

Visually Handicapped Rehabilitation Trust Fund - 2013

The audit of financial statements of the Visually Handicapped Rehabilitation Trust Fund for the year ended 31 December 2013 comprising the 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(3) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 9(2) of the Visually Handicapped Rehabilitation Trust Fund Act, No. 09 of 1992 .

1.2 Management's Responsibility for 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 Institutions (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 judgements, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the 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 Fund'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 financial statements.

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 Visually Handicapped Rehabilitation Trust Fund 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 Non-compliance with Laws, Rules, Regulations and Management Decisions

Non-compliances with the following laws, rules, regulations and management decisions were observed during the course of audit.

Reference to Laws, Rules, Regulations and Management Decisions	Non-compliance
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Financing Regulations of Democratic Socialist Republic of Sri Lanka	

Financial regulation 751	Seventy two eye lenses valued at Rs.950,556 purchased up to 31 October in the year under review had been distributed among the beneficiaries without being included in the stock books.

3. Financial Performance

3.1 Financial Result

According to the statement of financial performance presented, the working of the Fund for the year ended 31 December 2013 had resulted in a surplus of Rs.27,689 as compared with the surplus of Rs.606,747 for the preceding year, thus indicating a deterioration of Rs.579,058 in the financial result for the year under review as compared with the preceding year. Even though the Government Grant has been increased by Rs.1,000,000 in the year under review, the main reason for this decline had been the increase of expenditure of the Fund by Rs.1,561,357.

4. Operating Review

4.1 Management Inefficiencies

The following observations are made.

- (a) A sum of Rs.544,425 had been paid in the year under review for a supervising officer and 2 instructors for the Rehabilitation Project which conducted only one day in the week end by the Blind Persons Service Board. 15 students had been enrolled for this Project and attention had not been paid to increase the number of students to be trained by developing Programmes for improving their skills.
- (b) A sum of Rs.666,000 had been approved in the year 2013 at the Meeting of the Management Committee of the Rehabilitation of Visually Handicapped Persons Trust Fund for 12 persons in the Visually Handicapped Rehabilitation Centre at Mahameegaswewa, Anuradhapura maintained by the Sri Lanka Visually Handicapped Persons Conference. A sum of Rs.374,568 had been spend there for without obtaining the confirmation of the number of residential persons or conducting training programs and information on the performance thereon.
- (c) Any productions had not been manufactured at the Visually Handicapped Welfare Centre at Seeduwa during the period of 5 months from February to June in the year 2013.

(d) Failure to achieve the objectives of the Fund adequately

The following objectives stated in Section 5 of the Visually Handicapped Trust Fund Act No.9 of 1992 had not been adequately fulfilled.

- (i) Providing guidance and financial assistance for self-employment when necessary and employment opportunities for visually impaired persons.
- (ii) Providing housing facilities for visually impaired persons to follow scholarly courses or enabling them to obtain vocational training.
- (iii) Implementation of schemes for the welfare of the visually impaired persons.
- (iv) Providing marketing facilities for articles produced by visually impaired persons .

4.2 Underutilization of Funds

Even though provision amounting to Rs.100,000 had been made for providing sports assistance to 15 visually handicapped persons in the year under review ,the Fund had not provided any assistance.

5. Accountability and Good Governance

5.1 Budgetary Control

Significant variances between the budgeted income and expenditure and actual income and expenditure ranging from 16 per cent to 100 per cent were observed , thus indicating that the budget had not been made use of as an effective instrument of management control.

6. Systems and Controls

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

- (a) Accounting
- (b) Visually Handicapped Rehabilitation Projects
- (c) Bursaries
- (d) Visually Handicapped Women's Welfare Activities