

Rubber Control Fund

1. Financial Statements

1:1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 1:2 of this report, the financial statements give a true and fair view of the financial position of the Rubber Control Fund as at 31 December 2012 and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

1:2 Comments on Financial Statements

1:2:1 Accounting Deficiencies

Seven items of assets not physically existing valued at Rs.985,925 had been brought to account as fixed assets.

1:2:2 Accounts Receivable and Payable

Thirteen current assets balances totalling Rs.652,775 and 05 current liabilities balances totalling Rs.239,784 had been brought forward in the financial statements continuously over a period exceeding 08 years.

1:2:3 Lack of Evidence for Audit

The evidence indicated against the following items had not been furnished to audit.

Item	Value	Evidence not made available
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	Rs.	
(a) Credit Council Fund	130,328	Detailed Schedules, Confirmation of Balances
(b) Balances relating to 06 Advance Accounts	287,379	Notes of Explanations
(c) Rubber Trade Register Stocks	6,360	Stock Registers
(d) Advances Payable	222,031	Detailed Schedules Confirmation of Balances
(e) Other Current Liabilities	17,753	Confirmation of Balances

2. Financial Review

2:1 Financial Results

A surplus of Rs.463,652 was shown as the operating results for the year under review and that of the preceding year had been Rs.275,280. As such the increase in the surplus of the financial results amounted to Rs.188,372. Nevertheless, the total income of the Fund comprised only the interest income on fixed deposits and the interest on savings deposits and those amounted to Rs.347,199 and Rs.147,686 respectively.

3. Operating Review

3:1 Present Status of Activities of the Fund

The letter dated 21 October 2011 issued by the Department of Public Finance had instructed that the assets and liabilities appearing in the report on accounts prepared in accordance with the provisions in the relevant Act for the liquidation of the Rubber Control Fund not in operation at present should be settled and concurrence of the Auditor General for that should be obtained.

3.2 Budgetary Control

A budget for the year under review had not been prepared as no expenditure is incurred from the Fund.

4. Systems and Controls

Special attention is needed in respect of the following areas of control.

- (a) Accounting
- (b) Fixed Assets
- (c) Balances Receivable and Payable