

Head 203 – Department of Christian Religious Affairs

1. Financial Statements

1.1 Opinion

The audit of the financial statement of the Department of Christian Religious Affairs for the year ended 31 December 2018 comprising the statement of financial position as at 31 December 2018 and the statement of financial performance and cash flow statement for the year then ended, 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 provisions of the National Audit Act, No. 19 of 2018. The summary report including my comments and observations on the financial statements of the Department of Christian Religious Affairs in terms of Sub-section 11 (1) of the National Audit Act, No. 19 of 2018 and the Detailed Annual Management Audit Report in terms of Section 11 (2) of the National Audit Act were issued to the Accounting Officer on 24 May 2019. This report will be tabled in Parliament in pursuance of provisions in Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka to be read in conjunction with Section 10 of the National Audit Act, No. 19 of 2018.

In my opinion, the financial statements give a true and fair view of the financial position of the Department of Christian Religious Affairs as at 31 December 2018, and of its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Responsibilities of Chief Accounting Officer and Accounting Officer for the Financial Statements

Chief Accounting Officer and Accounting Officer are responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and provisions in Section 38 of the National Audit Act, No.19 of 2018 and for such internal control as Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As per Sub-section 16(1) of the National Audit Act, No. 19 of 2018, the Department is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared.

As per Sub-section 38 (1) (c) of the National Audit Act, the Chief Accounting Officer and the Accounting Officer shall ensure that effective internal control system for the financial control of the Department exists and carry out periodic reviews to monitor the effectiveness of such systems and accordingly make any alterations as required for such systems to be effectively carried out.

1.4 Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue the summary report of the Auditor General that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- In order to design audit procedures that are appropriate in the circumstances, I do not express an opinion on the effectiveness of the Department's internal control system.
- Evaluate the structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a fair and reasonable manner.
- In the overall presentation of the financial statements, structure and content of the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accounting Officer regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

1.5 Report on Other Legal Requirements

I express the following matters in accordance with Section 6 (d) and Section 38 of National Audit Act, No. 19 of 2018.

- (a) Since there was no requirement for the Department of Christian Religious Affairs to prepare financial statements for the preceding year, recommendations on the financial statements had not been made.
- (b) Since there was no need for the preparation of financial statements for the preceding year, it could not be stated that the financial statements presented for the year under review were in consistent with the preceding year.

1.6 Comments on the financial statements

1.6.1 Advance Accounts Balances

Audit Observation	Recommendation	Comment of the Accounting Officer
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The balance due from 2 officers who vacated the service as at 31 December 2018 amounted to Rs.125,148 and such balances had not been recovered even by 30 April 2019. A sum of Rs.14,590 thereof had remained outstanding for more than 5 years.	Action needs to be taken to recover from the sureties and expedite to take action in getting instructions of the Attorney General.	Letters have been referred to the Department of Foreign Affairs, asking for sending the loan file to out Department in order to get the particulars of sureties to pursue the loan balance of Rs.110,558. Action will be taken as informed by the Attorney General.

2. Financial Review

2.1 Expenditure Management

Audit Observation	Recommendation	Comments of the Accounting Officer
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Out of the total provision of Rs.25,566,592 made for 01 recurrent object and 4 capital objects, provisions ranging from 15 per cent to 54 per cent were saved by the Department.	The relevant purpose needs to be performed from the provisions made.	Non-receipt of sufficient imprests, non-incurring expected expenses, minimisation of repairs, non-commencement of certain projects had cause these savings.

2.2 Incurring Liabilities and Commitments

Audit Observation	Recommendation	Comments of the Accounting Officer
<p>In terms of Financial Regulation 94(1) of the Democratic Socialist Republic of Sri Lanka, no expenditure or commitment shall be incurred, in excess of provisions made in the annual estimates. However, liabilities for Rs.447,266 had been incurred in excess of the savings of provision by Rs.18,888 in 5 objects by the end of the year under review.</p>	<p>Expenditure or commitments need to be incurred within the limit of provision in terms of Financial Regulations.</p>	<p>Organization of year end government Christmas festivals and other festivals revision combined allowances, recruitment of new officers incurring expenditure on various contractual services had caused therefor.</p>

3. Operating Review

3.1 Operating Inefficiencies

Audit Observation	Recommendation	Comment of the Accounting Officer
<p>Due to sudden flood caused on 10 November 2010, 430 uniforms of Daham school Teachers were damaged and the loss incurred therein amounted to Rs.354,750. According to the Financial Regulation 105, the recoverable amount identified as Rs.107,500. However, this loss had not been disclosed in the financial statements.</p>	<p>Particulars of all losses and damages need to be disclosed in the financial statements.</p>	<p>In the preparation of financial statements that value had not been included in Note 1. Action will be taken to correct and present it in due course.</p>

4. Reaching Sustainable Development Goals

The following observation is made.

Audit Observation	Recommendation	Comment of the Accounting Officer
<p>Every public entity needs to act in accordance with the “2030 Agenda of the United Nations</p>	<p>Be contributed for the achievement of objectives in the 2030</p>	<p>The Department will hereafter identify indicators require to</p>

on Sustainable Development”. Nevertheless, the Department had not taken action to identify Sustainable Development Goals in respect of functions come under the scope of the Department, targets, turning points need to reach those targets and indicators to measure the reaching of those targets.

Agenda of the United Nations on Sustainable Development.

measure the achievement of targets on Just Society being assigned to the Department.

5. Good Governance

5.1 Accomplishment of service to General Public

Audit Observation

According to the circular No.5/2008 dated 06 February 2008 and Circular No.05/2008(1) dated 24 January 2018 of the Ministry of Public Administration and Home Affairs, Citizen/ beneficiary convention needs to be prepared and implemented by all government entities, but the Department had not taken action accordingly.

Recommendation

In terms of the circulars a citizen convention be prepared and implemented.

Comments of the Accounting Officer

At the initial stage of the Department in the year 2008, a Citizen/ Beneficiary Convention had been prepared and sent to the Ministry of Buddhasasana. As it is untraceable and the functions performs by the Department are different from those days, necessary action is being taken to redraft the citizen convention.