

Buddhasasana Fund – 2021

The audit of the operational affairs of the Buddhasasana Fund for the year ended 31 December 2021 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	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	Should be act as per the provisions of the Act.

		Parliament as at the date of this report.	and 2019 to the Parliament as soon as possible.
(b)	Code of Financial Regulations of the Democratic Socialist Republic of Sri Lanka		
(i)	Financial Regulation 371 (2)	The sub imprest obtained for a specific work should be settled as soon as the relevant work is completed, but it was not done accordingly. Over 14 days had been spent to settle the advance amount of Rs. 90,000 which had been paid on 03 occasions and it was also observed that the retained money was in by hand until the advances were settled.	Officers have been instructed to settle the advances within the stipulated period and to follow all the procedures including obtaining signatures from the relevant person at the time of paying the advances and to avoid such weaknesses in future.
(ii)	Financial Regulation 757	A board of survey should be done and the report submitted to the Auditor General at the end of the accounting year, but that was not done.	A board of survey has been appointed on 31/12/2022 and instructions have been given to conduct the survey and submit the reports to the audit.
(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.	Although an internal audit of the fund should have been conducted, no internal audit was conducted in relation to the fund during the year under review.	No internal audit queries have been received for the year 2021.
			Should be act as per the Financial Regulations.
			Should be act as per the Financial Regulations.
			That should be follow 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	Out of the payment vouchers amounting to Rs. 4,845,140, <ul style="list-style-type: none"> The officers have settled 	That each payment should be confirmed by a

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. 4,845,140 were not submitted. Further, it was also observed that receipts/ invoices related to other payments were attached along with relevant payment vouchers without verification.

- the advance amount. receipt from the payee that the gross amount stated in voucher has been received.
- Proof of overtime and travel expenses can be obtained and submitted.
- Most receipts for Medicare payments are sent and filed in a separate file.
- Payments under sanitation project have been made to the Divisional Secretaries and progress has been taken. As the receipt has not been taken, it was advised to confirm the payment and submit it for audit.
- Instructions have been given to the officers to obtain receipts for all future payments.
- When paying for projects, payments are made in next month after receiving the receipt of previous month's payment. Accordingly, the receipt is attached to the voucher and the correction is being made to confirm the payment.

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 instances of delays ranging from 01 month to 10 months related to a total of Rs. 482,500.	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. 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.

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| (b) | According to the financial statements of the year 2019, although the fund has a stock of Buddhajayanthi coins worth Rs. 317,400, a survey of the coins had not been carried out at the date of this report. | It is planned to appoint a new board and carry out survey in the year 2023. | A stock survey should be conducted once every year. |
| (c) | According to the financial statements of the year 2019, the value of the stock of Buddhist scriptures belonging to the fund is Rs. 6,953,882, but a survey was not conducted after the year 2016. | 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. | A stock survey should be conducted once every year. |

2.4 Underutilization of Funds

<u>Audit Observation</u>	<u>Comments of the Management</u>	<u>Recommendation</u>
According to the income and expenditure reports, Rs. 48,446,525 was received as income of the fund in the year under review, but Rs. 21,766,115 out of that, that is only 44 percent had been spent for the purposes of the fund. Although the role of fund is to use funds for the most worthy causes of protecting and nurturing the Buddha Sasana, there were no arrangements to implement the programmes in accordance with the income received by the fund annually.	I would like to inform that we will identify new projects that can be implemented by the Buddhasasana fund and take the necessary steps to implement those projects with the approval of the Governing Board for the next year.	The income of the fund should be used efficiently to fulfill the objectives of the fund.

3. Accountability and Good Governance

3.1 Action Plan

<u>Audit Observation</u>	<u>Comments of the Management</u>	<u>Recommendation</u>
A cabinet decision was taken in the year 2020 to abolish the Buddhist Revival fund under the ministry and transfer the balances of the accounts under that fund to the account of Buddhasasana fund, to further follow-up the work done under that fund and carry out further work by the Buddhasasana fund and to use those funds to carry out the tasks to be done for the advancement of Buddhasasana in a more systematic manner, but there was no action include it in the 2021 Action Plan and to do related activities in that regard.	<p>I kindly inform you that the following 02 new projects will be commenced and maintained from the year 2021 in order to close the Buddhist Revival fund and fulfill its objectives.</p> <ul style="list-style-type: none"> • Payment of monthly allowance for the care of monks above 90 years of age. • Provision of library facilities for Novice institutions, Piriven and Dhamma schools. 	That the work to be done for the advancement of the Buddha sasana should be included in the Action Plan.

3.2 Performance

<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 2021, it was not possible to check whether the intended objectives of the fund were achieved during the audit.	A performance report for the year 2021 has been submitted by the 85 th Governing Board reports.	A performance report should be prepared in accordance with the action plan.