

Textile Quota Board

Liquidation Financial Statements - 2012

1. Financial Statements

1.1 Qualified Opinion

In my of opinion, except for the effects of the matters described in paragraph 1.2 of this report, the liquidation accounts for the year under 31 December 2012 presented by the Textile Quota Board give a true and fair view in accordance with Generally Accepted Accounting Principles.

1.2 Comments on Accounts

1.2.1 Dissolution of the Textile Quota Board without passing the Resolution of Parliament

Even though the dissolution of a Public Corporation should be effected as per the powers and provisions vested by a resolution passed by Parliament in terms of Section 19 of the Finance Act, No,38 of 1971, winding up of the Textile Quota Board had not been done under the powers vested by such resolution presented to Parliament.

1.2.2 Presentation of Liquidation Accounts

Even though the Deputy Secretary to the Ministry of Finance and Planning had, by his letter No.PE/ADP/02 dated 05 January 2012, appointed a Liquidator for the completion of the liquidation of the Board before 10 July 2012, the liquidation had been completed and the accounts had been presented to the Auditor General only on 25 October 2013.

1.2.3 Accounts Receivable and Payable

The following observations are made.

- (a) The entire sum of Rs.3,383,157 that remained receivable by the Board as at 01 January 2012 had been transferred to the Reconciliation Account without taking action for recovery.
- (b) Out of the employees loan balance amounting to Rs.195,442, action had not been taken for the recovery of a balance of Rs.91,053.

1.2.4 Lack of Evidence for Audit

The following transactions could not be satisfactorily vouched in audit due to the non-submission of the relevant evidence.

Transactions	Amount	Evidence not made available
-----	-----	-----
	Rs.	
(i) Salaries, Overtime and Petty Cash Expenses	133,310	Payment Vouchers
(ii) Sundry Expenses	433,393	Bills for Payments

2. Financial Review

Financial Results

The settlement of assets and liabilities on the completion of the liquidation of the Board in the year under review had resulted in a loss of Rs.15,325,992 and that had been transferred to the Accumulated Fund Accounts.

3. Operating Review

3.1 Transfer of Assets

All the fixed assets of the Board as at 31 December 2011 valued at Rs.38,074,620 had been transferred to several Government Institutions at the net value appearing in the financial statements.

3.2 Finalization of Liquidation

After the settlement of all assets and liabilities, a favourable balance of Rs.29,246,995 existed as at the end of the year under review in two Bank Accounts of the Board. The Bank had been instructed in October 2013 to credit the money to the Account No.2422267 of the Deputy Secretary to the Treasury and close the Bank Account.