

Head -203 - Department of Christian Religious Affairs - 2024

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 2024 comprising the statement of financial position as at 31 December 2024 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 19 May 2025 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 25 June 2025 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 fair view in all materials of the financial statements of the Department of Christian Religious Affairs as at 31 December 2024 in accordance to the financial position, financial performance and cash flows, the basis of preparation of the financial statements mentioned in Note 1 of the financial statements.

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 Emphasis of Matter – Basis of the Preparation of Financial Statements

It is drawn attention to Note 1 of the financial statements, which described the basis of the preparation of these financial statements. The financial statements have been prepared for the needs of the Department of Christian Religious Affairs, the Treasury and Parliament in accordance with Public Financial Regulations 150 and 151 and Public Accounts Guideline No. 06/2024 dated 16 December 2024 as amended on 21 February 2025. Therefore, these financial statements may not be suitable for other purposes. My report is intended only for the use of the Department of Christian Religious Affairs, the Treasury and the Parliament of Sri Lanka. My opinion on this matter is not modified.

1.4 Responsibility 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 fair view in accordance with Public Financial Regulations 150 and 151 and the Public Accounts Guideline No. 06/2024 dated 16 December 2024 as amended on 21 February 2025 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.

1.5 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.

2. 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.

3. Financial Review

3.1 Expenditure Management

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Out of the total provision of Rs. 39,165,000 for 8 recurrent expenditure codes, Rs. 29,171,347 had been saved and the balance had ranged from 30 percent to 92 percent as a percentage of the net provision.	It was informed that the provisions had been saved due to the reasons of control of public expenditure, major renovations were not done during the year, payment of electricity and water bills by the Department of Muslim Religious and Cultural Affairs, non-receiving of bills, the lowest price was obtained for the computer service agreement through competitive bidding and it is informed by the Department of Examinations that the provisions are not required for the Dhamma School Final Examinations and the Dharmacharya Examination.	Estimates should be prepared with proper study.

- | | | | |
|-----|--|--|--|
| (b) | Out of the total provision of Rs. 1,500,000 for 02 capital expenditure codes, Rs. 1,280,260 had been saved and the balance was 67 percent and 94 percent as a percentage of the net provision. | It was informed that the provisions saved due to reasons such as major renovation works were not carried out during the year, cancellation of training programmes etc. | The allocated provisions should be utilized for relevant programmes. |
|-----|--|--|--|

4. Operational Review

4.1 Delays in Project Execution

Audit Observation	Comments of the Accounting Officer	Recommendation
A provision of Rs. 7.15 million was allocated in the year under review for the prayer house of Maradamadu Church, which was expected to be constructed and completed in the year 2017, but the project work had not been completed.	The estimated amount of the project of the construction of prayer house of Maradamadu Church was Rs. 40 million and only Rs. 7.15 million was allocated for church infrastructure during the year under review. Since provisions had to be allocated for several other projects that should be given priority, development activities were carried out only in relation to Rs. 5 million allocated for the said project and since a provision of Rs. 40 million has been allocated for this in the year 2025, the project is expected to be completed in this year and it was informed that the necessary work for that is being carried out.	Projects should be completed within the relevant time deadlines as planned.

4.2 Other Observations

Audit Observation	Comments of the Accounting Officer	Recommendation
Rs. 13 million had been allocated from the annual budget estimate of the year under review for the renovations of ancient churches and providing facilities for Christian religious places	It was informed that currently, a census of the ancient churches is being carried out in Sri Lanka and that a report containing relevant information will be provided once	The department should take action to identify criteria and a formal methodology for providing aids for the

and churches, which were identified as the main functions and sustainable development objectives of the Department and although the relevant programmes had been implemented, due to that failure to maintain a database system containing information such as criteria in relation to that, priority lists for providing funds, which are the churches that have previously received aids and the quantity of aids to be provided etc., the audit could not confirm the accuracy of the selection of beneficiaries and whether the relevant aid money were provided according to priority to churches in need.

the database update is completed.

renovation of churches.

4.3 Assets Management

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Information regarding the purchase and disposal of assets for the year 2024 had not been submitted to the Office of the Comptroller General in accordance with paragraph 07 of the Asset Management Circular No. 01/2017 dated 28 June 2017.	Although information was requested from the Office of the Comptroller General regarding this, it was informed that there is not such a format.	Although the circular does not introduce a format, the relevant information should be submitted in accordance with the circular.
(b) Action had not been taken to handover the ownership of the land on which the Thalawila circuit was located and which had been handed over to the Department of Christian Religious Affairs in the year 2006.	Since the Department has been maintaining and operating this official residence from many years, it was informed that the necessary action to hand over it to the Department will be taken in future because the Kalpitiya Divisional Secretary has recommended to the Commissioner General of Land that it is appropriate to hand over the land belonging to this official residence to the Department.	Immediate action should be taken to take over the relevant asset.

4.4 Management Inefficiencies

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Action had not been taken to recover the outstanding balance of Rs. 244,190 to be recovered from deceased and retired officers.	The pension of the retired officer has been paid since December 2024 and the death gratuity of the deceased officer has not been paid yet. It was informed that letters had been sent to the Department of Pensions with requesting to settle the loan balances.	Action should be taken to recover outstanding loan balances immediately.
(b) Although the registration is considered when providing benefits such as allowances, uniforms etc. to the Dhamma School teachers, the formal system is not for registering existing Catholic and Christian churches and religious centers and actions have not been taken to approve the drafted bill for registering relevant churches and religious centers.	The bill has been drafted and submitted to the Ministry, but approval has not been received yet. But, an expert committee appointed by the Ministry had informed that formal registration of Catholic, Christian churches and religious centers is being done from November 2024.	Action should be taken to approve the drafted bill for the registration of churches and religious centers.
(c) Action had not been taken to recover the loss of Rs. 137,707, which had been outstanding from almost 6 years, in relation to an accident of a departmental vehicle.	Although the Attorney General's Department has informed to the other party involved in the accident to pay the loss, it is informed that the case filed by the Attorney General is being examined due to defaulted the payment.	Action should be taken to recover the loss.

5. Good Governance

5.1 Internal Audit

Audit Observation	Comments of the Accounting Officer	Recommendation
Although the preparation of the internal audit plan should be done in consultation with the Auditor General in accordance with Financial Regulation 134(2) and paragraph 6 of Management Audit Circular No. DMA/01/2019 dated 12 January 2019, the internal audit plan for the year under review had not been prepared accordingly.	It was informed that the internal audit plan for the year 2026 will be prepared and action will be taken in future to obtain the consent of the Auditor General.	Action should be done in accordance with Financial Regulations and relevant circular.