balances.

1.7 Non-compliance with laws, rules, regulations and management decisions, etc.

	Reference to laws, rules, regulations	Non-compliance	Comment of the Management	Recommendation
(a)	Section 6(2)(1)(f), Ambuluwa Biodiversity Complex Trust Fund Act No. 44 of 2009	No action had been taken to approve the procedures related to staff and their recruitment, establish a proper organizational structure, and recruit staff in an orderly manner.	Actions will be taken accordingly in future.	Action should be taken against officers who have not acted in accordance with the provisions of the Act, and measures should be taken to ensure compliance with the Act.
(b)	Section 125 of Urban Councils Ordinance, Chapter 255	The approval of the Gampola Urban Council had not been obtained for the office, tourist bungalow, restaurant, religious places, elderly homes, entrances,	These are existing buildings and the matter has been referred to the relevant institutions	- Do -

		toilets, towers and other constructions built in the Ambuluwawa premises.	to obtain the relevant approval.	
(අඟ)	Employee Provident Funds Act No. 15 of 1958 and Employee Trust Funds Act No. 46 of 1980	Although the fund contribution for the year under review should have been calculated based on the employee's earnings, the contribution was calculated only on the employee's basic salary by the Fund, resulting in an understatement of Rs. 1,515,878 for the year under review. Furthermore, Fund's contributions had not been paid for 32 employees who had been paid salaries totaled Rs. 3,834,574.	During the year 2024, EPF/ETF contributions were not made for employees recruited on a contract basis for a limited period, whereas EPF/ETF contributions were made for permanent employees.	- Do -
(d)	Financial Regulations of the Democratic Socialist Republic of Sri Lanka			
i.	Financial Regulation 371 (2) (a)	Although petty cash imprests could be made up to a maximum of Rs.25,000, during the review year, a total of Rs.12,138,389 was released as petty cash imprests to three employees on 65 occasions ranging from Rs.50,000 to Rs.750,000. Furthermore, although the maximum amount that can be paid from petty cash for a single requirement at one time is Rs.5,000, during the year under review, a total of Rs.4,308,133 was paid on 161 occasions in amounts ranging from Rs.5,190 to Rs.346,880, contrary to that requirement.	An amount exceeding Rs. 500,000 had been obtained under covering approval.	Action should be taken against officers who acted in violation of financial regulations, and measures should be implemented to prevent such situations in the future
ii.	Financial Regulation 387	Although the officer making payments by cheque should have regularly verified whether their bank balance	Although cheques had been issued, no action was taken during the year to	- Do -

			was sufficient for all payments, due to making payments without such verification, there was an overdraft of Rs.525,452 in a bank account as of December 31 of the review year.	obtain bank overdraft facilities.	
iii.	Financial Regulation 396		No action had been taken according to the regulation in respect of three cheques, totaling Rs.24,200, the validity period of which had expired.	Action will be taken to notify the cheque holders and take appropriate measures in this regard.	Actions should be taken in accordance with the provisions of the Financial Regulations.
(e)	Section 3.4 of the 2006 Procurement Guidelines of the Democratic Socialist Republic of Sri Lanka		No action had been taken during the review year to register suppliers for activities at the Ambuluwawa Biodiversity Complex	The register of supplier registrations will be presented.	Suppliers should be registered in accordance with the provisions of the Procurement Guidelines.
(f)	Management Circular No. DMA/2009(01) dated 09 June 2009	Audit	An internal audit had not been conducted from its inception up to now.	Steps have been taken to commence an internal audit from the year 2025.	Action should be taken in accordance with the provisions of the circular.
(g)	Minutes of the meeting of the Board of Trustees dated 02 October 2009		According to Decision No. 1 of minute of the meeting, 12 meetings of the Board of Trustees should be held per year, but only 06 meetings had been held in the year 2024.	Arrangements have been made to conduct meetings of the Board of Trustees only were necessary.	Steps should be taken to hold the prescribed number of meetings.

2. Financial Review

Financial Results

The operational result for the year under review showed a surplus of Rs. 137,693,888, as compared with a surplus of Rs. 44,632,225 in the preceding year. Accordingly, the financial result had increased by Rs. 93,061,663. The main reasons for this increase were the rise in revenue from ticket sales and building rental income.

3. Operational Review

3.1 Management Inefficiencies

	Audit Observation	Comment of the Management	Recommendation
(a)	Expenditure amounting to Rs. 10,313,917 had been incurred for carving stone Buddha statue within the complex, the construction of Car Parks 1 and 2, and the commencement of the Tree Top Project without preparing feasibility study reports, plans, or estimates. However, by the year 2022, the construction of these works had been abandoned midway, and even by the end of the year under review, construction activities had not resumed.	As substantial costs would be incurred for unfinished construction work, the institution intends to commence and complete the work based on its financial position and priority, and that plans and estimates relating to all these constructions are available and will be submitted for audit.	Action should be taken to complete the constructions by carrying out the work in a systematic manner.
(b)	An advance payment of Rs. 250,000 had been made in 2023 for the golf course, but by the date of audit, no action had been taken to commence work on the course. Further, an advance of Rs. 250,000 had been paid to a supplier on 08 April of the year under review for furniture items; however, as at 30 April 2025, the items had not been supplied.	The institution intends to commence the work in future depending on its financial position.	Action should be taken to complete the project by carrying out the work in a systematic manner.
(c)	Although there were institutions around Kandy producing standard precast blocks with SLS certification, a payment of Rs. 320,000 had been made to a private institution for transporting precast blocks from Kaduwela to Ambuluwawa during the year under review.	Although SLS-certified precast blocks were available in the area, they were not suitable for applying the N90 load (heavy load), and therefore they had been obtained from a recognized institution.	A proper investigation should be carried out, and action should be taken against the officers responsible for incurring uneconomic expenditure.
(d)	Although a sum of Rs. 880,000 had been paid to a private institution for updating and maintaining the website, the basis for selecting that institution and the information relating to the procurement process had not been submitted for audit.	That institution had been engaged for promotional activities with the approval of the Board of Trustees, as it possessed the required skills and capacities and charged comparatively lower prices.	The institution should be selected through a proper procurement procedure.

- | | | |
|--|--|---|
| <p>(e) A sum of Rs. 1,459,000 had been paid to a private institution for the purchase of an RN 125 tractor and a brush cutter; however, quotation calling documents, procurement decisions, purchase orders, delivery notes, and stock records had not been submitted for audit. Further, Rs. 736,550 had been paid during the year under review for repairs to the PC 60 excavator, yet procurement details relating to the selection of that institution had not been submitted for audit.</p> | <p>The tractor obtained from the company is the only agent selling it in Sri Lanka, so it was decided to purchase this machine from that company and the payment bill and price quotation will be submitted.</p> | <p>A proper investigation should be conducted, and formal action should be taken against the officers who carried out procurement in an irregular manner.</p> |
|--|--|---|

3.2 Transactions of Contentious Nature

	Audit Observation	Comment of the Management	Recommendation
(a)	At the Board of Trustees meeting held on 10 June 2023, it had been decided to implement a cable car project based on an estimated cost of Rs. 1.2 billion, to lease the completed project to a separate company for construction and operation, and for the trustee to bear 16 per cent of the estimated cost. However, without calling for tenders, an agreement had been entered into with a company that had been registered only six days after the date of the Board meeting, that is, on 16 June 2023, to execute the project. During the year under review, a total sum of Rs. 93,151,217 had been spent on 19 vouchers for this project, and the related schedules had not been submitted for audit along with the payment vouchers to confirm the purpose for which the expenditure was incurred. An estimate of Rs. 250,360,000 had been prepared for the infrastructure development of the cable car project, of which 37 per cent had already been borne by the Trust.	The estimated value of the Ambuluwewa Biodiversity Complex cable car project amounts to Rs. 1,201,085,429, and according to the agreement, the portion invested by the Fund is 14 per cent, of which only the amount relating to the year 2024 has been invested to date.	A proper inquiry should be conducted regarding this project, appropriate action should be taken against the parties who acted irregularly, and steps should be taken to regularize the project.

- | | | | |
|-----|---|---|---|
| (b) | A sum of Rs. 75,000 had been paid to a civil engineer without obtaining a geological test from the National Building Research Organisation (NBRO) regarding the crack that had occurred on the access road to the tower located within the complex. Thereafter, based on the engineer's recommendations, a further sum of Rs. 58,279 had been spent to obtain the test from the NBRO. Accordingly, the previously paid amount of Rs. 75,000 had become fruitless. | This payment was not for an inspection of the tower itself, but for a geological investigation relating to the crack on the access road to the tower. The year mentioned in the document was an error caused during printing. | A proper investigation should be carried out, and the fruitless expenditure should be recovered from the responsible parties. |
| (c) | Although the Act establishing the Fund identifies the protection of religious sites and the promotion of religious development as objectives of this complex, it was observed that, expenditure had been incurred during the year under review for initiating a beer counter within the premises contrary to those objectives. | The fact that there is a high demand from foreign tourists for such facilities, that construction activities should be carried out in a manner that does not harm the uniqueness of the Ambuluwewa Biodiversity Complex, and that efforts are being made to provide such facilities to tourists while preserving our identity. It was further stated that these activities have now been suspended and that recreational activities may also be undertaken within the objectives of the Fund. | Action should be taken in accordance with the objectives set out in the Act, and a formal investigation should be conducted to take action against the parties responsible for acting in a manner inconsistent with those objectives. |
| (d) | A procurement process was initiated on 16 January 2023, and seven months later, on 16 August 2023, a company registered under the Companies Registrar was entrusted with managing the computer system, for which a sum of Rs. 20,010,057 was paid during the year under review. | The company was selected with the approval of the Board of Trustees based on the agreement to pay 7.5 per cent of the revenue according to the company's pricing. | Action should be taken against officials who acted outside the proper procurement procedures. |
| (e) | During the year under review, a total of Rs. 633,378 had been paid from the Fund as welfare expenses for family members of police officers performing duties within the Ambuluwewa Complex. | Approval had been granted by the Board of Trustees for such welfare payments to family members of serving police officers. | Payments should not be made in contravention of the objectives of the Fund, and formal action should be taken against the parties who decided to make such payments. |

3.3 Procurement Management

Audit Observation	Comment of the Management	Recommendation
(a) Purchases and constructions costing a total of Rs. 15,333,458 had been carried out on 35 occasions without following the 2006 Procurement Guidelines.	The procurement documents requested by you will be submitted along with the response.	Action should be taken against the parties who acted in violation of the Procurement Guidelines, and measures should be implemented to ensure that proper procurement procedures are followed in the future.

4. Accountability and Good Governance

4.1 Presentation of Financial Statements

Audit Observation	Comment of the Management	Recommendation
(a) In accordance with Financial Regulation 877(2)(d) included in paragraph 15.1 of State Finance Circular No. 01/2020 dated 28 August 2020, performance reports should be submitted to the Auditor General together with the financial statements within two months of the end of the accounting year. However, for the year under review, the financial statements were submitted on 21 April 2025, with a delay of 51 days, and the performance reports were not submitted along with them.	The financial statements for the year 2024 were submitted on 21.04.2025 and that the performance report will be submitted along with the response.	Performance reports should be submitted for audit together with the financial statements within the stipulated time frame.

4.2 Budgetary Control

Audit Observation	Comment of the Management	Recommendation
(a) A proper budget document, including estimated revenues and expenditures, had not been prepared for the year under review.	The document will be submitted along with the response.	A proper budget document must be maintained.