

## **Asia Pacific Disaster Response Fund Covid 19 emergency Response Project 2020/2021**

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The audit of financial statements of the Asia Pacific Disaster Response Fund Covid 19 emergency Response Project for the Accounting period from 08 June 2020 to 31 March 2021 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 in section 4.01(a) of the Grant Agreement No.0702-SRI dated 08 June 2020 entered into between the Democratic Socialist Republic of Sri Lanka and the Asian Development Bank.. My comments and observations which I consider should be reported to Parliament appear in this report

### **1.2 Implementation, Objectives, Funding and Duration of the Project**

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According to the Grant Agreement, the Ministry of Health is the Executing Agency and Health Sector Enhancement Project is the Implementing Agency of the Project. The objective of the Project is assist Sri Lanka in its response to the Novel Coronavirus (COVID-19) pandemic. This fund was used to enhanced the diagnostic capacity of Covid 19 and provide facilities for the health staff.

As per the Grant Agreement, the estimated total cost of the Project was US\$ 3 million equivalent to Rs.556.97 million was agreed to be financed by the Asian Development Bank. The Project had commenced its activities on 08 June 2020 and scheduled to be completed by 08 March 2021.

### **1.3 Opinion**

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In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Project as at 31 March 2021, statement of expenditure and its cash flows for the Accounting period then ended in accordance with Sri Lanka Accounting Standards. .

### **1.4 Basis for Opinion**

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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 opinion.

### **1.5 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 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.

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

## **1.6 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 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 internal control of the Project.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

## **2. Progress of the Project Activities**

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The total amount of US \$ 3 million provided by the Asian Development Bank for this project was spent during the project period.