Samastha Lanka Sasanarakshaka Mandalaya - 2024
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1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Samastha Lanka Sasanarakshaka Mandalaya for the year ended 31 December 2024 comprising the balance sheet as at 31 December 2024 and the income and expenditure statement, statement of changes in accumulated funds, 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 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 report 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 accompanying financial statements give a true and fair view of the financial position of the Board as at 31 December 2024, and its financial performance and its 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 Financial Statements section of my 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 Board'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 Board or to cease operations, or has no realistic alternative but to do so.

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

As per Sub Section 16(1) of the National Audit Act No. 19 of 2018, the Board 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 Board.

1.4 Scope of the Audit (Auditor's Responsibility for the Audit of 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:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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.

- Obtain an understanding of internal control relevant to the audit 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 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 institute'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 Board 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 Board, and whether such systems, procedures, books, records and other documents are in effective operation;

- Whether the Board has complied with applicable written law, or other general or special directions issued by the governing body of the Board;

- Whether the Board 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 Non-compliance with Sri Lanka Public Sector Accounting Standards

	Non-compliance with reference to relevant standard	Comments of the Management	Recommendation
(a)	The accounting policies applicable to the considered assets, liabilities, income and expenses by the Board in	It was informed that there is not sufficient knowledgeable staff, action will be taken to prevent delays and submit the	Action should be taken in accordance with Sri Lanka Public Sector Accounting

	accordance with paragraph 132 of the Sri Lanka Public Sector Accounting Standard 01 had not been discloses in the financial statements.	financial statements in future.	Standards.
(b)	The accounting policy used to determine the composition of cash and cash equivalents in preparing the Cash Flow Statement in accordance with paragraph 57 of Sri Lanka Public Sector Accounting Standard 02 had not been disclosed in the financial statements.	It was informed that there is not sufficient knowledgeable staff, action will be taken to prevent delays and submit the financial statements in future.	Action should be taken in accordance with Sri Lanka Public Sector Accounting Standards.
(c)	A statement of changes in equity, which is required to be included in the financial statements in accordance with paragraph 21(c) of Sri Lanka Public Sector Accounting Standard 01, had not been included in the set of financial statements.	It was informed that action will be taken to include the statement of changes in equity to the set of financial statements as indicated.	Action should be taken in accordance with Sri Lanka Public Sector Accounting Standards.

1.5.2 Accounting Deficiencies

Audit Observation	Comments of the Management	Recommendation
Although the budget estimates prepared for the year 2024 had estimated an amount of Rs. 100,000 as audit fee, the provision had not been made for that in the financial statements.	It was informed that action will be taken to take this matter to the next Executive Council and pay the audit fee.	Provisions should be made for accrued expenses.

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

	Reference to Laws, Rules Regulations etc.	Non-compliance	Comments of the Management	Recommendation
(a)	Financial Regulation 225(4) of the Code of Financial Regulations of the Democratic Socialist Republic of Sri Lanka.	Due to the failure to prepare a formal control system regarding the delegation of authority related to the payments of the board, the only officer who had been recruited to the staff on a temporary basis had prepared and checked the vouchers.	It was informed that this will be informed to the Executive Council and action will be taken to approve and recruit the staff.	Action should be taken in accordance with Financial Regulations.

2. Financial Review

2.1 Financial Results

The operating result of the year under review amounted to a surplus of Rs. 5,458,108 and the corresponding surplus in the preceding year amounted to Rs. 8,346,577. Therefore a deterioration amounting to Rs. 2,888,469 of the financial result was observed. The main reason for the deterioration was decreasing the income from investments.

3. Operational Review

3.1 Management Inefficiencies

	Audit Observation	Comments of the Management	Recommendation
(a)	Although the Rs. 12,500,000 had been included as the expected income to be earned from the sale of flags in the budget estimate prepared for the year 2024, the income from the sale of flags in the year 2024 was	Comments had not been given.	Proper methods need to be developed to achieve the relevant targets.

	only Rs. 180,600. Accordingly, there was a 98 percent variance between the estimate and the actual income. Furthermore, although the estimated expenditure of printing the flags for the year under review was Rs. 1,500,000, flag printing had not been carried out during the year and also a programme had not been implemented to sell the existing stock of flags.		
(b)	Although it was stated that the financial statements were submitted on time under Chapter 7 of the Performance Report of the Samastha Lanka Sasanarakshaka Mandalaya, the financial statements, which were to be submitted on or before 28 February, were submitted on 06 March 2025 and although it was stated that it was compliance with the preparation of the annual procurement plan, an annual procurement plan had not been prepared. Also, although it had been stated that it was in accordance with the requirement to provide written duty lists to staff members, action had not been taken accordingly.	Comments had not been given.	The performance report should be prepared included with accurate information.
(c)	The 05 tasks of providing assistance for surgeries of Dhamma school teachers, providing dry ration assistant to temples, providing assistance for houses of Buduputh Mapiya Upahara, providing building	Comments had not been given.	A proper work plan should be prepared to implement the programmes included in the action pan.

	assistance to temples and providing Sisusawiya scholarship assistance to Dhamma school students were identified as main tasks of the Samastha Lanka Sasanarakshaka Mandalaya and included into the annual action plan, but Sisusawiya scholarship assistance to Dhamma school students and building assistance for temples had not been provided after the year 2020. Furthermore, the provision of building assistance to temples was only made during the 2019-2021 period of the Covid-19 pandemic. It also not observed that a formal programme had been prepared to carry out the relevant tasks.		

3.2 Operational Inefficiencies

	Audit Observation	Comments of the Management	Recommendation
(a)	The Board had not taken action to identify the relevant authorities for the achievement of the general objectives (a) to (h) in terms of section 3 of the Samastha Lanka Sasanarakshaka Mandalaya (Incorporation) Act No. 16 of 2014 and the criterias and methodology had not been introduced regarding in how the Sasanarakshaka Mandalaya will support to identified authorities to achieving those objectives. As above, without identifying and implementing the tasks related to the establishment of the board as above, the funds of the Buduputh Mapiya Upahara trust were received by this Board without authority and an	It had been informed that noted to inform the Board of Executive.	Action should be taken in accordance with the provisions of the Act.

	expenditure of Rs. 400,000 was incurred as Buduputh housing assistance and an expenditure of Rs. 83,915 as 4 percent revenue charges of the Department of Public Trustee.		
(b)	In order to achieve the objectives in section 3(i) of the said Act or the methods to guide, supervise and coordinate the branches in the district and provincial levels to achieve the objectives of the Corporation (Board) had not been introduced.	It had been informed that coordination activities will be carried out through all regional Sasanarakshaka Mandala Registrars/ Chairmen, Venerable Theros, all District Secretaries/ Divisional Secretaries and Officers of Buddhist Affairs working at the district and regional levels.	Action should be taken in accordance with the provisions of the Act.
(c)	Although Board of Executive meetings were to be held once a month in accordance with paragraph 8.1 of the Samastha Lanka Sasanarakshaka Mandala revised rules approved in accordance with the provisions of sub-section 7(1) of the said Act, only 03 Board of Executive meetings were held during the year under review.	It had been informed that instructions were given to held meetings properly in future.	Action should be taken in accordance with the provisions of the Act.
(d)	According to the sub-section (1) (c) of section 7 of the Samastha Lanka Sasanarakshaka Mandala (Incorporation) Act No. 16 of 2014, rules had not been formulated regarding the appointments, powers, duties and functions and terms and conditions of the various officers, subordinates and employees of the Board and the staff had not been approved for the Board. Furthermore, action had not been taken to collect	It had been informed that a permanent staff related to the fund will be appointed and work delegation will be done properly and the money has been collected from members attending the Sasanarakshaka Mandala meetings yet now and it is not practical to collect money because the participants of the meetings are monks.	Action should be done complied with the provisions of the Act and if it is not practical to formulate rules regarding membership fees, the Act should be amended.

revenue to the Board by formulating rules regarding the payable charges by members in accordance with sub-section (1) (a) of section 7 of the Act.		

3.3 Underutilization of Funds

Audit Observation	Comments of the Management	Recommendation
The value of the fixed deposit maintained by the Board with the Peoples' Bank as at 31 December of the year under review was Rs. 62,086,356 and the interest of that for the relevant year was Rs. 5,053,417. However, it was observed that the funds were being invested without paying attention to the efficient use of the investment interest money to achieve the objectives of the Board in accordance with section 03 of the Samastha Lanka Sasanarakshaka Mandalaya (Incorporation) Act No. 16 of 2014.	It had been informed that noted to do in future.	Necessary actions should be taken to utilize funds in efficiently to achieve the objectives of the Board.

4. Accountability and Good Governance

4.1 Internal Audit

Audit Observation	Comments of the Management	Recommendation
According to sections 38(f) and 40 of the National Audit Act No. 19 of 2018, although the Accounting Officer of an audited entity shall ensure that there is an effective system for the proper execution of internal audit functions, action had not been taken accordingly and action had not been taken to conduct an audit even by the Internal Audit Division of the Department of Buddhist Affairs.	It had been informed that noted to discuss in the Audit and Management Committee meeting of the Department and with the Commissioner General of Buddhist Affairs.	Action should be taken in accordance with the provisions of the National Audit Act.

4.2 Audit Committee

Audit Observation	Comments of the Management	Recommendation
According to section 41(1) of the National Audit Act No. 19 of 2018, action had not been taken to appoint Audit and Management Committees or review the performance of the fund on a continuous basis by the departmental committee.	It had been informed that action will be taken to submit it to the Board of Exeutive.	Action should be taken in accordance with the provisions of the National Audit Act.

4.3 Budget Control

Audit Observation	Comments of the Management	Recommendation
According to the section 3 of Annexure 01 of Chapter 05 of the Guidelines on State-Owned Enterprises published by the Public Finance Circular No. 01/2021 dated 16 November 2021, a budget statement consisting with budgetary statement of income, budgetary statement of financial position, budgetary cash flow statement and a capital expenditure budget should be submitted to the Secretary of the Treasury and the Director General of Public Enterprises through the Secretary of the line ministry before 15 days to beginning of the next year, but a budget consisting with the above mentioned components had not been submitted and a budget statement containing only income and expenditure for the years 2022 and 2023 had been submitted on 12 January 2024.	It had been informed that noted to be follow-up.	Action should be taken in accordance with the provisions mentioned in the circular.