

## Buddha Sasana Fund – 2018

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The audit of the operating activities of the Buddha Sasana Fund for the year ended 31 December 2018 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.

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

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As per Section 16(1) of the National Audit Act, No. 19 of 2018, every auditee entity shall maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared in respect of such entity. In terms of Section 16(2) of the said Act, annual financial statements in respect of every other auditee entity, shall be submitted by the Chief Accounting Officer to the Auditor-General along with the annual performance reports, within such period as may be provided by rules. As per Section 38(1)(d) of the said Act, timely preparation and submission of annual and other financial statements shall be ensured and in addition, the Chief Accounting Officer shall be required to submit annual reports to Parliament pertaining to the auditee entity. Nevertheless, the financial statements of the years 2016, 2017 and 2018 which should be presented to the Auditor General within 60 days after the close of the year of accounts, had not been presented to Audit even by 28 February 2020 in terms of Section 6.5.1 of the Public Enterprises Circular No.PED/12 of 02 June 2003 and Treasury Circular No.01/2004 of 24 February 2004.

## 2. Audit Observations

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### (a) Non-compliance with Laws, Rules, Regulations and Management Decisions

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Reference to Laws, Rules and Regulations	Non -Compliance	Comment of the Management	Recommendation
(a) Financial Regulation 396 of the Democratic Socialist Republic of Sri Lanka	Action in terms of Financial Regulations had not been taken with regard to 07 cheques aggregating Rs.56,864 issued by the Fund during the period from 01 October 2013 to 21 September 2017.	Action is being taken in terms of the Financial Regulations subject to the covering approval of the Board of Governors of the Fund.	Action should be taken in terms of the Financial Regulation.
(b) Section 8 (b) of the Buddha Sasana Fund Act, No.35 of 1990	Even though any income from investments should be credited to the Current Account maintained at the	Appropriate decisions on making investments and closing accounts have been implemented according to	Action should be taken in terms of provisions in the Act.

Central Bank of Sri Lanka, the decisions taken by the the interest income Board of Governors in terms amounting to Rs. of the rules made under 28,798,412 received in Sections 7 (f) and 14 of the respect of fixed deposits Fund Act. As such, the during the year under relevant investments have review had been been made so as to increase reinvested. the income of Fund.

**(b) Function and Review**  
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Audit Observation	Comment of the Management	Recommendation
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Even though a provision of Rs.10 million had been made for the project for construction of residences for Bhikkhus ( <i>sanghawasa</i> ) for 10 temples in most difficult areas as per the Action Plan of the year under review, no residence for Bhikkhus ( <i>sanghawasa</i> ) had been constructed in any temple. However, according to the computerized information system maintained by the Department of Buddhist Affairs, 77 temples without residences for Bhikkhus or with uncompleted residences for Bhikkhus were observed as at 10 February 2020.	The project has to be cancelled as per the instructions of the Board of Governors.	The requirement of constructing the residences for Bhikkhus in temples without such residences or with uncompleted residences, should be fulfilled.

**(c) Management Activities**  
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The following observations are made.

Audit Observation	Comment of the Management	Recommendation
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(i) As the first stage of the project for establishing Chinese Language and Cultural Educational Institution for each District, an Educational Institution had been established in the Dehimaduwa Sri Wardhanarama Temple in Kegalle District. An estimate of Rs.210,000 had been submitted	It was evident that the programme was unsuccessful and instructions were given to increase the number of bhikkus. Nevertheless, it was a failure and as such, only the Basic Course was completed therein. Subsequently, a higher diploma course was successfully	The projects should be well planned and commenced.

with the intention of commencing two courses of six months each as Basic Course and Diploma Course for 30 pupil bhikkus of the said institution. Nevertheless, a sum of Rs.257,975 had been spent for the completion of Basic Course in respect of 05 pupil bhikkus during the year under review. Since those pupil bhikkus had not followed a Diploma Course even by March 2020, the expected objective of the project had not been achieved.

commenced at the Peliyagoda Vidyalankara Pirivena. The pupils who have successfully completed the Basis Course have been directed to the said diploma course and at present, Chinese Language and Cultural Education Higher Diploma Course is being successfully conducted at the Peliyagoda Vidyalankara Pirivena.

(ii) The total income of the Fund in the year under review amounted to Rs. 71,660,296 while an expenditure of Rs.13,393,495 representing only 19 per cent of the income had been incurred for the objectives of the Fund. Such surplus cash had been invested annually, and according to the balance sheet as at 31 December 2015, the total investments amounted to Rs.483,124,345. Even though the function of the Fund shall be to receive moneys from whatever source whether foreign or local and to apply such moneys in such manner and for such purposes, as the Board may consider best calculated to protect and foster the Buddha Sasana, the Fund had failed to implement suitable programmes in line with the income annually received to the Fund.

Even though provision had been made for the suitable programmes in line with the expected income during the year under review, most of the programmes were not possible to be implemented properly due to the shortage of adequate human resources.

Programmes in order to protect and foster the Buddha Sasana should be organized and funds should be utilized efficiently.

(d) **Staff Management**  
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<b>Audit Observation</b> -----	<b>Comment of the Management</b> -----	<b>Recommendation</b> -----
Even though the Board shall appoint such officers and servants of the Fund as may be necessary and pay such remuneration out of the income of the Buddha Sasana Fund in terms of Section 11 of the Buddha Sasana Fund Act, the staff had not been appointed during the year under review. Four officers of the Ministry of Buddha Sasana had been attached for the activities of the Fund and salaries amounting to Rs.998,221 had been paid under the Expenditure Head of the Ministry during the year under review.	The Fund does not have adequate capital to recruit officers external to the Ministry of Buddha Sasana and to carry out project and accounting activities. However, the annual interest income is adequate to implement the projects in progress while the income is not adequate to recruit the staff and pay salaries. At present, instructions have been given to utilize the interest charges obtained by the Board of Governors, for the furtherance of Buddha Sasana and support of the entire staff in the Ministry is obtained while the expenditure thereof is incurred under the Expenditure Head of the Ministry until the Fund is developed. Nevertheless, allowances for covering up duties and administration expenditure are incurred by the Buddha Sasana Fund.	Action should be taken in terms of provisions in the Act.

(e) **Budgetary Control**  
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<b>Audit Observation</b> -----	<b>Comment of the Management</b> -----	<b>Recommendation</b> -----
Action had not been taken to prepare a budget in line with the objectives of the Fund and to obtain the relevant approval in terms of paragraph 4.1 of the Public Finance Circular No.PF/423 of 22 December 2006.	The officers were informed to prepare the budget of the Fund for the year 2020 properly in due course.	Action should be taken in terms of circular instructions.