

**1. Financial Statements**

**1.1 Qualified Opinion**

The audit of the financial statements of the Superior Courts Complex Board for the year ended 31 December 2022 comprising the statement of financial position as at 31 December 2022 and the statement of income and expenditure, statement of changes in equity 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 Board of the Democratic Socialist Republic of Sri Lanka read 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 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 Board as at 31 December 2022 and of its financial performance 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 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.

#### **1.4 Audit Scope (Auditor's responsibilities 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 skepticism 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.
- Obtained 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.
- Evaluated 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 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 to cease to continue as a going concern.
- Evaluated 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 Board:
- Whether the it has performed according to its powers, functions and duties; and
- Whether the resources 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.**

Entities are required to “devise and maintain” a system of internal accounting controls sufficient to provide reasonable assurance that , transactions are executed in accordance with management’s general or specific authorization, transactions are recorded as necessary to permit preparation of financial statements in conformity with the applicable reporting standards , and to maintain accountability for assets, access to assets is permitted only in accordance with management’s general or specific authorization, and the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

### **1.5.2 Non-Compliance with Sri Lanka Public Sector Accounting Standards**

<b>Non-Compliance with the reference to particular standard</b>	<b>Management Comment</b>	<b>Recommendation</b>
(a) The Board had not been used the statement of financial position format mentioned in Sri Lanka Public Sector Accounting Standards No. 01 while preparing the statement of financial position.	It had been informed that the statement of financial position will be prepared from the year 2023 according to the format mentioned in Sri Lanka Public Accounting Standards No. 01.	Financial statements should be prepared in accordance with Sri Lanka Public Sector Accounting Standards.
(b) According to paragraph 65 of Sri Lanka Public Sector Accounting Standards No. 07, although by reducing the residual value and useful life of an asset should be reviewed at the end of each annual	As per Sri Lanka Public Accounting Standards No. 07 fully depreciated as at 31 December year 2020, the value of Elevator Improvements purchased prior to year 2008 amounted to Rs.6,603,245	Actions should be taken in terms of the Sri Lanka Public Sector Accounting Standards .

reporting period but an Elevator value of Rs. 6,603,245 and an Ambulance value of Rs.851,711 which had been depreciated as at 31<sup>st</sup> December of the year under review which are being further used had not been reviewed. Accordingly, the estimated error had not been revised according to Sri Lanka Public Sector Accounting Standards 03. Also, according to paragraph 49 of this standard, an entire class of asset should be revalued but the above Ambulance included in the value of Motor Vehicles was not revalued. Furthermore, contrary to paragraph 25 and clause 55 of Sri Lanka Public Sector Accounting Standards No. 02, the revaluation surplus of Motor Vehicles of Rs. 12,500,000 accounted under investment activities in the cash flow statement, investment activities had decreased and due to the value that equal to revaluation surplus has been adjusted to the deficit of the year under operating activities and by that value, the cash flow generated from operations had been increased.

- (c) Contrary to paragraphs 25 and 55 of Sri Lanka Public Sector Accounting Standards No. 02, the depreciation value of Motor Vehicles and Buildings depreciation amounted to Rs. 119,200,000 were identified as cash flows under investing activities as
- In accordance with Sri Lanka Public Accounting Standards No. 02, non-cash transactions under investment activities in the cash flow statement and the deficiencies identified under operating activities will be properly adjusted from the
- Financial statements should be prepared in accordance with Sri Lanka Public Sector Accounting Standards.

revaluation reserves in the year under review. Therefore the value of investment activities had been understated.

- (d) According to paragraph 44 of Sri Lanka Public Sector Accounting Standards No. 11, the grants made by the government should be recognized as assets and revenue, but the capital grant receipts of Rs.13,600,000 were not recognized in accordance with this accounting standard.
- (e) According to paragraph 47 of Sri Lanka Public Sector Accounting Standards No. 03, the errors made in the previous years should be corrected in the comparative information presented with the reviewed year after retrospective adjustment, but the Board had not done so and adjusted Rs. 522,420 to the accumulated income and expenditure account in the statement of changes in equity of the previous year under review and in that regard, the disclosures in accordance with paragraph 54 of Standards No. 03 had not been included in the financial statements. further, changes in estimates and deductions of retained cash of Rs.204,990 relating to the years 2021 and 2022 were wrongly identified in the previous years and adjusted in the statement of changes in equity of the year under review.

year 2023, therefore It had been informed that they intend avoid the above deficiencies by presenting the cash flow statement in the direct format in the future.

In the year 2022, the capital receipts of Rs.13,600,000 received from the Treasury to the Supreme Court Complex, have been identified as Government Capital and accounted for under equity and it had been informed that in accordance with paragraph 44 of SLPSAS 11, capital receipts will be recognized in the accounts.

Actions should be taken to identify the grants in terms of the Sri Lanka Public Sector Accounting Standards.

In preparing accounts on the accrual basis, the financial statements show an estimated value even though they have not been made the income and expenditure, receipts and payments relating to the year. (For an example, the electricity bill relating to December of the year under review will be received by us in January of the next year, so an estimated value is used at the time of preparing the financial statements). It had been informed that the difference between the estimated provision and the actual value will be adjusted in the relevant income accounts of the previous year and that these retrospective adjustments will be corrected and disclosed in the comparative information in the next financial statements.

In accordance with Sri Lanka Public Sector Accounting Standards, prior years' errors and changes in estimates should be identified in the financial statements and related disclosures should also be made in terms of the Sri Lanka Public Sector Accounting Standards.

- (f) According to paragraph 14 of Sri Lanka Public Sector Accounting Standards No. 15, institutes should be presented as a comparison between its budgeted values and actual values or as a separate financial statement or as budget columns in the financial statements presented in the transition period, but the Board had not been prepared that way.
- According to paragraph 14 of Sri Lanka Public Sector Accounting Standard No. 15, it had been informed that a comparative presentation between the budget and actual balances in the financial statements will be made from the year 2023.
- Budget documents should be presented as columns in the financial statements presented in accordance with Sri Lanka Public Sector Accounting Standards.
- (g) According to paragraph 80 (c) of Sri Lanka Public Sector Accounting Standards No. 01, liabilities to be settled within 12 months from the reporting date should be recognized as current liabilities, but the board had been recognized the total value of Rs.43,766,240 related to gratuity provisions under current liabilities. Accordingly, the Board had not taken steps to distinguish gratuity provisions as current and non-current liabilities.
- In accordance with paragraph 80 (c) of Sri Lanka Public Accounting Standards No. 01, it had been informed that from the year 2023, actions should be taken to distinguish gratuity allocations into current and non-current liabilities.
- According to Sri Lanka Public Sector Accounting Standards, the amount of current liabilities and non-current liabilities should be identified correctly.
- (h) According to paragraph 50 of Public Sector Accounting Standards of Sri Lanka No. 07, property, plant and equipment of a similar nature and with the same use should be classified under different classes, but this was not done. Also, the value of the computer equipment included in the office equipment value of Rs.22,214,601 could not be calculated and according to paragraph 17 of Sri Lanka Public Sector Accounting Standards No. 20 instead of showing computer software as
- Currently there is an accounting policy for the classification of fixed assets of the Supreme Court Complex Management Board and it had been informed that all the 03 asset categories of office furniture fittings, office equipment and fixtures and fittings will be identified under one asset category from the year 2023.
- Assets should be correctly classified as per Sri Lanka Public Sector Accounting Standards.

intangible assets, those assets value of Rs. 284,400 were shown under property, plant and equipment.

### 1.5.3 Accounting Deficiencies

<b>Audit Observation</b>	<b>Management Comment</b>	<b>Recommendation</b>
(a) Although the change in trade receivables for the year under review in working capital changes under operating activities in the cash flow statement is a cash inflow of Rs.4,312,326, but due to its recognition as Rs.3,173,346, the cash flow generated from operations had been understated by the value of Rs.1,138,980.	According to Sri Lanka Accounting Standards No. 02, it had been informed non-cash transactions should not be identified under investment activities in the cash flow statement and the deficiencies identified under operating activities should be properly adjusted from the year 2023.	Changes in working capital should be correctly reported under operating activities in the cash flow statement.
(b) In the income statement of the year under review, Rs.132,560,770 was recognized as deferred revenue, but the cash flow generated through operations had increased by Rs.119,200,000 due to adjustments to the deficit of Rs.13,360,770 under operating activities in the cash flow statement.	In accordance with Sri Lanka Accounting Standards 02, non-cash transactions will not be recognized under investment activities in the cash flow statement and the deficiencies identified under operating activities will be properly adjusted from the year 2023.	Actions should be taken to properly identify the operating activities.
(c) Due to the annual depreciation value of Rs.116,075,000 of buildings revalued in the year 2010 being removed from the revaluation reserve in the year 2021, the opening balance of the revaluation reserve was undervalued by that value.	The cost of Rs.116,075,000, which is the annual depreciation value of buildings revalued in the year 2010, has been removed from the revaluation reserve and identified as deferred revenue relating to the year under review and adjusted in the financial statements. It was further informed that, the depreciation value related to that year has been adjusted to the deferred income from the revaluation reserve in the previous years as well	The relevant annual depreciation amount of the revalued assets should be recognized as an expense in the year under review.

- (d) Due to recognition of Rs.6,232,227 spent for rehabilitation of buildings as additions to fixed assets in the year under review, the assets were overvalued by that value and in this regard Rs.311,611 were recognized as depreciation. As a result, the year's deficit had been understated by Rs.5,920,616.
- Due to the cost of renovation of the buildings belonging to the Supreme Court complex, the value of the buildings has increased. Therefore, such repairs are recognized as an asset and those expenses are incurred from the capital expenditure provided by the treasury. Accordingly, the expenditure incurred in that year Rs. 6,232,227 was accounted under property, plant and equipment and the annual depreciation amount of 5 percent for that is Rs.311,611.
- Recurrent expenditure should be recognized as an expense in the year under review in the Income and Expenditure Account.
- (e) A double cab belonging to the Ministry of Justice was handed over to the Marshal's Office of the Supreme Court Complex Management Board from 14 March 2022 and it was assessed by the Valuation Department on 22 August 2022, for Rs.9,000,000. The revaluation reserve fund was overstated by crediting the fund instead of accounting for that income in the income and expenditure account.
- Since the car bearing PH-0208 belonging to the Ministry of Justice had been given by the Ministry of Justice for the use of the Marshal, it has been transferred to the office of the Marshal of the Superior Court Complex Management Board from 14 March 2022. Since the information such as the cost of the asset, the period of purchase etc. is not owned by the Superior Court Complex Management Board, it was difficult to identify it as a capital grant and to include its cost in the fixed asset register and it had been informed that its appraised value was included in the accounts.
- The appraised value of the cab which was received as a grant should be recognized in the statement of income and expenditure.
- (f) In the year under review, depreciation of Rs.132,560,770 had been credited to the income and expenditure account as deferred revenue, but instead of being accounted under accumulated capital grants in the statement of change in equity only Rs.13,360,770 had
- It is inform that in the year under review Rs.132,560,770 have been identified as deferred revenue and the following adjustments have been made. It had been also informed that in the previous years, the deferred revenue were also identified and accounted.(2022/JE/095).
- Annual depreciation should be properly accounted for under accumulated capital grants.



been accounted under Revaluation reserve fund accumulated capital grants. (buildings and motor vehicles). Furthermore, due to Debit Rs. 119,200,000 accounting of Rs.119,200,000 Accumulated capital grant under revaluation reserve, the account. revaluation reserve was Debit Rs. 13,360,770. Deferred understated by Rs.119,200,000 revenue. and the accumulated capital Credit Rs. 132,560,770 grant balance had been overstated by Rs.119,200,000.

## 1.6 Accounts Receivable and Payable

### 1.6.1 Receivables

Audit Observation	Management Comment	Recommendation
(a) Out of the debtors balance of Rs.2,634,213 amount as of the last date of the year under review, balance that has exceeded 30 days of Rs.1,489,556. It was 57 percent out of the total debtor balance and action has not been taken to recover the debtor balance of Rs. 215,799 included in this balance which exceeded 03 years .	It had been informed that due to the delay in entering into the contract and the delay in receiving the money from the treasury to the government agencies that receive the security service of our company, the payment of the outstanding balances has been delayed. Furthermore the balance of Rs.215,799 is an amount that has to be collected from the former financial manager of the Superior Court Complex Management Board and it was informed that a case in this regard had been filed by the Attorney General's Department in the Colombo District Court.	Actions should be taken to recover the debtor balances without delay.
(b) A lease agreement with regard to the building obtain on a lease basis for the employees attached to the Security and Engineering sections of the Board has been cancelled on 4 <sup>th</sup> August 2022 and 03 months rental deposit deposited to the building owner at the time of entering into the agreement Rs.	Due to the non-payment of the refundable 03 month deposit we gave to the owner for the security and engineering department employees of the Superior Court Complex, the Attorney General's Department has sent an interlocutory notice against the building owner and has	Actions should be taken to recover the deposit immediately.

1,350,000 had not been given the building owner a recovered as on the date of the report. period of 21 days to pay the amount. Otherwise, it was further informed that legal action will be taken.

### 1.7 Non-Compliance with Laws, Rules, Regulations and Management Decisions etc.

Reference to Laws, Rules, Regulations etc.	Non-compliance	Management comment	Recommendation
(a) Stamp Duty Act No. 43 of 1982 and Extra Ordinary Gazette No. 1530/13 dated 01 <sup>st</sup> January 2008	Although a stamp duty of Rs.25 should be charged for payments above Rs.25,000, but Stamp duty for an amount of Rs.222,200 has not been obtained in 03 cases though it has to do so	Out of this, in 03 cases, payments have been made as pre-payments, where the department requesting pre-payment has signed the vouchers, received the cheques, delivered them to the relevant supplier and purchased the goods and services. At present, it had been informed all vouchers above Rs.25,000 will be paid by signature on Rs.25 stamps or by deducting the applicable fee.	Actions should be taken in terms of the circular.
(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka (i)104 (3) (4)	With Regard two vehicle accidents bearing vehicle numbers GD 5068 and CAE 2297 that occurred during the year under review, had not been acted in accordance with the Financial Regulations	It has not been able to carry out the investigations related to the accidents related to the vehicles of our institute and the related reports in accordance with the prescribed periods as per the Financial Regulations. But the affairs related to those vehicle accidents have been completed by the Secretary, with the approval of the Ministry of Justice. Accordingly, it had been informed that in case of	Actions should be taken in terms of the Financial Regulations.

		future vehicle accidents, relevant investigations will be carried out within prescribed periods in accordance with the Financial Regulations.	
(ii)880	In accordance with the Security Ordinance, no arrangements had been made to obtain security from the officers who were required to keep security.	Until now, our company has not kept security according to the Security Ordinance. But it had been informed that the necessary measures will be taken in this regard in the future.	Actions should be taken in terms of the Financial Regulations.

## 2. Financial Review

### 2.1 Financial Result

The operating result of the year under review amounted to a deficit of Rs. 1,480,748 and the corresponding surplus in the preceding year was Rs.6,720,314. Accordingly, a deterioration of Rs.8,201,062 was observed in the financial result. The main reasons for this deterioration are income from the sale of condemned goods decreased by Rs.2,121,230 in the year 2022 and the increase in repair and maintenance expenses by Rs.3,940,992 and other services and expenses by Rs.3,554,390.

## 3. Operational Review

### 3.1 Operational Inefficiencies

<b>Audit Observation</b>	<b>Management Comment</b>	<b>Recommendation</b>
(a) An ambulance owned by the Board had become unusable due to engine failure on 13 May 2021 and by 20 September 2023, the relevant repairs had not been carried out and brought to the institute. Also, a private company had submitted an estimate for Rs. 690,091 on 10 January 2022 for the repair and the Ministry of Justice had given approval for that. Despite this, the Board had given the repairs to the private	Although the ambulance was repaired and brought to our institute on 2 November 2022, due to a recurring fault in the clutch system during use, it has been sent to a company established under the Ministry of Transport for repair. It was also informed that we believe that the price increase of Rs. 220,326 is not due to a delay but due to the excessive increase in the price of vehicle spare parts in the face of the economic crisis in the country in the year 2022.	The vehicle should be brought to the institute immediately after the repairs are completed.

company at a value of Rs. 910,417 and the documents stating the new prices submitted by the private company and the evidence that the value was approved by the ministry had not been submitted to the audit.

### 3.2. Procurement Management

<b>Audit Observation</b>	<b>Management Comment</b>	<b>Recommendation</b>
(a) A Procurement time schedule for procurement of Rs.10,696,664 done in the year under review had not prepared though a procurement time schedule to be prepared by the Procurement instiute indicating steps of each individual procurement action in accordance with section 4.2.2 of the Procurement Guidelines.	At present, it had been informed that separate procurement time schedule have been prepared for each procurement activity and actions should be taken in accordance with it.	Actions should be taken to prepare a procurement time schedule as per the Procurement guidelines .
(b) The Observation of each bid section of the bid opening form referred to in 6.3.6 of the Government Procurement Guidelines had not been completed in every procurement.	Based on the instructions given earlier by the National Audit Office, since then, the Observation of each bid section of the bid opening form mentioned in 6.3.6 of the procurement guidelines had been completed in every procurement.	Bid opening forms must be completed correctly.
(c) 03 goods value of Rs.1,398,565 purchased in the year 2022 were not included in the procurement plan for the year 2022.	Among the items purchased in the year 2022, the relevant computer was included in the revised procurement plan for the year 2022, and it had been informed that linen items and staff uniform were not included because they were not a capital expenditure.	All procurements should be included in the procurement plan.

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| <p>(d) As per 6.3.3 of the Procurement Guidelines, the procurement committee shall appoint a bid opening committee for the relevant procurement, but no record of the appointment of a relevant bid opening committee or the opening of bids in the procurement file for air conditioners installation (04<sup>th</sup>&amp; 05<sup>th</sup> Floor) had not been presented.</p> | <p>Answers had not been provided.</p> | <p>The bid evaluation reports should be included in the file.</p> |
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### 3.3 Human Resources Management

#### **Audit Observation**

Though the approved cadre of the Board is 180, as at 31st December 2022, there was a shortage of 40 employees in 08 posts. Accordingly, actions had not been taken to prepare the staff of the board according to the current situation or complete the approved positions.

#### **Management Comment**

The approved cadre of our institution is 180 and currently there are more than 40 vacancies. Although we have done preliminary work at the institutional level to recruit the vacant positions throughout the year 2022, we have not received the relevant approvals from the line ministry and the National Budget Department. It had been informed that recruitment for the posts of Maintenance Officer (Electricity), Maintenance Officer (Air Conditioning, Water Supply and Operations) is being done from the vacant posts and the applications received accordingly will be evaluated.

#### **Recommendation**

Vacancies should be filled without delay.

#### 4. Accountability and Good Governance

##### 4.1 Annual Action Plan

<b>Audit Observation</b>	<b>Management Comment</b>	<b>Recommendation</b>
In accordance paragraph No. 01 of schedule I of paragraph No. 2.3 of Public Enterprises Circular No. 01/2021 (Guidelines on Public Enterprises) dated 16 November 2021, the strategies, specific activities and the people who have responsibility to carry out those activities to achieve the objectives of the Action Plan and Officers were not specific with a time frame for the expected financial estimates.	In accordance Paragraph No. 01 of schedule I of paragraph No. 2.3 of Public Enterprises Circular No. 01/2021 dated 16 November 2021, the action plan should be prepared 15 days before the beginning of the financial year, but the provision allocated to our institution by the line ministry had been informed on 20 December 2021. According to that provision, the Action Plan for the year 2022 had been prepared on 03 January 2022 to the Secretary with a time frame for specific activities and people responsible for carrying out those activities and expected financial estimates.	Actions should be taken in terms of the circular.

##### 4.2 Budgetary Control

<b>Audit Observation</b>	<b>Management Comment</b>	<b>Recommendation</b>
(a) Though the budgeted income was Rs.22,055,000 in accordance with the budget of year 2022, the actual income was Rs.16,948,589 and therefore it was observed a difference of Rs.5,106,411. Accordingly, the actual income was decreased form 23 percent and the Board was unable to reach the expected target.	The reason for the delay in the payment of the security service fees as expected by the Sri Lanka Lawyers Training Institute and Legal Drafting Department, which provides security services by the Supreme Court Complex, and the receivable rent money due from the Colombo Permanent High Court Trial at Bar, due to the lack of provisions, the expected income was not reached. It had been informed that it could not be done.	Actions should be taken to achieve the budgeted income

- (b) Though the estimate for 6 categories of recurrent expenditure out of expenditure incurred in the year 2022 was Rs.115,878,800 the actual expenditure was Rs.129,722,866 and therefore Rs.13,844,866 has incurred exceeding the budgeted expenditure amount. Only the expenses paid in the cash related to that year are recorded in the budget estimate prepared for the provisions from the treasury. As mentioned in the audit query, it had been informed that actual expenditure was not shown there than the budgeted expenditure. Actions should be taken not to exceed the budgeted provision
- (c) In accordance with Paragraph No. 03 of Schedule I of Paragraph No. 2.3 of Public Enterprises Circular No. 01/2021 (Guidelines on Public Enterprises) dated 16 November 2021, the forecasted statement of income, forecasted statement of financial position and forecasted cash flow statement, which should be included in the master budget, had not been included. It had been informed that they will look into this matter and proceed according to the circular. Actions should be taken in terms of the circular.