

## **Report of the Auditor General on Head 201- Department of Buddhist Affairs - Year 2016**

---

The audit of the Appropriation Account, and the Reconciliation Statements including the financial records, books, registers and other records of the Department of Buddhist Affairs -Head 201 for the year ended 31 December 2016 was carried out in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Commissioner General of the Department on 27 October 2017. The audit observations, comments and findings on the accounts and reconciliation statements were based on a review of the Accounts and Reconciliation Statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

### **1.2 Responsibilities of the Chief Accounting Officer and the Accounting Officer for the Accounts and Reconciliation Statements**

---

The Chief Accounting Officer and the Accounting Officer are responsible for the maintenance, preparation and fair presentation of the Appropriation Account, Revenue Account and the Reconciliation Statements in accordance with the provisions in Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other Statutory Provisions and Public Finance and Administrative Regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

## **2. Accounts**

---

### **2.1 Appropriation Account**

---

#### **Total Provision and Expenditure**

---

The total net provision made for the Department amounted to Rs. 1264.76 million and out of that Rs.1,146.43 million had been utilized by the end of the year under review.

Accordingly the savings out of the net provision made for the Department amounted to Rs.118.33 million and represented 9.36 per cent of the net provision. Details are given below.

Expenditure	As at 31 December 2016			Savings as a percentage of Net Provision
	Net Provision	Utilization	Savings	
	Rs. Millions	Rs. Millions	Rs. Millions	
Recurrent	1,216.49	1,102.16	114.33	9.40
Capital	48.27	44.27	4.00	8.29
<b>Total</b>	<b>1,264.76</b>	<b>1,146.43</b>	<b>118.33</b>	<b>9.36</b>

## 2.2 Advances to Public Officers Account

### Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers Account Item No.20101 of the Department and the actual values are given below.

Expenditure		Receipts		Debit Balance	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
25.00	24.35	15.00	18.68	58.00	46.87

## 2.3 General Deposit Account

The balances of the 04 Deposit Accounts of the Department as at 31 December 2016 totalled Rs.2.36 million. Details appear below.

Deposit Account Number	Balance as at 31 December 2016
	Rs. Millions
6000/0000/00/0001/0036/000	0.55
6000/0000/00/0002/0047/000	0.05
6000/0000/00/0018/0001/000	0.14
6000/0000/00/0019/0002/000	1.62
<b>Total</b>	<b>2.36</b>

## **2.4 Audit Observation**

-----

The Appropriation Account and the Reconciliation Statements of the Department of Buddhist Affairs for the year ended 31 December 2016, had been prepared satisfactorily subject to the audit observations, appearing in the Management Audit Report referred to in Paragraph 1.1 above. The material and important audit observations out of the audit observations included in the Management Audit Reports appear in paragraph 3 .

## **3. Material and Significant Audit Observations**

-----

### **3.1 Appropriation Account**

-----

#### **Budgetary Variance**

-----

The following observations are made.

- (a) The entire net provision amounting to Rs. 800,000 made for one Object had been saved.
- (b) Excess provision had been made for 13 Objects and as such the savings, after the utilization of provisions, ranged between 15 per cent to 93 per cent of the net provisions relating to the respective Objects.
- (c) Liabilities totalled Rs.200,094 relating to the year under review but settled in the year 2017 had not been shown in the Statement of Liabilities.

### **3.2 General Deposit Account**

-----

The following observation is made.

A balance of Rs.1,616,102 had been remained as at 31 December 2016 in the Grant Account (local) No.6000/00/00/0019/0002 and a sum of Rs.1,511,632 represented 93 per cent out of that had been remained over a period of one year without utilizing the works such as the students skill programme , Vesak Festival, supply of Buddhist Flags awareness programme on Vihara development which were the relevant objectives . Out of the deposit balance, a sum of Rs.366,872 had been credited to the Government Revenue in the year 2017 and a sum of Rs.977,232 had been paid for the achievement of the objectives. Accordingly, the balance as at 30 November 2017 amounted to Rs.251,998.

### 3.3 **Reconciliation Statement on the Advances to Public Officers Account**

-----

The following observations are made in respect of the Reconciliation Statement of the Advances to Public Officers Account Item No. 20101 as at 31 December 2016.

- (a) According to the Reconciliation Statement presented to audit , the balances that remained outstanding as at that date totalled Rs.681,447 . Those outstanding balances remained over periods ranging from 01 year to 03 years. Out of those outstanding balances , a sum of Rs.569,977 had been recovered by 30 November 2017 and a balance of Rs.111,470 remained outstanding further more .
- (b) In the preparation of schedules, the relevant dates , dates of last recovery of loan instalments as required should be mentioned according to the Paragraph 05 of the Public Enterprises Circular No.96 dated 10 August 1994. However, it had not been so done.

### 3.4 **Good Governance and Accountability**

-----

#### 3.4.1 **Internal Audit**

-----

Even though an internal audit examination had been carried out by the Internal Audit Unit of the Department in respect of the Viharas and Dewalagams controlled by the Buddhist Temporalities Ordinance No.19 of 1931, adequate steps had not been taken by the Department to rectify the weaknesses pointed out where by.

#### 3.4.2 **Assets Management**

-----

##### **Conduct of Annual Board of Survey**

-----

Even though 1753 valuable books with local and foreign various languages which had been used for the preparation of the Buddhist Encyclopedia has been belonged to the Buddhist Encyclopedia Office under the Department , the annual surveys had not been conducted for that books.

#### 3.4.3 **Incurring of Commitments**

-----

Commitment of Rs.48.97 million had been incurred exceeded the provision provided after utilization, contrary to Financial regulation 94(1).

3.5 **Non-compliance with Laws, Rules, Regulations.**

-----

Instances of non-compliance with laws, rules and regulations etc. observed in audit sample checks are analyzed below.

<b>Reference to Laws, Rules and Regulations</b>	<b>Value</b>	<b>Non-compliance</b>
-----	-----	-----
	<b>Rs.</b>	
<b>(a) Financial Regulations of the Democratic socialist Republic of Sri Lanka</b>		
-----		
(a) Financial Regulation 395(c)	-	Bank Reconciliation Statements for the period of 4 months from September to December in the year 2016 had been prepared in June 2017.
(b) Financial Regulation 454	2,200,110	Inventory Books had not been presented for the furniture and office equipment valued at Rs.257,025 and machines and machineries valued at Rs.1,943,085 purchased in the year under review.

3.6 **Performance**

-----

**Key Functions not Adequately Performed**

-----

The Department had not performed the key functions adequately and several such instances observed are given below.

**Implementation of the Buddhist Temporalities Ordinance No.19 of 1931**

-----

- (a) In terms of Section 36(2) of the Buddhist Temporalities Ordinance No.19 of 1931, the half yearly budget reports should be furnished to the Commissioner General of Buddhist

Affairs within 30 days after the end of the year by the Viharas and Dewalas . Accordingly, it was observed at audit that variances existed between 6 per cent to 127 per cent between the half yearly budget reports and annual estimates .The Department had not examined the estimates and half yearly budget reports and the reasons for the variances had not been investigated. Fruitful steps had not been taken in respect of financial control of the Viharas and Dewalas except for obtaining estimates and half yearly budget reports as previous years .

- (b) The Department had not taken action to obtain detailed reports on increasing and decreasing happened to the properties and assets in each years which are mentioned in the half yearly accounts reports presented by Viharas and Dewalas in terms of Section 36(2) of the Buddhist Temporalities Ordinance No.19 of 1931.

### 3.7 **Management Weaknesses**

-----

#### **Recruitment of Editors for the Buddhist Encyclopedia , Printing and Sales**

-----

The following weaknesses were observed during the course of audit test checks.

- (a) The posts of chief editor and the deputy editor of the Buddhist Encyclopedia became vacant from the year 1990 and from the year 2004 respectively and due to those vacancies had not been completed even up to 31 December 2016, the activities of the Buddhist Encyclopedia could not be completed.
- (b) Even though the revised edition of the Buddhist Encyclopedia could be happened , the Department had not considered on the necessity of the qualified permanent Board of Editors .
- (c) Even though expenses had been incurred as salaries and printing charges for the editors for the task of international propaganda by creating Buddhist Encyclopedia in English considering as an international requirement , that task which spent more than 60 years had not been completed as yet.
- (d) It was observed that 1753 valuable books with local and foreign various languages which had been used at the beginning of the preparation of the Buddhist Encyclopedia are belonged to this office. However, suitable measure had not been taken to register and keep those books safely.

### 3.8 Human Resources Management

#### Approved Cadre and Actual Cadre

The position of the cadre as at 31 December 2016 had been as follows.

<b>Category of Employees</b>	<b>Approved Cadre</b>	<b>Actual Cadre</b>	<b>Vacant Cadre</b>
(i) Senior level	12	11	01
(ii) Tertiary Level	01	-	01
(iii) Secondary Level	776	675	101
(iv) Preliminary Level	36	26	10
(v) Others( Casual/ Temporary /Contract Basis)	03	-	03
<b>Total</b>	<b>828</b>	<b>712</b>	<b>116</b>