

Head -203 - Department of Christian Religious Affairs

1. Financial Statements

1.1 Opinion

Head 203 - The audit of the financial statements of the Department of Christian Religious Affairs for the year ended 31 December 2023 comprising the statement of financial position as at 31 December 2023 and the statement of financial performance and cash flow statement for the year then ended and notes to the financial statements, including material accounting policy information 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 Christian Religious Affairs was issued to the Accounting Officer on 11 June 2024 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 16 July 2024 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 accompanying financial statements give a true and fair view of the financial position of the Department of Christian Religious Affairs as at 31 December 2023 and of its financial performance and its 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 responsibility for the financial statements is further described in the Auditor's Responsibility for the audit of the financial statements 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

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 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 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 Judgement 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 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

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

2.1 Expenditure Management

Audit Observation	Comments of the Accounting Officer	Recommendation
According to the Budget Circular No. 01/2023 dated 27 January 2023, it was observed that estimates have not been prepared as realistically even after cut-off the allocations equal to 6 percent due to the existence of 60 percent to 84 percent allocation savings in relation to 5 budget subjects.	It was informed that the provision was saved due to frugal spending, non-expenditure as expected and non-conducting of Dhamma schools within the stipulated time.	Estimates should be prepared according to priority needs and arrangements should be made to get provisions.

3. Operational Review

3.1 Delays in Project Execution

Audit Observation	Comments of the Accounting Officer	Recommendation
Although the construction of the worship house of Maradamadu Church was expected to be completed in the year 2017, Rs. 2.5 million were spent in the year 2017 and only the base and pillars of the building were built and passed 06 years, but the construction work had not been completed.	It was informed that the allocation of Rs. 5 million from the 2024 budget has been released and the Mannar District Secretariat related to that is currently conducting the procurement activities.	Attention should be given on completion of the projects as planned.

3.2 Assets Management

Audit Observation	Comments of the Accounting Officer	Recommendation
The Kalpitiya Divisional Secretariat had not taken over the ownership of the land in the year under review on which the Thalawila circuit is located, which had been assigned to the Department of Christian Religious Affairs in the year 2006.	Kalpitiya Divisional Secretary has recommended to the Commissioner General of Land for the transfer of the relevant land to the Department and it was informed that the necessary activities for the transfer will be done in future.	Action should be taken immediately to take over the ownership of the relevant land.

3.3 Losses and Damages

Audit Observation	Comments of the Accounting Officer	Recommendation
The loss of Rs. 137,707 related to a vehicle involved in an accident in the year 2019 belonging to the Department had not been recovered.	The Attorney General's Department has informed the other party to pay the amount of Rs. 137,707 related to the accident, but since the payment has been defaulted, the case assigned by the Attorney General is currently under investigation.	Immediate action should be taken to recover the loss.

3.4 Management Inefficiencies

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Although registration is considered in giving favors like allowances, uniforms etc. to Dhamma school teachers, there is not a formal system for the registration of existing Catholic and Christian Churches and religious centers and the bill drafter in this regard for the registration of the relevant churches and religious centers has not been approved.	The registration of Catholic churches is almost complete and new registrations are being done as same as before. There is not a system to register Christian churches and religious centers and due to the problematic conditions to approve the draft bill, the a system of registration by an expert committee is being prepared by the Ministry. It was informed that the necessary applications and	The process of approving the Act should be done immediately.

conditions have been prepared and submitted to the Ministry and registrations will be started immediately after given approval.

- (b) Although the renovations of churches of archeological value, which need to be restored urgently, should be done on the approval, supervision and advices of the Department of Archaeology, 2 cases were observed which were not act accordingly and although financial assistance of Rs. 2,940,728 had been given to churches for renovation work in the year under review, the estimates, contract agreement, measurement sheets and completion certificate etc. related to each work from some churches were not followed-up.
- Although archaeological approval was requested in the year 2022 for a project of urgent renovations with archaeological value, it is informed that there was no objection or complaint from the said department till the year 2023 and since the building was very old and should have undergone urgent renovation, the renovation work has been continued without waiting for the written approval and the allocation will be released only after approval is obtained for all ongoing projects in the year 2024 with an archaeological value. Furthermore, since the allocations for the development projects are released to the District Secretariats and carried out through the Divisional Secretariats, there are cases where the relevant documents are not received even though requests are made from the District Secretariats/ Divisional Secretariats. But it was informed that all the completed projects have been field inspected by the Departmental Development Officers every 03 months for a period of up to one year and follow-up activities have been carried out.
- Action should be done on the approval, supervision and advices of the Department of Archaeology in the renovations if churches with archaeological value and after releasing the provisions related to the development works, the relevant information should be obtained and follow-up.

4. Good Governance

4.1 Internal Audit

The following observation is made.

Audit Observation	Comments of the Accounting Officer	Recommendation
According to the Financial Regulations 134(2) and paragraph 6 of the Management Audit Circular DMA/01/2019 dated 12 January 2019, The Auditor General should have instructed when preparing the internal audit plan, but it had not been done accordingly.	It was informed that action will be done to obtain the approval of the Auditor General for the internal audit plan for the year 2025.	The Financial Regulations and related circulars should be followed.

5. Human Resource Management

Audit Observation	Comments of the Accounting Officer	Recommendation
According to the Public Administration Circular No. 18/2001 dated 22 August 2001, although an officer who has completed 05 years of service in the same working place should be given transfers to allow the officer to serve in other working place, transfers had not been made for 33 officers who had completed a period of 05 to 18 years as at 31 December 2023.	As per the transfer circular, the details of the officers who have been in service from more than 05 years and the details of the officers who have requested for transfer are recommended and submitted annually to the Director General of Combined Services and it was informed that transfer of officers is beyond the control of this Department.	Action should be taken to provide transfers for officers who have been in the institution for a long time in coordination with the Ministry of Public Administration.