

# **Annual Report - 2021**



**Welfare Benefits Board**

**Ministry of Finance, Economic Stabilization &  
National Policies**

# ANNUAL PERFORMANCE REPORT FOR THE YEAR 2021

**Name of the institution: Welfare Benefits Board**

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## ACRONYMS

- WBB – Welfare Benefits Board
- WB Act – Welfare Benefits Act No 24 of 2002 of the Democratic Republic of Sri Lanka
- WB – World Bank
- WBIU – Welfare Beneficiary Information Unit
- WBS – Welfare Benefit Scheme
- BCP – Business Continuity Plan
- DRMS – Disaster Recovery Management System
- DS – District Secretariat
- HR - Human Resource
- MSD –Management Services Department
- ICT – Information Communication Technology
- ICTA – Information Communication Technology Agency
- IIT – Informatics International Limited
- IT - Information Technology
- IWMS – Integrated Welfare Management System
- IEC – Information Educational & Communication
- SSNP – Social Safety Nets Project
- SRIS – Social Registry Information System
- SRU – Social Registry Unit
- SQL – Structured Query Language
- PMU – Project Management Unit of the Ministry of Finance
- TOR – Terms of Reference

## **CHAPTER 1 - THE ORGANIZATION**

### **1.1 Mission**

The mission of the Welfare Benefits Board was identified and developed in relation to meet the objectives of Act, the Social Safety Nets Project and emerging needs for reform of the Sri Lanka welfare sector. Thus, the Mission statement will be as follows.

*“Develop and implement a coherent welfare benefits management system for all targeted benefits schemes ensuring transparency and equity in selecting beneficiaries”.*

### **1.2 Legal Framework**

WBB was established in July 2016 in terms of Section 3 of Welfare Benefits Act No. 24 of 2002, which came into operation again on 15<sup>th</sup> February 2016 under the Extraordinary Gazette Notification No. 1952/22 of 02<sup>nd</sup> February 2016 of Democratic Socialist Republic of Sri Lanka. The Board comprises Chairman and four members who are appointed in July 2016 for a three -year term by the Minister in charge of the subject of finance in consultation with the Constitutional Council as per Section 2 of WB Act.

The main objectives of the Act will be as follows.

- To provide the legal framework for the payment of all welfare benefits.
- To set out a transparent process for identification the recipients of benefits.
- Provisions for termination of such benefits.

### **1.3 Functions of Welfare Benefits Board**

Following main functions for the realization of the aforesaid objects;

- To exercise, perform and discharge powers, duties and functions conferred on or assigned to it, by the Act.
- To delegate powers to any of District Secretary, Divisional Secretary or Grama Niladhari or public officer any power, duty or function vested in the Board.
- Establishment of Welfare Benefit Schemes.

- Develop the criteria for eligibility.
- Specify the financial allocation in terms of a Scheme.
- Specify the date of commencement of the Scheme.
- Specify the financial or other benefits to be granted.
- State the period for which persons are entitled to receive benefits.

## CHAPTER 2 - OVERVIEW

WBB, which was established under the Welfare Benefits Act (2002) and has the mandate to develop transparent processes for enrollment, grievance redress and payment of beneficiaries of welfare programs. Four main programs will initially be implemented by the WBB. Those programs are Samurdhi, Elderly Allowance, Disability Allowance and Allowance for Chronic Kidney Disease Patients. SSNP is the supporting agency funded by the WB for the establishment of WBB

The SSNP is being implemented by the Ministry of Finance, Economic Stabilization & National Policies. The main objective of the Social Safety Nets Project is to improve the equity, efficiency, transparency of welfare programs in Sri Lanka. After completion of successful five years' time, WBB will be responsible body for the system which we known as IWMS.

This IWMS system carried out some significant influence to the Government of Sri Lanka. Mainly through this we can improve efficiency and effectiveness of the targeted welfare delivery programs. As we all aware, there is a massive inclusion and exclusion error occurring with reference to distribution among general public specially in “Samurdhi” program. Through this system we can be made welfare programs more transparent and accountable, in addressing the urgent needs of low-income communities and isolated regions in the country and also minimize errors and promote adoption of the accurate process in selection of beneficiaries by introducing appropriate selection criteria across the programs at divisional secretariat and national level.

In addition to this improve the accessibility and responsiveness of social welfare services, reduce transaction costs to the government and this will be redirect to invest considerable amount of money through this system. Also, this earn money can be used to some other part of the country. A part from that, we can be improved the necessary ICT and human capacities required to ensure the best use of resources allocated for integrated social welfare management programs and enhance the monitoring and evaluation skills.

## CHAPTER 3 – ACTION PLAN & PROGREE REVIEW

### 3.1 Action plan for 2021

This table presents the details on the activities planned and carried out during the year of 2021.

Strategy	Program	Activities / Sub activities
<b>1. To develop / implement a welfare management system</b>		
1.1 Strengthen reliability of the SRIS	1.1.1 Implement Disaster recovery management system	1.1.1.1 Implement Disaster recovery management system for server operations
		1.1.1.2 Distribute instructions to Divisional secretariat offices according to the BCP
1.2 Establishment of SRIS	1.2.1 Final project sign - off	1.2.1.1 Conduct knowledge transfer session for WBB from the SRIS contractor
		1.2.1.2 Final project handing over
		1.2.1.3 Prepare and distribute IEC materials of materials of SRIS
1.3 Population of Data	1.3.1 Data migration process	1.3.1.1 Data migration
		1.3.1.2 Verification and user acceptance
1.4 Population of Data	1.4.1 Data verification and SRIS update	1.4.1.1 Develop a mobile application for Data verification
		1.4.1.2 Cross check with existing Data
1.5 Cross -platform client for postage SQL databases	1.5.1 Develop to execute and analyze custom SQL queries to get load browser view data	1.5.1.1 Enable and query data export to CSV / JSON / XML
		1.5.1.2 Cross - platform support Cross-platform support OSX/Linux/Windows 32/64-bit
<b>2. To ensure sustainability</b>		
2.1 Implementation of IT policy	2.1.1 Introduce an IT and security policy for internal stake holders of SRIS	2.1.1.1 Develop master plan / policy for WBB
		2.1.1.2 Identification of resource personnel
		2.1.1.3 Finalize IT and Security Policy
		2.1.1.4 Official endorsement of IT and security policy
		2.1.1.5 Develop and distribute IT and security policy manuals for SRIS users

		2.1.1.6 Conduct awareness programs on IT and security policy for all SRIS stakeholders and higher authorities
2.2 Capacity development	2.2.1 Conduct HR Develop programs	2.2.1.1 Conduct short term training programs for WBB
		2.2.1.2 Conduct short term training programs for WBIU officers
		2.2.1.3 Conduct long term training programs for SRU Officers
		2.2.1.4 Conduct awareness and training sessions DS
2.3 Continuous improvement of SRIS	2.3.1 Total quality management system	2.3.1.1 Conduct meetings and workshops
		2.3.1.2 Conduct training sessions
		2.3.1.3 Conduct surveys
		2.3.1.4 Organize and implement IT audit while the SRIS is in the live operation
2.4 Maintenance of records	2.4.1 Inventory management system	2.4.1.1 Asset inventory for IT and network equipment should be formed related to SRIS
2.5 Establishment of policy and procedures	2.5.1 Develop policy and procedure for disposals for modification	2.5.1.1 Develop a formal hardware and records disposal procedure with relevant authorities related to SRIS
<b>3. To strengthen and Update institutional setup</b>		
3.1 Strengthen Institutional structure	3.1.1 Restructuring of organizational structure to support live operation of SRIS (WBB / DS)	3.1.1.1 Create new carder positions and revisit existing carders to support the live operations of SRIS
		3.1.1.2 Prepare and finalize the Terms of reference to support the re-structured organizational structure of WBB
		3.1.1.3 Perform requirement procedure and work assignment for according to the prepared TOR's
		3.1.1.4 Prepare and finalize the Terms of reference to support the DS Level operations
		3.1.1.5 Identify the infrastructure at WBB level
		3.1.1.6 Identify the infrastructure at DS level
		3.1.1.7 Establishment of office setup for Welfare programs DS office

		3.1.1.8 WBIU human resources
		3.1.1.9 Develop a database for WBIU monitoring
<b>4. Establish monitoring system</b>		
4.1 Attending to day to day operations of the SRIS	4.1.1 Live operation of the SRIS system	4.1.1.1 Establish help desk operations for SRIS
		4.1.1.2 Conduct training sessions
		4.1.1.3 Coordinate on system modifications
		4.1.1.4 Establish SRIS user management and monitoring system
<b>5. Data sharing and develop integrated system</b>		
5.1 Effective communication	5.1.1 Establish formal communication System	5.1.1.1 Develop and communicate the adequate communication strategies among project stake holder
5.2 Move the system from SRIS to IWMS	5.2.1. Develop a complete system including all welfare programs and payment module	5.2.1.1 Study on disbursement module
<b>6. Information Welfare Management System (IWMS) launching</b>		
6.1 Finalize IWMS	6.1.1 SSNP hand over the system to WBB	6.1.1.1 Open IWMS portal for general public
6.2 Establish IWMS monitoring system	6.2.1 Follow up the system correctly	6.2.1.1 Identification of technical & other failures in the system (IWMS)
		6.2.1.2 Implement & develop the security policy to protect the system from failures
		6.2.1.3 Maintain the system with clear & accurate database to proper continuous going
<b>7. Knowledge transferring</b>		
7.1 Conduct different type of knowledge transfer programs	7.1.1 Conduct training programs	7.1.1.1 Conduct awareness programs & workshops to brush up the knowledge of the users
		7.1.1.2 Conduct training programs for the staff of WBB.

		7.1.1.3 Conduct training programs for DS and other high authorized responsible parties
		7.1.1.4 Operational environment supervision visits
<b>8. Restructuring and expansions of the organizational structure (WBB)</b>		
8.1 Schedule & develop office environment	8.1.1 Staff recruitment	8.1.1.1 New carder creation
		8.1.1.2 Get the approval from the MSD for newly carder creation positions (Identify the gaps of existing organization structure & fulfill them through the best placements)
		8.1.1.3 Interview and recruit the staff
		8.1.1.4 Well - train the staff for optimum service
	8.1.2 Shifting of WBB Location	8.1.2.1 WBB location shift to "Mehewara Piyasa" Building
	8.1.3 institutional set - up	8.1.3.1 Implement server operation room
		8.1.3.2 Office equipment and stationary item purchasing
		8.1.3.3 Interior designing

Table 1: Action plan

### 3.2 Performance based on the Action plan

<b>1. To develop / implement a welfare management system</b>	
<b>Strategy</b>	<b>Progress / Remarks</b>
1.Strengthen reliability of the SRIS	<ul style="list-style-type: none"> <li>User Established WBIU unit at the DS office.</li> </ul>
2. Establishment of SRIS	<ul style="list-style-type: none"> <li>User acceptance testing sign-off (Iteration - 02) with ICTA.</li> <li>A Letter of Award was awarded to IIL for a maintenance period of one year.</li> </ul>
3. Population of Data	<ul style="list-style-type: none"> <li>It has been discussed Develop a mobile application for Data collection and verification.</li> </ul>
<b>2. To ensure sustainability</b>	
1. Implementation of IT policy	<ul style="list-style-type: none"> <li>It has been developed a basic IT policy for WBB which need to be taken consultation through a professional body.</li> </ul>
2. Capacity development	<ul style="list-style-type: none"> <li>Requested to improve technical capacity of WBB staff and conducted online training programs for WBIU officers to conduct the sustainability of the SRIS.</li> </ul>

3. Continuous improvement of SRIS	<ul style="list-style-type: none"> <li>• Conducted kind of meetings and trainings at different administrative levels (District / Divisional).</li> </ul>
4. Maintenance of records	<ul style="list-style-type: none"> <li>• Developed an Asset Inventory Management System for SRIS.</li> </ul>
<b>3. To strengthen and Update institutional setup</b>	
1. Strengthen Institutional structure	<ul style="list-style-type: none"> <li>• Identified and forwarded MSD for approval for cadre positions.</li> </ul>
<b>4. Data sharing and develop integrated system</b>	
1. Effective communication	<ul style="list-style-type: none"> <li>• It was decided to open the official website of WBB.</li> </ul>
2. Move the system from SRIS to IWMS	<ul style="list-style-type: none"> <li>• It was decided to Data Migration from SRIS to IWMS.</li> </ul>
<b>5. Restructuring and expansions of the organizational structure (WBB)</b>	
1. Schedule & develop office environment	<ul style="list-style-type: none"> <li>• Implement Backup Server operation room at Ministry of finance IT department</li> <li>• Identified and forwarded MSD for approval for cadre positions.</li> </ul>

*Table 2: Performance based on the Action plan*

**CHAPTER 4 - OVERALL FINANCIAL PERFORMANCE FOR THE YEAR**

**4.1 Statement of Financial Performance**

**COMPREHENSIVE INCOME STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2021**

<b>Description</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>			
Government Grant	1	4,845,000	5,082,645
<b>Expenses</b>			
Personal Emoluments	2	4,540,277	4,901,808
Other Operating Expenses	3	531,844	894,088
		5,072,121	5,795,896
<b>Surplus / (Deficit) for the year</b>		<b>-227,121.02</b>	<b>-713,250.72</b>

Annual Report of the Welfare Benefits Board – 2021

**WELFARE BENEFIT BOARD**  
**MINISTRY OF ECONOMIC POLICIES & PLAN IMPLEMENTATION**

Statement of Financial Position for the year ended 31st December 2021

		2021	2020
	Note	Rs.	Rs.
<b>COMPONENT 01</b>			
Non current assets			
Property Plant & Equipments	04	11,477.75	330,681.52
Current assets			
Cash & Cash Equivalent	05	56,086.21	-
		<u>67,563.96</u>	<u>330,681.52</u>
<b>FINANCED BY</b>			
Net asset/Equity			
PPE Reserve		4,584,793.00	4,584,793.00
Accumulated Surplus/(Deficit)		- 4,522,655.82	- 4,257,134.80
Total Net assets/Equity		<u>62,137.18</u>	<u>327,658.20</u>
Current liabilities			
Accrued Expenses	06	<u>5,426.78</u>	<u>3,023.32</u>
		<u>67,563.96</u>	<u>330,681.52</u>

Financial Statements presented in pages from 1 -3 and other notes to the accounts presented in pages from 4 - 10 are form integral parts of the Financial statements. We hereby certify that figures in these Financial Statements/Notes to accounts have been prepared in accordance with the documents and information maintained by the Board



Name & Signature of Secretary  
Ministry of Economic Policies & Plan  
Implementation

**V.P.K. Anusha Palpita**  
**Secretary**  
**Ministry of Economic Policies**  
**& Plan Implementation**



For Chairman

Additional Commissioner (acting)

**Additional Commissioner (Acting)**  
**Welfare Benefits Board**  
**Ministry of Finance**



Accountant (acting)

**ACCOUNTANT**  
**WELFARE BENEFIT BOARD**



Annual Report of the Welfare Benefits Board – 2021

**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31ST DECEMBER 2021**

	Property Plant & Equipment Reserve	Accumulated Surplus/(Deficit)	Total
Balance as at 01/01/2020	4,584,793.00	(1,224,224.47)	3,360,568.53
Previous years Depreciation		(2,319,659.61)	(2,319,659.61)
Surplus /(Deficit) for the year		(713,250.72)	(713,250.72)
Balance as at 31/12/2020	<b>4,584,793.00</b>	<b>(4,257,134.80)</b>	<b>327,658.20</b>
	Property Plant & Equipment Reserve	Accumulated Surplus/(Deficit)	Total
Balance as at 01/01/2021		(4,257,134.80)	(4,257,134.80)
Audit Fee - 2019	-	(38,400.00)	(38,400.00)
Surplus /(Deficit) for the year	-	(227,121.02)	(227,121.02)
Balance as at 31/12/2021	-	<b>(4,522,655.82)</b>	<b>(4,522,655.82)</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2021**

	<b>2021</b>	
	<b>Rs.</b>	<b>Cts</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Surplus or / (Deficit) during the year	(227,121.02)	
Incremental Operating Cost		
<u>Adjustment for:</u>		
<u>Depreciation</u>	319,203.77	
<b>Operating profit before working capital change</b>	<b>92,082.75</b>	
Prior year adjustment	(38,400.00)	
(Increase)/Decrease in trade & other payable	2,403.46	
(Increase)/ Decrease in Recivables		
Net cash generated from operating activities	<b>56,086.21</b>	
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment		
Net cash (used in) investing activities		-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Lease Paid		-
Net cash used in financing activities		-
Net increase in Cash and Cash Equivalents during the Year	56,086.21	
Cash and Cash Equivalents at the Beginning of the Year		-
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>56,086.21</b>	

**Analysis of Cash and Cash Equivalents at the end of the Year**

The Accounting Policies and Notes annexed form an integral part of these  
Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS

### 01. GENERAL

- 1.1 Welfare Benefits Board (WBB) was established in July 2016 in terms of Section 3 of Welfare Benefits Act No.24 of 2002, which into operation again on 15<sup>th</sup> February 2016 under the Extraordinary Gazette Notification No.1952/22 of the Democratic Socialist Republic of Sri Lanka.
- 1.2 The Board comprises Chairman and four members who are appointed in July 2016 by the minister in charge of the subject of finance in consultation with the Constitutional Council as per Section 2 of WBB Act.
- 1.3 Welfare Benefits Board is located at 1<sup>st</sup> floor New Building in the Ministry of Finance Ministry of Finance, Economic Stabilization & National Policies, the Secretariat, Colombo - 01.

#### 1.4 Objectives of the Welfare Benefits Board

- The main objective to provide framework for the payment of all welfare benefits.
- To set out a transparent process for identification the recipients of benefits.
- Provisions for termination of such benefits.

The WBB Act also empowers WBB to perform the following main functions for the realization of the aforesaid objects,

- To exercise, perform and discharge powers, duties and functions conferred on or assigned to it by the Act.
- To delegate powers to any of District Secretary, Divisional secretary or Grama Niladhari or public Officer any power duty or function vested in the Board.
- Establishment of welfare Benefit schemes.
- Develop the criteria for eligibility.
- Specify the financial allocation in terms of a Scheme.
- Specify the date of commencement of the Scheme.
- Specify the financial or other benefits to be granted.
- State the period for which persons are entailed to receive benefits.

## 1.5. Financial Statement

The WBB presents herewith the Financial Statements for the period ended 31<sup>st</sup> December 2021.

## 02. Basis of Preparation Financial Statement

The Financial Statements of Welfare Benefit Board comprise of the Statement of Financial position, Statement of Cash Flows, Comprehensive Income Statement, List of non – current Assets of the WBB, Notes to the Financial Statement. These Financial Statement are prepared in accordance with the Sri Lanka Public Sector Accounting Standards and the financial regulation of the government.

### 2.1 Financial & Presentation Currency

The financial statements are presented in Sri Lanka Rupees.

### 2.2 Going Concern

WBB planned policies set out below have applies the going concern assumption which is an appropriate method to the Welfare Benefits.

2.3 The accounting policies set out below have been applied for preparing financial statements and WBB expects to apply it consistently to all three years' periods presented in these financial statements, unless stated otherwise.

- **Statement of Financial Position**

All office equipment is initially recorded at cost. The cost of equipment is the cost of acquisition with VAT incurred at the purchasing.

- **Comprehensive Income Statements**

- (a) **Revenue Recognition**

Imprest Received from Government treated as Revenue.

- (b) **Expenditure Recognition**

Expenses are recognized in the statement of expenditure as Administrative & General Expenses, Welfare Benefits expenses communication expenditure WBB All

expenditure incurred in the running of the WBB have been charged to the statement of expenditure.

**(c) Depreciation**

Depreciation on the assets are calculated using straight line basis over their estimated lives as follows.

Furniture & Office Equipment	20%
Machinery	33.33%

**(d) Taxation**

No payee tax during the year.

## 4.2 Auditor General's Report



# ජාතික විගණන කාර්යාලය



# தேசிய கணக்காய்வு அலுவலகம்

# NATIONAL AUDIT OFFICE

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මගේ අංකය  
My No. } TRE/B/WBB/1/21/42

වසර අංකය  
Year No. }

දිනය  
Date } 15 August 2022

The Chairman  
Welfare Benefits Board

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Welfare Benefits Board for the year ended 31 December 2021 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

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### Financial Statements

#### 1.1 Opinion

The audit of the financial statements of the Welfare Benefits Board for the year ended 31 December 2021 comprising the statement of financial position as at 31 December 2021 and the statement of comprehensive income, statement of changes in net assets and cash flow statement for the year then ended, and notes to the financial statements, 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 Finance Act No. 38 of 1971. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Board as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

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**1.2 Basis for Opinion**

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.

**1.3 Other information included in the Board's 2021 Annual Report.**

The other information comprises the information included in the Board's 2021 Annual Report but does not include the financial statements and my auditor's report thereon, which is expected to be made available to me after the date of this auditor's report. Management is responsible for the other information.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the Board's 2021 Annual Report, if I conclude that there are material misstatements therein, I am required to communicate that matter to those charged with governance for correction. If further material uncorrected misstatements are existed those will be included in my report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution that will be tabled in due course.

**1.4 Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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 determine 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 Board'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 intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

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

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Board 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 Board.

#### **1.5 Auditor's Responsibilities for the Audit of the Financial Statements**

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 the Company'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 Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's 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 auditor's report. However, future events or conditions may cause the Board 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.

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. Report on Other Legal and Regulatory Requirements**

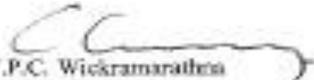
2.1 National Audit Act, No. 19 of 2018 includes specific provisions for following requirements.

2.1.1 I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Board as per the requirement section 12 (a) of the National Audit Act, No. 19 of 2018.

2.1.2 The financial statements presented is consistent with the preceding year as per the requirement of section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.

- 2.1.3 The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.
- 2.2 Based on the procedures performed and evidence obtained were limited to matters that are material, nothing has come to my attention;
- 2.2.1 to state that any member of the governing body of the Board has any direct or indirect interest in any contract entered into by the Board which are out of the normal cause of business as per the requirement of section 12 (d) of the National Audit Act, No. 19 of 2018.
- 2.2.2 to state that the Board has not complied with any applicable written law, general and special directions issued by the governing body of the Board as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018.
- 2.2.3 to state that the Board has not performed according to its powers, functions and duties as per the requirement of section 12 (g) of the National Audit Act, No. 19 of 2018.
- 2.2.4 to state that the resources of the Board had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of section 12 (h) of the National Audit Act, No. 19 of 2018.
- 2.3 Other Matters**
- (a) According to the Action Plan furnished to the audit, the Board had planned to establish the strategies such as; strengthening of reliability of the Social Registry of Information Systems (SRIS), establishment of SRIS, required population of data, verification procedures of data, cross - platform client for postgresQL databases, implementation of IT policies, establishment of policies and procedures, strengthening of institutional structures, attending for day-to-day operations of the SRIS, effective communication, scheduling and development of office environment, moving from SRIS to Integrated Welfare Management Systems (IWMS), finalising of IWMS and establishment of IWMS's monitoring systems etc.. However, those strategies had not been developed according to the plan.

(b) The actual Cadre of the Board as at 31 December 2021 was 09, compared to the approved cadre of 17. Therefore, 08 posts were existed as vacant and all employees had been recruited on acting, secondment and temporarily basis. As well although the Board was established in the year 2016, the Board had failed to prepare a proper recruitment procedure even up to 31 December 2021.

  
W.P.C. Wickramaratna  
Auditor General

4.3 Explanation on the matters as per the Audit Report




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நலன்புரி நன்மைகள் சபை  
WELFARE BENEFITS BOARD

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நீதி, பொருளாதார உறுதிப்பாடு மற்றும் தேசியக் கொள்கைகள் அமைச்சு  
Ministry of Finance, Economic Stabilisation & National Policies  
සෞඛ්‍ය සේවා, මහල 01, ශ්‍රී ලංකාව | සෞඛ්‍ය, සෞඛ්‍ය හා සුභසාධක | The Secretariat, Colombo 01, Sri Lanka.

අණුක අංකය අංක අංකය Ref No.	WBB/Acct/Au/Query/2022	අණුක අංකය අංක අංකය Year No.	TFDU/WBB/21/42	දිනය දිනය Date	25.07.2022
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D. A. A. Wanigasekara.  
Senior Assistant Auditor General.

**Report of the Auditor General on the Financial Statements and other Legal and Regulatory Requirements of the Welfare Benefits Board for the year ended 31 December 2021 in terms of Section 12 of the National Audit Act, 19 of 2018.**

This is referring to the letter received on 01. 06. 2022 mentioned subject and our observations as follows,

**2.3 Other Matters**

**2.3.1**

The audit fee related to the year 2020 has been received to the welfare benefits board on 2021, Hence it has been recorded under the year 2021, However, it is noted to adjust this amount to the relevant year.

**2.3.2 Performance**

(a), (b), (c), (d) and (e)

Welfare Benefits Board (WBB) have taken Initial steps to develop Disaster Recovery Management System for both Server and client operations on SRIS. Currently, SRIS is under Maintenance Agreement for the period of one year with the developer and Knowledge Transfer will be taken place according to the time line.

Based on the developed mobile application, pilot data collection and verification program are still carrying out. Divisional Secretariat Division (DSD) Nuwarangampalatha East and Madhu have already completed the data collection and Haputale DSD is ongoing through the process. Sample have been already sent to the Department of Census and Statistics for the process of confirmation of accuracy of collected data.

කාර්යාල අංකය Office	Tel: 009411-2155483 009411-2484602/4117 Fax: 009411-2151452	විද්‍යුත් තැපෑල විද්‍යුත් තැපෑල e-mail	welfarebenefitsboard2016@gmail.com info@wbb.gov.lk	වෙබ් අඩවිය වෙබ් අඩවිය Website	www.wbb.gov.lk
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(f), (h), (i), (j), (k) and (p)

Currently, there is a massive structural change is being occurring regarding the composition of WBB. After completion of this process, Chairman will be appointed and other vacancies will be recruited accordingly. Not only the recruitments other procedural decisions also will be taken under supervision of higher authorities. Shifting the location of WBB to "Mehewana Plyasa" has been cancelled by the higher authorities.

(g) and (o)

All kind of knowledge transfer/training programs at any level are continuous process which we are conducting physically and online.

(l), (m) and (n)

Procurement process have been completed for the process of IWMS developments. Project Social Safety Nets Project (SSNP) planned to hand over this IWMS within eight months. Rest of the actions will be taken accordingly.

### 2.3.3 Human Resource Management

Since November 2019, relevant authorities have not been taken a decision regarding the appointments of the chairman and other commissioners for the board. Without having a chairman including board of directors, recruiting other vacancies was beyond our control. Due to that reason, board is carrying out its operations with a limited numbers of staff which have been recruited under acting and secondment basis.

Restructuring of the organization/composition of board already initiated. After completion of the process, chairman will be appointed and other necessary recruitments will be conducted accordingly.

  
.....  
M. M. C. P. Mohottigedara  
Additional Commissioner (Act.),  
Welfare Benefits Board,

**CHAPTER 5 - HUMAN RESOURCES PROFILE**

<b>Employment Category</b>	<b>Designation</b>	<b>Approved No. employees</b>	<b>Existing No of employees</b>
	Chairman/Commissioner	1	-
HM 1-1	Additional Commissioner	1	1 (Acting)
MM 1-1	Assistant Commissioner	1	-
HM 1-3	Accountant	1	1 (Acting)
MA - 3	Development Officer	1	1 (Appointed by Ministry of Finance,Economic Stabilization & National Policies)
MA 1-2	Management Assistant	2	1 (Appointed by Ministry of Finance,Economic Stabilization & National Policies)
PL-1	Office Assistant	2	1 (Appointed by Ministry of Finance,Economic Stabilization & National Policies)
PL-3	Driver	2	-
	Software Developer	1	1 (Contract base)
	System Administrator	1	1 Contract base)
	IT Executive	2	1 Contract base)
	Helpdesk Operator	3	-

*Table 3: Human Resources Profile*