

## **Head-101- Ministry of Buddhasasana, Religious and Cultural Affairs**

### **1. Financial Statements**

#### **1.1 Opinion**

The audit of the financial statements of the Ministry of Buddhasasana, Religious and Cultural Affairs for the year ended 31 December 2020 comprising the statement of financial position as at 31 December 2020 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 Ministry of Buddhasasana, Religious and Cultural Affairs was issued to the Chief Accounting officer on 11 October 2021 in terms of Section 11(1) of the National Audit Act, No. 18 of 2018. The Annual Detailed Management Audit Report relating to the Ministry was issued to the Chief Accounting Officer on 11 October 2021 in terms of Section 11 (2) of the Audit Act. This report will be tabled in Parliament in pursuance of provisions in Article 154(6) of the Constitution to be read in conjunction with Section 10 of the National Audit Act, No.19 of 2018.

In my opinion, the financial statements of the Ministry of Buddhasasana, Religious and Cultural Affairs give a true and fair view of the financial position of the Ministry as at 31 December 2020, and 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 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 Responsibility of the Chief Accounting Officer and the Accounting Officer for the Financial Statements**

The Chief Accounting Officer is responsible for the preparation and fair presentation of these 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 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 Ministry 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 shall ensure that effective internal control system for the financial control of the Ministry 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 an auditor's report 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 skepticism throughout the audit. I also:

- Appropriate audit procedures were designed and performed to identify and assess the risk of material misstatement in financial statements whether due to fraud or errors in providing a basis for the expressed audit 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.
- An understanding of internal control relevant to the audit was obtained in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.
- 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 manner that achieves fair presentation.
- Evaluate the overall presentation, structure and content of the financial statements including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Chief 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 state the following matters in terms of Section 6(1)(d) of the National Audit Act, No. 19 of 2018.

- (a) The financial statements are in consistent with the preceding year,
- (b) Recommendations made in my report on the financial statements relating to the preceding year in respect of the observation stated in paragraph 3.8(a) of this report had not been implemented.

## **2. Financial Review**

### **2.1 Expenditure Management**

#### **(a) Utilization of Provision**

Audit Observation	Comment of the Chief Accounting Officer	Recommendation
<p>-----</p> <p>The entire provision of Rs.1,500,000 made for 2 capital expenditure objects of the Ministry was saved and out of a total provision of Rs.115,970,000 made for 7 recurrent expenditure objects and 5 capital expenditure objects, provisions totaling Rs.46,913,050, ranging from 16 per cent to 86 per cent were saved.</p>	<p>-----</p> <p><u>Full savings of 2 capital expenditure objects</u></p> <p>Since the provisions requested for the completion of cinema hall and office defaults are insufficient, such works were not completed. Similarly, provisions were made for the construction works of Sri Dalada Maligawa by the Indian High Commission and related expenditure thereon is incurred by that office and custom duties are paid under the object code 10-2205(14) and as such, the entire provision was saved.</p>	<p>-----</p> <p>Estimates need to be prepared on real basis and provisions should be made accordingly.</p>
	<p><u>Savings ranging from 16 per cent to 86 per cent.</u></p>	
	<p>At the time of preparing estimates, they were prepared on the basis of cadre position at that time but allocated provisions were saved due to such reasons as; change of station transfers of officers, retirements, attachments to State Ministries, compliance with expenditure management circulars and spread of Covid-19 pandemic etc.</p>	

(b) Savings of provisions made under the F.R. 66 transfers.

Audit Observation	Comment of the Chief Accounting Officer	Recommendation
----- The entire provision of Rs.700,000 made to a recurrent expenditure object and a provision of Rs.5,820,000 made for a capital expenditure object under F.R 66 transfers from the estimated provision had been saved without being utilized.	----- Since the estimated for overtime and holiday payments were not received, funds were transferred for the payment of overtime for the month of December but, provisions were saved since the expected expenditure was not incurred due to Covid-19 pandemic. Of the provision of Rs.826,000 made under F.R.66 transfers, only a sum Rs.421,500 was saved and a sum Rs.158,000 had been allocated for liabilities. The commitment balance of Rs.262,250 had been included in the register.	----- After being established the estimated provision is insufficient, transfer of provisions needs to be made.

**2.2 Arriving Liabilities and Commitment**

Audit Observation	Comment of the Chief Accounting Officer	Observation
----- Even though a sum of Rs.20,735 payable to the Tower hall Theatre Foundation by the Ministry prior to the year 2014 had been shown in the financial statements of the Foundation, it had not been shown in the financial statements of the Ministry as liabilities.	----- Related information or invoices had not been referred to the Ministry and it had not been posted to the liability register as well. An inquiry had been made from Towerhall theatre Foundation in this regard.	----- Liabilities need to be correctly reported.

### **2.3 Certification to be made by the Chief Accounting Officer.**

Audit Observation	Comment of the Chief Accounting Officer	Recommendation
----- Even though the Chief Accounting Officer and Accounting Officer should ensure that an effective methodology exists proper implementation internal audit functions, such a requirement was not fulfilled as per the observations stated in paragraph 4.1 of this report.	----- Since this Ministry is operated as the Ministry of Buddhasasana, Religious and Cultural Affairs, internal functions of the cultural affairs division are supervised under a Chief Internal Auditor in the internal audit division established in the Buddhasasana Division.	----- Action needs to be taken in terms of Sections 38 and 40 of the National Audit Act No. 19 of 2018.

### **2.4 Deposit Balances**

Audit Observation	Comment of the Chief Accounting Officer	Recommendation
----- The total retention balance of contracts under the Ministry amounts to Rs.99,596,333 and the retention money balance relating to the Buddhasasana Division included therein amounts to Rs.57,343,077. Eight deposit balances totaling Rs.21,711,494 therefrom lapsed for more than 2 years had to be credited to the relevant account or government revenue in terms of Financial Regulation 571 but it not been so done.	----- Since no claims had been made for the deposits of Rs.605,379.75, action had been taken in terms of Financial Regulation 571. Deposits totaling Rs.22,058,338 had related to the construction of Vidyalankara International Buddhist Centre. In order to take over the project under the supervision of an external part with a technical knowledge is required. Ones an engineer comes to the Ministry in December 2020, the project can be taken over.	----- Action should be taken in accordance with Financial Regulation 571.

## **2.5 Reconciliation Statement of Advances Public Officers Account**

Audit Observation	Comment of the Chief Accounting Officer	Recommendation
<p>(a) Action in terms of Sub-sections 4.2.5, 4.5 and 4.6 of Chapter xxiv of the Establishments Code of the Constitution of the Democratic Socialist Republic of Sri Lanka, action had not been taken to recover the following loan balances. A loan balance of Rs.127,522 existed for more than 5 years and due from 2 retired officers in the Cultural Division, a loan balance of Rs.101,300 due from a deceased officer and the loan balance of Rs.167,055 recoverable from a retired officer in the Buddhasasana Division, existed for more than 2 years.</p>	<p>Payment of a sum of Rs.128,732.40 had been agreed and action is being taken to recover same. Even though it was informed to send the distress loan balance of Rs.35,810 by a cheque to the Ministry as stated in the retirement gratuity grant paper, it had not been yet and as such, action had been taken to send a letter to the Department of Pensions.</p>	<p>To take action in accordance with the provisions in the Establishments Code.</p>
<p>(b) A loan balance of Rs.623,090 recoverable from 8 officers in the cultural division who have been interdicted and a loan balance of Rs.32,155 due from an officer in the Buddhasasana Division who has been interdicted and remained for more than 4 years had not been recovered in terms of Sub-section 4.2.3 of the Establishments Code of the Democratic Socialist Republic of Sri Lanka and the paragraph No. 4.3(e) of the Circular No. PED/RED/2015 General (i) dated 09 October 2015 issued by the Director of Public Finance.</p>	<p>Action is being taken to recover such loan balances.</p>	<p>Action needs to be taken in accordance with the Establishments Code and related circulars.</p>

### 3. Operating Review

#### 3.1 Planning

Audit Observation	Comment of the Chief Accounting Officer	Recommendation
<p>-----</p> <p>The anticipated output values of each project had not been presented in the action plane prepared for the Cultural Division relating to the year under review. As a result, the physical performance presented as a percentage of anticipated output level in the performance report and the progress report could not be established in audit.</p>	<p>-----</p> <p>Allocation of provisions in the year 2020 had not been made through the annual budget and the provisions are made through 4 Vote on account 04 occasions budgets. Accordingly provisions for the year 2020 could not be particularly identified and as such, mentioning the expected output values would be difficult. Therefore, output values had not be included in the action plan for the year 2020. The action plan of the year 2021 is being prepared in terms of Circular No. 02/2020. Moreover, the progress of all divisions of the Ministry, Institutions and Departments has been examined by me. Accordingly, further instructions have been given to achieve the anticipated targets, having been fulfilled the responsibilities entrusted to related divisions after being prepared the action plan for the year 2021.</p>	<p>-----</p> <p>The anticipated output values relating to each project need to be presented in the action plan.</p>

### 3.2 Non fulfillment of Functions

Audit Observation -----	Comment of the Chief Accounting Officer -----	Recommendation -----
<p>Even though sums of Rs.3,500,000 and Rs.28,000,000 Public Services Creations tournament related activities and the construction of Jaffna Cultural Centre Project respectively, included in the action plan prepared by the Cultural Division relating to the year 2020, those projects were not completed during the year. Financial progress of the Public Services Tournament related activities was stated as 37 per cent in the performance report. Of the provision of Rs,28,000,000 allocated for the construction of Jaffna Cultural Centre, a sum of Rs.27,960,000 had been given to the Ministry of Ruralhousing,Construction and Building Materials Industrial Development and as such, the Financial and the physical progress had become 100 per cent and 0 per cent respectively.</p>	<p>Even though the initial works of the Public Services Creations Tournament and related activities program-2020 had been started, they could not be fully completed due to Covid-19 pandemic.</p> <p>Provision allocated for the construction of Jaffna Cultural Centre under the object code 101-2-5-36-2509 as at 30 November 2020 (Indian Aids) had been transferred to the following institutions.</p> <ul style="list-style-type: none"> <li>• State Ministry of Rural Housing and Construction Building Material Industries Promotion- Rs.16,999,936.96</li> <li>• District Secretariat, Jaffna-Rs.3000,000</li> <li>• Ministry of Livestock and Rural Community Development- Rs.7,960,357.64</li> </ul> <p>A sum of Rs.20 million had been obtained through a vote on account under the Indian grants for the construction of Jaffna Cultural Centre and this money had been remitted to the Ministry of Housing Construction and Building Material Industries Development for the settlement of electricity bills of the Cultural Centre.</p>	<p>Related activities need to be completed within the specific period as planned.</p>



### **3.3 Non Ascertainment of expected Output Level**

Audit Observation -----	Comment of the Chief Accounting Officer -----	Recommendation -----
There had been 8 capital projects valued at Rs.59,430,000 and 6 recurrent projects valued at Rs.19,120,000 by which no expected performance was achieved relating to the Cultural Division. Of those projects sums of Rs.31,540,961 and Rs.13,477,897 respectively had not been spent and the physical progress of them ranged from 0 per cent to 79 per cent.	In terms internal Circular No. 01/2020, action had been taken to minimize capital and recurrent expenditure with the objectives of managing and controlling expenditure and reaching a maximum effectiveness of expenditure, by saving government money.	Expected performance levels need to be achieved in respect of related projects.

### **3.4 Non Ascertainment of Anticipated Results**

The following Observations are made.

Audit Observation -----	Comment of the Chief Accounting Officer -----	Recommendation -----
(a) Construction works of Pallekele Performing Training Institute attached to Sri Dalada Maligawa implemented by the Bddhasasana Division, the work of which had been commenced on 16 September 2016 and due to be completed on 30 September 2020 at a total estimated cost of Rs.145.7 million had not been completed even by 11 August 2021, the date of audit. Even though nearly one year had elapsed, exceeding the period of completion, its financial and physical progress stood at 41 per cent and 56 per cent respectively.	The contractor was informed to present a plan indicating a specific date of completion of the project and an expected work plan. According to the memorandum agreement of the project, entering into agreements has been done by the Indian High Commission. Therefore, the direct intervention to the contractor could not be done by the Ministry and this matter had been discussed at the project steering committees. Even though the project works were further delayed due to Covid-19 pandemic, physical and financial progress as at 17 August 2021 had reached to 77 per cent level.	Projects to be completed as planned.

- (b) Having been planned for the printing of a research book on folk-art in Puttalam District by the project in respect of research activities on interior knowledge and cultural values, implemented by the Cultural Division, 1000 copies of such copies had been printed. However, only 17 copies of the book had been distributed among various divisions of the Ministry by 31 May 2021 and the balance had remained in the store without being used for the intended purpose.
- The research book on legend in Puttalam District could not be popularized due to Covid-19 pandemic and it will be done in future.
- Related projects need to be completed within the specific period.

### **3.5 Delays in the fulfillment of project**

The following observations are made.

Audit Observation -----	Comment of the Chief Accounting Officer -----	Recommendation -----
(a) For the construction works of the Uhana Cultural Centre estimated at a cost of Rs.21,383,325, a provisions of Rs.21,850,000 had been released to the District Secretary ,time to time from 2015 to 2018. The ministry had not followed up the progress of construction works as well and construction of the building had not been completed even by the end of the year under review.	The original estimate of this construction work commenced in the year 2012 amounted to Rs.21,383,352. Due to some errors in the original estimate, a revised had been presented by the District Secretary, Puttalam in the year 2015 for a sum of Rs.23,949,354 and a provision of Rs.5 million had been sent to the District Secretary on 13.10.2015. After making aware of the Ministry by the District Secretary, Puttalam about the financial and physical progress of the project, provisions had been sent by the Ministry from time to time. Its progress was supervised by the monthly progress report of the Ministry of Finance and field observations of the District	Relevant projects need to be completed within the specific periods as planned.

Secretariat Ampara and the Divisional Secretariat of Uhana. The construction progress of projects is reviewed by the Ministry once in 2 weeks now.

- (b) Construction works of Vidyalankara International Buddhist Conference Hall relating to the Buddhasasana Division, commenced in the year 2005 had been completed only up to stage 5 by incurring a cost of Rs.1,204.33 million in the year 2019 and the work of stage 6 had not yet been commenced.
- The fifth stage of this project had been completed in the year 2019. Even though a cabinet memorandum had presented for allocation of provision for the 6<sup>th</sup> stage, it had not been approved. Even though a request was made to the Secretary of the Ministry of Finance asking for provisions for the construction of stage vi, the Director of General of Budget stated that there should be policy decision therefor. Provisions were requested as per instructions of the new President to do the construction work through the Sri Lanka Army. A letter had been referred to the Secretary to the President asking for instructions whether the provisions are directly given to the Sri Lanka Army or through this Ministry.
- Related construction works be completed and used as planned.
- A cabinet memorandum was presented to entrust the construction works of the 6<sup>th</sup> stage to the Army and to make provisions under the medieval expenditure framework and to make payments for variations in the 5<sup>th</sup> stage in accordance with the procurement committee recommendations. Accordingly, in terms of medieval plan, provision for

the construction of stage vi for the year 2021 amounting to Rs.200 million, for the year 2022 amounting to Rs.52.77 million, Rs.50 million for the year 2023 and for variations in the 5<sup>th</sup> stage amounting to Rs.48.076 million had been requested. A provision of Rs.48.076 had been allocated for the year 2021 for variations of the 5<sup>th</sup> stage.

The Ministry of Finance had informed to prepare and present an estimate, having been identified the essential works of stage vi. Accordingly, estimates are prepared by the Central Engineering Consultancy Bureau, being identified essential works parts now.

**3.6 Projects with no progress, although funds were released.**

Audit Observation	Comment of the Chief Accounting Officer	Recommendation
<p>-----</p> <p>According to the progress report of the Cultural Division in the year 2020, while the financial progress relating to the repairs and improvement of 15 cultural centers projects, the estimated value of which amounted to Rs.7,930,000 was 96 per cent, the physical progress was recorded at 64 per cent.</p>	<p>-----</p> <p>A sum of Rs.7,327,000 had been released for the repair and maintenance of cultural centers based on the estimate provided by the relevant District Secretariats but certain procurements had delayed due to Covid-19 pandemic. Accordingly, the physical progress was recorded at 64 per cent but the physical progress now had reached to 100 per cent level after being completed the project.</p>	<p>-----</p> <p>Progress of related projects needs to be reached as planned.</p>

### 3.7 Annual Performance Report.

The annual performance report should have been prepared in accordance with the Form stated in the guideline 14 issued by the Department of Public Finance in terms of the paragraph 10.2 of the Public Finance Circular No. 2/2020 dated 28 August 2020. The following observations are made in this regard.

Audit Observation	Comment of the Chief Accounting Officer	Recommendation
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(a) Even though 8 performance indicators were recognized for the cultural division, they had not been published in terms of supplement issued relating to paragraph 4 of the National Budget Circular No. 02/2017 of 25 July 2019.	Performance report of the cultural division had been prepared as per instructions stated in guideline 12.2 relating to Public Finance Circular No. 02/2020. Eight performance indicators are included under chapter 4 of the annual performance report in the cultural division in the year 2020.  Action will be taken to correct them having being published these performance indicators for the updated action plan of the year 2021.	Recognized performance indicators need to be published in accordance with circulars.
(b) The actual output percentage levels of 5 performance indicators out of 8 indicators recognized for the cultural division had been as low level as 0 to 32 per cent as compared with the expected percentage level. The expected output levels of 3 performance indicators remained at 25, 31 and 26 percentages whereas the actual output in the annual progress report indicated as 79, 37 and 21 respectively.	Due to Covid-19 pandemic throughout the year 2020, imposing limitations had caused to decline the expected output levels.	A maximum progress in respect of recognized performance indicators needs to be obtained.
(c) It was observed in audit that 11 requirements stated under compliance report for the cultural division as being complied, they had not been complied.	No comment	Compliance with related requirements needs to be correctly stated.
(d) In terms of Section 16(2) of the National Audit Act No. 19 of 2018 and paragraph 10.2 of the Public Finance Circular No. 02/2020, of 28 August 2020, the annual	No comment	Related performance reports of projects stated in the annual action plan need to be presented.

performance report also should be presented to the Auditor General along with the annual financial statements.

Nevertheless, performance reports of the Buddhist Revival Fund, Buduputh secured program, registration of new religious centers novice monk institutions, meetings of Buddhist Advisory Council plans and exhortations proposed to be implemented by the Advisory Council which have been included in the annual action plan had not been presented to audit.

(e) Implementation of planning programs for the propaganda campaign of Theravada Buddhism internationally coming under the main functions of the Ministry and policies and procedures for the prevention of turning persons into other religions by offering various benefits and promises had not included in the action plan and performance reports thereon had also not been presented.	No comment	The activities expected to be implemented during the year and the related performance reports to achieve the objectives of the Ministry need to be presented.
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**3.8 Assets Management**

The following observations are made.

Audit Observation -----	Comment of the Chief Accounting Officer -----	Recommendation -----
(a) Even though buildings stated in the financial statements under buildings and constructions, the assessed value of which amounts to Rs.2,893,409,044 had been shown as assets belong to the cultural division of the Ministry, the ownership of lands within which buildings are constructed had not been acquired by the Ministry.	The ownership of 70 lands where cultural centers are located had been vested in the Ministry now and necessary action is being taken to acquire the ownership of other lands.	Ownership of lands needs to be acquired.

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| (b) | Twelve motor vehicles belong to the cultural division of the Ministry had been released to other Ministries and Departments but the ownership of them had not been transferred even up to the end of the year under review.  | Nine vehicles out of 12 vehicles had been temporary released and action has been taken to transfer the other 2 vehicles.   | The ownership of vehicles released to other Ministries and Departments has to be transferred. |
| (c) | Action had not been taken to dispose of 4 vehicles costing Rs.16,300,000 and 11 vehicles, the cost of which is not stated belong to the cultural division which been identified as disposable vehicles in terms of paragraph 13.2(b) of the Public Finance Circular No. 01/2020 of 28 August 2020. | The Board of identification of disposable vehicles had identified such vehicles and referred to the valuation board and such functions will be settled before 15 October 2021. | Identified disposable vehicles need to be disposed of in terms of the circular.               |

### **3.9 Giving securities by Public Officers**

Audit observation -----	Comment of the Chief Accounting Officer -----	Recommendation -----
Out of 25 officers in the cultural division, 22 officers and 35 officers in the Buddhasasana division, being identified as officers who should give security deposit had not kept security deposits.	Relevant documents to get the membership of Mutual Security Association by of the officers of the Ministry who should give security deposits had been handed over to the Department of State Accounts. Immediately after getting the membership, future action will be taken. For the non-staff officers who should not keep security deposits, primary requirement is being carried out to open bank accounts in the National Savings Bank.	Requirement of giving security deposits by the officers who should keep security deposits under F.R 880 needs to be fulfilled being followed the financial regulations.

### **3.10 Management Inefficiencies**

Audit Observation -----	Comment of the Chief Accounting Officer -----	Recommendation -----
A large space of about 33,547 square feet in extent, in the building, where the Department of Muslim Religious and Cultural Affairs is located and constructed AT A COST OF Rs.312.49 million had remained idle without being utilized. However, The Department of Christian Religious Affairs and the Department of Hindu Religious Cultural Affairs are operated in private buildings on annual rent basis amounting to Rs.4,200,000 and Rs.6,816,000 respectively.	It was planned to shift the Ministry and the departments of Buddhist Affairs, Hindu and Christian Affairs under the Ministry, to the building where the Department of Muslim Religious and cultural Affairs is situated. A cabinet paper had been presented and the approval had been obtained for provisions thereon and necessary action is being taken to get the balance work of the building done and to make internal partitioning. After being completed the works, all institutions mentioned above shifted to that building.	Use of idle assets needs to be maximized.

## **4. Good Governance**

### **4.1 Internal Audit**

Audit Observation -----	Comment of the Chief Accounting Officer -----	Recommendation -----
(a) An internal audit plan for the cultural division as a part of the action plan had not been prepared in terms of paragraph 03 of the Public Finance Circular No. 01/2014 of 17 February 2014.	The internal audit plan of the Ministry has been included in the audit plan presented by the Buddhasasana Division.	In terms of the circular, an internal audit plan for the cultural division needs to be prepared as a part of the action plan.
(b) Action had not been taken to fill the post of Internal Auditor which was fallen vacant since 2018 in the cultural affairs division for the proper implementation of internal audit functions in terms of Section 40 of the National Audit Act No. 19 of 2018 and an internal audit	A grade 01 post in the Sri Lanka Accountants Service approved for this Ministry only for the post of Chief Accountant. Grade iii/ii posts of the Sri Lanka Accountants Service had only been approved for the internal auditor post Since the 2 approved	An internal audit needs to be properly carried out.



had not been carried out in that division.

accountants posts are insufficient for the existing duties, an another accountant's post was approved. The internal auditor post will be filled, once an officer is attached therefor.

This Ministry functions as the Ministry of Buddhasasana, Religious and Cultural Affairs, the internal audit functions of the cultural division are supervised by the Internal Audit Division under the Chief Internal Auditor established in the Buddhasasana Division. Similarly, audit plan of the Ministry is included in the audit plan presented by the Buddhasasana Division.

## **5. Human Resources Management**

Audit Observation	Comment of the Chief Accounting Officer	Recommendation
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(a) Even though the approved posts of watchers in the cultural centers which is the primary level post in the cultural division amounts to 201, the approval of the Department of Management Services had been given on 10 December 2020 to keep 107 watchers confirmed under Public Administration Circular No. 25/2014, only personal to them, in addition to the approved cadre. As a result, the actual cadre had exceeded the approved cadre by 105.	Permanent posts have been given to 114 persons qualified in terms of the above circular who had served as substitute watchers and they have been appointed only personal to them. Of these appointees, only 107 persons are in service and some of them had vacated their posts, left the service on the completion of 60 years of age. Accordingly, the total number of watchers in cultural centers now in service amounts to 308. Day and night service of watchers is obtained in certain centers out of 194 centers at 2 each.	Cadre should be recruited as approved.

- (b) A retired officer had been recruited for the post of Administrative Officer on a request made by him which is a tertiary level post, since 09 July 2018 in the cultural division which had been vacant due to a change of station transfer. This contract appointment had been extended 4 times, subject to the covering approval of the Secretary to the Public Service Commission. Accordingly, such extensions had been granted, contrary to Section 154 of Chapter xiii in the gazette notification on procedure rules of the Public Service Commission dated 20 February 2009 and paragraph 05.xiv of the Public Service Commission Circular No. 03/2019 of 10 October 2019. In terms of paragraph 05.xv of the Public Service Commission Circular No. 03/2019 of 10 October 2019, reemployment of pensioners should be limited to a maximum period of one year but he has been given 2 year service extensions since 10 August 2019 without being recruited a permanent officer for this post even after 2019. Salaries and allowances totaling Rs.1,661,578 had been paid up to 31 December 2020 for his contract service.
- The then portfolio of the Ministry of Internal Affairs Wayamba Development and Cultural Affairs existed in the year 2018 changed as the Ministry of Internal Affairs and Wayamba Development and the Ministry of Higher Education and Cultural Affairs had come under two new ministries. Thereafter, more officers in the cultural division had been attached to Ministry of Internal Affairs and Wayamba Development in the allocation of staff.
- Since the then Additional Secretary Administration passed away, that post, the post of Administrative Officer and 2 posts of Assistant Secretary had fallen vacant. Duties of the Administration Division, establishment duties of more than 190 Cultural Centers, coordination functions of 12 institutions, including Departments, come under the Ministry have been entrusted to the Senior Assistant Secretary (Administration).
- Accordingly, as such duties could not be done by one officer, it was necessitated attach at least one officer for those duties. Therefore, an officer had been appointed on contract basis for the post of Administrative Officer, subject to the approval of the Public Service Commission. After receiving the approval thereon, salaries had paid.
- Recruitments need to be done in accordance with administrative rules and circulars of the Public Service Commission.

Even though the post of administrative officer had fallen vacant, The Ministry of Public Administration had not attached an officer and as such, this officer with experience in the Public Service had been appointed on contract basis, since those duties were essential and the approval of the Public Service Commission for this post was obtained.