

## **Head 236 – Department of Official Languages**

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### **1. Financial Statements**

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#### **1.1 Opinion**

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The audit of the financial statements of the Department of Official Languages 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 Official Languages was issued to the Accounting Officer on 27 April 2022 in terms of Section 11(1) of the National Audit Act, No.19 of 2018. The Annual Detailed Management Audit Report relevant to the Department was issued to the Accounting Officer on 31 May 2022 in terms of Section 11(2) of the National Audit Act, No.19 of 2018. 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 Official Languages as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

#### **1.2 Basis for Opinion**

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I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibility for the financial statements are further described in the Auditor's Responsibilities Section. I believe that the audit evidence 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 for the Financial Statements**

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The Accounting Officer is 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 the determination of the internal control that is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 the preparation of annual and periodic financial statements.

In terms of Sub-section 38(1) (c) of the National Audit Act, the Accounting Officer shall ensure that an effective internal control system for the financial control exists in the Department 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**

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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 summary 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 and its materiality depends on the influence on economic decisions taken by users on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgments and maintain professional scepticism 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 Department'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 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

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

- (a) The financial statements are consistent with the preceding year,
- (b) The recommendations made by me on the financial statements of the preceding year had been implemented.

## 2. Financial Review

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### 2.1 Non-compliance with Laws, Rules and Regulations

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<b>Reference to Laws, Rules and Regulations</b>	<b>Observation ----- Non-compliance</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b> -----
----- Ministry of Public Administration and Home Affairs Letter No. EST / 8 / EXAMS / 05 / 1007-1 of dated 21 May 2012	----- Although approval has been granted to pay allowances to officers and resource persons recruited on a part time basis for oral and written examinations, a sum of Rs.631,860 had been paid to full time officers for holding oral and written examinations of Tamil language and registrations of students for language training programs as such without approval.	----- The officers of the department have been deployed and the examination has been done and the payment has been made due to a large number of staff is needed to conduct the exam.	----- Approval should be obtained for the payment scheme for making payments to the full time officers.

## 2.2 Expenditure Management

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Following observations are made.

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
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(a) The total allocation of Rs. 200,000 for a recurrent expenditure object was saved without utilizing and it was observed that a saving of Rs. 2,051,391 equal to 63 percent, after making transfers under Financial Regulations 66 from the allocated amount for another recurrent expenditure object.	This allocation had been saved due to the COVID 19 situation in the year 2021.	Preparation of estimates should be properly planned.
(b) It was observed that there were savings in the range of 36 percent to 88 percent of the allocated amount for 2 recurrent expenditure objects and 3 capital expenditure objects.	These provisions have been saved due to the day-to-day office activities have been stopped except for the activities that are necessary to run the office in the situation of COVID-19.	Preparation of estimates should be properly planned.

## 2.3 Informal Transactions

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<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
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(a) Although an officer in charge and a female officer should be employed during the day, a junior security officer was employed in addition, without approval. According to the terms of the entered agreement with Trans Asia Security System, which provides security services to the department. Further, that officer had been paid a sum of Rs. 166,770 in the year 2020 and Rs. 359,325 in the year 2021.	Although an officer in charge and a female officer should be employed for the day shift as per the security service agreement, service of an additional security officer has been obtained on the requirement of the service. (for examination duties and health reasons)	Employing an additional security officer should be done with proper approval.

### 3. Operational Review

#### 3.1 Management inefficiencies

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) A sum of Rs.4,860,000 had been paid for preparing a Sinhala Tamil translation software in the year 2015 and 2016 and a sum of Rs. 5,950,000 had been paid to the University of Moratuwa for preparing a Tamil Sinhala translation software in 2017 and 2018. Although a lot of data needs to be entered to perform the translation through this software. No specific methods were followed for that. Further, it was difficult to use the software without integration with the university. Since the rights of these software remain with the University of Moratuwa and the department does not have the necessary server facilities to maintain such software. It is further observed that it was not possible to achieve the desired objectives by incurring this expenditure due to lack of specific concurrence in the agreement.	The University has also been informed by letter No. PMA/ADM/EST/GA19/DOL and dated 02.03.2022 of the Ministry of Public Services, Provincial Councils and Local Government to give a confirmation for that language translation software is suitable for use and other organizations can be facilitated to take advantage of it after obtaining that confirmation.	To prepare the necessary arrangements to use the software for converting Sinhala language to Tamil language and Tamil language to Sinhala language.

**4. Human Resources Management**

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The following observations are made.

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
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(a) There were 6 vacancies at the senior level, 34 vacancies at the tertiary level and 02 vacancies at the primary level and No. of excess carder was 03 at the secondary level. Expenditure of personal emolument was Rs. 98,545,710 during the year under review.	I inform that there has been a surplus of secondary level officers due to the absorption of officers who held departmental posts in to the service of Development Officers. 16 officers have already been assigned to the respective institutions. The Director General of Combined Services has also been informed about the vacancies at the senior, tertiary and primary levels of the department and the recruitment procedures are being prepared for departmental posts.	Action should be taken to prepare recruitment procedures and to fill vacancies and approval should be obtained for excess staff.
(b) No. of 42 officers have been released for service to Local Government Institutions and Divisional Secretariats offices who have been recruited as Translator Assistants from the year 1999. Although a sum of Rs. 26,461,700 had been paid as salaries and allowances to these officers for the year 2021, action had not been taken to get any service to the department by carrying out assignments by Department of official languages.	16 officers have already been assigned to the respective institutions and further Arrangements have been made to assign duties to officers working in other institutions under the Department.	Necessary action should be taken to obtain the service to the department by assigning duties to the officers.