

Ambuluwawa Dissanayake Mudiyansele Jayaratne Religious Centre and Bio-diversity Complex Trust Fund - 2019

The audit of the operating activities of the Ambuluwawa Dissanayake Mudiyansele Jayaratne Religious Centre and Bio-diversity Complex Trust Fund for the year ended 31 December 2019 was carried out under my direction in pursuance of provisions in Article 154 (3) of the Constitution of the Democratic Socialist Republic of Sri Lanka to be read in conjunction with provisions of Section 10 (4) of the Ambuluwawa Dissanayake Mudiyansele Jayaratne Religious Centre and Bio-diversity Complex Trust Fund Act , No. 44 of 2009 and provisions of the National Audit Act, No.19 of 2018.

1.2 Responsibilities of Management and Those Charged with Governance for the Presentation of Financial Statements

As per Section 16 (1) of the National Audit Act No. 19 of 2018, every auditee entity shall maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared in respect of such entity. According to Section 16 (2) of that Act, the Annual financial statements of every auditee entity, shall be submitted by the Chief Accounting Officer to the Auditor-General along with the annual performance reports, within such period as may be provided by rules. Further, in accordance with Section 38 (1) of the Act, it is required to ensure the timely preparation and submission of annual and other financial statements and in addition the Chief Accounting Officer shall be required to submit annual reports to Parliament pertaining to the auditee entity. However, the financial statements for the year 2019 which should be presented to audit within 60 days from the close of the year of accounts in accordance with Treasurs Circular No.01/2004 dated 24 February 2004 had not been presented to audit even by the date of this report.

2. Audit Observations

2.1 Lack of Documentary Evidence for Audit

Audit Observation	Comment of the Management	Recommendation
Although documents such as bills, receipts, stock confirmations that establish the relevant value and functions indicated in the payment vouchers should be submitted together with the vouchers as evidence in support of the payment, any written evidence had not been furnished in respect of payments totaling Rs. 1,386,630 made on 09 occasions during the year under review.	A misplacement of bills had taken place due to a mistake. Action will be taken to prevent this mistakes in the future.	Relevant confirmation source documents should be submitted together with the payment vouchers.

2.2 Non-compliance with Laws, Rules, and Regulations

Non-compliances with Laws, Rules, and Regulations observed during the course of audit test check are given below.

Reference to Laws, Rules, Regulations etc.	Non-compliances	Comment of the Management	Recommendation
Financial Regulations of the Democratic Socialist Republic of Sri Lanka			
i. Financial Regulation 137	Without approving payments as per Regulations, a sum of Rs.17,191,909 had been paid through 162 vouchers.	It is accepted that a mistake has taken place. All expenses incurred during each period have been approved at the meetings of the Board of Trustees.	Payments should be approved in accordance with Regulations.
ii. Financial Regulations 138 and 257	Although payments should be made only for the certified vouchers, payments of Rs.17,845,862 had been made without certifying 171 vouchers during the year under review.	It is accepted that a mistake has taken place. All expenses incurred during each period have been approved at the meetings of the Board of Trustees.	Action should be taken in accordance with the Regulations.
iii. Financial Regulation 139	Although the officer who is empowered to make payments should certify to the effect that the amount shown on the face of the voucher is duly paid, and the fact of payment noted on the voucher by means of a "PAID" stamp, and initialed, action had not been taken accordingly in respect of payments of Rs.17,845,862 made by 171 vouchers during the year under review.	Necessary steps have been duly taken by preventing this mistake.	Action should be taken in accordance with the Regulations in making payments.

iv.	Financial Regulation 272 (3)	Eight vouchers relevant to the payments amounting to Rs.146,950 had not been furnished to audit.	Payment vouchers have been misplaced due to a mistake. Action will be taken to prevent the recurrence of such mistakes in the future and accordingly, surveillance system will be adopted.	Action should be taken in accordance with the Regulations.
v.	Financial Regulation 1646	Running Charts of 03 vehicles belonging to the Ambuluwawa Bio-diversity Complex had not been furnished to the audit monthly during the year under review.	As the vehicles were operated within the Complex alone, Running Charts were not used.	Running Charts should be furnished to the audit monthly as per the Regulations.

3. Operating Review

3.1 Management Inefficiencies

Audit Observation	Comment of the Management	Recommendation
A vehicle had been purchased from a private company by paying a sum of Rs.5,157,117 and Procurement Guidelines had not been followed for the said purchase.	The purchase has been made at an value less than the valuation.	Action should be taken in accordance with the Procurement Guidelines.

3.2 Operating Inefficiencies

Audit Observation	Comment of the Management	Recommendation
Out of the 20 objectives from “a” to “t” in Section 4 of the Ambuluwawa Bio-diversity Complex Trust Fund Act, No. 44 of 2009, the Fund had not taken adequate steps to achieve the objectives of providing adequate facilities for the improvement of	More attention has been drawn to involve skilled and unskilled labourers in implementing various development projects within the Complex using income received by the Fund and to assist their existence on payment of a reasonable wage,	Adequate steps should be taken to achieve objectives of the Fund.

sports and recreation capabilities of people, encouraging the farmers and establishment of youth farmers organizations within the community, improving the area round the Ambuluwawa mountain range and encouraging people to intelligently invest in banks and other financial institutions, during the year under review.

assist upgrading their living standard, create a team of skilled labourers in various fields for future activities and thereby ameliorating their economic standard and develop sound correlations within social and economic activities.

3.3 Transactions of Contentious Nature

Audit Observation	Comment of the Management	Recommendation
<p>Although stones had been broken and removed at a cost of Rs.265,500 to carve a Granite Budda's Image, action had not been taken to measure and use those stones for effective purpose.</p>	<p>It is not possible to pile up stones according to the location of this project and payments have been made as per the assessments made before and after the explosion. More quantity of stones fell into the precipice below during the explosions.</p>	<p>Action should be taken to measure and use the stones thus broken for effective purpose.</p>

3.4 Idle and Underutilized Assets

Audit Observation	Comment of the Management	Recommendation
<p>The library building of the Ambuluwawa Fund worth Rs. 5,400,000, a circuit bungalow worth Rs. 2,500,000 and a theater of which the value was not submitted to the audit had not been utilized for any purpose during the year under review.</p>	<p>Action has been taken to use these assets with effect from the year 2021 and measures have been taken to lease them to a third party as per the Government terms.</p>	<p>Action should be taken to use the assets effectively.</p>