

Lanka Electricity Company (Private) Limited (“Company”) and its Subsidiaries - 2021

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Lanka Electricity Company (Private) Limited (“Company”) and its Subsidiaries (“Group”) for the year ended 31 December 2021 comprising the statement of financial position as at 31 December 2021 and the statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows 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. 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 Company and the Group as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka 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 Audit Scope 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 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 Group’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 Group or to cease operations, or has no realistic alternative but to do so.

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

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Company and the Group are required to maintain proper books and records of all their income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Company and the Group.

1.4 Audit Scope

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 internal control of the Company and the Group.
- 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 Group'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 Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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 Company, and whether such systems, procedures, books, records and other documents are in effective operation;
- Whether the Company has complied with applicable written law, or other general or special directions issued by the governing body of the Company;
- Whether the Company has performed according to its powers, functions and duties; and
- Whether the resources of the Company 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 Internal Control over the preparation of financial statements.

Audit Issue	Management Comment	Recommendation
(a) An unidentified collection from customers amounting to Rs. 14,731,287 which was transferred from rejected account had been shown under the balance of other creditors as at 31 December 2021.	Relevant actions are taken to clear them with the assistant of relevant Bank and Collection Agents.	(i) Appropriate actions need to be taken to clear the un-reconciled transactions in ledger accounts. (ii)The internal control system should be improved to minimize un-identified collections.
(b) According to the Section 6.9 of the Operational Manual for State Owned Enterprises Circular No. PED/01/2021 dated 16 November 2021, the Board of Directors may write off losses, having undertaken a due process and must ensure that there is a due process followed including recommendation from Audit Committee on write offs. However, the Company had not followed the said process in this regard and a debtor balance for street light amounting to Rs. 387,806,335 due from Municipal Councils	Agreed with Auditor's observations. These write-offs were made only with the Authorizations of Board of Directors. Noted to take proper Approval from Audit Committee prior to send the BOD.	Actions should be taken as per the provisions in the Circular.

and Provincial Councils had been written off during the year under review based on the Board approval given on 30 November 2021.

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| <p>(c) The income generated from the non-bulk customers in the last month of a year had been used to recognize as income from the non-bulk customers in the next year. Accordingly, income received from non-bulk customers in December 2020 had been recognized as the income in January 2021. Therefore, the accuracy and completeness of revenues received from non-bulk customers could not be ascertained properly.</p> | <p>The retail (non bulk) bills are distributed from 1st to 25th day of every month. The consumption December and January mixed with the December billing cycle and difficult to cater them for two months. Therefore, these incomes always read with the following month.</p> | <p>Actions should be taken to recognize the revenue as per SLFRS -15 Revenue from contract with customers.</p> |
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1.5.2 Documentary Evidences not made available for Audit

Audit Issue	Management Comment	Recommendation
<p>(a) The balance due from the Ceylon Electricity Board (CEB) for miscellaneous services as at 31 December 2021 was amounted to Rs. 1,343,821,164 which contained the cost of energy purchased by the CEB amounting to Rs. 1,336,859,095 for the years of 2017, 2019 and 2020 using net accounting and net plus methods. However, the balance confirmation for that amount was not made available to audit.</p>	<p>Discussions are ongoing regarding the settlement of previous years' balances.</p>	<p>Actions need to be taken to provide the balance confirmations to audit.</p>
<p>(b) Share certificates or any other sufficient appropriate documentary evidence in respect of the investment amounting to Rs. 5,000,000 made in ordinary shares of the Lanka Broad Band Network (Private) Limited as at 31 December 2021 were not made available to audit.</p>	<p>Although we have made several requests from the company, we havenot received share certificate for this investment. LECO is seeking legal advices from Attorney General Department to recover this balance.</p>	<p>Actions should be taken to recover the value of the investment.</p>
<p>(c) The formal power purchase agreement entered in to between the Ceylon Electricity Board (CEB) and the Company was not made available to audit.</p>	<p>Now we have a draft agreement and discussion is ongoing with CEB and relevant parties.</p>	<p>Actions should be taken to enter into a formal agreement with CEB.</p>

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| <p>(d) The Company had incurred a cost of Rs. 206,924,712 to purchase the lands which had been used to construct the CEB primary substations and that amount had been recorded as a balance receivable from the CEB. However, there was no formal agreement between the Company and the CEB regarding setting up primary substations in Company's lands and charges to be paid by the CEB for utilizing the above mentioned lands and buildings.</p> | <p>Noted, It will be submitted to Board Of Directors, and actions will be taken as per their instructions.</p> | <p>Actions should be taken to enter into a formal agreement with CEB.</p> |
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1.6 Accounts Receivable and Payable

1.6.1 Receivables

Audit Issue	Management Comment	Recommendation
<p>(a) The balance receivable amounted to Rs. 3,912,584 receivables from the CEB for self-generation had remained unrecovered even as of the end of the year under review. However, the balance confirmation regarding that amount was not made available to audit.</p>	<p>This matter is remaining from considerable time of period and action will be taken to write off them with proper authorization.</p>	<p>Actions should be taken to (i) recover the balance from CEB (ii) provide the balance confirmations to audit.</p>
<p>(b) VAT and GST refunds amounting to Rs. 12,020,077 relevant to the years of 1999, 2001 and 2002 had remained unrecovered even at the end of the year under review.</p>	<p>LECO Tax consultants are in the continuous following up to recover the captioned refund Tax Consultants will send a further reminder by next week to update and follow-up the process.</p>	<p>Appropriate actions to be taken to recover the dues from Department of Inland Revenue.</p>

1.6.2 Payables

Audit Issue	Management Comment	Recommendation
<p>(a) The Company had not refunded the deposits of temporary connections amounting to Rs. 10,517,832 after the disconnection of the facility and these balances had remained for a long period. Further, minus amounts aggregating Rs. 373,525 for Kelaniya and Galle branches included under temporary connection deposits for a long period of time.</p>	<p>All relevant actions were taken to refund at Branch Level, due to the customers' issue said deposits are remaining without refund. The other issues will be cleared early by LECO end. Checked all minor balances and they were identified as system issue. All relevant actions will be</p>	<p>Appropriate actions should be taken to refund the deposits.</p>

taken with the assistant of IT division.

(b) Long outstanding balances carried forwarded in Purchase provision Ledger as at 31 December 2021 in branches of Nugegoda, Kotte and Moratuwa were Rs. 4,290,869, Rs. 1,427,860, and Rs. 7,618,233 respectively. However, no actions had been taken by the Company to settle these long outstanding balances even during the year under review.

The Purchase Provision Accounts will be analyzed and relevant actions will be taken accordingly.

Necessary actions should be taken to settle the outstanding.

1.6.3 Advances

Audit Issue	Management Comment	Recommendation
(a) A long outstanding balance regarding a VAT payment amounting to Rs. 33,427,699 had been included under prepayments and the Company was unable to recover the above balance up to the date of audit.	It is still pending. All relevant actions were taken at LECO level. Pending for decision of Department of Inland Revenue.	Proper actions should be taken to recover the dues from the Department of Inland revenue.
(b) The amount of Deposit and Prepayments had been included a balance of a suspense account amounting to Rs. 1,676,661 which was comprised of the stock differences in Training Center, Test Lab and some branches. Therefore, the balance of Deposit and Prepayments as at 31 December 2021 had under stated by the said amount.	These GL account included, stock taking differences as at 31 December 2021. Once physically verified balance is updated to the inventory module, difference is transferred to this GL account. There were certain stocks issuances from Training centre and Test lab were not updated in the Inventory module of the Pronto system. They have kept the records manually. This is the main reason for this differences. This will be updated in 2022. Other branches differences also under investigating and once find the reasons inventory GL will be updated,	Actions should be taken to present the financial statements correctly.

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| (c) | (i) Formal advance register including the information on officers to whom advances were given and details of settlements had not been maintained by the Company. | The company maintains an advance register in Excel format and it is monitored periodically and update accordingly. Recommendations are accepted and will implement. | Proper records of advances should be maintained. |
| | (ii) Even though eight months had passed from the event of 38 th anniversary of the Company by the date of audit, i.e. 30 May 2022, no actions had been taken to recover the advances aggregating to Rs. 1,613,300 given to some officers relating to the said function. | Invoices have already been received from three hotels and the remaining hotel will submit their invoice within a week. Actions will be followed up. | Actions should be taken to settle the advances without delay. |
| (d) | An unrecovered loan balances amounting Rs. 6,025,413 from retired employees, passed away employees and vacate on post employees of the Company existed as at 31 December 2021. | All relevant actions were taken to rectify these issues with the assistance of Legal division. | Actions should be taken to recover the loans. |

1.7 Cash Management

Audit Issue

As per the Circular dated 20 December 2018 issued by the Chief Financial Officer on collection process and procedures to be adopted at the Branches, "All the works related to cash collections at the cashier points i.e. checking reconciliations, certifying and approving updates, bill, Pronto and cash books shall be finalized and completed within two working days". Accordingly, receipts from customers had been recorded in billing system by cashiers, and receipts had been issued to customers through the Billing system. However, revenue generated from cash collection process had not been recorded in the General Ledger through the Pronto system as those two systems had not been linked

Management Comment

Agreed with auditors' comments. Necessary actions will be taken provide integration facilities among both systems with implementation of new ERP system.

Recommendation

Cash collection should be timely recorded in primary book/ Ledger.

together. Instead, all receipts had been recorded in General Ledger manually as bulk few days after the transaction occurred. Accordingly, the audit cannot rule out the risk of omission of transactions or fraud or error in the existing system.

1.8 Non-compliance with Laws, Rules, Regulations and Management Decisions etc.

Reference to Laws, Rules Regulations etc.	Non-compliance	Management Comment	Recommendation
(a) Public Enterprises Circular No. PED/12 dated 02 June 2003 (iv) Section 9.14	Even though, any welfare scheme adopted by an enterprise should have the approval of the Department of Public Enterprises, General Treasury, the Scholarship Fund of the Company, which had an aggregating balance of Rs. 20,226,519 as at 31 December 2021, had not been obtained the required approval as per the circular provisions.	This fund was established under the guidance of board paper passed by Board of Directors in year 2009. Originally this was an account allocated for fines and penalties which imposed on company employees and money collected was not used for any other purpose of the company. Secondly, this account was developed to build up the scholarship fund to the benefit of the employee's children. As per the board instruction the fund is being built by using the half value of the scrap sale proceeds in the year except the vehicle sales. There is no any fund allocation through the budget. This	It should be complied with relevant guidelines and circulars.

fund was utilized in year 2016 and 2018 only, and no scholarships were awarded after year 2018 due to the situation of the country.

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| (b) | LKAS 2-
Inventories
Paragraph 9 | Inventories shall be measured at lower of Cost or Net Realizable Value. However, the Company had not considered net realizable value for stock valuation. | All these inventory items were purchased from the open market and price information are readily available. These items are nonperishable and industrial nature. Hence Management is in confident that realizable value of these inventory items is higher than the cost. Further we have provided provision for slow moving items which will cover the loss of realizable value. | -Do- |
| (c) | LKAS 1-
Presentation
of Financial
statements
Paragraph 32 | The Company had offset credit balances of customers amounting to Rs. 2,931,813 against trade receivables for the year under review which was included in the billing system. Further, all these credit balances were not overpaid electricity bills and most of them were payments collected from Solar Loans Holders. The Company transfers the collected solar loan installments to National Savings Bank based on loan settlement report which is generated from | Agreed with auditors' comments and actions were taken to rectify these issues as follows, Auto allocated loan collection amount remit to the Bank weekly.
(a) Customer requested amount remit to bank weekly.
(b) Bank request remits send to bank weekly.
(c) Solar Loan Credit Balance report run every month end and remit above LKR. 4,000.00 Credit balances to NSB prior to Bill printing process. | -Do- |

billing system. It was observed that the solar loan installments were not accurately updated in the billing system. As a result the aforesaid loan settlement report may not be accurate and there was a delay of transferring the collected installment to the Bank.

1.9 Other Observations

Audit Issue	Management Comment	Recommendation
(a) As the documentary evidences were not made available to audit, the audit was unable to ascertain the amount spent on the following projects and accuracy of the said status of these projects given in comments of the management.		
(i) Underground project at Nugegoda	Due to unexpected concerns raised by other stakeholders, the project was not completed as scheduled but it was completed in the 1 st quarter of 2021. Currently 11KV distribution is done through UG network and overhead lines are planned to be removed after shifting the dedicated poles.	Relevant documents need to be made available to audit.
(ii) Green Zone project-Kotte	This project was initiated deployed 3200 smart meters with 144 network monitoring devices to obtain real time information in the state of the power distribution network. University of Moratuwa and Dialog Axiata worked in collaboration with LECO make this project with a grant received from GSMA, UK institute.	-Do-

(iii) Zigbee project	This project was initiated in 2015 in order to test the communication platforms using a mesh network communication algorithm called “Zigbee” in order to deploy smart meters across LECO. LECO successfully deployed about 100 smart meters using Zigbee modules and since then those meters connected to LECO data base with over 95 % of success rate.	-Do-
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2. Financial Review

2.1 Financial Result

The operating result of the year under review amounted to a profit of Rs. 5,113,976,341 and the corresponding profit in the preceding year amounted to Rs. 2,424,970,973. Therefore, an improvement amounting to Rs. 2,689,005,368 of the financial result was observed. The reasons for the improvements were increase in dividend income and revenue with regard to the domestic tariff category.

2.2 Trend Analysis of major Income and Expenditure items

- (a) The revenue for the year under review had increased by 6 per cent compared to the previous year. Simultaneously the cost of sales had increased by 1 per cent and the gross profit for the year under review had increased by 28 per cent.
- (b) Other operating income for the year under review had increased by 151 per cent compared to the previous year. The main reason for the improvement was increase in dividend income.
- (c) Finance Income for the year under review had decreased by 8 per cent compared to the previous year.

2.3 Ratio Analysis

- (a) Gross profit ratio of the company had increased from 19 per cent to 23 per cent compared to the preceding year. The net profit margin had increased from 6 per cent to 10 per cent compared to the preceding year.
- (b) Return on Equity (ROE) had increased from 5 per cent to 8 per cent compared to the preceding year.
- (c) Current ratio of the Company had decreased from 4.02 to 3.31 compared to the previous year.

3. Operational Review

3.1 Management Inefficiencies

Audit Issue	Management Comment	Recommendation
(a) There was no an agreement between the Ceylon Electricity Board and the Company for purchasing electricity using net accounting and net plus method relevant to Solar Loan Scheme.	There is no formal agreement but we carried out this based on the letter No. PE/TECH/D/6/R1 dated 24/01/2017 sent from the Ministry of Power which was based on the Renewable Energy circular No. 2017/01 which specifies clearly the basis of calculation.	Actions should be taken to enter into a formal agreement with CEB.
(b) Although the lands had been purchased for constructing the branch offices at Kelaniya, Kotte, Customer Service Centers in Dalugama, Wattala, Negombo, Nugegoda, and quarters of the Customer Service Centers in Payagala and Panadura even in the years of 2001, 2000, 2015, 1994, 2018, 2001 and 2019 respectively, construction works had not been commenced even as at the end of the year under review. Further, as these branch offices and customer service centers of the Company were being operated in rented premises even by the end of the year under review, the Company had to pay a sum of Rs. 1,905,700 on renting premises for the year under review.	CSC at Negombo, Nugegoda, Branch office Kalaniya, Kotte are under the procurement process, CSC Dalugama contract awarded. All rentals are extended either annually or bi-annually. Once the construction is completed the operations will duly be moved to new premises. Kandana CSC was constructed and already moved.	Actions should be taken to minimize the rent expense by expediting the construction process.

(c) In a situation of a continuous consumption, fixed electricity bills under the domestic category had been issued to a customer of the Customer Service Centre (CSC) at Kandana who was carrying out a business. Further, estimated bills had been issued to the said customer from September 2015 to 2022. A formal investigation had been conducted against the Customer Service Superintendent and a Revenue Officer of the CSC at Kandana in this regard. After completing the said investigation, the reports and all recommendations given by the investigation had been reviewed by a third party and the respective accused employees had been released from all offences.

According to the another investigation carried out by the Investigation division of the Company in this regard, the billing total should be charged from the aforesaid customer for the period from 20 April 2014 to 19 August 2015 was Rs. 724,341 and as per the Customer Service Manager, it was Rs. 51,569. However, the Company had failed to identify the number of units consumed and the value required to be charged from the customer and recover the dues from the customer even by December 2022.

Agreed. The Head of Operation has sent a letter to the General Manager on 29/11/2021 in this regard and General Manager had directed to Legal and Administration Manager to submit a report on legal conditions relevant to this disciplinary inquiry and recover this amount.

Actions should be taken to recover the loss and improve the internal control system to avoid such incidents in future.

(d) The Investigation division of the Company had not taken prompt actions in relation to an incident of unauthorized electricity connection of an unauthorized (business) premises at Kiribathgoda which was queried to the Investigation division on 10 December 2021. As the investigation division had not attended the said incident immediately and when attending to the duty after 3

Audit observations are noted to take further actions in this regard and it has been scheduled to conduct a formal investigation and to take further actions regarding the matters revealed thereon. Further, it is noted to study the entire process of the Investigation division and take actions to introduce a formal,

Prompt actions should be taken to capture the incidents which occurs losses to the Company.

days, the evidences had been removed by the suspected party and as a result, the possibilities for recovering the loss to the Company had been lost.

efficient and proper methodology.

- (e) Payment of overtime allowances made by the Company was based on the internal circular no. ADM/EST/017 dated 29 September 2017. However, this circular had not been included the provisions for maximum limit of overtime hours that could be worked per month for an employee other than the field staff.

The Audit observation is noted to take actions for minimizing the utilization of extra hours as OT.

Actions should be taken to employ the staff efficiently in order to get the maximum benefit to the organization.

3.2 Operational Inefficiencies

Audit Issue

Management Comment

Recommendation

According to the General Ledger report, the value of non-moving stock in Ekala stores as at 31 December 2021 was Rs. 93,419,799 and it was comprised some of unusable items purchased before 1990.

After making a Board Of Survey (BOS), it will be arranged to transfer for Disposal warehouse.

Resources of the organization should be used to achieve the objective of the organization.

3.3 Procurement Management

Audit Issue

Management Comment

Recommendation

In purchase of 03 Hydraulic Crane Trucks with Earth Auger on 26 July 2021 at a cost of Rs. 104,220,000, Technical Evaluation Committee had rejected one bid out of two received due to the non-submission of the power of attorney for the person who signed the bid document to represent the bidder considering it as a major deviation. Then, the other bidder had been recommended for awarding. However, as per the instructions given by the Procurement Committee, the rejected bid had been reassessed after obtaining a Board

This bid is regarding the purchase of highly specialized vehicle and the number of suppliers with in the country is very limited. Even though LECO call for competitive bids, only three suppliers collected the bid documents and out of them only two suppliers submitted their tenders.

Procurement Guideline should be followed.

DPC Major has acted in the good faith to bring more competition to the bidding process and

resolution for authorization for the person who had signed the bid documents on behalf of the previously rejected bidder. Subsequently, the Company had awarded the contract to the previously rejected bidder contradictory to the provisions in Guideline 7.8.6, and 7.8.4 of the National Procurement Guideline and the clause 2.5 of the bidding document.

purchase more economically advantageous product to the company. The difference between prices of two bidders are approximately Rs 9.9 Million and around 9.5%. which is a saving to a LECO.

3.4 Human Resources Management

Audit Issue	Management Comment	Recommendation
(a) According to the Company's current recruitment process, the Human Resources management division does not carry out the recruitment process, but instead the vacant divisions call for applications, select suitable candidates, etc.	The existing procedure in recruitments of the Company is forwarding the applications to the relevant divisions which the recruitment scheduled to be made for shortlisting. Thereafter, calling qualified applicants for interviews, appointing members for interview boards, seeking board approval for recommended candidates before making appointments and actions relevant to recruitments after granting board approval are carried out by the Human Resources division. Casual basis recruitments are done as Head of Human Resources has confirmed.	Need to develop a proper system in recruiting suitable employees for the Company.
(b) In examining the public representations received in the year under review, the matters observed are as follows.		
(i) The occasions such as making amendments to SOR from time to time without obtaining a formal approval, informal short listing, improper evaluation of qualifications of candidates and not focusing to select the most suitable candidates were observed in making recruitments to the various posts of the Company.		
(ii) The Company had not taken actions for issuing charge sheets on time, conducting preliminary and domestic inquiries without delay, issuing and implementing disciplinary orders according to the Establishment Code and their owned Disciplinary Code. Further, the Company had failed to keep records and safe maintenance of document files consisting evidences of the inquiries carried out in certain occasions.		

4. Accountability and Good Governance

4.1 Sustainable Development Goals

Audit Issue	Management Comment	Recommendation
In accordance with the “2030 Agenda” of the United Nations of the Sustainable Development Goals (SDG) all state institutions should contribute in implementation of goals and functions under its scope. But the Company was not aware of SDG and had not identified the relevant goals and targets to be archived, the gaps in achieving those goals and the suitable indicators for measuring the progress as well.	Management comments had not been provided.	Should be complied with “2030 agenda” of the United Nations of the Sustainable Development Goals.

4.2 Unresolved audit paragraphs

The audit paragraphs reference No. 1.6.2 (c), 3.2 (d), 3.2 (f), and 3.2 (j) which was included in the report of the Auditor General in the previous year had not been resolved as at the end of the year under review.