

Trust Fund for Rehabilitation of Visually Handicapped Persons – 2017

The audit of financial statements of the Trust Fund for the Rehabilitation of Visually Handicapped Persons for the year ended 31 December 2017 comprising the statement of financial position as at 31 December 2017, statement of financial performance, statement of changes in net assets and the 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 9(2) of the Trust Fund for the Rehabilitation of Visually Handicapped Persons Act, No.09 of 1992. My comments and observations which I consider should be published with the Annual Report of the Fund in terms of Section 14(2) (c) of the Finance Act appear in this report. A detailed report in terms of Section 13 (7) (a) of the Finance Act, was issued to the Chairman of the Fund on 06 June 2018.

1.2 Responsibility of the Management for the Financial Statements

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 Auditing 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust 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 Trust 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 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 Trust Fund for the Rehabilitation of Visually Handicapped Persons as at 31 December 2017 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

3. Financial Review

3.1 Financial Results

According to the statement of financial performance presented, the operations of the Fund for the year under review had resulted in a surplus of Rs.165,974 as against the deficit of Rs.513,677 for the preceding year thus indicating an improvement of Rs.679,651 in the financial result of the year under review as compared with the preceding year. The decrease of the expenses incurred for the granting of eye lenses in the year under review by Rs.1,012,500 had mainly attributed to the improvement of the surplus.

4. Operating Review

4.1 Performance

4.1.1 Operation and Review

(a) Even though provisions amounting to Rs.4,500,000 had been made for the educational and cultural affairs for 400 students in the year under review, only a sum of Rs.2,090,000 had been granted as aids for the year under review for 261 students as Louis Braille bursaries , bursaries for the Advanced Level Students and bursaries for the University students .

Payments had been delayed in the preceding year for six months in the granting of bursaries for the students and a sum of Rs.168,500 had been spent from the provisions in the year under review for that purpose. A proper methodology had not been followed by the Fund to avoid the delay of payment of bursaries for the students.

(b) Even though plans had been made to give trainings for 75 blind students in 02 Institutions under the Rehabilitation Programme, training had been given only for 16 blind students. Even though, trainings had been given for the said 16 students by 07 instructors during the previous 03 years, that number had not been increased during the year under review.

- (c) Provisions amounting to Rs.1,090,000 had been made for the granting of eye lenses for 75 persons with eye problems. However, the said provision had been reduced by Rs.300,000 and by 20 persons respectively by the amended Action Plan. Nevertheless, it should identify the requirements of the blind persons and those activities should be improved, An expenditure of Rs.171,550 had been incurred for the granting of eye lenses only for 16 persons. Accordingly, the provisions provided had not been utilized at a maximum level.
- (d) Even though plans had been made to grant a sum amounting to Rs.400,000 for the development of the sports skills in the year under review, only a sum of Rs.190,250 had been utilized for one institution. As such, provisions had been made to grant sports aids for another 03 institutions in the year under review, no any grants had been provided up to 31 July 2018, the date of audit.
- (e) Losses had been occurred during past 04 years from the productions of the Weaving Centre conducted by the Visually Handicapped Women's Centre at the Seeduuwa Vocational Training Centre and the attention of the Management had not been paid on the improvement of that Weaving Centre .
- (f) No any activity had been fulfilled for Providing housing facilities to the visually handicapped persons to enable them to pursue academic courses or to obtain vocational training and providing facilities for the marketing of products manufactured by visually handicapped persons which should be among the objectives achieved by the Fund , according to the Trust Fund for the Rehabilitation of Visually Handicapped Persons Act ,No.09 of 1992.

4.2 Management Activities

The following observations are made.

- (a) In the meetings of Board of Management held during the year under review, proposals had been adopted for the maintenance of a data base on the number of visually handicapped persons and all disabled persons and for the formulation of a social security system for visually handicapped persons, creation a pensions scheme for visually handicapped low income persons and granting scholarships for visually handicapped students who are studying GCE Advanced Level and Ordinary Level . Nevertheless, action had not been taken to achieve any activity relating to that.
- (b) Even though in terms of Section 2 of the Trust Fund for the Rehabilitation of Visually Handicapped Persons Act ,No.09 of 1992 , the management and the administration of the Fund had been assigned to a Board of Management consist of 13 members , 02 members of the Board had not been participated any meeting of the Board of Management conducted in two preceding years and the year under review.

5 Accountability and Good Governance

5.1 Presentation of Financial Statements

According to Section 6.5.1 of the Public Enterprises Circular No. PED/12 dated 02 June 2003, although the financial statements should be furnished to the Auditor General within 60 days from the close of the financial year, the financial statements of the Fund for the year under review had been furnished to audit on 03 April 2018.

5.2 Action Plan

The Fund had not introduced a methodology for the examination of the progress on the achievement of the Action Plan timely and the same activities had been included in the Action Plan from several years.

5.3 Budgetary Control

Variances between the budgeted income and expenditure and actual income and expenditure ranging from 8 per cent to 52 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.

Areas of Systems and Controls	Observation
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(a) Administration of Programmes	Failure to organize and implement the Rehabilitation Programmes for visually handicapped persons.
(b) Granting Assistance	Delay in granting assistance for educational activities.