

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Sugarcane Research Institute 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 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 Article 154 (6) of the Constitution will be tabled in due course. My comments and observations which I consider should be report to Parliament appear in this report.

In my opinion, except for the effects of the matters described in paragraph 1.5 of this report, the accompanying financial statements give a true and fair view of the financial position of the Institute as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Qualified Opinion

My opinion is qualified on the matters described in paragraph 1.5 of this report.

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 qualified opinion.

1.3 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 Institute’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 Institute or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Institute’s financial reporting process.

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

1.4 Audit Scope (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 skepticism 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 Institute'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 Institute'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 Institute 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 Institute, and whether such systems, procedures, books, records and other documents are in effective operation.
- Whether the Institute has complied with applicable written law, or other general or special directions issued by the governing body of the Institute.
- Whether the Institute has performed according to its powers, functions and duties, and
- Whether the resources of the Institute had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

1.5 Audit Observations on the Preparation of Financial Statements

1.5.1 Non-compliance with Sri Lanka Public Sector Accounting Standards

Non-compliance	Comments of the Management	Recommendation
(a) In accordance with paragraph 24 (a) of Sri Lanka Public Sector Accounting Standards No. 01, the entities should present the financial statements so that the budgeted amounts and the actual amounts can be separately shown. Nevertheless, Such budgeted amounts had not been included in the financial statements presented for the year under review.	Not replied	The financial statements should be presented showing the budgeted amounts and the actual amounts separately in accordance with the instructions in the Standard.
(b) Without being complied with the Sri Lanka Public Sector Accounting Standards No. 02, provision for gratuity of Rs. 9,134,287 and provision for medical aid of Rs. 202,000 had been understated and overstated respectively under the operating activities in the cash flow statement. Further, accrued expenditure of Rs. 24,726,561 had been stated as a financial investment under the investment activities, while the fixed assets worth Rs. 64,844,612	The answer given for the provision for gratuity is not correct. The equipment for which purchasing orders had been placed and the works have been accrued. The fixed deposits to be matured in a period of one year have been identified as short term investments. The value of cash and cash equivalents and the medical aid paid in cash should be corrected.	Cash flow statement should be prepared in accordance with the instructions in the Standard.

to be included thereunder and matured in one year had been stated under cash and cash equivalents and the bank balance of Rs. 202,000 to be included under the cash and cash equivalent had been understated.

- | | | | |
|-----|--|--|--|
| (c) | A sum of Rs. 39,552,362 that should have been retrospectively adjusted and shown in the financial statements as required by Sri Lanka Public Sector Accounting Standard 03 had been adjusted to the Accumulated Fund without being retrospectively adjusted and restated in the financial statements. | Not commented. | In accordance with the Standard 03, the previous year adjustments should be been retrospectively adjusted and shown in the financial statements. |
| (d) | Although all the 57 vehicles owned by the Institute worth Rs. 118,873,548 were fully depreciated as at the end of the year under review, they were further in use. Nevertheless, action had not been taken to revalue their useful life and shown in the financial statements as per the Sri Lanka Public Sector Accounting Standard 03 and to disclose those assets in the financial statements in accordance with Paragraph (92) (b) of the Standard 7. | Action is being taken to revalue the vehicles of the Institute and include in the books during the year 2021. | Action should be taken in accordance with the Standard 03. |
| (e) | In terms of Paragraph 47 of the Sri Lanka Public Sector Accounting Standard 07, the property, plant and equipment which are stated in the financial statements on revaluation amounts should be revalued once in 03 years or 05 years. Nevertheless, property, plant and equipment revalued at Rs.158,056,049 in the year 2015 and the Hanthana, Uduwela land containing 3 Acres 35 Perches purchased at Rs.65,000 in the year 1997 had not been revalued and shown in the financial statements. | Letters have been sent to the Department of Valuation to carry out revaluation in the year 2021 that could not be carried out due to Covid-19 situation. | Property, plant and equipment and Hanthana, Uduwela land should be revalued and shown in the financial statements. |
| (f) | Although the Actuarial Valuation Method as per the Sri Lanka Public | It is stated that provision for gratuity was made and shown in the financial | The Actuarial Valuation Method should be used in |

Sector Accounting Standard 19 should be used in making provisions for employees gratuity in the annual financial statements for the period commencing on or after 01 January 2018, without doing so, provisions for gratuity of Rs. 81,579,772 had been shown in the financial statements.

statements according to the Payment of Gratuity Act since the inception of the Institute. making provisions for gratuity.

1.5.2 Accounting Deficiencies

----- Audit Observations -----	----- Comments of the Management -----	----- Recommendation -----
<p>(a) A book value of Rs. 26,186,951 had been included in the financial statements instead of the value of the physical stock verification carried out as at 31 December 2020. As a result, there was a mismatch in stock shortage of 31 stock items worth Rs.218,436 and stock excess of 09 stock items worth Rs. 27,181, and there were damaged and unusable stocks worth Rs. 3,686,388 included in the stock verification report. Therefore, it was not possible to accept the stock value included in the financial statements as to be the correct value.</p>	<p>Even though the stock had been verified, as the relevant corrections were being made obtaining the reasons for the shortages and excesses, the value of Rs. 26,186,951.00 was included in the accounts.</p>	<p>Stock verification should be carried out and the physical stock verification value should be brought to account.</p>
<p>(b) The Portable Photosynthesis System capitalized at Rs.7,892,731 in the year 2017 had been brought to account again in the year 2018 and depreciated at 15 per cent per annum. As a result, non-current assets of Rs. 7,892,734, depreciation expenditure of Rs. 1,183,910, accumulated depreciation of Rs. 2,367,820 and the balance of the Accumulated Fund Account of Rs. 6,708,821 had been overstated in the financial statements for the year under review.</p>	<p>Action has been taken to rectify the error in the year 2021.</p>	<p>The error should be corrected in the accounts.</p>

- | | | | |
|-----|--|--|---|
| (c) | Although the policy of accounting for the Cess income of the Institution was accrued basis action had not been taken to account for the Cess of Rs. 1,611,460 received from , the Sevanagala division of Lanka Sugar Pvt. Ltd. for the year 2020. A sum of Rs. 1,112,555 received from Galoya Plantation Company for the year 2019 had been accounted for as income for the year under review without being taken action to adjust in the Accumulated Fund. As a result, income of the year under review had been overstated by Rs. 498,907 and debtors had been understated by Rs. 1,611,460. | Although letters requesting Cess related data from Lanka Sugar Pvt. Ltd. (Sevanagala) were forwarded, the receivable Cess revenue could not be calculated due to not providing the relevant data. As the Cess tax revenue had been calculated on a cash basis up to the year 2019, the Cess revenue received from Galoya Company for the year 2019 has been obtained as revenue for the year 2020. | The Cess should be brought to account on accrued basis in accordance with Sri Lanka Public Sector Accounting Standard 03. |
| (d) | Furniture and equipment, laboratory equipment, agricultural equipment, field equipment and other equipment worth Rs. 17,350,591, which had been ordered but not received by the end of the year, had been capitalized. As a result, the fixed assets and current liabilities had been overstated by that amount in the financial statements. | As invoices had also been received after placing orders, those were capitalized as the assets relevant to the year 2020. | Undelivered Items should not be brought to account. |
| (e) | When the fixed assets were physically verified and adjusted those value in the accounts in 2018, the value of furniture and equipment of Rs. 4,785,456 existed the official quarters had not been adjusted to the accounts. | Although the value of the furniture of the official quarters amounting to Rs. 4,785,456 had been included in the register of fixed assets, this has been omitted from the financial statements due to an error in the collection. It is informed that this error will be corrected in the financial statements for the year 2021. | The error of omission should be corrected in the year 2021. |
| (f) | Treasury Bills worth Rs. 4,453,369 and interest income on Treasury Bills worth Rs. 260,855 had been brought to account as Rs. 4,825,436 | The investment values and the interests of the Treasury Bills have been corrected in the year 2021. | Investments in Treasury Bills and the relevant interests should be correctly brought to |

and Rs. 552,652, thus overstating by Rs. 372,067 and Rs. 291,797 respectively as at the end of the year.

account.

- | | | | |
|-----|--|--|--|
| (g) | Although pre-payment of Rs. 558,475 made to 03 Public and private institutions had been brought forward for many years, no action had been taken to account for them as expenses or to obtain balance confirmations. | It is informed that action will be taken to forward the balance confirmation letters for the pre-payments and other deposits in the year 2021. | Action should be taken to confirm the accuracy of pre-payments and settle it. |
| (h) | Action had not been taken to calculate and account for the value of 67 units of office equipment, tools and equipment belonging to 21 categories which were included in the fixed assets register and physical verification report as at 31 December 2020 and 10 chairs worth 80,000 transferred from one sector to another had been double-counted. | Years of Purchase of these asset items identified during fixed asset verification could not be identified separately. Action has been taken to revalue the assets and included in the books in the year 2021. It is informed that relevant corrections on the double-counting will be made in the year 2021. | Accounts should be adjusted in accordance with the register of fixed assets and the physical verification reports. |

1.6 Accounts Receivable and Payable

1.6.1 Receivables

Audit Observations	Comments of the Management	Recommendation
(a) A sum of Rs. 191,961 added to the letter of credits by the bank due to delay in the import of laboratory equipment to the Institute in the year 2015 had been continuously shown as a receivable balance in the accounts without being taken action to recover that amount from the supplier.	Reminders have been continuously sent requesting these amounts due from several institutions. Relevant steps have been taken to recover the amount in the year 2021.	Necessary steps should be taken to recover the dues.
(b) The Institute had failed to recover an outstanding amount of Rs. 7,150,551 continued to exist over a period from 09 months to more than	Although letters have been regularly sent to recover the Cess due on the sugar production of the Sevanagala and Pelawatta factories of the Lanka	Necessary steps should be taken to recover the dues.

05 years from 05 sugar Sugar Ltd. and the amount that manufacturing institutions and it remained receivable for the supply of included Cess of Rs. 5,020,500 due sugar cane, no payments have been from 02 Sugar companies, sugar made up to date. cane supply charges of Rs. Although reminders have been sent 1,130,051 and a loan amounting to from time to time requesting Rs. Rs. 1,000,000 granted to the 1,000,000.00 due from Kanthale Kanthale Sugar Company. Sugar Company from 2010, payment of that amount is doubtful.

1.7 Non-compliance with Laws, Rules, Regulations and Management Decisions

Reference to Laws, Rules, Regulations -----	Non-compliance -----	Comments of the Management -----	Recommendation -----
(a) Guideline 5.4.12 of the Government Procurement Guidelines, 2006	No action had been taken to send to the Commissioner General of Inland Revenue the tax returns on Value Added Tax of Rs. 978,360 paid in 163 instances in the year 2020 for the supply of goods and services to the Institution.	Action has been taken to send the tax returns on Value Added Tax to the Inland Revenue Department from the year 2021.	Subsequent to the payment of money for VAT coverage, it should be informed to the Commissioner General of Inland Revenue before 15 of the following month.
(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka. F.R.104	No relevant steps had been taken on 19 assets units including motorcycles, mobile phones, office equipment and furniture worth Rs. 772,606 that had been reported to be misplaced in the Physical Stock Verification Report as at 31 December 2020.	It is informed that according to the clarifications obtained from the relevant divisions to ascertain as to what had actually happened, steps will be taken to duly report the matter or recover the dues from the relevant persons in the year 2021.	Investigations should be carried out regarding the misplaced assets in accordance with the Financial Regulations.

1.8 Financial Management

----- Audit Observations -----	----- Comments of the Management -----	----- Recommendation -----
(a) Although two bank accounts had been opened to carry out transactions by the bank cards subject to a maximum of Rs. 100,000 to cover up daily expenditure of the Kanthale and Kilinochchi projects, instructions on relevant expenditure and its maximum limit had not been given. Accordingly, it was observed that opportunities had been made to withdraw money exceeding the requirements and Rs. 219,115 and Rs.207,368 had been spent from those accounts respectively.	Although these accounts have been maintained since year 2015 with the objective of facilitating the activities of the sub offices, action is being taken to close these accounts by shifting to the imprests reimbursement method from the year 2021 to order to avoid the problematic situations arisen.	Proper financial control methods should be followed in maintaining the affairs of the Institute.
(b) There was an unused balance of Rs. 646,068 as at 31 December 2020 in the bank account maintained in the People's Bank, Battaramulla Bank that had remained dormant after the year 2014 and information was not made available as to what purpose the bank account was opened.	Not commented.	Dormant accounts should be closed.

2. Financial Review

2.1 Financial Results

The operations of the Institute for the year under review had resulted in a deficit of Rs. 11,630,769 as compared with the corresponding deficit of Rs. 41,630,865 for the preceding year, thus observing a decrease in the deficit of Rs. 30,000,096 of the financial results. This deficit was mainly due to an increase in the income of the year under review by Rs. 9,885,282 and a decrease in the expenditure by Rs. 20,114,814.

2.2 Trend Analysis of the Main Income and Expenditure Items

The following observations are made.

- (a) Despite the identification of the Government capital grant as the income in the statement of financial performance, the financial results of the Institute showed a continuous deficit and that deficit for the year under review was Rs. 11,630,769 and the accumulated deficit was Rs. 53,261,634. The Management's attention had not been focused on the control of this unfavourable financial position.
- (b) Although Government recurrent and capital aid amounting to Rs. 268,257,000 in the preceding year had increased up to Rs. 299,180,000 by Rs. 30,923,000 or 12 per cent during the year under review, the income of Rs.38,500,906 of the Institute in the preceding year had decreased to Rs. 17,463,188 by 45 per cent during the year under review.

3. Operating Review

3.1 Management Inefficiencies

Audit Observations	Comments of the Management	Recommendation
Although the allocation made for the control of White Leaf Disease (WLD) was Rs. 3,250,000 during the year under review, a sum of Rs. 4,018,529 had been spent exceeding the allocation by Rs. 768,529 or 23.6 per cent. Nevertheless, the approval of the Board of Directors had not been obtained for that purpose.	It is mentioned that although the provisions approved by the Treasury for the years 2018, 2019 and 2020 had not been received this money has been spent on the activities that had to be done at the minimum level as planned.	Approval of the Board of Directors should be obtained to incur expenditure exceeding the approved limit of budget provisions.

3.2 Operating Inefficiencies

Audit Observations	Comments of the Management	Recommendation
Out of the approved capital allocation of Rs.78,580,000 for the year under review, the imprest amount received was Rs.65,580,000 of which Rs.39,370,043 was spent. However, due to the fact that the procurement plan had not been amended as per the imprest received and 40 per cent of the amount received had been returned without spending Rs. 26,209,957, it was observed that the management of capital expenditure was unsatisfactory.	It is noted that due to the difficulties found in the acquisition of capital assets as planned due to the COVID-19 risk in the country and the approval for items exceeding Rs. 500,000 was received on 01.12.2020, imprests received for capital expenditure had been saved.	There should be a sound plan in the Institute to manage its revenue properly and meet the requirements.

3.3 Transactions of Contentious Nature

Audit Observations	Comments of the Management	Recommendation
(a) Although after the cancellation of the lease agreement for the room used for 23 months in the Battaramulla area to provide accommodation to the drivers of the Colombo office in December 2019, a sum of Rs. 45,530 had been deducted from the refundable deposit of Rs. 90,000, an investigation thereon had not been conducted.	Action is being taken to recover the relevant money by obtaining an intervention of the police.	Proper steps should be taken after conducting a formal investigation

- | | | |
|---|---|--|
| <p>(b) The ownership had not been obtained for the 5.7 hectare land in the Ensawatta Estate in Deniyaya where research cultivations are maintained and was handed over to the Sugarcane Research Institute in 2004 and a case was pending in the court in this regard. In spite of that the access road, retaining wall, watchtower and gate had been installed during the year under review at a cost of Rs. 2,989,955 .</p> | <p>Steps are being taken to acquire this land, the lease right of which is owned by the Maturata Plantation Company belongs to the Land Reforms Commission, in accordance with the decision of the case filed in the Morawaka District Court by the Kotapola Divisional Secretariat regarding the settlement of the issue on the payment of compensation.</p> | <p>It is the responsibility of the officers to obtain freehold ownership before carrying out development activities.</p> |
| <p>(c) Although Students Aid Fund of Rs. 500,000 had been established for providing student aid of Rs. 1000, and Rs.1,600 and Rs.3000 as transport allowance to the children of the employees of the Institute per month, the legal background for this had not been stated</p> | <p>It is informed that the Student Aid Program has been implemented for a long period with the approval of the Board of Governors as a means of motivating staff and the transport cost will be reimbursed as the Institution does not have a bus to provide school transport facilities to the children of the officers residing in the internal quarters.</p> | <p>Officers should be entitled to privileges only in accordance with government laws, regulations and regulations.</p> |

3.4 Idle or Underutilized Property, Plant and Equipment

Audit Observations	Comments of the Management	Recommendation
-----	-----	-----
<p>Although sums totalling Rs. 8,876,593 had been spent including Rs. 3,472,135 for the construction and repair of a 4550-meter-long electric fence in the years 2015, 2017 and 2020 on a 200-hectare land in Kantale which had not been legally owned by the company and Rs. 5,404,458 for the establishment of hot water treatment unit for sugarcane, the expenses incurred thereon had become fruitless as the Kantale Sugar Factory had remained defunct for many years</p>	<p>According to the instructions given by the Line Ministry on the Government's efforts to restart the Kantale Sugar Company, a special fund provided by the General Treasury to provide the necessary research assistance was used to develop about 200 hectares of land owned by the Kantale Sugar Company and it is being maintained up to date. Requests have been made to obtain legal ownership of the land.</p>	<p>Proper benefits should be obtained from development expenditure.</p>

3.5 Deficiencies in the Contract Administration

----- Audit Observations -----	Comments of the Management -----	Recommendation -----
<p>(a) After awarding contracts worth Rs. 1,200,936 and Rs. 582,111 respectively in the contract relating to the access road to the Deniyaya Sub Center and the contract for making the laboratory desk of the Crop Resource Management Division without identifying the need and preparing proper specifications, the top management of the Institute had got the tasks done that were not mentioned in the Bill of Quantity on verbal instructions. Thereafter, payments of Rs. 850,463 and Rs. 616,140 were made respectively for bills worth Rs.2,992,591 and Rs. 1,149,897 submitted by the contractors, and Rs. 1,522,318 had been allocated from the accounts for the first contract. Accordingly, it was observed that the contract activities of the Institute had been improperly carried out deviating from the Procurement Guidelines.</p>	<p>Due to the deficiencies in the estimates of the external technical officer, these works have been done after verbal discussions. Only the amount recommended by the Technical Evaluation Committee has been paid for the work contained in the Contract Agreement. Matters are being considered to pay the balance based on the assessments of the work supervisor.</p>	<p>Constructions should be carried out in accordance with the Government Procurement Guidelines.</p>
<p>(b) As the roof of the new section added to the Crop Nutrition Sample Preparation Building according to the contract awarded in the year 2017 at an estimate of Rs. 1,828,081 being lowered due to construction of roof without constructing towers, the contract had been discontinued after paying Rs. 581,341 to the contractor. Thereafter, having removed the roof, it had been constructed again at a cost of Rs. 987,043 and the remaining work had been carried out by paying Rs. 758,373 to another contractor in the year 2020 on verbal instructions. Accordingly, this could not be observed as an economic transaction.</p>	<p>Due to deficiencies in the estimates of the external technical officers, additional work and reconstruction of the roof had to be done and the Technical Evaluation Committee and the Procurement Committee are taking measures to decide on payments for works not included in the original estimate, which were carried out on the verbal instructions of the Superintendent.</p>	<p>Construction should be carried out in accordance with the Government Procurement Guidelines on the basis of formally approved estimates after identifying the needs of the institution.</p>

3.6 Human Resource Management

Audit Observations	Comments of the Management	Recommendation
Out of 86 approved cadre of the senior, tertiary and secondary level posts of the Institute as at 31 December 2020, 16 posts remained vacant and the actual cadre of the primary staff was 136 although its approved cadre was 107. Accordingly, the actual cadre had been in excess by 13 staff than the 193 approved cadre of the Institute. Further, the post of Director, the Senior Executive Officer had fallen vacant from October of the year under review and it is being operated on acting basis.	As 37 employees had been confirmed in the service so as to personal to the holder basis, the actual cadre of 107 of the primary staff of the Institute had become 136. It is informed that necessary action is being taken to fill the vacancy that occurred by the sudden resignation of the Director / CEO on 15/09/2020 without prior notice	Action should be taken to fill vacancies.

4. Accountability and Good Governance

4.1 Presentation of Financial Statements

Audit Observations	Comments of the Management	Recommendation
Although the draft annual report together with the financial statements should be prepared and submitted to the Auditor General within 60 days from the close of the year of accounts in terms of Sections 6.51 and 6.5.3 of the Public Enterprises Circular No.PED/12 dated 06 June 2003, the draft annual report for the year under review had not been submitted together with the financial statements.	Necessary arrangements are have been made to submit the draft annual report for the year 2020.	The draft annual report should be submitted to the Auditor General together with the financial statements in terms of circular provisions.

4.2 Tabling Annual Reports in Parliament

Audit Observations	Comments of the Management	Recommendation
No action had been taken to table the Annual Report for the year 2019 in Parliament.	The Annual Report for the year 2019 has been prepared. It is informed that action is being taken to send the report to the Ministry.	. Action should be taken to table the Annual Reports in Parliament on the due date.