

Official Languages Commission 2013

The Audit of financial Statements of the Official Languages Commission for the year ended 31 December 2013 comprising the statement of financial position as at 31 December 2013 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory 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 Section 13(1) of the Finance Act, No. 38 of 1971 and Section 17(3) of the Official Languages Commission Act, No.18 of 1991. My comments and observations which I consider should be published with the Annual Report of the Commission in terms of Section 14(2(C) of the Finance Act appear in this Report.

1.2 Management’s Responsibility for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Public Sector Accounting Standards and for such internal control as the management determines is necessary to enable the preparation of financial Statements that are free from material misstatements, whether due to fraud or error.

1.3 Auditor’s Responsibility

My Responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Standards of Supreme Audit Institution (ISSAI 1000-1810). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected

depend on the auditor’s judgment, including the assessment of the risks of material misstatements of the financial statements whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the Commission’s preparation and fair presentation of financial statements 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 commission’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Sub – sections (3) and (4) of Section 13 of the Finance Act, No.38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the Audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

2. Financial Statements

2.1 Opinion

In my opinion the financial statements give a true and fair view of the financial position of the Official Languages Commission as at 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

2.2 Comments on Financial Statements

2.2.1 Accounting Deficiencies

Bank charges of Rs.43,433 and other expenses amounting to Rs.6,000 had not been brought to accounts.

2.3 Non – Compliance with Laws, Rules, Regulations and Management Decisions.

The following non – compliances were observed.

Reference to Laws, Rules Regulations	Non – compliance
(a) Financial Regulation 757(6) of the Democratic Socialist Republic of Sri Lanka	A Board of survey had not been carried out for the year under review and not submitted the reports.
(b) Government Procurement Guidelines dated 25 January 2006	
(i) Section 5.4.10	Cost estimates for 6 supplies totalling Rs.1,852,437 had not been prepared.
(ii) Section 5.4.4(1)	A maximum value of 20 per cent can be paid as an advance on an acceptable bond but 50 per cent advance of Rs.322, 000 from the total contract value of Rs.644, 375 had been paid as advances.
(c) Section 3.1 of the Public Enterprises Circular No. 58(2) dated 15 September 2011	Ten per cent of withholding tax had not been recovered and remitted from the attendance allowance paid to the Chairman and the members of the Board of Directors.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the operation of the Commission had resulted in a deficit of Rs.3,131,575 as compared with the deficit of Rs.4,707,830 for the preceding year. Increase of recurrent grants by Rs.5,550,000 had been the main reason for the decrease of deficit for the year under review by Rs.1,576,255 as compared with the preceding year.

4. Operating Review

4.1 Performance

According to the action plan prepared for the year under review, 24 programs by incurring an expenditure of Rs.3,200,000 had been planned to be conducted in respect of people awareness programs on language rights by using electronic media. However, only one program had been conducted by incurring an expenditure of Rs.114,000.

4.2 Idle and Under-utilized Assets

A motor vehicle belonging to the Commission had discarded from running but action had not been taken to get it repaired or to take any other course of action.

5. Accountability and Good Governance

5.1 Internal Audit

An internal audit had not been carried during the year under review. An internal Audit had not been carried out even by the Internal Audit Division of the Ministry.

6. Systems and controls

Weaknesses in systems and controls observed during the course of audit were brought to the notice of the Chairman of the Commission from time to time. Special attention is needed in respect of the following areas of control.

(a) Purchasing

(b) Control over Fixed Assets.