

Head 206 - Department of Cultural Affairs

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Department of Cultural Affairs for the year ended 31 December 2021 comprising the statement of financial position as at 31 December 2021 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 containing my comments and observations on the financial statements of the Department of Cultural Affairs was issued to the Accounting Officer on 29 June 2022 in terms of Section 11 (1) of the National Audit Act No. 19 of 2018. The Annual Detailed Management Audit Report pertaining to the Department was issued to the Accounting Officer on 19 July 2022 in terms of Section 11 (2) of the Audit Act. This report is presented to Parliament in terms of Section 10 of the National Audit Act No. 19 of 2018 which is read in conjunction with Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

In my opinion, except for the effects of the matters described in Paragraph 1.6 of this report, the financial statements prepared give a true and fair view of the Department of Cultural Affairs as at 31 December 2021 and its financial performance and cash flow for the year then ended, in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Qualified Opinion

My opinion is qualified based on the matters appear in Paragraph 1.6 of this report . 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 evidences I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

Preparation of financial statements in a manner that reflects a true and reasonable position and determines the internal control required to enable financial statements to be prepared without inadequate false statements that may result from fraud and error in accordance with Generally Accepted Accounting Principles and the provisions of Section 38 of the National Audit Act, No. 19 of 2018 is the responsibility of the Accounting Officer.

As per 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.

The Accounting Officer shall ensure that an effective internal control system is maintained for the financial control of the Department in terms of Sub-section 38 (1) (c) of the National Audit Act and it should be periodically reviewed the effectiveness of the system and make any necessary changes to keep the system running efficiently.

1.3 Auditor's Responsibility on Audit of 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 exercised professional judgment and maintain professional skepticism 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.
- Obtain an understanding of internal control relevant to the audit 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 its internal control of the Department .
- Evaluate that the underlying transactions and events are appropriately and fairly included in the financial statements for the structure and content of the financial statements that include disclosures.
- Evaluate the overall presentation, 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.

The Accounting Officer was made aware of important audit findings, key internal control deficiencies and other matters identified in my audit.

1.4 Report on Other Legal Requirements

I declare 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 those of the preceding year.
- (b) The recommendations made by me in respect of the financial statements of the preceding year with regard to the observations mentioned in Paragraph 1.6.1(a) of this report had not been implemented .

1.6.1 Accounting Deficiencies

(a) Reconciliation Statement on Advances to Public Officers' Account

Audit Observation	Comments of the Accounting Officer	Recommendation
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There was a difference of Rs. 444,761 in between the debit balance of Advances to Public Officers 'B' Account and the debit balance of advance control account and Treasury Computer Printout as at 31 December 2021 and actions had not been taken to identify this difference, which had remained from the year 2004 and to adjust in the accounts.	Actions are being taken to find out the difference by now.	Actions should be taken to identify the difference in balance as per advance control account and Treasury computer printouts and to make adjustments in accounts

(b) Capital Expenditure

Audit Observation	Comments of the Accounting Officer	Recommendation
----- The value of 2 vehicles assessed at Rs.5,210,000 had been shown as Rs.6,640,000 in the accounts by overstating Rs.1,340,000.	----- These vehicles were reassessed in the year 2021 and actions have been taken to account for in the year 2022 as per that new assessment value.	----- Actions should be taken to correct the financial statements since the financial statements of the year 2021 have been overstated .

1.6.2 Lack of Evidence for Audit

Audit Observation	Comments of the Accounting Officer	Recommendation
----- The journal vouchers pertaining to 16 journal entries with a value of Rs.12,928,192 were not submitted to audit.	----- Instructions have been given to debit the expenditure to the accurate expenditure objects in future.	----- Journal vouchers should be submitted for audit.

1.6.3 Non-compliance with Generally Accepted Accounting Principles

Although the financial statements relating to the year under review should have been prepared in accordance with Generally Accepted Accounting Principles, the instances where this requirement was excluded from that are given below.

Audit Observation	Comments of the Accounting Officer	Recommendation
----- Actions had not been taken to indicate the value of stock of 83,336 publications consisted of 15,256 books amounted to Rs. 5,447,174 purchased in	----- The relevant Board of Survey Report has been furnished.	----- Arrangements should be made to show the final publication stock value in the accounts and disclose

the year 2021 remained in publications store as at 31 December 2021 in the accounts and the accounting policy in this regard had not been disclosed .

the relevant accounting policy.

2. Financial Review

2.1 Expenditure Management

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Despite of Rs. 6,000,000 had been allocated under the expenditure object 206-2-2-3-1409 for the State Literary Awards, an amount of Rs. 16,480,000 had also been allocated under the expenditure object 206-2-3-6-1409 (National Art Festival) and a sum of Rs. 9,767,150 had been spent for the award ceremony.	The literary functions related to the years 2020 and 2021 were held on 03.12.2021. Due to not receing of the estimated amount, the money had to be obtained under the National Art Festival expenditure to conduct the State Literary Awards Ceromony.	The provision of funds from the estimate to the specific task should be done with a proper management.
(b) Without taking actions to transfer money under Financial Regulation 66 for the expenses of Rs. 5,497,119 exceeded the allocations to be borne by 04 expenditure objects, it had been spent by 06 other expenditure objects.	Instructions have been given to take actions to apply for and allocate adequate provisions for the relevant expenditure objects through the budget.	When the provision is not sufficient, arrangements should be made to transfer the funds under Financial Regulation 66.

2.2 Entered into Liabilities and Commitments

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Even though the balances of Rs. 454,995 pertaining to 02 expenditure objects had been indicate as per the statement of commitments and liabilities for the year under review, a sum of Rs. 6,081,279 had been paid in the months of January and February 2022, under 17 expenditure objects related to the year 2021 in addition to those liabilities. Accordingly, the commitments and liabilities had been understated by Rs.6,081,279 in the financial statements.	Expenses related to 31.12.2021 have been incurred only within the limits of expenditure objects.	All liabilities for the year should be shown in the financial statements.
(b) Although the balances of Rs.1,053,000 pertaining to the years 2016 and 2017 to be paid by the Department to the Tower Hall Theater Foundation had been shown as receivable balances in the financial statements of the Foundation, it had not been shown as liabilities in the financial statements of the Department.	All the bills owed to the Tower Hall Foundation have been settled.	Actions should be taken to enter the receivable balances shown in the financial statements of the Towerhall Theater Foundation in the financial statements of the Department

2.3 Non- compliance with Laws, Rules and Regulations

Instances of non-compliance with the provisions of laws, rules and regulations observed during audit test checks are analyzed below.

Audit observation	Comments of the Management	Recommendation
Reference to the Laws, Rules, Regulations etc.	Non-compliance	
(a) Establishments Code of Democratic Socialist Republic of Sri Lanka	(i) Sub - sections 4.2, 4.5, 4.6 and 6.3 Actions had not been taken to recover the debt balance of Rs.23,931 due from 05 deceased officers for more than 05 years.	It should act in accordance with the provisions of the Establishments Code.
(ii) Sub-section 4.5 and Paragraph 4.3 (e) of Public Finance Circular No. PFD/RED/2015/08 General (i) dated 09 October 2015	Actions had not been taken to recover the debt balance which had exceeded the period of 05 years amounting to Rs. 36,380 to be recovered from the two interdicted officers.	Actions should be taken in accordance with the provisions of the Establishments Code and the relevant circular.

(iii) Sub-sections 4.5, 4.6 and paragraph 3(e) and 4 of Public Finance Circular No. 5/2019 dated 27 June 2019	Actions had not been taken to recover the debt balance of Rs.101,673 which had exceeded the period of 05 years and to be collected from 12 retired officers and the unidentified debt balance of Rs. 23,923 to be collected from 6 officers.	The Officer-in-charge has been informed to take necessary actions promptly to find the information and make arrangements to settle the debt balances.	Actions should be taken in accordance with the provisions of the Establishments Code and the provisions of the relevant circular.
(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka 66 (2), (3), (4) and (5)	A sum of Rs. 12,298,192 had been transferred in between expenditure subjects/programmes through journal entries without following the Financial Regulations.	These journal entries are used to transfer the expenses that have been debited to the wrong expenditure objects, to the accurate expenditure objects. It has been advised to get the necessary approval in future.	Actions should be taken in terms of Finance Regulation.
(c) Paragraph 1.1.7 of National Budget Circular No. 118 dated 11 October 2004	Actions had not been taken to recover the debt balances for more than 05 years pertaining to 23 officers who had transferred to State Ministries/ Departments totalled to Rs. 90,568 .	These balances have been remaining for more than 20 years and relevant files or documents could not be found to find out where they have transferred.	Actions should be taken in accordance with the provisions of the relevant circular.

<p>(d) Departmental Circular No. 04/2017 dated 19 June, 2017 (i) Section 03</p>	<p>1. A total of Rs. 3,600,000 had been paid as Rs. 1,200,000 and 2,400,000 in the years 2020 and 2021 respectively as a sum of Rs. 200,000 per month in contrary to the provisions of the circular and without taking the recommendations of the Three-member Committee.</p> <p>2. Special assistance to Artists amounting to of Rs.1,190,000 had been given to 16 Artists without obtaining the approval of the Three-member Committee.</p>	<p>The approval has been received by the Decision of Cabinet of Ministers No. CP/18/1228/801/ 008 dated 27 June 2018 and actions have been taken to pay this allowance under the needy artist expenditure object from November 2019 as per the order given by the President's Secretary.</p> <p>On the recommendations of the Special Assistance Committee, approval has been given for the payment of assistance and the revision of the circular is being carried out.</p>	<p>Actions should be taken in accordance with the provisions of the relevant circular.</p> <p>Actions should be taken in accordance with the provisions of the relevant circular.</p>
<p>(ii) Section 2 (ii)</p>	<p>An amount of Rs. 503,500 had been spent for the death of a journalist in contrary to the provisions of the Circular.</p>	<p>This payment has been made considering as a special occasion as per the order issued by the Secretary to the Ministry of Buddhasasana, Religious and Cultural Affairs dated 22.02.2021 informing that the Prime Minister has ordered that the last rites of the journalist should be carried out under the state sponsorship.</p>	<p>Actions should be taken in accordance with the provisions of the relevant circular.</p>

3. Operating Review

3.1 Planning

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) An allocation of Rs. 100,000 had been provided for the issuance of an identity card for the artists included in the Departmental Action Plan and the allocation of Rs. 2,000,000 was also given to the State Ministry of National Heritage, Performing Arts and Rural Artisan Promotion to issue an electronic identity card for artists and the 02 institutions had performed those tasks themselves and incurred expenses for it.	Issuance of identity cards to artists is a function which has been included in the Departmental Action Plan for certain period and allocations have been made through the expenditure objects. The State Ministry of National Heritage, Performing Arts and Rural Arts and Crafts Promotion, which was recently started, also cannot provide answers regarding the performance of this work.	Departments/ Ministries should clearly define their objectives and tasks and work on them and steps should be taken to avoid the duplication of provision .
(b) The provisions of Rs.4,000,000, Rs.4,000,000 and Rs.32,000,000 had been made to the Department for the National Literary Awards, Perahera Aid and Poson Heavisi Pooja, and Assistance to Needy Artists Programs respectively and also providing Rs. 20,000,000, Rs.10,000,000 and Rs. 5,000,000 to the Buddhasasana, Ministry of Religious and Cultural	National Literary Awards, Perahera Aid and Poson Heavisi Pooja, and Assistance to Needy Artists Programmes have been included in the Action Plan for certain period and allocations have been made through the relevant the expenditure objects.	Departments/ Ministries should clearly define their objectives and tasks and work on them and steps should be taken to avoid the duplication of provision .

Affairs for contributing to the National Literary Awards, Perahera and other cultural events and providing livelihood to artists respectively, the 02 institutions had performed those tasks themselves and incurred expenses for it.

3.2 Failure to Perform Tasks

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>The activities such as District Literary Awards, Susata Art Festival, Introduction and Awareness of Maha Vansaya, Dolosmahe Pahana and Subhavita Gee Weyamana which should have been implemented during the year and allocated by the budget 2021 estimate totalled to Rs.8,800,000, had not been performed.</p>	<p>Susata Art Festival, Suhabitha Gi Weyamana and launching Maha Vansaya, which are held in in parallel with the book exhibition, were not held due to the Covid epidemic situation. Although the relevant allocations have been released to the District Offices for the Dolos Mahe Pahana Programme, practical problems have arisen to successfully implement the programme.</p>	<p>The tasks should be planned after a proper study and evaluation of the tasks/activities that can be done in a year and actions should be taken to perform planned tasks.</p>

3.3 Activities in contrary to the Main Tasks

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>(a) Although provisions of Rs.2,200,000, Rs.800,000 and Rs.300,000 have been made</p>	<p>The renovation works of the Independence Memorial Hall, the painting of the</p>	<p>The tasks should be planned after a proper study and evaluation of</p>

available from the Annual Action Plan for the Introduction and Awareness Programme on Mahawansa, construction of the wall at Walisingha Harishchandra Center and installation of air conditioners and floor preparation in the “Uthuru Dakunu Mithuru Sevana” of Mihintala, without performing the relevant work during the year, a sum of Rs. 1,285,867, Rs. 669,405 and Rs. 97,189 respectively had been spent on the works excluding to that.

drama training school and the renovation works of the Sinhala Dictionary Office have been done from those provisions.

the tasks/activities that can be done in a year and actions should be taken to perform planned tasks.

(b) A sum of Rs. 6,498,350 for the Inter-Arts Institute State Awards Ceremony , a sum of Rs. 658,000 for Artists’ Suwadam Programme, and Rs. 4,250,000 for 170 persons as Rs. 25,000 per each to the Kalabhooshana award winners had been paid .

The amount spent on these programmes have been mentioned accurately in the Annual Action Plan and the programmes had not been separately indicated and actions have been taken to correct it in future.

The tasks should be planned after a proper study and evaluation of the tasks/activities that can be done in a year and actions should be taken to perform planned tasks.

3.4 Delays in Performing of Projects.

----- Audit Observation -----	----- Comments of the Accounting Officer -----	----- Recommendation -----
<p>The number of Volumes of Encyclopedia targeted to be released by the Action Plan was 20 and only 14 Volumes had been issued up to the year 2014 . In relation to this, a sum of Rs. 5,000,000 had been allocated during the year and even though a period of 07 years had elapsed, the next Volume had not been launched.</p>	<p>A long and complicated process has to be followed in the compilation of an encyclopedia and it takes about four years. There has been one editor on the Editorial Board for many years by now and the 14 Volumes of the Sinhala encyclopedia was published in such an environment.</p>	<p>Arrangements should be made to establish plans and targets for the release of Encyclopedia Volumes.</p>

3.4 Annual Performance Report

The Annual Performance Report should have been prepared as per the Format mentioned in Guideline No. 14 issued by the Department of Public Finance as per Paragraph 10.2 of Public Finance Circular No. 2/2020 dated 28 August 2020 . The following observations are made in this regard.

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>(a) Even though it had stated in the Performance Report that this Department was established by Extraordinary Gazette Notification No. 10975 dated 26 September 1956, it was observed that the Department has not been established by that Extraordinary Gazette Notification and the documents related to the establishment of the Department and the documents assigning the role of the Department were also not submitted to the audit.</p>	<p>Actions will be taken to submit the relevant documents in future.</p>	<p>Actions should be taken to accurately indicate the information in the Performance Report and to provide the documents related to the establishment of the Department and assigning the role, to the audit</p>
<p>(b) Even though a sum of Rs. 1,325,765,846 had been stated in the financial statements as non-financial assets, a sum of Rs. 982,660,597 as the value of the respective assets that is, a sum of Rs.343,105,249 had been understated under reporting performance of non-financial assets in the performance report.</p>	<p>This error was identified and actions were taken to correct in the Final Progress Report.</p>	<p>Actions should be taken to indicate the details in the Performance Report accurately.</p>

3.6 Procurements

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
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<p>(a) The repairs carried out at the Independence Memorial Hall premises were awarded to the Department of Government Factory for Rs.1,044,144 under the direct contract system in contrary to 3.5.1(d) of Government Procurement Guidelines and a written agreement had not been entered into with the contractor in terms of Guideline 8.9.1 . Although the repairs had to be completed by 27 January 2021, it had not been completed even by February 2022. Even though the repairs of the Independence Memorial Hall in the year 2020 amounting to Rs. 2,022,562 had been assigned to that Department , that activity also had not been completed even by the end of 2021.</p>	<p>The Department of Government Factory was notified to complete the repairs assigned in 2021 on 27.01.2021 and the repair works related to the independence ceremony have been completed promptly. Although the reminders have been made by letter No. DCA/04/03/12/2021-93 dated 26.10.2021 to complete the remaining repairs, due to the prevailing Covid-19 epidemic situation, it was impossible to complete the relevant repairs within the proper period.</p>	<p>Government Procurement Guidelines should be followed and it should consider about the completion of prior contracts during the awarding of contracts.</p>

(b) Renovation of the John de Silva Memorial Theatre – First Stage

The following observations are made.

- (i) In contrary to (i) the Decision of Cabinet of Ministers No. AMA/11/1673/547/021 dated 15 September 2011, the Theater had been demolished in November 2013 and a cost of Rs. 3,641,618 had been incurred for that. Nevertheless, the Cabinet Paper No.: CA/03/2014 had been submitted for the renovation of the theater on 20 February 2014 .
- Although approval was given by the relevant memorandum for the renovation and development , the John de Silva Memorial Theater was not in a condition to repair or restoration by that time. Because of this, the Moratuwa University Advisory Council, which was appointed for the renovation of the John de Silva Memorial Theater, decided to construct it in a new way considering the huge cost of renovation.
- If it is not possible to act in accordance with the decisions of the Cabinet of Ministers, actions should be taken to make aware the Cabinet about it.
- (ii) The contract for the renovation of the theater was awarded for Rs.386,587,337 through limited competitive bidding in contrary to Procurement Guidelines 3.2.1 and the agreement with the contractor had been signed by the Director of the Department of Cultural Affairs in contrary to 8.9.3 of the Procurement Guidelines.
- As the premises of the John de Silva Memorial Theater and the National Art Gallery are institutions governed by the Department of Cultural Affairs, the agreements are signed by the Director of Culture.
- Arrangements should be made to bid and to enter into agreements in terms of Procurement Guidelines.
- (iii) The contractor had completed the construction work with a delay of 03 years and the amount of Rs.38,658,734 charged as liquidation damages had been repaid to the contractor
- Due to necessary provisions were not made available to commence construction works of Phase II, liquidation damages charged have been released back to the
- Steps should be taken to recover the liquidation damages re-paid to the contractor.

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| without obtaining proper approval and verification of reasonable facts. | contractor because it was observed that a financial loss had not occurred to the Government. | |
| (iv) Despite the building had not been completed and handed over properly, the final payment of Rs.38,658,734 had also been made and 50 per cent of the retention amount of Rs.19,329,367 that is Rs.9,664,683 had also been paid to the contractor. | Payment has been made on the recommendation of the consultancy firm. | The final payment should be made after completion of the construction and properly handing over and the retention should be paid as per Procurement Guidelines. |
| (v) As a result of the delay of 03 years in completing the work, a sum of Rs. 9,257,523 had been paid for price variations in the bills and it was a loss for the Department. | Payments have been made on the recommendations of the consultancy firm because of the payments should be made for the price variations as per the Contract Agreement. | A Procurement Time table should be followed in terms of Procurement Guidelines. |
| (vi) The final Consulting Services Payment to be paid after issuing the relevant certificates to release the retention money of the construction contractor was Rs. 888,318 as per the agreement with the consultancy firm and out of that a sum of Rs.444,159 had been paid before the end of the warranty period. | Consultancy agencies have given recommendations for the overall estimate, and accordingly, further works have been done. | The payment for final consultancy services should be made after completion of the work and issuance of relevant certificates. |
| (vii) Even though 08 years had passed since the Theater was demolished, it could not be reconstructed and used even by now. | Agreements have been entered into, for the Second Phase of the Theater and construction works are currently being done. | Arrangements should be made to put the Theater into use after the completion of the construction. |

(d) Renovation and Conservation of the National Art Gallery

The following observations are made.

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| <p>(i) The required documents to prove whether the amount of Rs. 5,500,000 paid to the Navy on 31 December 2020 for the renovation of the National Art Gallery was utilized were not submitted to audit.</p> | <p>Answers have not been given.</p> | <p>The documents required to prove the expenditure of Rs.5,500,000 should be submitted to the audit.</p> |
| <p>(ii) Although the cost estimate presented by the Navy for the construction of Phase 2 was Rs.85,792,644, the Consultancy Agency had recommended the contract for Rs.88,086,213 exceeding that estimate.</p> | <p>The Navy has examined the estimate given by and was corrected as Rs.88,086,213 and recommended by the Consultancy Services Agency.</p> | <p>The loss incurred by recommending a higher price should be covered from the consulting firm which recommended the contract.</p> |
| <p>(iii) A Performance Security as per the 5.4.8 of Procurement Guidelines was not obtained at the time of award of the contract.</p> | <p>A letter received on 23 April 2021 from the Navy Commander was submitted so that the Navy does not offer Performance Guarantees for construction works.</p> | <p>Arrangements should be made in terms of the provisions of Procurement Guidelines</p> |
| <p>(iv) Although the Department had allocated Rs.69,001,798 to the Sri Lanka Navy on 04 occasions, the information required to confirm the work performed was not submitted to the audit. Although the provision should be released after ensuring proper supervision and evaluation of the work done by the consultancy service agency, actions had not been taken accordingly.</p> | <p>Releases of provisions to the Navy have been made on the recommendations of the Consultancy Services Agency.</p> | <p>Arrangements should be made to obtain the recommendations of the consulting firm on the work to be done prior to the release of the provision.</p> |

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| <p>(v) Although the Navy had completed the floor, walls and ceiling of the building which was estimated at Rs.11,783,886 from an external private party, the approval of the procurement authority had not been obtained for that. A sum of Rs. 19,652,668 had been paid to that institution, exceeding the relevant estimate by Rs. 7,868,802 for that.</p> | <p>The Navy has done the procurement activities and given it to the external parties to complete the work. The cost of the ceiling has increased more than the estimated amount as a result of the problems that arose in practice during the installation of the ceiling.</p> | <p>The approval of the procuring authority should be obtained for sub-contracts and incurring expenditure in excess of the estimated allocation limits.</p> |
| <p>(vi) Although the cost of Rs. 4,703,308 was incurred for the additional works done in relation to the 2nd phase, the recommendations of the consulting firm had not been received for this.</p> | <p>Answers have not been given.</p> | <p>Consultancy services for additional works should be recommended</p> |

3.7 Assets Management

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>If there are any non-financial assets to be reported further, although they should be accounted for at cost or, if cost cannot be ascertained, at assessed value in terms of Paragraph 8.2 of the State Accounts Circular No. 267/2018 of the Director General of State Accounts dated 21 November 2018, five buildings, 20 vehicles assessed at Rs. 66,000,000 and 03 vehicles which were not valued and 04 lands of 3.5731 hectares belonging to the Department as at 31 December 2021 , had not been accounted for even by 31 December 2021 .</p>	<p>It will be accounted for after receiving assessment reports pertaining to the vehicles owned by the Department. Actions are being taken to assess the land and the buildings within it after resolving the issues arising in connection with the acquisition of land and to account for accordingly.</p>	<p>All the non-financial assets belonging to the Department should be identified and accounted for at cost or assessed value in terms of Paragraph 8.2 of the relevant Circular.</p>

3.8 Securities Given by the Public Officers

Audit Observation	Comments of the Accounting Officer	Recommendation
Even though the 52 officers who should give securities were identified in the preceding year in terms of Financial Regulations 880 to 893 and the Authority 612 of Government Officers' Security Ordinance, arrangements had not been made to obtain securities from those officers.	It has been sent to seek the instructions from the Secretary to the Ministry regarding the amount to be deposited and the manner in which the security is to be deposited.	Actions should be taken without delay to obtain securities from the officers who are required to give securities as per provisions.

4.1 Internal Audit

Audit Observation	Comments of the Accounting Officer	Recommendation
An internal audit was not conducted in accordance with Section 40 of the National Audit Act No. 19 of 2018 and actions had not been taken even by May 2022 to fill the approved post of Internal Auditor in the year 2011 .	The Accountant of the Department of Buddhasasana has been appointed on acting basis in the Internal Auditor post.	Actions should be taken in accordance with the National Audit Act .

5. Human Resources Management

----- Audit Observation	Comments of the Accounting Officer	Recommendation -----
----- Twelve out of 28 senior level approved staff that is 43 per cent had remained in vacant in the Department. The post of accountant, which has been in vacant for many years, was also consisted of this.	----- Letters have been submitted requesting from the Ministry of Public Administration to attach the relevant officers to the vacant positions.	----- Necessary arrangements should be made to fill up the vacancies in essential posts at senior level.