

## National Council for Persons with Disabilities - 2020

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### 1. Financial Statements

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#### 1.1 Audit Opinion

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The audit of the financial statements of the National Council for Persons with Disabilities for the year ended 31 December 2020 comprising the statement of financial position as at 31 December 2020 and the statement of financial performance, statement of changes in equity and cash flow statement and notes to financial statements for the year then ended including a summary of significant 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 and the Finance Act, No. 38 of 1971. My comments and observations which I consider should be presented in Parliament appear in this report.

In my opinion, the financial statements of the National Council for Persons with Disabilities give a true and fair view of the financial position of the Council as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with the Sri Lanka Public Sector Accounting Standards.

#### 1.2 Basis for Opinion

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I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuS). 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 opinion.

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

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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 determines 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 Council'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 Council or to cease operations, or has no realistic alternative but to do so.

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

As per Sub-section 16(1) of the National Audit Act, No. 19 of 2018, the Council 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 Council.

#### 1.4 Scope of the Audit (Auditor's Responsibilities for the Audit of the Financial Statements)

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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 the report of the Auditor General 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 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 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 Council'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 Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit 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 audit report. However, future events or conditions may cause the Council 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 Council and whether such systems, procedures, books, records and other documents are in effective operation;
- Whether the Council has complied with applicable written law, or other general or special directions issued by the governing body of the Council ;
- Whether the Council has performed according to its powers, functions and duties; and
- Whether the resources of the Council had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

## 1.5 Financial Statements

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### 1.5.1 Internal Control over the Preparation of Financial Statements

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The Council is 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.

## 2. Financial Review

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### 2.1 Financial Results

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The operating result of the year under review was a deficiency of Rs. 7,266,192 as against the surplus of the preceding year amounting to Rs. 4,551,252, thus observing a deterioration of Rs. 11,817,444 in the financial result. The reasons such as, the decrease in the Government grants given to the Council during the year by a sum of Rs. 8,504,760, and the decrease in the contribution of the *Supiri Wasana Sampatha* lottery by Rs. 8,444,184 had mainly attributed to the said deterioration.

## 3. Operating Review

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### 3.1 Operating Inefficiencies

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Audit Observation	Comment of the Management	Recommendation
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Benefits had been provided for 1976	As the field duties were carried out with the spread of Covid-19	Follow up action should be taken by collecting the

persons during the year pandemic in the year 2020, action progress reports. under review by is being taken to collect the progress reports. incurring a sum of progress reports. Rs.26.17 million in terms of education assistance, medical assistance, and assistance for self-employment, under an aid programme targeting low income persons with disabilities. Action had not been taken by the Divisional Secretariat to timely obtain follow up reports with respect to the assistance so provided.

### 3.2 Delays in Projects or Capital Works

Audit Observation	Comment of the Management	Recommendation
<p>Provision totaling Rs.13,500,000 had been made in the year 2019 for setting up a database on the disabled. All the 25 districts should have been covered in the project though, the project had been implemented spending Rs.1,900,000 as a pilot project covering only 03 Grama Niladhari divisions of the Divisional Secretariat, Narammala. However, this programme had not been implemented in the year 2020.</p>	<p>An allocation of Rs. 02 million had been made for the first quarter of the year 2020, but the project had to be suspended due to Covid-19 pandemic. As no more provision had been made thereon, a comprehensive census could not be carried out. Furthermore, it is planned to collect data on the disabled in the census scheduled to be conducted in the year 2021 by the Department of Census and Statistics.</p>	<p>An information system required for the Council in decision making, should be promptly developed.</p>

3.3 Human Resource Management

----- Audit Observation -----	----- Comment of the Management -----	----- Recommendation -----
<p>(a) The Secretariat was entrusted with taking legal action in terms of Directive No. 01 of 2016 relating to the facilitation of accessibility for the disabled, taking follow up action on providing accessibility for the disabled, supervision, and the responsibility of the affairs in that connection. However, those responsibilities could not be successfully executed due to failure in recruiting a Technical Officer in the approved cadre.</p>	<p>The Director of Combined Services has been requested to recruit a Technical Officer.</p>	<p>Action should be taken to fill vacancies in the essential posts.</p>
<p>(b) Forty employees had been approved for 16 posts of the Council in terms of the Letter, No. DMS/B01/41/03 of the Department of Management Services dated 19 March 2018. Fourteen vacancies in the posts of Technical Officer, Sign Language Translator, and Braille Instructor had remained vacant therein.</p>	<p>Schemes of Recruitment for the posts of Sign Language Translator and Braille Instructor have been prepared and forwarded for approval. The Director General of Combined Services have been informed for filling the vacancies in the posts of Technical Officer and Management Service Officers.</p>	<p>Action should be taken to make recruitments for the vacant posts.</p>