

Prisoners' Welfare Fund - 2012

1. Financial Statements

1.1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 1.2 of this report, the financial statements give a true and fair view of the financial position of the Prisoners' Welfare Fund of the Department of Prisons as at 31 December 2012 and its financial performance for the year then ended in accordance with the Generally Accepted Accounting Principles.

1.2 Comments on Financial Statements

1.2.1 Accounting Deficiencies

The following accounting deficiencies were observed.

- (a.) The assets donated to 10 Prisons institutions including Televisions, DVD Players and Sports Equipment had not been valued and accounted for while a Samsung DVD player valued at Rs. 5,000 received as donation to the Anuradapura Prison from Ministry of Health had been accounted as Rs. 50,000.
- (b.) The expenditure on rewards given to prisoners of the Bogambara Prison amounting to Rs. 77,350 had not been accounted for.
- (c.) Even though the value of correct depreciation on the donated assets received during the year 2012 was Rs. 107,241 it had been accounted as Rs. 137,155 as such the value of depreciation had been overstated by Rs. 29,914.

2. Financial Review

2.1 Financial Results

The financial results of the Fund for the year under review had been a deficit of Rs.721,303 as compared with the corresponding deficit of Rs. 699,262 for the preceding year. The income of the Fund decreased by Rs. 87,453 and the decrease in the

expenditure by Rs. 65,413 had been the reasons for the deterioration in the financial result by Rs. 22,040.

3. **Operating Review**

3.1 **Performance**

The income of the Fund for the year under review was Rs. 2,370,853 and Rs. 1,447,558 had been incurred for the wellbeing of the Prisoners. Details are shown below.

Item of Expenditure	Amount incurred as Expenditure
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	Rs.
Spiritual and Religious Wellbeing of the Prisoners	459,248
Education and Welfare of Prisoners	315,545
Supply of Recreational and other Facilities for Prisoners	585,242
Rewards Given to Prisoners	57,203
Expenditure for Post Custodial Services Activities of Prisoners	30,320

	1,447,558
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4. **Accountability and Good Governance**

4.1 **Budgetary Control**

The following deficiencies were observed.

- (a.) The decreased ranging from 32 per cent to 99 per cent between the budgeted receipts and actual receipts relating to 12 Prisons Institutes was observed thus indicating that the recovery of estimated income had been at weak position.
- (b.) The variance between the estimated and actual income and expenditure of the Prisoners' Welfare Fund ranged between 19 per cent and 100 per cent thus

observed that the budget had not been made use of as an effective instrument of management control.

4.2 Internal Audit

The Internal Audit Programmes of the activities of the Prisoners' Welfare Fund had not been prepared and implemented.

5. Systems and Controls

Deficiencies observed during the course of audit were brought to the notice of the Commissioner General of Prisons from time to time. Special attention is needed in respect of the following areas of control.

- (a.) Budgetary Control
- (b.) Control over the Fund
- (c.) Prisoners' Welfare