

## Pulses and Grains Research and Production Authority -2013

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The audit of operations of the Pulses and Grains Research and Production Authority for the year ended 31 December 2013 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 Section 13(1) of the Finance Act, No. 38 of 1971. The financial statements for the year 2013 which should have been presented for audit in terms of Section 13(6) of the Finance Act had not been presented even up to the date of this report. My comments and observations on the activities of the Authority for the year under review which should be presented by me to the Parliament in pursuance of provisions in Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka appear in this report.

### 1:2 Management's Responsibility for Financial Statements

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Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Public Sector Accounting Standards and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

## 2. Financial Statements

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### 2:1 Presentation of Financial Statements

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In terms of paragraph 2 of the Circular No. PE/PF/21 dated 24 May 2002 of the Department of Public Enterprises, the draft financial statements and the draft Annual Report should be presented to the Auditor General within 60 days after the close of the year of accounts. Nevertheless, the financial statements and the draft Annual Reports for the years from the year 2002 to the year 2013 had not been presented for audit.

### 2:2 Activities

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The activities of the Authority had been dormant after the year 2001 and it did not have a staff and a Board of Control. Even though the Committee on Public Enterprises had, at the meeting held on 05 December 2012, directed that the liquidation of the Authority should be completed before 31 December 2012, the Ministry had not completed the liquidation of the Authority even by 31 December 2013.

2:3 Maintenance of Financial Statements, Books and Registers

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Any evidence of maintenance of financial statements, books and registers relating to the year under review had not been furnished to audit.

2:4 Existence of Assets and Liabilities

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The particulars of the assets and liabilities shown in the last balance sheet as at 31 December 2001 prepared by the Authority are given below.

Assets	Value	Liabilities	Value
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	Rs.		Rs.
Office Equipment	357,803	Janatha Fertilizer Enterprises Ltd.	317,537
Fixed Deposits	4,200,000	Taxes Payable on Bank Interest	59,030
Fixed Depots Interest Receivable	590,301	Accrued Expenses	80,000
Closing Stock of Empty Fertilizer Bags	347,555		
Bank Balance	63,676		

The Authority had invested a sum of Rs. 4,200,000 in fixed deposits in a State Bank and the balance of the deposits as at 31 December of the year under review amounted to Rs.4,916,462. A balance of Rs.5,001,351 existed as at 31 December of the year under review in a Current Account maintained by the Authority in another State Bank. Apart from that any evidence whatsoever in support of the above assets and liabilities had not been presented to audit.