

National Dangerous Drugs Control Board – 2018

1.1 Qualified Opinion

The audit of the financial statements of the National Dangerous Drugs Control Board for the year ended 31 December 2018 comprising the Balance Sheet as at 31 December 2018 and the income statement, statement of changes 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 in conjunction with provisions of the National Audit Act No.19 of 2018 and Finance Act No.38 of 1971. My comments and observations which I consider should be reported 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 Balance Sheet of the Board as at 31 December 2018, and of its income statement 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 Board'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 Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

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

1.4 Scope of Audit (Auditor's responsibility 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 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 Board'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 Board'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 statement 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 Board 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 Board and whether such systems, procedures, books, records and other documents are in effective operation;
- Whether the Board has complied with applicable written law, or other general or special directions issued by the governing body of the Institute.
- Whether the Board 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 Financial Statements

1.5.1 Unreconciled Control Accounts or Records

Item	Value as per financial statements	Value as per subsidiary records	Difference	Management's Comment	Recommendation
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	Rs.	Rs.	Rs.		
(a) Stationary Stock	220,448	327,600	107,152	Physical stock surplus has been correctly taken to the books. Physical stock shortage of Rs.109,107 was shown under Board paper No.221/2018 dated 28.12.2018 and it was decided to recover the value from the responsible officers. A committee will be appointed therefor and the loss will be recovered during the financial year 2019 after being identified responsible officers.	Action as per the reply
(b) Revenue of the Precursor Control Authority	1,379,100	1,672,000	292,900	Noted and report after verifying the reason for difference	Action to find the reason for the difference.

1.5.2 Suspense Accounts

Item	Value	Period in suspense	Management's Comment	Recommendation
Suspense Account	Rs. 480,900	5 years	The balance mentioned in audit arises from the accounting adjustment made in the year 2014. All the accounts are being examined to settle it but not yet fund. It will be settled in due course.	To settle the suspense account.

1.5.3 Lack of Evidence for Audit

Item	Amount	Audit evidence not made available	Management's Comment	Recommendation
Audit queries	Rs. 15,940,525	Not replied	Action will be taken to reply to relevant audit queries soon.	Reply to audit queries lapsed for more than 4 months as soon as possible.

1.6 Accounts Receivable and Payable

1.6.1 Advances

Audit Observation	Management's comment	Recommendation
Advance balances totalling Rs.1,796,315 had remained unrecovered for more than 20 years and it was not identified from which year such balances are brought forward.	Staff had been employed for the identification of such balances as much as possible but could not be identified as weaknesses exist in files. It is informed that this has been noted by taking future action with the instructions of the Treasury.	To settle having being correctly identified.

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

Reference to Laws, Rules, Regulations etc.	Non-compliance	Management's Comment	Recommendation
(a) Financial Regulation 371	An advance should be settled immediately after the purpose for which it is given is completed. However, it had taken the period from 30 days to 85 days to settle advances of Rs.140,599, out of advances of Rs.386,670 given.	Accept the audit observation. However, it was noted that instructions would be given to settle advances immediately after the completion of the purpose in terms of financial regulation 371. Awareness letter of the relevant officers is enclosed and action will be taken to recover from the monthly salaries of officers concerned, if advances are not settled.	Advances need to be settle after the task is completed.
(b) (i) Section 28(a) of part vi of the Precursor Control Authority Regulations No.1 of 2010 made to implement the Conventions against Illicit Traffic in Narcotic Drugs and Psychotropic Substance Act No.1 of 2008.	Every registered dealer and end user shall renew their registration annually and he shall make an application in that behalf to the Authority in form 8 and 11 respectively, set out in schedule. A to the regulation one month prior to the date of expiry of such registration. In terms of Section 6(a) of part I of the regulation, every licence issued to an importer or exporter needs to be renewed annually. Every such importer or exporter shall make an application of the Authority one month before the expiry of one year from the date of issue or any renewal thereof. Nevertheless, it was observed that action had not been so taken in 12 instances.	In terms of section 29 of part Vi and section 7 of part I of the Precursor Control Authority Regulations No.1 of 2010, when any condition is contravened, the Authority may cancel the registration/licence, provided however, prior to such cancellation the Authority shall afford the person an opportunity to be heard. Currently, the end users apply for licences after the expiry of previous licence only when they require chemicals. In most cases, when they apply for renewal after a long time, a written statement is obtained from the licence holder. By now, a software data system in order to make efficient of the process of issuing licences is being created by the Authority.	File relevant evidence as per the reply.
(ii) Regulations of the	Deficiencies such as non-	After being understood a	Action to rectify

	Conventions against Illicit Traffic in Narcotic Drugs and Psychotropic Substance Act No.1 of 2008.	posting the date of receipt of application, names of checking officer and approving officer of the application, with or without proper checking and approval of the responsible officer etc. were observed in the applications referred to the Precursor Control Authority by applicants.	deficiency, necessary action has been taken to do it appropriately and steps have been taken to minimize deficiencies.	deficiencies.
(iii)	Table I and Table II of the first schedule to the Act, in terms of Section 15 of Regulation IV of the Precursor Control Authority No.1 of 2010 passed for the implementation of Conventions against Illicit Traffic in Narcotic Drugs and Psychotropic Substances Act No.1 of 2008.	Even though, it is stated that every licenced importer or exporter of any substance specified in Table I and Table II of the first schedule to the Act, shall submit the quarterly returns, reflecting import, export, use, manufacture and distribution of such substances to the Authority in Form 5 set out in schedule 'A' hereto, non- rendition of such quarterly returns were observed in certain occasions.	Such quarterly returns are now entered in a relevant register appropriately.	Submit returns in specified periods.
(c)	Public Administration Circular No.09/2009 of 04 April 2009 Public Administration Circular No.09/2009(1) of 17 June 2009 and Public Administration Circular No. 03/2017 of 19 April 2017.	In terms of instructions of these circulars, it is suggested that every public entity needs to use finger print machine to record arrival and departure of its staff. However, arrival and departure of Nawadigantha centre had not been so recorded.	Finger print machine had become in operative due to thunder crash on 06.10.2018 and sent it to the supplier to get it repaired. Subsequently, it was brought to the centre but again it was in activated on 13.05.2019. Note that, in and out of the employees is daily recorded correctly in front of the Manager of the centre or an instructor.	Action in accordance with circular instructions.
(d)	(i) Sections 4.2.1 (a) and (e) of the Government	The procurement entity needs to list out expected procurements at least for a	Audit observation is accepted. Procurement process had been assigned to the	Take action as per the reply.

Procurement Guidelines 2006 period of 3 years in the Master Procurement Plan. Nevertheless, the procurement plan prepared by the Authority is limited to a period of one year and can be updated during the period not more than 6 months. But, the procurement plan approved on 30 January 2018 for the year 2018 had been revised in 29 November 2018 in the 7th time within a period of nearly 10 months. Administrative Division until 16.02.2018 and subsequently, its capital part had been assigned to the Accounts Division on a management decision. Accordingly, it needs to be revised, as mentioned in the audit query, as important matters arose from time to time. A master procurement plan has been prepared for 3 years from 2018.

(ii) Section 8.12.13(a) Payments totalling Rs.4,211,060 had been made without being certified by the officer in charge or a technical officer after checking whether it complied with specifications. Audit observation is accepted. Act in accordance with procurement guidelines.

(e) Paragraph 3.5 of the Public Enterprises Circular No.PED/1/2015 of 25 May 2015. According to the circular, permission is not given for the use of vehicles for other duties, but the Chairman had used the vehicle bearing No.PF-9007 from June 2018 to February 2019 and run a distance of 12334 km without approval. A committee has been appointed to inquire into this matter by letter No.COPE/2019/01 dated 27.05.2019 of the Additional Secretary, Law and Order Division. After receipt of its report a specific reply will be given. Act accordance with circulars.

2. Financial Review

2.1 Financial Results

Operations of the Authority for the year under review had resulted in a deficit of Rs.28,291,721 as compared with the deficit of Rs.34,080,828 in the financial result for the preceding year. Accordingly, an improvement of Rs.5,789,107 in the financial result was observed. Decrease of other operating expenses by Rs.13,343,161, increase of government grants by Rs.14,625,999 and the receipt of INGSA grants amounting to Rs.2,752,400 had mainly attributed to this improvement.

3. Operating Review

3.1 Uneconomic Transactions

Audit Observation	Management's comment	Recommendation
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Goods valued at Rs.642,403 purchased in the year 2017 under the community based camp project, without any planning had stored in the Nawadiganthaya and Thalangama centres without being used.	Goods purchased by the Head Office in the year 2017 for the Community Based Camp Project on the requirement of the centre. Goods had been used on the requirements and the balance goods are available in the stores protectively. Those goods also will be used in future on requirements.	Use goods being prevented from destruction.

3.2 Identified Losses

Audit Observation	Management's comment	Recommendation
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Even though, a lighting conductor system has been installed in the Nawadigamntha Centre on 05 February 2016 incurring an expense of Rs.1,594,165, it had become in operative within the warranty period but it had not been restored.	This centre is situated in a high location. As a transformer of the Ceylon Electricity Board with a capacity of 33300v has been installed in front of the centre and it is in a coconut land and as such thunder bolt is crashed always during heavy rainy days in this area. Accordingly, thunder bolts crashed in the coconut trees regularly even though electric plugs are disconnected and removed. This happens in several years. A few items of equipment were hit by thunder bolt and destroyed by now and some of them had been repaired and the other have been handed over for repairs.	Purchases need to be made by identifying the necessity and in accordance with correct specification.

3.3 Management Inefficiencies

Audit Observation	Management's comment	Recommendation
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(a) Out of 432 clients admitted to the Nawadiganth Centre in the year 2018 for treatments, 37 had illicitly left the centre being spent there for periods 1 day to 38 days and 15 beneficiaries had escaped from Thalangama Centre in the year 2017. In sufficient security system, no attempt was made to retain clients through the instructors had caused to this situation.	Out of 432 clients entered in the year 2018, 37 had left illicitly after spending for periods 1 day to 38 days. The following are the reasons therefor. Only 2 officers of the Department of Civil Security are employed for the security of the centre. They engage in charge of the security of main entrance gate and the huge land, 18 acres in extent. Even though, service of 22 Counselling Assistants is required, in the treatment staff, only 13 counselling assistants are in service. Insufficient counselling assistants is the main reason for illicitly escaping. It is informed that the relevant officers need to be employed for 3 shifts daily.	Sufficient security system needs to be adopted.
(b) In the examination of 20 files of clients provide treatments in the Thalangama Treatment Centre of the Board, it was observed that those persons habitually take drugs for a long period ranging from 02 to 23 years. It was further observed that many of those clients have become drug addicts as a prey of social crimes. After being rehabilitated during the period of 14 days or 2 months of these drug addicts and socialized, they always become drugs addicted again and again.	On the use of drugs and under the mentally addicted condition, various persons get various treatments and rehabilitation but there is a tendency that they repeatedly become addicted and it is common feature of the whole process. By expressing various reasons they become addicted repeatedly. It is our duty and responsibility to treat and rehabilitate all of them.	Minimise the use of drugs.

3.4 Operating Inefficiencies

Audit Observation	Management's comment	Recommendation
(a) A stock balance of 37 varieties of chemicals valued at Rs.330,484 had not been issued since the year 2005 to the year under review and 3 items of chemicals valued at Rs.96,290 had remained unissued in the stock balance for more than 10 years. As such out of the stock balance of Rs.2,527,499, a stock balance of Rs.426,774 represents 17 per cent was observed as non-usable stock.	<p>According to the Acts against illicit traffic in narcotic drugs and psychotropic substances, 254 substances subject to the control under the act, 68 substances subject to the control under the toxic, opium and dangerous drugs act, 180 substances subject to the control of illicit stimulants use in sports the National Narcotic Laboratory conducts preliminary tests. According to the results of the preliminary tests, substantive tests are also conducted in order to ensure the correctness of the results. Furthermore, on the requirement of relevant entities and the analysis relates to international laboratory standardization programme, maintains continuously by the National Narcotic laboratory for such doubtful samples daily referred to the laboratory, chemicals requires for carrying out the above tests need to be remained in the laboratory to be used when required for the test.</p> <p>Therefore, the fruitless chemicals stock of 17 per cent and the expired chemicals of 12 items had been purchased for analytical purposes even prior to the year 2000 and they had been used for the then analysis. As such, those stocks were not required for the tests carried out now as those tests are now carried out by using modern plant and machinery more efficiently with minimum cost and therefor they had been removed from use. Moreover, even though certain chemicals of them had been used in those days, subsequently, it was identified that the use of these chemicals had indicated adverse health conditions and as such they were removed from use.</p>	Update the stock registers and dispose of out dated stocks.

- (b) Out of 10 performance areas, performance of 5 areas consist of the analysis of samples to conclude whether narcotic and psychotropic substances contain, conduct efficiency and intellectual development programmes for law enforcement authorities and other related institutions, on drugs control areas, identification and analysis of metabolism substances of illicit drugs, conduct computer training programmes for officers of the law enforcement authorities relate to drugs ensuring the operation of field inspection sets require for the low enforcement institutions and recreate them, had exceeded the anticipated levels. However, it was observed that the performance of the research project conducts for the disclosure of relationship between the price and the cleanliness of street heroin and the identification of new diluted substances had been at a level as low as 25 per cent. Samples relating to the analysis for the identification of relationship between the price of street heroin and the cleanliness and for analysis conducts whether new diluted substance is contained are provided by the Police Narcotic Bureau. However, as a result of insufficient financial provisions made to the Police Narcotic Bureau on this purpose, number of samples received for analysis was less than that of the targeted samples and as such the progress had been at a low level as 25 per cent. Furthermore, the Department of Excise and the Sri Lanka Police and other legal authorities make aware on this and take necessary action accordingly. Improve the performance level.
- (c) In terms of Regulation 13 of part III of the of the Precursor Control Authority Regulation No.01 of 2010 passed for the implementation of Conventions against Illicit Traffic in Narcotic Drugs and Psychotropic Substances Act No.01 of 2008, the members of the Authority need to visit the registered premises of the Even though the attention of the Precursor Control Division is drawn in this connection, monitoring is being done once a year due to dearth of human resources. In addition, discussions are being held with the partners of the Board, Viz, Sri Lanka Police and Department of Excise for the possibility of obtaining their assistance in order to do these tasks more efficiently. Supervise within the specific period.

licence at least once in 3 month and monitor the activities carry on by using the substances specified in the Act. Nevertheless, action had not been taken in accordance with those regulations.

- (d) In terms of research report on study of the extension of use of drugs and modern tendencies 2016/2017, age groups use drugs represented 14 per cent, less than the age of 14 years, 16 per cent the ages between 15 to 19 years, and 19 per cent, the ages between 20 to 24 years. It is stated that the first usage year is the teenage or subsequent period. The first usage performs as an experiment due to curiosity, influence of friends, at difficult occasions and for pleasure or fun. Drugs prevention and Training and Educational Programmes need to be conducted at a considerable percentage targeted at school children. However, the number of schools where training programmes were conducted during the period from 2013 to October 2018 amounted to 2719 or at a low level of 26 per cent of the whole schools of 10,102 in Sri Lanka.
- As stated in this observation, it is correct that we reached 2719 schools out of 10,102 schools or as low as 26 per cent of the target but it is not practicable to cover the whole schools of 10,102 by engaging 14 officers. Therefore, the prevention, Education Division trains school teachers and teacher Instructors as trainer, thereby giving them the knowledge how to address students. This task is indirectly carried out by making aware of Public Officers. This study reports includes only activities performed directly by our officers but the other activities are not included herein.
- Conduct awareness programme in a manner addressing all students.

- (e) In considering sale of drugs and making rackets, there is a tendency of increasing women involvement at a high level and therefor awareness programmes for women need to be conducted in order to minimise womens' contribution on sale of drugs. However, it was not observed in audit that preventive education and training programmes targeted at women had been conducted during the past 5 years.
- The report does not include a differentiation as women targeted programmes and men targeted programmes. If it takes subject of community programmes as a simple example, they target both men and women (contribution of every programme is as such). In this context, not only the change with the use of drugs through the role of gender but also the tendencies of use of drugs in sexuality are also presented through these programmes. It is therefore unhesitatingly state that one and only institute that presents such programmes scientifically is the National Dangerous Drugs Control Board.
- More programmes targeted at women in the preventive education division Training Programme need to be conducted.

3.5 Idle or Under-utilized Property, Plant and Equipment

Audit Observation	Management's comment	Recommendation
(a) The land situated at Homagama, 40 purchase in extent, costing Rs.4,027,518 had been purchased on 30 April 2014 on 30 year lease basis for the purpose of making treatments to persons inject drugs and to rehabilitate them. It had remained idle for a period of 5 years without being utilized for any fruitful purpose	The area of this Homagama land is identified relating to the Technology Urban Development Project under the Ministry of Megapolis and Western Development and as such the establishment of a treatment and rehabilitation centre was not permitted. This land belongs to the Urban Development Authority and it has been referred to the Legal Division of the Urban Development Authority to prepare the lease agreement needs to be given to the Board and it was informed us by the Ministry of Megapolis and Western Development by its letter No.10/8/2745 of 29.03.2019. In addition, the Urban Development Authority has informed that a sum of Rs.82,142.20 needs to be paid as legal fees for the preparation of lease agreement by its letter No.13/1/1615 dated 13.05.2019.	Use for a fruitful purpose.

- (b) The LED video panel installed without a technical counselling assurance by incurring an expenditure of Rs.3,884,160 had become inoperative even by 12 March 2019 the date of audit. It was informed to submit a report on this video panel at the Board meeting held on 30.04.2018. Make it in an operative condition.

3.6 Procurement Management

Audit Observation -----	Management's comment -----	Recommendation -----
(a) Six procurement functions valued at Rs.6,984,350 had not been performed even by 31 December 2018.	Reasons for not to perform procurement functions are as follows. - Toilet system at Nawadigantha Centre. Due to delay in the Technical Evaluation Committee report. It had been included in the procurement plan for the year 2019 and now completed. - Repair of the varandah of kandy centre. This has been included in the procurement plan for the year 2019 and now completed and settled the payments as well. - Fixing basings with water taps at Kandy Centre. Due to errors in the quotations received in that regard, opening of quotations were rejected by the bid opening committee. - Toilet system at galle centre. No any bids were received for this work.	Action needs to be taken in accordance with the procurement guidelines.

- Data system of the laboratory. Unable to perform the work on the ground that it was difficult to find a suitable officer for the Technical Evaluation Committee and the delay in the preparation of final specifications.
- Narcotic Trace Detector. The value of this item is Rs.3,800,000 and the supplier has informed that payment be made on a letter of credit. As sufficient provision was not received from the Treasury and the non-availability of the above amount in the current account of the Board the letter of credit could not be opened.

(b) The tender had been awarded to a private entity for the purchase of 34 computers in terms of procurement guidelines. However, due to non-availability of stock in the entity only 6 computers valued at Rs.530,250 had been supplied. The supplier was not made aware of the commitment of keeping a performance bond and the agreement of general condition No.9 and section III had been disregarded.

Audit observation is accepted. The procurement functions were entrusted to the Administrative Division up to 16.02.2018 and thereafter its capital portion has been entrusted to the Accounts Division Relevant sections were made aware that since then action needs to be taken in accordance with procurement guidelines.

Action needs to be taken in accordance with procurement guidelines.

3.7 Human Resource Management

Audit Observation	Management's comment	Recommendation
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<p>The approved cadre and the actual cadre of the Board as at 31 December 2018 amounted to 339 and 240 respectively. Accordingly, there were 99 vacancies. The Department of Management Services had granted on 19 October 2018 approval for the recruitment of 10 from the number of vacancies for the year 2018 but the Board had not filled those vacancies.</p>	<p>The approval of the Department of Management Services had been granted to recruit 5 Management Assistants and 5 consultancy Assistants on 30.08.2018 for the year 2018. Accordingly, applications were called for the recruitment of the above posts in the Board's official web-site on 28.09.2018. Due to subsequent political instability occurred in the last quarter of 2018, recruitments become problematic as the Ministry was changed. When it was confirmed that our Board comes under the Ministry of Defence, interviews had been held in January 2019 and the selected 5 Management Assistants and 4 consultant Assistants had been recruited since 05.03.2019.</p>	<p>Expedite the filling of vacancies and get high performance.</p>

4. Accountability and Good Governance

4.1 Internal Audit

Audit Observation	Management's comment	Recommendation
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<p>Even though, the Internal Auditor of the Board had planned internal audit functions under 7 topics in the year 2018, non of them had been performed. Supply of replies to 2 audit queries out of 17 audit queries issued to the Board by the National Audit Office during the year 2018 organized</p>	<p>A committees had been appointed to examine the internal audit functions of the Board by the letter No.COPE/2019/01 dated 27.05.2019 of the Additional Secretary of the Law and order Division and a letter has been sent, informing that the report needs to be submitted within a</p>	<p>Internal audit needs to be shown high performance.</p>

4 Audit and Management month and the copy of it has
 Committees issued of one audit been referred to you as well for
 query in respect of employees your information. It is noted
 attendance were carried out by that once that report is received,
 him. A sum of Rs.576,469 had a specific reply in this regard
 been paid as salaries and will be given.
 allowances during the period
 from January to December
 2018.

4.2 Budgetary Control

----- Audit Observation -----	----- Management's comment -----	----- Recommendation -----
In comparing the budgeted expenditure and the actual expenditure, variances ranging from negative 127 per cent to 75 per cent relating to 15 objects were observed, thus the budget had not been made use of as an effective instrument of management control.	The budget of the Board is prepared in accordance with the expenditure objects issued by the Department of Treasury. These variances were arisen as such objects are presented in detail in the financial statements of the year under review. Action has been taken to manage the budget correctly by now.	Prepare budget correctly.