Head 201 - Department of Buddhist Affairs - 2024

1. Financial Statements

1.1 Qualified Opinion

Head 201 - The audit of the financial statements of the Department of Buddhist 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 information of the material 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. The summary report containing my comments and observations on the financial statements of the Department of Buddhist Affairs was issued to the Accounting Officer on 30 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 08 July 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, except for the effects of the matters described in paragraph 1.6 of this report, the financial statements give a fair view in all materials of the financial statements of the Department of Buddhist Affairs for the year ended 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 Qualified Opinion

My opinion is qualified based on the matters described in paragraph 1.6 of this report.
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 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 Buddhist 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 Buddhist 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.

1.6 Comments on the Financial Statements

1.6.1 Accounting Deficiencies

(a) Property, Plant and Equipment

The following deficiencies were revealed in the accounting of property, plant and equipment.

	Audit Observation	Comments of the Accounting Officer	Recommendation
(i)	There was a difference of Rs. 966,613 due to the expenditure of acquisition of capital assets in the statement of financial performance was Rs. 11,044,341 and the accumulated value of property, plant and equipment for the year in the statement of financial position was Rs. 12,010,954.	It has been informed that the reasons for this difference are capital assets have also been purchased under the relevant expenditure code 201-2-2-9-2205 to provide facilities for the Sasanarakshaka Bala Mandalaya in addition to the capital assets purchased under 201-1-1-0-2102 and 2103 and non-inclusion of capital assets under acquisition expenditure in the statement of financial performance due to that it was not allowed to include capital assets as purchases under the technical condition of the programme when entering the relevant vouchers for those purchases in CIGAS, but since	Financial assets should be correctly accounted.

		an asset purchase has been occurred, it is indicated under the accumulated value for the year in the statement of financial position and the value of the assets disposed in the year 2024 is indicated as a deduction in the statement of financial position.	
(ii)	The total amount of Rs. 261,121, which was the purchases made by other institutions on behalf of the staff of the Department during the year under review, was indicated as adjustments to the opening balance in ACA6 format instead of being indicated as purchases for the year.	It has been informed that it is not possible in the CIGAS programme to include payments made by other institutions as capital asset acquisitions when those institutions purchase assets through the allocation of the provisions of the department to other institutions and since it has not been purchased by the department, as it is not possible to enter payment vouchers, the department has not been that opportunity and however, since that value should be indicated as an asset, action had been taken to adjust it to the opening balance. It has been informed that action will be taken to obtain advice from the Department of Public Accounts regarding the recording about this in the CIGAS programme.	Financial assets should be correctly accounted.

(b) Non-maintenance of Registers and Books

It was observed during the sample audits that the Department had not maintained the following documents in properly and up-to-date.

	Audit Observation	Comments of the Accounting Officer	Recommendation
(i)	Register of Damages		
	The register of damages had not been updated in accordance with Financial Regulation 110.	It was informed that instructions have been given to the relevant subject officers to update as formally and maintain it.	A register of damages should be maintained in accordance with the provisions of Financial Regulation 110 according to the format under that.
(ii)	Loans and Advance Register		
	The Loans and Advance Register had not been maintained up-to-date in accordance with paragraph 05 of Public Accounts Circular No. 256/2017 dated 05 July 2017.	It was informed that instructions have been given to the relevant subject officers to update and maintain it.	Loans and Advance registers should be prepared according to format CC10 and based on that format in accordance with paragraph 05 of the Public Accounts Circular No. 256/2017 dated 05 July 2017.

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)	Although the total provisions of Rs. 24,292,000 was transferred during the year through the Financial Regulation 66 for the total allocation for three (03) recurrent expenditure codes of Rs. 33,000,000, provisions of Rs. 20,869,041 from that had been saved. That saving had been taken ranging from 31 percent to 100 percent as a percentage of transfer under the Financial Regulation 66.	It has been informed that although allocations were transferred to the relevant expenditure codes according to the existing needs, the relevant expenses were not required to be incurred under specific circumstances occurred in later and specially, it was not possible to hold the All Island Dhamma School Competition due to the non-reserving a date until the end of the year due to adverse weather conditions and the postponement of the G.C.E. Advanced Level Examination.	Estimates should be prepared as realistically and accurately as possible in accordance with F.R. 50.
(b)	Rs. 143,197,161 had been saved from the total net provision of Rs. 348,358,000 for 13 recurrent expenditure codes and that saving was ranged from 32 percent to 97 percent as a percentage to the net provision.	It was informed that there had been a saving in the provisions in that expenditure codes because as well as the circumstances mentioned under (a) above and there was not fully qualified teachers in service when those allowances are paid from the provision of the payment of allowances for Dhamma School teachers.	Do
(c)	Rs. 14,988,702 had been saved from the net provision of Rs. 21,000,000 allocated for one capital expenditure code and that saving was 71 percent as a percentage of the net provision.	It has been informed that the provisions had been saved like that due to although it was previously planned to use these provisions to install an electric lift and purchase an electrical generator for Mahanayaka Charikaramaya, it is necessary to make additional provisions as the provisions are not sufficient for	The needs should be accurately identified before estimating.

	the relevant tasks as per the values in the relevant estimate and decide to reconsider whether it is necessary to fulfill those needs.	

3.2 Deposit Balances

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Action had not been taken in accordance with the provisions of Financial Regulation 571 (2) and (3) regarding the total of two deposits amounting to Rs. 731,571, which were over two years.	It was informed that instructions had been given to the relevant officers to immediately utilize the deposits beyond the relevant period for the relevant purposes or to act in accordance with the provisions of Financial Regulation 571 (2) and (3).	Action should be taken in accordance with Financial regulations regarding expired deposits.
(b) The total amount of Rs. 778,000 had been saved, which was not used for the relevant purpose from donations made by four donors for the 2024 Wesak festival, was retained in the General Deposit Account.	It was informed that although these deposits can be retained for two years from the date of deposit, instructions have been given to the relevant divisions to use these funds for relevant purposes as soon as possible and settle them.	Action should be taken to utilize the deposits for relevant purposes.

4. Operational Review

4.1 Non-performance of Duties

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Only Rs. 6 million out of the total estimated allocation of Rs. 21 million included in the action plan for the renovation of the Mahanayaka Charikaramaya had been spent and action had not been taken to achieve the targeted physical progress.	It has been informed that although it was previously planes to use these provisions to install an electric lift and purchase an electrical generator in connection with the renovations of the Mahanayaka Charikaramaya, it is necessary to make additional provisions as the provisions are not	Plans should be prepared with sufficient attention to all relevant matters when planning.

		sufficient for the relevant tasks as per the values in the relevant estimate and decide to reconsider whether it is necessary to fulfill those needs.	
(b)	According to the Action Plan, although it had been planned to be held a ceremony to commemorate the Anubudu Mihindu Thero and organize various programmes in all over the island and parallel with it as the Buddhist revival will memorize, action had not been taken in this regard.	It has been informed that although the relevant provisions for the Anubudu Mihindu Thero commemoration were allocated to the Anuradhapura District Secretary, the Chief Incumbent of the Mihinthale Rajamaha Viharaya refused the sponsorship.	The tasks included in the action plan should be carried out as planned.
(c)	Although it is the objective of the Department to preserve, nature and promote Buddhist literature and arts, provisions had not been made for this purpose in the 2024 annual budget estimate.	It has been informed that the government had taken action in accordance with the instructions given to allocate funds only for essential expenditure codes due to the limitation of government allocations and the funds will not be allocated in the year 2026 except for the codes for which funds were allocated in previous years.	Relevant plans should be prepared and provisions should be allocated for the purpose of achieving the objectives of the Department.

4.2 Non-achievement of the expected Output Level

Audit Observation	Comments of the Accounting Officer	Recommendation
Although Rs. 250 million was allocated for the printing of Dhamma school text books for the year 2025 during the year under review, only Rs. 170 million had been spent until 31 December 2024. Although the number of districts where text books will be distributed was 22, the text books had been distributed to only 4882 Dhamma Schools in 9 districts at the end of the year under review according to the 2024 performance report.	It was stated that 1,992,000 text books were printed by the Government Press for the year 2024 as per the requirement and the Grade 6-10 examination was to be held on 26 January 2025 and the text books are distributed to students by Dhamma Schools after the graded examinations are conducted and the provisions allocated for transportation were	Relevant tasks should be completed as planned during the year under review.

	saved because as it was difficult to obtain lorries from the District Secretariats due to the General Election held in November 2024 and assigning officers to those duties and the transportation of text books as planned were not done in some districts.	

4.3 Assets Management

Audit Observation	Comments of the Accounting Officer	Recommendation
Information regarding the purchase and disposal of assets for the year 2024 had not been submitted to the Comptroller General's Office in accordance with paragraph 07 of the Assets Management Circular no. 01/2017 dated 28 June 2017.	It was informed that the subject officers have been informed to submit the relevant report before the due date in future.	Information about assets should be submitted to the Comptroller General's Office as per the circular.

4.4 Losses and Damages

Audit Observation	Comments of the Accounting Officer	Recommendation
Only Rs. 85,554 was received as insurance claim out of the Rs. 130,154 loss related to an accident involving a department vehicle and although the inspection report under F.R. 104 (4) had recommended the remaining amount of Rs. 44,620 to be cut off as damage and loss, action had not been taken in accordance with F.R 108 and 109 even as at the date of issuance of the report.	It was informed that the necessary actions were taken in accordance with F.R 108 and 109.	Action should be taken in accordance with Financial Regulations.

4.5 Management Inefficiencies

The following observations are made.

	Audit Observation	Comments of the Accounting Officer	Recommendation
(a)	Action had not been taken in accordance with sections 4:4, 4:5 and 4:6 of Chapter XXIV of the Establishment Code regarding the outstanding loan balances of Rs. 152,680 to be charged from deceased officers and it also included a loan balance of Rs. 121,430, which was over 03 years.	It was informed that the necessary actions are being taken to settle these loan balances.	Action should be taken in accordance with sections 4:4,4:5 and 4:6 of Chapter XXIV of the Establishment Code.
(b)	According to the paragraph 6.5 of Public Administration Circular No. 02/2018 dated 24 January 2018, a senior officer had not been appointed with the responsibility of preparing the human resource development plan, developing capacity development programmes and implementing skill development programmes.	It was informed that a suitable senior officer will be nominated and the relevant responsibilities will be assigned to him in accordance with the relevant circular.	Action should be taken in accordance with the circular.
(c)	Although the Mahanayaka Charikarama building was constructed by the Department, the ownership of the relevant land had not been transferred to the department as at the date of this report.	It was informed that the relevant institutions were being informed and necessary steps are being taken to transfer the ownership of the land related to the Mahanayaka Charikaramaya to the Department.	Action should be taken to take over the ownership of the relevant land as soon as possible.
(d)	Although more than 12 years have passed since Venerable Welamitiyawe Kusaladhamma Nayaka Thero informed the consent to the Divisional Secretary to transfer the land on which Dasa Sil Matha headquarters was built in Eriyawetiya, Kelaniya to the Department in the year 2012, the land acquisition process has not yet been completed and legal ownership has not been confirmed.	It was informed that necessary actions are being taken to transfer the ownership of the land related to the Kelaniya Eriyawetiya Dasa Sil Matha institution to the Department.	Action should be taken to take over the ownership of the relevant land as soon as possible.

(e) The Department had not followed the following provisions of the Buddhist Temporalities Ordinance Act No. 19 of 1931.

(i)	The Department of Buddhist Affairs had not identified the number of all the places of worship in the island and the number of places of worship exempted from the provisions of the Act as per section 3 of the Buddhist Temporalities Ordinance Act No. 19 of 1931 and there had also not been taken action to introduce criteria to identify places of worship that are covered and exempted under the Act.	There are 254 places of worship that are not exempted under section 4(1) of the Buddhist Temporalities Ordinance Act No. 19 of 1931 and all other places of worship are considered as exempt. The 105 gazette notifications from the 254 gazette notifications in relation to these 254 places of worship has owned by the office and it was informed that action will be taken to obtain the remaining ones.	Action should be taken to follow the provisions of the Ordinance Act.
(ii)	Although the Commissioner General of Buddhist Affairs is required to checked the accounts prepared for the six months ending on 30 June and 31 December in each year in accordance with section 36 (1) of the Act, 51 first half yearly accounts of the 216 temples that were to be received in the year 2024 and 59 second half yearly accounts had not been received and one out of the 38 second half yearly reports that should have been obtained regarding Devala had not been obtained.	It was informed that the semi-annual reports for one Devala for the year 2024 have not been submitted and action will be taken to obtain that report without delay. Since the incumbent or another monk has been appointed as the trustee in most temples, there is a weakness in obtaining semi-annual reports. It was also informed that the provisions of the Act are emphasized in the list of duties provided when a Basanayaka Nilame or trustee is appointed to a place of worship.	Action should be taken to follow the provisions of the Ordinance Act.
(iii)	The Commissioner General of Buddhist Affairs had confirmed that the number of places of worship under his control was 254 and it was reported to the audit that out of those	Audit Assistant officers were transferred in the year 2023 due to petitions filed against the Audit Officers with issuing an audit report of the	Action should be taken to follow the provisions of the Ordinance Act.

	254 places of worship, only 16 and 06 places of worship had been audited in the years 2023 and 2024 respectively. It was observed that the duty mentioned under section 38(1) of the Act has not been fulfilled as it is only 6 percent and 2 percent of the number of places of worship indicated.	Soragune Katharagama Devalaya and it was informed that copies of the audit reports of the Rathnapura Saman Devalaya and Sankhapala Rajamaha Viharaya conducted in the year 2024 compared to the year 2023 had not been provided as the position of Internal Auditor was vacant from July to December 2024. The Chief Internal Auditor was promoted and transferred in July 2024 and another officer has replaced on behalf of him since 01 January 2025 and he also worked as acting in the Navy in the past period. It was also reported that the audits of places of worship has decreased due to such reasons.	
(iv)	Although the officer conducting the investigation is required to send a report to the Commissioner of Buddhist Affairs at the conclusion of such investigation in accordance with section 38 (2) of the Act, the audit reports relevant to verifying whether the condition of the Act has been fulfilled and the details of the actions taken regarding the matters contained in those reports were not submitted to the audit. Furthermore, a formal system had not been introduced to verify all accounts of the guardians of places of worship in accordance with sections 38 (1) and 38 (2) of the Act.	It was stated that since there are no provisions of the Buddhist Temporalities Ordinance Act No. 19 of 1931 in this regard, audit reports have not been submitted to the Auditor General and information on the audited places of worship has been submitted and although audits are to be carried out at 254 places of worship in accordance with section 4 (1) of the Buddhist Temporalities Ordinance Act, it was also stated that the tasks of the audit have been carried out in the maximum capacity possible based on the number of officers attached to the Internal Audit Division.	Action should be taken to follow the provisions of the Ordinance Act.

(v)	The attention paid by the Commissioner General of Buddhist Affairs was not sufficient to adopt an adequate administrative system to fulfill the tasks of providing the necessary administrative support and carrying out religious regulatory activities to utilize Buddhist places of worship and properties for the perpetuation of the Buddhasasana, which are the functions mentioned in the objectives of the establishment of the Department of Buddhist Affairs and the responsibilities assigned to the Commissioner General of Buddhist Affairs by the Buddhist Temporalities Ordinance Act No. 19 of 1931.	It was informed that adequate arrangements have been taken for the administration of the properties of the places of worship governed under section 4 (1) and steps have been taken to obtain estimated budgets and semi-annual reports and there are difficulties in submitting them from the temples, but action have been done to obtain that information and the regional offices have been informed and the work has been monitored. It was also informed that there are 254 places of worship that are eligible to receive estimated budgets and semi-annual reports in accordance with Buddhist Temporalities Ordinance Act and the special attention has been paid to Devala among them. In addition to this, it was informed that there are administrative tasks at all other places of worship and there are lot of places when checked on a daily basis and there are staff vacancies.	Action should be taken to follow the provisions of the Ordinance Act.
(f)	The Information Management Data System has been inactive since the year 2023 due to the failure to take the necessary steps to obtain server facilities for the Department and the official website of the Department had also not been maintained up-to-date.	It had been informed that a system is currently being developed to perform all tasks related to the department through software and that the necessary Tanent facility for that has also been requested from LGC and actions are being taken to implement all data systems, including the website, by the end of the year 2025.	Action should be taken to obtain server facilities for the Department and maintain the official website of the Department in up-to-date.

5. Good Governance

5.1 Rendering Services to the Public

Audit Observation	Comments of the Accounting Officer	Recommendation
Although reports are required to be submitted to the Right to Information Commission of Sri Lanka twice a year or once a year in accordance with sections 08 and 10 of the Right to Information Act No. 12 of 2016, relevant reports for the year 2024 had not been submitted.	It has been informed that there had been a delay in submitting the relevant reports as many information had to be collected to prepare them and action will be taken to submit that and send a copy of that as soon as possible.	Action should be taken to submit relevant reports in accordance with the Act.