

Protection of the Children -National Trust Fund - 2022

1. Financial Statements

1.1 Opinion

The audit of the financial statements of the Protection of the Children- National Trust Fund for the half year ended 30 June 2022 comprising the statement of financial position as at 30 June 2022 and the statement of financial performance, statement of changes in net assets/equity and cash flow statement for the half year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154 (3) 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. My comments and observations which I consider should be presented in Parliament, appear in this report.

In my opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 June 2022, and its financial performance and cash flows for the half year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Opinion

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

1.3 Responsibilities of 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 Fund'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 intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process. As per Sub-section 16 (1) of the National Audit Act, No. 19 of 2018, the Fund 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 Fund.

1.4 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 scepticism throughout the audit. I also:

- Appropriate audit procedures were designed and performed identify and assess the risks 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 audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund'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 management's 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 Fund'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 the Fund 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 Fund, and whether such systems, procedures, books, records and other documents are in effective operation;
- Whether the Fund has complied with applicable written law, or other general or special directions issued by the governing body of the Fund;
- Whether the Fund has performed according to its powers, functions and duties;

- Whether the resources of the Fund had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws,

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

Reference to Laws, Rules, Regulations etc.	Non-compliance	Comments of the Management	Recommendation
Article 149 of the Constitution of the Democratic Socialist Republic of Sri Lanka	All other incomes and receipts belong to the Republic which had not been allocated for the prescribed purposes were to be paid to the Consolidated Fund. However, the Secretary of the Ministry of Women and Child Affairs and Social Security had been ordered to take immediate steps to liquidate the Protection of the Children-National Trust Fund and remit the existing balance of the said fund to the Presidential Fund as per Cabinet Decision No. AMA/20/1009/212/017 dated 08 July 2020. The Secretary of the Ministry concerned had not completed the work, and the Fund had been liquidated by the President's Office and its balance had been remitted to the President's Fund on 14 March 2022.	The Secretary of the Ministry of Women and Child Affairs and Social Protection had been directed to liquidate the Protection of the Children- National Trust Fund and remit the balance of that fund to the President's Fund, and since the actions taken to liquidate had been informed by the letter of Audit superintendent No. TPD/B/PCNTF/4/20/Info 05 and without date in January 2022, it has been informed by the letter of the Secretary of the Ministry of Finance No. MF1/12/02/PCNTF/04/2021 and dated 08.02.2022 to take the necessary steps to transfer the balance and interest of the savings account and fixed deposit account of the Children- National Trust Fund to the President's Fund. Accordingly, it is kindly informed that the balance and interest of the Savings Account and the Fixed Deposit Account of the National Trust Fund was remitted to the Presidential Fund on 14.03.2022.	should comply with the rules and regulations.

02. Financial Review

2.1 Financial Results

Since no operational activity was taken place in the year under review, there is no operational result, and the surplus for the preceding year was Rs. 805,654. The fact that it was decided to liquidate the fund as per the decision of the Cabinet of Ministers no. AMA/20/1009/212/017 dated 16 July 2020, was the primary reason for the lack of income and expenditure in the year under review.