

## Buddhasasana Fund - 2020

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The audit of the operational affairs of the Buddhasasana Fund for the year ended 31 December 2020 was carried out under my direction in pursuance of 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. According to the Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka, my comments and observations which I consider should be report to Parliament appear in this report.

### 1. Financial Statements

#### 1.1 Responsibilities of Management and Those Charged with Governance for the Submission of Financial Statements

According to section 16(1) of the National Audit Act No. 19 of 2018, every audited entity should be maintained proper books and records of its income, expenditure, assets and liabilities to enable it to prepare annual and periodic financial statements in relation to that entity. According to section 16(2) of the said Act, the annual financial statements in relation to the each audited entity should be submitted by the Chief Accounting Officer to the Auditor General together with the annual performance reports of the said entities within such period as may be prescribed by rules. According to the section 38(1) (d) of the said Act, it shall be ensured that the annual reports and other financial statements are prepared within the required time and in addition, the Chief Accounting Officer should ensure that annual reports related to the audited entity are submitted to the Parliament.

#### 1.2 Non-submission of Financial Statements for Audit

According to Public Accounts Circular No. PF/423 dated 22 December 2006 and Financial Regulation 877(2) (d) inserted by paragraph 15 of Public Finance Circular No. 01/2020 dated 28 August 2020, although the financial statements should be submitted to the Auditor General within 02 months after the end of the accounting year, the financial statements for the year under review had not been submitted as at the date of this report.

### 2. Operational Review

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

	<u>Reference to the Laws, Rules and Regulations</u>	<u>Non-compliance</u>	<u>Comments of the Management</u>	<u>Recommendation</u>
(a)	Section 13 of the Buddhasasana fund Act No. 35 of 1990	Although arrangements should be made to send the report and statement prepared by the Auditor General to the Parliament, the reports for the years 2016, 2017 and 2018 had not been submitted to the Parliament as at the date of this report.	All necessary arrangements have been made to submit the reports for the years 2016 and 2017 to the Parliament and arrangements are being made to submit the reports of 2018 and 2019 to the Parliament as soon as possible.	Should be act as per the provisions of the Act.

(b) Code of Financial Regulations of the Democratic Socialist Republic of Sri Lanka Financial Regulation 757	A board of survey should be conducted and should be submitted report to the Auditor General at the end of the accounting year, but this was not done.	A board of survey has been appointed on 31/12/2022 and instructions have been given to conduct the said survey and submit the report to the audit.	Should be act as per the Financial Regulations.
(c) 133 (b) of the Code of Financial Regulations, paragraph 03 of the Department of Management Audit Circular No. DMA/2009(1) dated 09 June 2009 and section 38 of the National Audit Act No. 19 of 2018.	An internal audit of the fund was supposed to be conducted, but no internal audit was conducted in related to the fund during the year under review.	No internal audit queries have been received for the year 2020.	Should be followed the provisions of the National Audit Act and the Financial Regulations.

## 2.2 Lack of written Evidences for Audit

<u>Audit Observation</u>	<u>Comments of the Management</u>	<u>Recommendation</u>
Although every payment should be supported by a receipt (duly stamped where necessary) from the contributor after the gross amount mentioned in the voucher has been received according to the Financial Regulation 264 of the Code of Financial Regulations of the Democratic Socialist Republic of Sri Lanka, it was observed during the sample audit that the invoices related to the payments of Rs. 1,903,671 were not submitted. Further, it was also observed that receipts/ invoices related to other payments were attached along with relevant payment vouchers without verification.	<p>Out of the payment vouchers amounting to Rs. 1,903,671,</p> <ul style="list-style-type: none"> <li>• A confirmation of payment of overtime and travel expenses can be obtained from the officers and submitted.</li> <li>• Most of the monks who have made medical payments have sent invoices and filed the invoices in a separate file.</li> <li>• Verification of cash payments under Sanitation project was done and instructions were given to submit for audit.</li> <li>• Officers have been</li> </ul>	Every payment should be confirmed by a receipt from the payee that the gross amount, mentioned in the voucher has been received.

instructed to obtain invoices from the contributor for all future payments.

While paying for the projects by Buddhasasana Fund, the followed procedure is to make the payment of next month after the receiving of the payment of previous month. Accordingly, in order to confirm the payment, the invoice is attached to the relevant voucher and the related voucher files are being corrected.

### 2.3 Management Inefficiencies

	<u>Audit Observation</u>	<u>Comments of the Management</u>	<u>Recommendation</u>
(a)	It was observed that in case of payments such as allowances and grants from the fund, in many cases, the payments are made after a few months after the expiry of the relevant period. Accordingly, there were 18 instances of delays ranging from 04 months to 24 months related to a total of Rs. 4,160,656.	The procedure of the payments for projects followed by Buddhasasana Fund is to make payments in the next month after receiving the invoice related to the payment made in the previous month. Accordingly, due to delays in receiving invoice, payments are also delayed. At present, a programme has been prepared to bring the invoices quickly by contacting the Buddhist Affairs Coordinating Officer.	That the relevant grants, allowances etc. payments should be paid without delay.
(b)	The value of the stock of Buddhist scriptures belonging to the fund is Rs. 6,953,882 according to the financial statements of the year 2019, but no survey was conducted after the year 2016.	A board of goods and stock survey has been appointed on 31/12/2022 and instructions have been given to conduct the said survey and submit the report to the audit.	A sock survey should be conducted once every year.

### 3. Accountability and Good Governance

	<u>Audit Observation</u>	<u>Comments of the Management</u>	<u>Recommendation</u>
	As no progress report was prepared in relation to the approved action plan for the year 2020, it was not possible to check whether the intended objectives of the fund were achieved during the audit.	A performance report for the year 2020 has been submitted by the 84 <sup>th</sup> Governing Board reports.	A performance report should be prepared in accordance with the action plan.