

J.R. Jayewardene Center - 2021

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the J.R. Jayewardene Centre for the year ended 31 December 2021 comprising the statement of financial position as at 31 December 2021 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, containing a summary of significant accounting policies, 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 and the Finance Act, No. 38 of 1971. My comments and observations which I consider should be reported to Parliament appear in this report.

In my opinion, except for the effects of the matters described in paragraph 1.5 of this report, the financial statements give a true and fair view of the financial position of the Centre as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Qualified Opinion

My opinion is qualified on the matters described in paragraph 1.5 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 this report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Centre's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre's financial reporting process.

As per Sub-section 16(1) of the National Audit Act, No. 19 of 2018, it 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 of the Centre.

1.4 Scope of Audit (Auditor's Responsibility 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 Centre's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Centre's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause to cease to continue as a going concern.
- 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 scope of the audit also extended to examine as far as possible and as far as necessary the following;

- Whether the organization, systems, procedures, books, records and other documents have been properly and adequately designed from the point of view of the presentation of information to enable a continuous evaluation of the activities of the Centre, and whether such systems, procedures, books, records and other documents are in effective operation;
- Whether the Centre has complied with applicable written law, or other general or special directions issued by the governing body of the Centre.
- Whether it has performed according to its powers, functions and duties; and
- Whether the resources had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

1.5 Audit Observations on the Preparation of Financial Statements

1.5.1 Internal Control over the Preparation of Financial Statements

The Centre is required to “devise and maintain” a system of internal accounting controls sufficient to provide reasonable assurance that, transactions are executed in accordance with management’s general or specific authorization, transactions are remarked as necessary to permit preparation of financial statements in conformity with the applicable reporting standards , and to maintain accountability for assets, access to assets is permitted only in accordance with management’s general or specific authorization, and the remarked accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

1.5.2 Non-Compliance with Sri Lanka Public Sector Accounting Standards

Non Compliance with reference to particular Standard	Comments of the Management	Recommendation
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(a) In terms of Section 53 of Sri Lanka Public Sector Accounting Standard 1, comparative information shall be disclosed for all amounts reported in financial statements. Nevertheless, comparative information for the statement of changes in equity had not been disclosed.	In terms of Section 53 of Sri Lanka Public Sector Accounting Standard 1, information relating to the preceding year had been disclosed in the statement of changes in equity.	Action should be taken in terms of provisions of the Standard.
(b) Disclosures to be made in the financial statements relating to prior period adjustments totalling Rs. 3,934,469 had not been made in terms of Section 54 of Sri	It has occurred by mistake and it was noted to make disclosures in terms of Section 54 of Sri Lanka Public Sector	Action should be taken in terms of provisions of the Standard.

- Lanka Public Sector Accounting Standard 3. Accounting Standard 3.
- (c) In terms of Section 08 of Sri Lanka Public Sector Accounting Standard 7, disclosures on heritage assets with an ancestral significance kept in the museum of the Centre, had not been made and in terms of Section 50, instead of accounting the value of lands and buildings separately, depreciation of Rs.1,687,075 representing 5 per cent for buildings including lands valued at Rs.32,061,929 had been made.
- (d) In terms of Sri Lanka Public Sector Accounting Standard 7, action had not been taken to revalue and account the fair value of fully depreciated assets costing Rs.21,113,434 which are still in use and to disclose its carrying amount through notes in terms of Section 92.
- (e) In terms of Section 15 of Sri Lanka Public Sector Accounting Standard 9, inventories shall be measured at the lower of cost and net realizable value. However, the basis of computation of the stock of books kept for sale, valued at Rs.2,699,598 had not been disclosed in terms of Section 47 (a) and the number of units of stocks and the value thereof as well had not been disclosed. Moreover, a number of 1,914 damaged books indicated at the selling price of Rs. 394,665, had not been adjusted to the net realizable value in the financial statements in terms of Sections from 38 to 42.
- (f) In terms of Section 14 of Sri Lanka Public Sector Accounting
- While obtaining further instructions and studying information further in this connection, it was noted to expedite further action to disclose the heritage assets in the financial statements.
- Action could not be taken to revalue the fixed assets due to travelling restrictions imposed for most of the year 2021.
- In the computation of the value of stock of books in future, it was decided to compute based on the cost or net realizable value. Furthermore, it was noted to recognize the damaged books through a Board of Survey and assess the value thereof and to make adjustments in the financial statements.
- It was noted to present explanations for the said
- Action should be taken in terms of provisions of the Standard.
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Standard 15, a comparison between the budget amounts and actual amounts and an explanation of material differences between those amounts had not been included in the financial statements.

- (g) A sum of Rs.5,000,000 had been invested in an affiliated private company called J.R. Jayewardene Information Centre in the year 1998 and the said company had been closed down in the year 2008. However, only a sum of Rs.700,000 of the said invested amount had been returned and despite the lapse of 13 years after closing down the said company, the sum of Rs.4,300,000 which could not be realized had been indicated continuously as a long-term investment in the financial statements. Necessary measures had not been taken to adjust the said unrealized investment as a loss in the financial statements.
- The approval of the Board of Governors had been obtained at the Board meeting held on 15 December 2015 to eliminate the sum of Rs.4,300,000 invested in the J.R. Jayewardene Information Centre, from long-term investments and it has been forwarded to the General Treasury for seeking approval therefor. However, subsequently, the General Treasury has forwarded it for recommendations of the Secretary to the Ministry of Buddhasasana, Religious and Cultural Affairs.
- Necessary disclosures should be made to adjust this investment as a loss in accounts.

1.5.3 Unauthorized Transactions

Description on unauthorized Transactions	Comments of the Management	Recommendation
(a) The fixed deposit of Rs.18,105,318 deposited in the National Savings Bank had been withdrawn without indicating descriptions on activities to be carried out with a proper authority and approval.	The fixed deposit was encashed for settling recurrent expenditure due to the decrease in the income of the Institute as a result of the Covid 19 pandemic prevailed in the country during the year 2021. A Board meeting was not held during the year 2021 and it was noted to obtain the approval therefor at a	Action should be taken to withdraw investments on the approval of the Board of Governors.

<p>(b) A sum of Rs.1,371,720 had been spent during the year 2021 for the payment of a monthly medical allowance of Rs.4,000 and a special allowance of Rs.1,000 to all officers without an approval of the Treasury. Moreover, telephone allowance had been paid at a rate of Rs.1,000 for three officers who are paid salaries under the Code JM 1-2 and executive allowance had been paid at a rate of Rs.3,000 per month for three officers and Rs.5,000 per month to one officer without an approval.</p>	<p>Board meeting to be held in future.</p> <p>As the provision from the Treasury is not obtained annually under the National Budget by the J.R. Jayewardene Centre, action had not been taken to obtain the approval of the Treasury for allowances pointed out by the Audit. Moreover, as the determination of remunerations and allowances payable to employees in terms of the J.R. Jayewardene Centre Act, No.77 of 1988, is at the total discretion of the Board of Governors, approval of the Board of Governors necessary for payment of allowances pointed out by the Audit, has been obtained.</p>	<p>Action should be taken to obtain the Treasury approval for the payment of allowances.</p>
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1.5.4 Lack of Documentary Evidence for Audit

Audit Observation	Comments of the Management	Recommendation
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<p>Detailed information and journal vouchers pertaining to 10 items of assets and liabilities totalling Rs.1,836,901 adjusted to the profit and loss reserve through 13 journal entries and supporting documents relating to 122 journal entries of Rs.41,088,322 had not been made available to Audit.</p>	<p>Approval of the Board of Governors could not be obtained due to failure in conducting a Board meeting in the year 2021. It was noted to present this information at the Board meeting proposed to be held in future.</p>	<p>Action should be taken to make available information/documents necessary for audit.</p>

1.6 Non-compliance with Laws, Rules, Regulations, Management Decisions etc.

	Reference to Laws, Rules, Regulations etc.	Non-compliance	Comments of the Management	Recommendation
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(a)	Sub-section (8) 13 of the Finance Act, No.38 of 1971	Neither the detailed audit report to the Board of Governors nor replies for the report to the Auditor General had been submitted.	The audit report could not be presented to the Board of Governors due to failure in conducting a Board meeting. It was noted to obtain the approval at the Board meeting proposed to be held in future.	Action should be taken in terms of provisions of the Act.
(b)	Establishments Code of the Democratic Socialist Republic of Sri Lanka			
(i)	Sub-section 1.6 of Chapter II	A Scheme of Recruitment had not been prepared and approved for the posts of the Centre.	It was noted to prepare a Scheme of Recruitment for the Centre and to obtain the approval therefor in the year 2022.	Action should be taken in terms of provisions of the Establishments Code.
(ii)	Sub-section 10.4 of Chapter XXIV	No sureties had been furnished when granting distress loans to 7 officers who has a service period less than 10 years.	As the surety of an officer who serves in the Centre itself is less at risk than the surety of an external officer with a pensionable service, a permanent officer of the Center was furnished as the surety.	Action should be taken in terms of provisions of the Establishments Code.

- (d) **Financial Regulations of the Democratic Socialist Republic of Sri Lanka**
- (i) Financial Regulations 756 and 757 Fixed assets had not been surveyed and reports thereon had not been submitted to the Auditor General before 31 March. It was noted to conduct a survey on fixed assets since the year 2022 and to forward the reports thereon to Audit before 31 March. Action should be taken in terms of Financial Regulations.
- (ii) Financial Regulations (b) and 1646 1645 Daily running charts and log books relating to 2 vehicles of the Centre had not been maintained properly. The Assistant Administrative Officer was given instructions required to maintain running charts and log books since the year 2022. Action should be taken in terms of Financial Regulations.
- (d) Public Finance Circular No. 01/2020 of August 2020 Treasury approval had not been obtained for revised fees charged for reception halls. The powers for taking decision on funds have been vested in the Board of Governors in terms of the Centre Act. Action should be taken in terms of circular provisions.
- (e) Public Finance Circular No. 02/2020 of August 2020 Particulars on approved cadre and actual cadre and the action plan of collection of revenue had not been included in the Action Plan of the year 2021 not prepared on priorities based on the approved budget and the approval of the Board of Governors as well had not been obtained. Approval for the budget of the year 2021 could not be obtained due to failure in conducting a Board meeting. Accordingly, it was noted to make available the relevant information through the budget since the year 2022. Action should be taken in terms of circular provisions.
- (f) Section 5.2.1 of the Public Enterprises Circular No. Approval of the Board of Governors had not been obtained for the Approval could not be obtained due to failure in Action should be taken in terms of circular

	PED/12 of 02 June 2003	Budget Estimate of the year 2021.	conducting a Board meeting.	provisions.
(g)	Public Enterprises Circular No. 03/2019 dated 09 December 2019	A sum of Rs. 392,500 had been paid as bonus in December 2020 at a rate of Rs. 15,000 per employee for the year 2019 based on financial reports of the year 2018. However, a sum of Rs. 1,296,000 had been paid in the year 2021 at a rate of Rs.54,000 per employee on the approval of the Board of Governors by furnishing false information to the Board that bonus for the year 2019 had not been paid. As the Center was running at a loss in the years 2020 and 2021, the said bonus were not entitled to employees and as such, bonus had been paid pretending that those were for the year 2019.	The bonus pointed out by the Audit had been paid on the profit of the year 2019. Moreover, the Board of Governors has powers as per the J.R. Jayewardene Centre Act, No.77 of 1988 to determine the allowances to be paid for employees of the Centre. Furthermore, the approval of the Board of Governors has been received for the payment of the said bonus. As such, it cannot be agreed with the statement that the approval of the Board of Governors was obtained by presenting false information.	Action should be taken to pay bonus in terms of circular provisions.
(h)	Letter No.DMS/1835 of 6 April 2018 of the Department of Management Services	The Director General of Management Services had approved the cadre of the Centre by the Letter No. DMS/1835 of 6 April 2018 and thereby, the post of the Secretary General had been approved under the salary code of HM 1-2. However, action had not been taken even up to the date of	The post of Secretary General is an appointed officer post and the post of Secretary General has been indicated erroneously as a permanent post under the service category of HM 1.2 in the document forwarded to the Department of	Action should be taken as per the approval of the Department of Management Services.

audit to prepare the Management schemes of Services for recruitment and to seeking approval make recruitments in a for the cadre. As formal manner to the such, it was noted post of Secretary to take necessary General. action to rectify the said error through the Department of Management Services.

(i) Procurement Guidelines of the Democratic Socialist Republic of Sri Lanka

(i) Guidelines 2.8 and 4.3

Activities such as preparation of total cost estimates and inclusion of budget in the Action Plan and Procurement Plan, appointment of a Technical Evaluation Committee and obtaining approval for procurement documents, \ necessary plans and legal approval of relevant institutions and selection of a consultant by following a procurement method had not been carried out as prior procurement activities relating to the construction of the new three storeyed building of the Centre in the year 2014.

The total cost estimate has been prepared for the construction of the new building. A Technical Evaluation Committee had not been appointed. Moreover, approval has not been obtained for procurement documents. Neither approval for necessary plans nor legal approval of relevant institutions has been obtained. Furthermore, a consultant had not been selected by following a procurement method.

Action should be taken in terms of provisions of the Procurement Guidelines.

(ii) Guidelines 5.4.8 and 8.9.2

Action had not been taken to enter into formal agreements

A formal agreement has been entered into with

Action should be taken in terms of provisions in the

with the contractor selected for constructing the new three storeyed building. Moreover, a performance security of not less than 5 per cent of the contract sum had not been obtained.

the institution for which was awarded with the procurement for constructing the new three storeyed building. A performance security of not less than 5 per cent of the contract sum had not been obtained.

Procurement Guidelines.

1.7 Non-compliance with Tax Regulations

Audit Observation -----	Comments of the Management -----	Recommendation -----
Stamp duty of Rs.7,025, Nation Building Tax of Rs.184,589 and Value Added Tax of Rs.1,955,488 which were collected from external parties had been retained for a period of 6 months to 3 years without transmitting to the Department of Inland Revenue.	It was noted to discuss with the Department of Inland Revenue regarding further action taken relating to this tax amount.	Action should be taken to remit relevant taxes to the Department of Inland Revenue.

2. Financial Review

2.1 Financial Results

The operations of the year under review resulted in a deficit of Rs.7,884,169 as compared with the corresponding deficit of Rs.5,007,114 of the preceding year, thus observing a decline of Rs.2,877,055 in the financial result. The decrease in interest income from fixed deposits by Rs.3,726,437 and in rental income from halls by Rs.2,744,074 and the increase in employees' emoluments by Rs.1,458,000 despite the increase in income from building rentals by Rs.4,018,201 in the year under review had mainly attributed to this decline.

3. Operating Review

3.1 Management Inefficiencies

Audit Observation -----	Comments of the Management -----	Recommendation -----
(a) A sum of Rs.9,725,000 had been invested as a fixed deposit in a private bank in the year 2002 and	The sum of Rs.9,725,000 invested in Sri Lanka Pramuka	Action should be taken to retrieve the matured debentures and interest

due to the bankruptcy of that bank, the Central Bank had prepared a scheme for settling the depositors' liability through Sri Lanka Savings Bank. Accordingly, even though that amount had been invested as debentures retrievable in the year 2017 with 5 per cent annual interest, an interest of Rs.972,500 had been lost to the Centre due to nonpayment of interest for a period of the first 2 years as agreed by the relevant bank. Even though these debentures had matured on 03 December 2017, action had not been taken to retrieve initial amount and the interest of Rs.13,617,664 for 09 years.

Bank in the year 2002 by the J.R.Jayewardene Centre was invested in debentures of Sri Lanka Savings Bank for 10 years from the date of 03 December 2007 to 03 December 2017 as per the directions of Central Bank of Sri Lanka due to the bankruptcy of the said bank. At the time, interest income relating to remaining 09 years had been given. The report of the Board meeting approved by the Board of Governors should be furnished to Sri Lanka Savings Bank to retrieve this amount. However, it has been impossible to reinvest by retrieving this investment amount and the interest as it was unable to organize a Board meeting.

of 09 years.

(b) The land of 3 Roods and 4.47 Perches in extent at No.191, Dharmapala Mawatha, Colombo 07 where the Centre is located, had been utilized since the inception of the Centre in the year 1988. However, arrangements had not been made to take over the ownership of the land to the Centre.

It was noted to make necessary arrangements for taking over of the said land to the Centre pointed out by the Audit.

Necessary arrangements should be made to take over the ownership of the land.

(c) Lease agreements had not been entered into with 5 institutions in renting out buildings. Action had not been taken to obtain rental assessment reports of premises rented out and to get the prices revised. The buildings had been

A valuation of lands and buildings was carried out separately in the year 2017 by the Government Valuation Department and the valuation fee of Rs.2

Lease agreements should be duly entered into and action should be taken to revise rentals. Expedient action should be taken to recover outstanding

rented out for a very low amount from Rs.63 to Rs.165 per square foot. Moreover, a methodology or an active effort to charge the building rent income monthly in a proper manner had not been carried out. As such, a sum of Rs.6,878,813 receivable up to 5 years had not been recovered relating to 17 lessees. The said sum comprised a sum of Rs.1,226,585 recoverable from 02 institutions which have withdrawn from rental basis by now.

million was unpaid. As such, the J.R.Jayewardene Centre has been notified to pay the above mentioned valuation fee for obtaining another valuation report from the Valuation Department. All income receivable for the year 2021 has been received by now. Moreover, the relevant institutions have been notified to pay the old receivable balances.

3.2 Operating Inefficiencies

Audit Observation -----	Comments of the Management -----	Recommendation -----
According to the progress report of the Centre submitted relating to the fourth quarter, out of 22 key functions included in the Action Plan, 12 functions valued at Rs.6,875,000 had not even been commenced and even though 6 functions had been commenced, only 3 of them had been completed during the year. The progress relating to 9 functions valued at Rs.7,490,000 included in the Action Plan had not been indicated in the progress report relating to the fourth quarter..	Out of the estimated income, a sum of Rs.10.5 million could not be earned. As such, the projects indicated in the Action Plan for the year 2021, could not be implemented as mentioned by Audit.	Steps should be taken in terms of the Action Plan.

3.3 Idle or Underutilized Property, Plant and Equipment

Audit Observation -----	Comments of the Management -----	Recommendation -----
Premises in extent of approximately 600 square feet of the fourth floor had been provided to the Covid – 19 Project	According to a letter forwarded by the Prime Minister’s Office, an extent	Steps should be taken to utilize relevant premises to

Office without obtaining rent and the cost for water, electricity and cleaning of the said premises too had been incurred by the Centre. Only a sum of Rs.28,244 had been earned during the year by providing an extent of 2,379 square feet as class rooms on rental basis. The said premises had remained idle for most of the year as they were not utilized to the maximum.

of approximately 600 square feet had been provided to the Covid – 19 Project Office without obtaining rent. The lecture halls remained idle as the Government had banned conducting physical classes due to Covid – 19 pandemic.

3.4 Procurement Management

Audit Observation -----	Comments of the Management -----	Recommendation -----
<p>(a) An agreement had been entered into in the year 2014 with the contractor for execution of the complete contract of construction of the new three storeyed building for Rs.6,451,087. Accordingly, even though the contract should have been completed by 15 June 2014, the second storey of the building had not been constructed even by 08 September 2022, the date of audit. Despite not having executed works of Rs.2,002,572 agreed by the contractor, a sum of Rs.5,064,023 representing 78.5 per cent of the contract sum had been paid to the contractor. As the iron roof and the iron staircase had not been constructed by the contractor as agreed, those works had to be executed by external parties and an additional sum of Rs. 2,217,992 had to be incurred and as such, the cost of building constructions had been increased by the same amount.</p>	<p>Construction of the iron staircase and the iron roof was not neglected by the contractor and the Secretary General has decided to withdraw the relevant works and to award them to another institution. Awarding the works to a more skilled institution for a more safe and strong construction has been the reason therefor.</p>	<p>Action should be taken to recover the loss occurred from non-completion of the contract and to recover the additional cost which had to be incurred.</p>
<p>(b) According to specifications of the Sri Lanka Institute of Architects, 10.3 per cent of the contract value should be paid for construction of commercial office buildings which</p>	<p>The initial value of this contract is Rs.6,451,087. A percentage of 37.23 per cent of the aforesaid sum has been paid as</p>	<p>Action should be taken in accordance with Procurement Guidelines and other regulations</p>

was between Rs.5 – 10 million. consultant fees. relating to
 However, a sum of Rs.2,401,761 It is agreed with the consultancy.
 equivalent to 37 per cent of the statement that consultant
 contract value comprising 8 per fees had been paid by a
 cent of the bid value and Rs.18,000 decision taken on
 per day for attendance had been approval of the Secretary
 paid for the aforesaid construction General so that 8 per cent
 to an external engineer appointed of the bid value
 for consulting service by deciding mentioned and a sum of
 the consultant fees on approval Rs.18,000 per day for
 of the Secretary General. Approval attendance is paid.
 of the Secretary to the
 Ministry/Procurement Committee
 had not been obtained therefor and
 action had not been taken to enter
 into an agreement as well.

- (c) Cleaning service and the security Procurement activities Service suppliers
 service had been continuously necessary for selecting should be selected
 obtained from the previous new institutions for annually and action
 suppliers from 01 February 2021 up cleaning service and should be taken to
 to 31 August 2022, the date of audit security service could not enter into
 and without selecting service be carried out due to the agreements.
 suppliers for the year 2021 from 01 outbreak of Corona virus in the year 2021.
 October 2021 up to 31 August 2022 Accordingly, it was
 respectively without entering into decided to extend the
 agreements. In terms of the service relevant services for a
 agreement on cleaning service for further period of 12
 the year 2020/21, the minimum months from the existing
 number of employees that should be institutions themselves. In
 deployed in the service, had not terms of agreements,
 been deployed in the service daily even though the number
 and conditions required for of prescribed employees
 recovery of penalty charges had not does not report to duty, in
 been included in the agreement. A paying charges for
 sum of Rs.887,758 had been paid in cleaning service, the
 the year 2021 for cleaning without relevant employees have
 verifying the arrival and departure been paid only for the
 of employees. number of days of
 attendance for duty. As
 such, it is not necessary
 to recover additional
 penalty charges therefor.
 Moreover, based on the
 request made in relation
 to the price increase in
 chemicals in the year

2021, a sum of Rs.10,000 was increased for chemicals.

- (d) In obtaining security service, the prescribed number of employees that should be deployed in the service had not been deployed in terms of agreements for the year 2020/2021 and in certain instances, Junior Security Officers had been deployed in the service continuously up to 18 shifts contrary to Labour laws and rules.
- The prescribed number of employees has been deployed for security service.
- Action should be taken in accordance with agreements.

3.5 Human Resource Management

Audit Observation -----	Comments of the Management -----	Recommendation -----
<p>The cadre for the Centre had been approved by letter No.DMS/1835 of 6 April 2018 of the Director General of Management Services. Accordingly, a cadre of 36 had been approved and the actual cadre was 26 while 10 vacancies existed in 05 posts. Even though 02 posts of Chef, which does not suit the role of the Centre, exist in the approved cadre, action had not been taken to revise the approved cadre so as to suit the present-day. The post of Accounting Officer which was approved by the aforesaid letter, had been suppressed by letter No. DMS/1835 of 13 March 2020 of the Director General of Management Services, and approved the post of Accountant. Nevertheless, the Assistant Accountant who was recruited on 29 May 2013 without making necessary revisions by consulting the Department of Management Services, had been paid the salary entitled to the post of Accounting Officer up to the date of audit.</p>	<p>The cadre will be revised accurately. A post of Accountant had been approved considering the financial viability and activities of the Finance Division of the Centre by the Department of Management Services by letter No. DMS/1835 of 13 March 2020. However, attention therefor was not paid until August 2022, up to an elapse of a period of 2 years and 5 months. Nevertheless, the Scheme of Recruitment prepared in August 2022 by the Assistant Accountant for the post of Accountant, has been certified and submitted to the recommendation of the Secretary to the Ministry by the Secretary General.</p>	<p>Action should be taken to revise the approved cadre.</p>