

Official Languages Commission - 2010

1. Financial Statements

1:1 Opinion

So far as appears from my examination and to the best of information and according to the explanation given to me , I am of option that the Official Languages Commission had maintained proper accounting records for the year ended 31 December 2010 and except for the effect to the financial statements of the matters referred to in paragraph 1.2 of this report, the financial statements have been prepared in accordance with Sri Lanka Accounting Standards and give a true and fair view of the state of affairs of the Official Languages Commission as at 31 December 2010 and financial results of its operations and cash flows for the year then ended.

1:2 Comments on Financial Statements

1:2:1 Non-compliance with Sri Lanka Accounting Standards

- (a) The information on Values given in the schedules presented with the financial statements had not been given in comparative terms in accordance with Standard 03.
- (b) The policy on employees' retirement benefits had not been disclosed with the financial statements in accordance with Standard 16.
- (c) The machinery, plant and equipment fully depreciated and shown at zero and in use had not been revalued and brought to account in accordance with Standard 18.

1:2:2 Accounting Deficiencies

The assets costing Rs.140,450 with accumulated depreciation of Rs.99,350 had been transferred on disposal to the Assets Disposal Account at Rs.80,000 each as the cost and accumulated depreciation and as such the deficit for a year had been understated by a sum of Rs.41,100.

1:2:3 Non-compliance with Laws, Rules, Regulations and Management Decisions.

Non-compliance with laws, rules, etc. observed during the course of audit are shown below.

Reference to Laws, Rules, Regulations and Management Decisions	Non - compliance
(a) Government Financial Regulations	
Financial Regulation 371	The Commission had paid sums totalling Rs.17,500 in 03 instances to the same officer exceeding the limits on petty cash sub – imprests without the approval of Director General of State Accounts.
(b) Public Finance Circular No. 428 of 28 May 2008	Petty cash payments ranging from Rs.1,020 to Rs.6,325 totalling Rs.230,016 had been paid contrary to the circular instructions in 110 instances.
(c) Section 5:1:3 of the Public Enterprises Circular No. PED/12 of 02 June 2003	The copies of the Corporate Plan approved by the Board of Directors together with the Annual Budget had not been furnished to the parties concerned by the specified date.
(d) Public Administration Circular No. 41/90 of 10 October 1990	The testing of fuel consumption of motor vehicles once in 06 months and the recording of monthly performance summaries of motor vehicles in the Log Books had not been done.





3. Systems and Controls

Deficiencies 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) Accounting
- (b) Financial Control
- (c) Performance