

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Salacine Media Solutions (Private) Limited Company for the Period of 03 months ending 31 December 2023 comprising the statement of balance sheet as at 31 December 2023 and the Statement of Comprehensive Income for the period ending of 03 months, statement of changes in equity and cash flow statement for the period then ended and notes to the financial statements, including material accounting policy information 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 provisions of the National Audit Act No. 19 of 2018. 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 Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka 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 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 Company'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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

1.4 Audit Scope (Auditor's Responsibility for Auditing 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.
- 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 Company'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 Company'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 the Company 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 Company and whether such systems, procedures, books, records and other documents are in effective operation;

- Whether the Company has complied with applicable written law, or other general or special directions issued by the governing body of the Company.
- Whether the Company has performed according to its powers, functions and duties; and
- Whether the resources of the Company 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 Preparation of Financial Statements

1.5.1 Internal control over the preparation of financial statements

Exercise general and specific authority in transaction management, Maintain accounting records of transactions and assets as required to prepare financial statements in accordance with applicable reporting standards. Access to assets only with general and specific authority of management the company is required to maintain a system of "well-designed" internal accounting controls sufficient to obtain reasonable assurance about the accounting for recorded assets, comparing them with existing assets at reasonable intervals, and taking appropriate action against differences, if any. Audit observations related to maintenance of main accounting records like General Ledger, Journal, Journal Vouchers, Payment Vouchers etc. are included under the following headings.

Audit Observation	Comments of the Management	Recommendation
In order to maintain a proper internal control system, a list of accounts classified with account codes was not maintained up-to-date and account codes were not introduced to the system to identify each account.	Reply is not relevant	A list of accounts classified with account codes should be maintained up to date and account codes should be entered into the system.

1.5.2 Non-Compliance with Sri Lanka Accounting Standards

Non-Compliance with reference to relevant standard	Comments of the Management	Recommendation
a) Due to the inclusion of 04 fixed deposit balances with a value of Rs.15,052,990 with a maturity period between 01 and 03 months to be recognized under cash and cash equivalents in accordance with paragraph 07 of Sri Lanka Accounting Standard No. 07, the investment balance as on 31 December 2023 was overstated by Rs.15,052,990 and cash and cash equivalents were understated by that value.	These quarterly deposits were converted into 06 months deposits taking into account the current interest rate and advised to maintain them under investmen	Investments and cash and cash equivalents should be accurately identified and accounted for

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| <p>b) In the correction of the balance of Rs.11,988,000 related to the employee cash fraud occurred in the year 2014, the statement of financial position for the respective year had not been restated in accordance with the paragraph 42 of Sri Lanka Accounting Standards No. 08.</p> | <p>Arrangements have been made to restate the statement of financial position for each year.</p> | <p>Should be comply in accordance with the accounting standard.</p> |
| <p>c) In the correction of prior period errors, the assets, liabilities and retained earnings balances related to those errors should be restated in the year under review, in accordance with paragraph 42 of Sri Lanka Accounting Standard No. 08 ,But by 30 September 2023, the company has corrected the errors that occurred in the year , 2022 a descriptive note including statement of financial position and statement of change in equity as on 01 January 2022, 31 December 2022 and 30 September 2023 with assets, liabilities and retained earnings balances amounting to Rs.21,153,195 have been corrected as on 31 December 2023 were not presented in the financial statements.</p> | <p>Arrangements have already been made to restate in accordance with Section 42 of Sri Lanka Accounting Standard No. 08 and to present a descriptive note in the financial statements.</p> | <p>Prior period errors should be corrected in accordance with the accounting standard.</p> |
| <p>d) (i) According to the Finance Act No. 18 of 2021, the Nation Building Tax accrued balance of Rs.24,784,856 and the Nation Building Tax receivable balance of Rs.347,265 were written off in the year 2022, the net value of which is Rs. 24,437,590 was adjusted to the retained earnings in the year 2022, but as per the provisions of the above standard, it was not disclosed in a note in the financial statements for the period ending 31 December 2023.</p> | <p>It will arrange to disclose it in a note in the financial statements and present it with the 2024 accounts.</p> | <p>Adjustments to retained earnings in accordance with accounting standards should be disclosed in a note to the financial statements.</p> |
| <p>(ii) The total value of direct expenses of Rs.4,396,999 relevant to the year 2021 recognized as advance in the year 2021 and were adjusted to the retained earnings and corrected in the year 2022, but as of 01 January 2021 to 31 December 2021 and 31 December 2022, the balances of assets, liabilities and retained earnings had not been restated. As per the provisions of the standard, the nature of the errors occurred in</p> | <p>Actions being taken to restate the relevant notes according to the standard and noted the corrections of errors that have occurred in the previous year in the financial statements. 2024 financial statements will be submitted along with those corrections.</p> | <p>A note to the financial statements should disclose the nature of the errors occurred in the previous year and corrected values in accordance with the accounting standard .</p> |

the previous year and the corrected values were not disclosed in detail by way of a note in the financial statements. Only an aggregate of those values were presented in the financial statements and the reasons for the changes in the opening balances for the period ending 31 December 2023 were not disclosed in detail in the financial statements.

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| <p>e) According to the provisions of paragraphs 5.5.13 to 5.5.16 of Sri Lanka Financial Reporting Standard No. 09, if the credit risk of a financial asset has increased significantly since the initial recognition, adjustment should be done according to expected credit loss approach for impairment losses, the amount of Rs.306,916,350 as shown in the financial statement 62 percent of the total debtor value or Rs.189,717,470 including risky debtor balances exceeding 05 years and all the debtors over 90 days had been considered as the policy of the company for provision for bad debts for 5 percent.</p> | <p>The policy of provision for bad debts of the company will further discuss and make the necessary arrangements to deal with the financial reporting standard as well.</p> | <p>Adjustments for impairment losses should be made in accordance with Sri Lanka Financial Reporting Standards.</p> |
| <p>f) According to paragraph 77 and 81 (e) of Sri Lanka Accounting Standard No. 12, the deferred tax asset and tax income should be recognized in the financial statements, but during the period of 01 October 2023 to 31 December 2023, Rs. 1,620,393 deferred tax asset value was not recognized in the financial statements and non-current assets were understated by that value.</p> | <p>Actions being taken to proceed to present those values in the statement of financial position and statement of comprehensive income. Actions being taken to identify the capital allowance for the period of 03 months based on the value of the property and equipment.</p> | <p>Deferred tax asset should be recognized in accordance with the accounting standard</p> |
| <p>g) According to paragraphs 79 and 80 of Sri Lanka Accounting Standard No. 12, The components of expenses included in the income tax expense should be disclosed separately in the financial statements, but the company had not done so for the period of 01 October 2023 to 31 December 2023.</p> | <p>Advised to proceed in accordance with Sections 79 and 80 of Sri Lanka Accounting Standard No. 12</p> | <p>In accordance with accounting standards, the components of expenditure included in income tax expense should be disclosed separately in the financial statements.</p> |
| <p>h) The company had made an initial payment of Rs. 21,000,000 in relation to the building which was acquired under the lease basis to</p> | <p>Actions being taken to prepare the accounts and make the relevant disclosures in the</p> | <p>In accordance with the Sri Lanka Financial Reporting Standard, the</p> |

run its administrative activities and instead of recognizing that value as part of the right to use asset according to Sri Lanka Financial Reporting Standard 16, Current assets were overstated in the financial statements due to the posting to an advance payment account.

financial statements in accordance with Sri Lanka Financial Reporting Standard 16 as indicated by you.

building acquired under the leasehold basis should be recognized as part of the asset with right to use.

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| <p>i) As per the provisions of the above standard, the interest expense of Rs.1,268,932 included in the monthly lease premium for this building should be recognized to the income statement, but the company has recognised the total lease premium of Rs. 2,175,000 for the period under review as building rent expense to the income statement and therefore the loss for the year had been overestimated by Rs. 906,068.</p> | <p>I will Correct this mistake and submit the financial reports.</p> | <p>Interest expense included in monthly lease premium should be recognized in the income statement in accordance with accounting standards.</p> |
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1.5.3 Accounting Deficiencies

Audit Observation	Comments of the Management	Recommendation
a) According to the audit calculations for the period under review, the interest income from cash was Rs.629,005, but in the cash flow statement, the value of Rs.757,889 was shown under investment activities and as a result, the interest income from cash under investment activities was overstated by Rs.128,884.	It will prepare and present the statement of cash flows with the effect of the matters pointed out by the audit queries.	Cash and cash equivalents and investments should be correctly identified and the cash flow statement should be prepared correctly.
b) As of 31 December 2023, when comparing the balances included in the trade debtor balance in the company's financial statements with the financial statement balances of the respective debtor institutions, the balance of one institution was overstated by Rs.3,016,081 and the total value of 03 institutions was understated by Rs.1,815,879. Management had failed to identify and settle the correct value.	The debtor balance of our company is correct. It will proceed to report after further confirmation in this regard.	Arrangements should be made to accurately identify the debtor balance and account for .
c) Non generated cash flow of Rs.1,769,686 adjusted to retained earnings during the period under review was shown under cash flows generated from financing activities in the cash flow statement.	It will prepare and present the cash flow statement with the impact of the matters pointed out by the audit queries.	Cash flow statement should be prepared correctly.

- d) According to Section 3(1) of the Economic Service Charges Act No. 13 of 2006, the economic service charges paid by a person can be offset against the income tax payable by that person for the relevant quarter of the relevant assessment year. Even so, since the company was established in the year 1982, income tax has not been paid, in a background of almost 11 years Which is not entitled to receive a balance of Rs.3,599,749 was shown under trade and other receivables in the statement of financial position as Economic Service charges receivable and therefore current assets were overstated by that value.
- As an advance payment of tax paid in advance against the income tax liability payable by the Salasine Television Institute. An economic service fee of Rs. 3,599,749 balance in the inland revenue department also confirmed that the same value is in our name.
- Receivables should be correctly identified and presented in the financial statements.

1.5.4 Unreconciled Control Accounts or Records

Subject	Value as per financial statements	Value as per corresponding records	Difference	Comments of the Management	Recommendation
Trade and payable balance related to 04 institutions	Rs. 80,172,379	Rs.79,387,263 (According to the balance confirmation of the concerned institutions)	Rs.785,116	I will report after confirming that the creditor balance of our company is correct	Action should be taken to identify the Creditor balances properly and accounted for.

1.5.5 Lack of Written Evidence for Audit

Subject	Amount	Audit evidence not provided	Comments of the Management	Recommendation
a) Debtors	306,726,600	Balance confirmations	It will arrange to send balance confirmations to all debtors through e-mail . I am attaching the sub-documents for the expenses included in the direct expenses of .Rs. 3,967,586	Arrangements should be made to call for balance confirmations directly to the audit.
b) Direct costs	38,967,586	Detailed schedules for direct expenditure balances		Detailed schedules to verify the balances included in the financial

statements should be submitted to the auditor general before certifying the financial statements.

Answers not submitted.

c) Adjustments made to retained earnings, Building rent ,adjustments	4,804,831	Adjusted building rent adjusted to retained earnings for the period from 01 October to 31 December 2023 of Rs.4,804,831 and	Journal vouchers for adjustments made to retained earnings should be submitted for audit
d) Direct costs	3,035,145	Journal Vouchers in respect of Direct Expenditure Adjustments of Rs.3,035,145.	

1.6 Accounts Receivable and Payable

1.6.1 Accounts Receivable

Audit Observation	Comments of the Management	Recommendation
As on the end of the period under review, the balance of trade debtors was Rs.306,916,350, of which Rs.182,732,477 consisted of debtor balances exceeding 05 years and Rs.42,012,529 consisted of debtor balances between 1-5 years, but no action was taken to recover the relevant balances during the period under review.	A committee has been appointed to speed up the debt recovery and proper action has been initiated to recover the debtor balances that have been pending for many years.	Arrangements should be made to recover the due balance promptly.

1.6.2 Accounts Payable

Audit Observation	Comments of the Management	Recommendation
According to the financial statements submitted to the audit, as of 31 December 2023 the company's trade creditor balance was Rs.243,118,160, of which the balance over 5 years was Rs.52,922,069 and the trade creditor	In settlement of this debtor balance, it is the company's traditional policy to settle the creditor balance after receiving the debtor balance related to the work.	Creditors should be identified and settled promptly. Actions should be taken to identify negative balances.

balance between 1-5 years was Rs.49,139,360 . In the relevant creditor balance, which has been carried forward for more than 04 and 05 years, There was Rs. 1,436,550 also included creditor balances with a negative aggregate value.

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

With reference to laws, rules, regulations etc	Non-compliance	Comments of the Management	Recommendation
a) Chapter VII of Management Services Circular No. 02/2016 dated 25 April 2016 and Section 5 of the Establishment Code	Contrary to these provisions, on 31 December 2023, Rs. 1,519,236 were overpaid for 04 officers of the company as salaries.	I acknowledge that the information provided in relation to this audit query is correct. These matter were presented to the board of directors on 23 January 2024 through paper No. 2024/01-05 and it was decided that these salary revisions were made subject to the approval of the board of directors during the respective periods, so no change should be made.	Should be complied with Circular provisions.
b) Treasury Circular 842 dated 10 December 1978 and Public Finance Circular No. 359 dated 04 August 1998 and Management Audit Circular No. DMA/2009(2) dated 01 September 2009	The fixed asset register was updated and regularly maintained to ensure the strength of internal control over fixed assets.	The fixed asset register was not updated through computer system.	Fixed asset register should be updated and maintained properly.

1.8 Information Technology (IT) Common Controls

Audit Observation	Comments of the Management	Recommendation
Although the opening of accounts and the entry of information into them should be done by the officers with proper authority in the accounts section, Opening of various accounts in the accounting system by various persons in various sections as per their requirement	The error has already been fixed based on your observations. Opening of accounts, entry of information is done by the duly authorized officers of the Accounts Department	Common IT controls should be introduced with proper authority. The accounting system should be maintained systematically and regularly.

without following such formal procedure. Due to the inclusion of various information to them, the systematic and formal maintenance of the accounting system was at risk and the satisfaction of the accuracy of the information shown in the accounts. Access to the computer system and keeping accounts should be limited to the financial sector only, but passwords were given to 07 officials in other sections and allowed to record transactions and accordingly the accuracy of the information in the system is at a high risk level.

2 Financial review

2.1 Financial results

The loss in the year 2022 was Rs.14,695,458 and the corresponding loss in the period of 30 September 2023 of Salasine Television Institute was Rs.18,647,695 and the loss in the reviewed period of 03 months of Salasine Media Solutions Pvt Limited was Rs.4,828,750.

3 Operational review

3.1 Management Inefficiencies

Audit Observation	Comments of the Management	Recommendation
Due to the fact that the company had not employed an officer in the position of producer, it was not possible to manage the staff of that section for the production tasks. In the year 2023, only 02 products were made by the production section of the company and the company had incurred Rs. 2,319,427 as production cost for that. Also, 22 production activities were done through external agencies and for that, Rs. 11,396,913 had been paid to external agencies. Out of these 22 production activities, 07 occasions were observed in which the total value of Rs.2,995,000 was given to the same institution.	Our company carries out only the work that can be done at the lowest price estimate and can be done at a higher profit using the human and physical resources of the company. The Manager (Production) directs the production activities carried out by the entity. Also, for the works for which the company's price estimate is high, price estimates have been obtained from the company's registered suppliers and the works that can be done at lower prices have been performed by external suppliers. Due to the fact that the duties of the employee who was in the position of producer did not conform to the expectations of the clients, in some cases the services of external parties had to be obtained.	A formal program should be established by the management enabling to carry out the production activities through the company.

3.2 Operational Inefficiencies

Audit Observation	Comments of the Management	Recommendation
Considering the financial results of the last 5 years, the company in the year 2019 has Rs. 8,300,209 and the financial result of 2020 was a loss of Rs. 29,339,593. The loss after tax in the year 2021 was Rs.6,841,002 and with compared to the year 2020, an increase of Rs.22,498,591 was observed in the financial result. Furthermore, the loss in the year 2022 was Rs.14,695,458 and in the year 2023, the loss of Salasine Television Institute for the period of 30 September 2023 was Rs.18,647,695 and the loss of Salasine Media Solutions Pvt Limited in the reviewed 3-month period was Rs.4,828,750.	Answers not submitted	Management should pay attention to prevent the deterioration of the financial result .Efforts should be made to increase the income.

3.3 Idle or Underutilized Property, Plant and Equipment

Audit Observation	Comments of the Management	Recommendation
It was observed that the property plant and, equipment belonging to the production department of the company had been idle for a long time and several of them had become non-functional due to the fact that the computers used for editing were inactive constantly .The anti-virus software (Virus Guard) installed in the operating computers was not updated.	At the beginning of 2024, steps were taken to update the anti-virus software on the computers	The well-being and security of the resources owned by the institution should be ensured.

3.4 Human Resource Management

Audit Observation	Comments of the Management	Recommendation
The officer holding the position of art director of the entity was employed full-time in the proofing work of the graphic department and the management had failed to fulfill the role that could have been provided by an art director to the production department	He has been engaged in proof reading since 18 November 2019, when he was recruited as Art Director.	Human resource should be used properly

4 Accountability and Good Governance

4.1 Corporate Plan

Audit Observation	Comments of the Management	Recommendation
<p>a) According to the 2022-2026 Corporate plan, in the year 2023 an income of Rs. 903,000,000 was targeted, but the income earned was Rs. 233,328,718 and the target was achieved by 26 percent. Also, compared to the year 2022, the sales income of the year 2023 had decreased by 28 percent, or the value of Rs. 89,765,607. None of the strategies established by Salacine company to achieve sales targets in 2022 and 2023 were met during those periods. Also, there was no effort to identify variances between plans and actual results and take necessary corrective actions.</p>	<p>Due to the bad financial crisis in the country in the year 2023, there was a big decrease in sales revenue due to lack of business opportunities. Hence there were variances between the planned targets and the actual sales targets due to the inability to reach the established targets. In the year 2024, the management of the organization follows the necessary measures to reach the planned goals.</p>	<p>Plans should be realistic and identify variances and take corrective action.</p>
<p>b) The action plan was not prepared in accordance with the corporate plan and although the action plan had established targets for engaging private sector clients with the company in the year 2023, those targets had not been met in the year as of 31 December 2023.</p>	<p>In the year 2023, there was no ability to attract new clients as expected. In the year 2024, measures were focused on finding business opportunities and focusing on new clients.</p>	<p>Strategies should be established to achieve the goals.</p>
<p>c) Although it was planned in 2022 to increase the productivity of the company by using other professional skills of the production department staff and it was observed during the inspection that the production department staff is underutilized by the end of 2023 in the company and the editing rooms are in an underutilized condition and meanwhile, in the year 2022, the attention of the management was not focused on the need to efficiently and effectively implement the stages of the management process of organizing, directing and controlling employees for the expected plans.</p>	<p>During the time when there was no work in editing room 02, the computers were running idle and other electrical equipments were running idle, as the institution had to pay the electricity bills which were difficult to bear, the officials had been given verbal instructions to leave the electrical equipments not running when there was no work and had ordered to be completely shut down in any case. In addition to this, due to the information received</p>	<p>Resources should be utilized properly.</p>

through the officers of the production department that the officials of the editing departments were conducting private business activities, daily schedules were used to control the situation in order to be aware of the day-to-day activities of those departments. The Job card system was implemented for that.

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| <p>d) Although 06 strategies were included in the corporate plan to provide higher contribution to the company's sales by producing programs within the company without getting the products done through external organizations, they had not been achieved by the end of the year 2023.</p> | <p>I will look into this in detail and make relevant corrections</p> | <p>Planned goals should be achieved</p> |
| <p>e) The information such as procurement description, estimated cost, funding sources related to the planned procurements in the manufacturing sector in the year 2022 were not specified in the procurement plan.</p> | <p>I will look into this in detail and make relevant corrections</p> | <p>The procurement plan should be prepared incorporating information related to procurement.</p> |
| <p>f) Although the 2022-2026 Corporate Plan has established a targeted program for recovery of the debt to be collected from the year 2012 with effect from the year 2022, the company had failed to recover the total value of 21 debtor balances of Rs.172,420,860 from a period of 2014-2021 as at 31 December 2022 exceeding one million even by 31 December 2023</p> | <p>I declare that a committee has been appointed for debt recovery and the debt recovery officers are continuing to recover the debt that has been going on for several years.</p> | <p>Actions should be taken to achieve the goals.</p> |

4.2 Annual Action Plan

Audit Observation	Comments of the Management	Recommendation
According to the 2022-2026 corporate plan, annual sales of Rs.1 billion in 2022 and Rs.903 million in 2023 have been mentioned as targets in the respective years, but according to the action plan of 2022 and 2023, the annual sales targets are Rs.860 million and Rs. 587 million was mentioned. Accordingly, the action plan was not prepared in accordance with the company's corporate plan	The five-year corporate plan, which was prepared at the end of 2021, was expected to raise sales targets by 5 percent annually. The annual action plan is prepared based on the previous year's sales targets. Action Plan and corporate Plan should be revised.	Action plan should be prepared in accordance with the corporate plan.

4.3 Internal Audit

Audit Observation	Comments of the Management	Recommendation
As per the provisions of Section 40(1) and Sub-Section 2(1) of the National Audit Act No. 19 of 2018, the company had not been taken action to get the approved for the post of internal auditor as of the date of this report and no internal auditor has been appointed as of the date of this report.	It has been referred to the Department of Public Enterprises to get an internal auditor approved.	An internal auditor shall be appointed in accordance with the provisions of the Act.