

Rehabilitation of the Visually Handicapped Trust Fund - 2024

1. Financial Statement

1.1 Qualified Opinion

The audit of the financial statements of the Rehabilitation of the Visually Handicapped Trust Fund for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024 and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and notes to the financial statements and 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 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 financial statements give a true and fair view of the financial position of 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 based 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 the 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 Institute 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 Institute 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 Responsibilities 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:

- 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 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; and
- 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 Audit Observations on the Preparation of Financial Statements

1.5.1 Internal Control over the Preparation of Financial Statements

Entities are required to “devise and maintain” a system of internal accounting controls sufficient to provide reasonable assurance that , transactions are executed in accordance with management’s general or specific authorization, transactions are recorded as necessary to permit preparation of financial statements in conformity with the applicable reporting standards , and to maintain accountability for assets, access to assets is permitted only in accordance with management’s general or specific authorization, and the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

1.5.2 Accounting Deficiencies

Audit Observation	Management Comment	Recommendation
(a) Receivable interest income of Rs.100,222 in the year under review had not been included in the financial statements.	Receivable interest relating to the fixed deposit in the People’s Bank from 24 October 2024 to 31 December 2024 was Rs.39,589 and withholding tax relevant to that Rs.1,979.	Receivable interest income should be included in the financial statements.
(b) Although the balance of fixed deposit should be accounted as Rs.5,321,437, due to accounted as Rs.5,416,919 the balance of fixed deposit had been overstated by Rs.95,482.	Out of the interest income receivable of Rs.100,508 deducting withholding tax, Rs.95,483 of net interest income has been capitalized to the balance of fixed deposit.	Balances should be accurately accounted.

1.5.3 Documentary Evidences not made available for Audit

Item	Amount Rs.	Evidence not available	Management Comment	Recommendation
(a) Lottery sales income and the amount had been given to the visually fund	843,700	Number of ticket books had been printed, number of ticket books given to sell,	The number of ticket books had been printed was 500 and the income received from that was 326,370. After deducting Rs.22,744 as expenses 30 percent out of the balance money for	Action should be taken to provide required books, registers and information for the audit of financial statements.

	details of receivers Number of ticket books sold and not sold.	Sports and Welfare Society of the Social Service Department and 70 percent for the Rehabilitation of the Visually Handicapped Trust Fund had been accounted and that ticket books not sold has been with the fund.	
(b) Printing of ticket books for stage drama	Number of ticket books had been printed, income of ticket books sold, Ticket books not sold and details of financial transactions.	The money given online from the institutes that have given advertisements for Souvenir, had been collected through the account of Sports and Welfare Society with the concurrence of the Secretary to the Ministry for minimizing difficulties and complications may occurred when collect through the current account of the fund and after collecting the money that has to be received further income also received from that divide as per the relevant ratios and action will be taken to account for it in the final accounts.	-Do-

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

Reference to Laws, Rules Regulations etc.	Non-compliance	Management Comment	Recommendation
Section 8.1 and 11 of Lottery Ordinance Act No.8 Of 1844	For the lottery draw which was being held to obtain financial assistance for the Rehabilitation of the Visually Handicapped Trust Fund of Social Service Department and Sports and Welfare Society of that Department, although the approval should be obtained from the Minister through the secretary to the Ministry, action had not been taken accordingly.	In accordance with the Section 8.1 and 11 of Lottery Ordinance Act No.8 Of 1844, action had not been taken to obtain the approval of the Minister in charge of the subject and these activities has been done according to the approval, instructions and guidance of the secretary to the Ministry.	Action should be taken compliance with the existing laws, rules and regulations.

2. Financial Review

2.1 Financial Results

The operating result of the year under review amounted to a surplus of Rs.1,262,573 and the corresponding surplus in the preceding year amounted to Rs.931,464. Therefore a surplus of Rs.331,109 of the financial result was observed. The increase in income had been mainly attributed to this improvement.

3. Operational Review

3.1 Management Inefficiencies

Audit Observation	Management Comment	Recommendation
All the financial activities of the stage drama that has been performed to obtain financial assistance for the Rehabilitation of the Visually Handicapped Trust Fund and Sports and Welfare Society of the Social Service Department had been occurred through the bank account of the Sports and Welfare Society. Although it has been estimated to give Rs.630,000 from the stage drama tickets sale to the Visually fund, only the Rs.163,338 had been given to the fund.	Also Rs.433,730 of income has received from the sale of ticket books, after deducting the expenses incurred for the drama and Rs.163,290 has been credited to the Visually Handicapped Trust Fund out of the balance amount of Rs.272,150 and Rs. 108,860 was being credited to the Sports and Welfare Society and tickets that were not sold has been safely with the fund.	Action should be taken to obtain the relevant income.

3.2 Operational Inefficiencies

Audit Observation	Management Comment	Recommendation
In the year under review an amount of Rs.150,000 to be given to three beneficiaries for given eye lenses has been included in the Action Plan however, Rs.51,650 provisions had been released only for one beneficiary at the end of the year. The financial and physical progress of the project was 34 percent.	Requisitions of eye lenses received to the fund have been limited. The Board of Management of the fund has also decided to provide more service by expanding the scope of contact lens service as contact lenses, eye treatments eye equipment from the year 2025.	The activities planned to fulfill during the year should be completed.