National Eye Bank Trust of Sri Lanka - 2024

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1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the National Eye Bank Trust of Sri Lanka for the year ended 31 December 2024 comprising the balance sheet as at 31 December 2024 and the statement of income and expenditure, statement of changes in equity and the cash flow statement for the year 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 and the 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 financial statements give a true and fair view of the financial position of the Eye Bank Trust as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with the Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Qualified Opinion

My opinion is qualified based on 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 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 the Sri Lanka Public Sector Accounting Standards and for such internal control as management determines 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 Eye Bank Trust’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 Eye Bank Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Eye Bank Trust’s financial reporting process.

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

1.4 Scope of Audit (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 judgement and maintain professional skepticism throughout the audit. I also

- Appropriate audit procedure were designed and performed identify and assess the risks of material misstatement in financial statements whether due to fraud or errors in providing a basis for the expressed audit 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

- An understanding of internal control relevant to the audit was obtained 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 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 to enable a continuous evaluation of the activities of the Eye Bank Trust, and whether such systems, procedures, books, records, and other documents are in effective operation.

- Whether the Eye Bank Trust has complied with applicable written law, or other general or special discussions issued by the governing body of the Eye Bank Trust

- Whether the Eye Bank Trust has performed according to its powers, functions and duties and

- Whether the resources of the Eye Bank Trust 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 preparations of the financial statements

The National Eye Bank of Sri Lanka established in the Colombo National Eye Hospital since 24 February 2011 by the Ministry of Health had been established as National Eye Bank Trust of Sri Lanka as a separate institutional structure with an objective of preventing the blindness and prevention of the avoidable blindness by National Eye Bank Trust of Sri Lanka Act No.22 of 2023 dated 17 October 2023.

However, the financial statements of the National Eye Bank Trust of Sri Lanka had not been prepared and submitted to the Auditor General in relation to the period from 13 October 2023 to 31 December in compliance with the provisions of the Act and the transactions pertaining to that period had been prepared in the financial statements in respect of National Health Development Fund. The financial statements in the year under review had been prepared based on the account balances as at 31 December 2023 of National Eye Bank of Sri Lanka in the financial statements of National Health Development Fund audited by the Auditor General.

1.5.1 Non-compliance with the Sri Lanka Public Sector Accounting Standards

Non-compliance with reference to the relevant standard	Comments of the Management	Recommendation
(a) Even though the statement of cash flow should be prepared with the Sri Lanka Public Sector Accounting Standards No.2,it had been prepared not in compliance with that. The details are as follows.		
(i) Though the non-cash items such as depreciation should be adjusted for the determination of the net cash flow from the operating activities as per the paragraph 30(b) of the standard, cumulative depreciation of Rs.957,095 allocated up to the opening date of the year for the assets determined to be removed instead of adjustments, the cumulative depreciation of Rs.957,095 allocated up to the opening date of the	The action will be taken to accurately mention this fault prevailed in the software which prepares the accounts in the financial statements for the year 2025.	The statement of cash flow should be prepared in compliance with Sri Lanka Public Sector Accounting Standards.

year for the assets to be removed had been removed from the depreciation for the year instead of adjusting the depreciation for the year of Rs.5,788,009 mentioned in the income and expenditure account under the operating activities in the preparation of the cash flow statement of the Trust and mentioned and adjusted Rs.4,830,914 as the cumulative depreciation under the investing activities.		
(ii) Even though the main classes of the gross cash receipts and gross cash payments from the investment and financial activities by entity except the matters mentioned in it as per 31 paragraph of standard should be separately reported, the incidents in which the actions had been taken not in compliance with it are as follows.		
• A sum of Rs.15, 000,000 had been paid to the supplier by National Health Development Fund Trust Board as donations for obtaining the Specular Microscope machine with a value of Rs.17, 400,988 acquired by National Eye Bank Trust in the year under review and the balance payable amount of Rs.2, 400,988 had been accounted as a payable account by National Eye Bank Trust. A sum of Rs.12,848,915 had been mentioned as a cash outflow after deducting laboratory equipment cost of Rs.4,552,073 which had been identified as removal in the year from the amount of Rs.17,400,988 while a transaction had not been performed by cash within the year under review in the preparation of the statement of cash flow.	-Do-	-Do-
• The furniture and fittings of Rs.135, 936 had been purchased in the year under review. Furthermore, furniture and fittings purchased at a cost of Rs.9, 074 within the year had been	-Do-	-Do-

	transferred to a disposal account and deduct Rs.9, 074 which does not occur cash flow from the value of Rs.135, 936 purchased and a net cash flow of Rs.126, 862 had been mentioned under the investing activities in the cash flow statement.		
	• The electrical equipment of Rs.14, 200 had been purchased in the year under review and electrical equipment at a cost of Rs. 21,247 had been excluded from the asset account as removals. It had been mentioned as net cash inflow of Rs.7, 047 instead of mentioning the purchase of electrical equipment as cash outflow.	-Do-	-Do-
(iii)	The computer equipment of Rs.113, 348 had been removed from the asset account and mentioned as asset removals in a separate account and this value had been mentioned under the investing activities as cash inflow without flowing cash into the entity.	-Do-	-Do-
(iv)	Though a sum of Rs.761,561 which was the income received in cash in the year should be mentioned under the financial activities by removing the interest income of Rs.1,161 279 for the year included in the profit of the year under review in the preparation of the cash flow statement generated through the operating activities, a difference of Rs.37,366 in the receivable interest income in the year under review and the preceding year had been only adjusted in the operating activities by Eye Bank Trust.	-Do-	-Do-
(v)	The adjustments of Rs.40, 886 for the preceding year had been mentioned under the financial activities in the statement of cash flow in the year under review.	Rs.40, 886 for the adjustment in the preceding year affects only to a change in the opening balances, this had been mentioned under the	-Do-

		financial activities in the cash flow statement.	
(b)	Though the saving deposit value of US $ 193,779.32 at the closing date of the year under review should be translated to the local currency by using the foreign exchange rate of Rs.293.18 at the closing date of the year as per the paragraph 26(a) of Sri Lanka Public Sector Accounting Standards No.05, the bank balance of the statement of financial position had been overstated by Rs.6,477,925 and the surplus of the year under review had been overstated by same amount due to not taking action accordingly.	Since a foreign currency transaction shall be recorded, on initial recognition in the functional currency by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of transaction as per paragraphs 22 and 23 of Sri Lanka public Sector Accounting Standard No.05, this had been accurately accounted.	As per the foreign exchange rate prevailed at the closing date, the deposit value should be recorded in the financial statements.
(c)	Though the depreciation of an asset begins when it is available for use as per the paragraph 69 of Sri Lanka Public sector Accounting Standard No.07, the depreciation of Rs.95, 052 in respect of the assets of Rs.601, 186 purchased and used in the year under review owing to not depreciation the property, plant and equipment in the year purchased by Trust had not been accounted.	The approval of Trust Board had been granted to maintain these financial policies. This had been disclosed in the accounting policies of the financial statements.	The accounting policy should be altered as per the requirement of the standard.
(d)	Though the depreciation does not ceases when the asset becomes idle or is retired from active use and held for disposal unless the asset is fully depreciated as per the paragraph 69 of Sri Lanka Public Sector Accounting Standard No.07, the depreciation of Rs.957, 094 for the year under review in respect of the assets of Rs.4, 695,742 retired from active use within the year under review had not been accounted.	The action is taken to rectify in the accounting statements in the year 2025.	The provision for depreciation should be made for non-forming assets.

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

Reference to laws, rules and regulations	Non-compliance	Comments of the management	Recommendation
(a) National Eye Bank Trust of Sri Lanka Act No.22 of 2023			
(i) Subsection 3 (e) of Act	Though Tissue Coordinators should be trained to harvest corneal tissues and other tissues required for ophthalmic surgery, no formal methodology had been prepared by Trust for the training activities in that manner.	The action will be taken to perform the training activities with the alterations required for the recruitment of new Tissue Coordinators in the future.	The step should be taken as per the provisions in the Act.
(ii) Subsection 3 (f) and subsection 3 (g)	The provisions had been made to provide free of charge corneal tissues and other tissues required for ophthalmic surgery to Government Hospitals for transplantations and provide corneal tissues and other tissues required for ophthalmic surgery which are in excess to other countries and recover from them the processing cost as may be prescribed. The following observations are made as per the information forwarded to the audit by Trust in this regard.		
	• Though the provisions had not been made to provide free of charge the corneal tissues to the private	The processing cost is recovered for the corneal tissues provided to all local private hospitals and foreign countries and	-Do-

	hospitals or recover from them the processing cost, 143 corneal tissues had been provided to private hospitals in the year under review.	no limitation for that had been mentioned in the Act.	
	• Though the processing cost is Rs.59, 977 for one corneal tissue, the corneal tissue had been provided to the private hospitals located in Sri Lanka by Trust for an amount of Rs.15, 980.	Former Health Services Director General had decided to recover the fees only for corneal tissue storage media not total processing cost in 2019 and the fees for that had been considered as the fees for the media of corneal tissue storage and accordingly, only an amount of Rs.15, 980 had been recovered for the cost of corneal tissue media in relation to 2024.	-Do-
	• The attention had not been paid for the regulation with regard to the amount recovered for the corneal tissue in providing the corneal tissues to the needy persons by the private hospitals.	The provisions had not been made by the Act to pay attention for the regulation pertaining to the amount recovered for corneal tissues by private hospitals.	The action should be taken to regulate since the corneal tissues are provided to the private hospitals for an amount of less than the processing cost without the provisions available.
(iii) Sub-section 6 (5) of the Act	If any appointed member of the Board fails to attend three consecutive meetings of the Board without obtaining prior approval for such absence from the	Since these representatives are working at the Kandy and Jayewardenepura Hospitals, they have been connected through zoom	Action should be taken in accordance with the provisions of the Act.

		Chairman, such member shall be deemed to have vacated his office at the conclusion of the third meeting. Although, the representative nominated by the Council of the College of Ophthalmologists of Sri Lanka and the representative nominated by the Sri Lanka Medical Council, who have not attended 06 and 04 consecutive meetings respectively, action had not been taken in accordance with the provisions of the Act.	technology since the year 2025.	
(iv)	Sub-section 11 (f) of the Act	A register and a database of the donors of any corneal or other tissues required for ophthalmic surgery should be maintained in a manner as may be determined in consultation with the Secretary to the Ministry of the Minister assigned the subject of Health. Although a register exists, a database had not been maintained.	The register along with basic data, name, address, date of membership, and membership number is being maintained. However, these matters will be discussed at the next Board of Directors meeting and action will be taken to maintain a database with the approval of the Secretary along with the necessary data.	-Do-
(v)	Sub-section 11 (j) of the Act	Even though the National Eye Bank Trust Board should formulate a code of ethics relating to harvesting and transplanting of corneal tissues based on applicable standards, a code of ethics had not been formulated.	A code of ethics has not been formulated, and action will be taken to discuss in this regard at the meeting of the Board of Directors in the future and formulate a formal code of ethics.	A code of ethics should be formulated in accordance with the provisions of the Act.

(vi) Sub-section 17 (4) of the Act	Even though the income and expenditure account and the balance sheet shall be signed by the members of the Board authorized to do so by a resolution passed by the Board, action had not been taken accordingly.	The Board of Directors will be informed in this regard in the future, and appropriate action will be taken.	Members authorized to sign the financial statements should be appointed in accordance with the provisions of the Act.
(vii) Sub-section 19 (1) of the Act	The Minister shall in consultation with the Board appoint to the staff of the Trust, a person to be the Chief Executive Director and the Chief Executive Director shall have the qualifications and experience as specified by rules made under this Act. However, the Minister had not appointed an Executive Director who had the qualifications and experience as specified by the rules.	A Medical Officer with specialist qualifications in transplanting of corneal tissues had been temporarily appointed as the Chief Executive Director, and action will be taken in the future to send it to the Minister for approval.	A person should be appointed permanently as the Chief Executive Director with the approval of the Minister.
(viii) Section 20 of the Act	The Minister, in consultation with the Secretary to the Ministry of the Minister assigned the subject of Health shall appoint a person who is an ophthalmologist having completed a Corneal fellowship or has demonstrated expertise in external eye diseases, corneal surgery, research or teaching experience in cornea or external eye diseases, or has experience in corneal transplantations to be the	The Trust proposes the Medical Director and he will be appointed to cover up duties. Action will be taken in the future to submit the same to the Minister for approval.	A permanent Medical Director should be appointed with the approval of the Minister.

	Medical Director of the Trust. However, the Medical Director of the Sri Lanka Eye Bank serves as the Medical Director of the Trust and the Minister had not appointed him to that post.		
(ix) Sub-section 21 (1) of the Act	At the request of the Board, any officer in the public service may, with the consent of that officer and of the Public Service Commission be temporarily appointed to the staff of the Trust for such period as may be determined by the Board and with like consent be permanently appointed to such staff. However, the approval of the Public Service Commission had not been obtained for 23 public officers employed in the Trust.	The same staff who worked in the Sri Lanka National Eye Bank Project is working in the Trust and action will be taken in the future to obtain the approval from the Public Service Commission.	The approval of the Public Service Commission should be obtained for the employees working in the Trust.
(x) Sub-sections (a), (b), (c), (d), (e), and (f) of section 27 (2) (1) of the Act	Even though the Minister shall make regulations after consulting the Board, the said regulations had not been prepared in respect of the procedure to be followed in the collection of corneal tissues and other tissues required for ophthalmic surgery, the quality of corneal tissues and other tissues, the procedures for medical and quality standards to be adopted in harvesting and	Regulations are currently being prepared and implemented and the same will be submitted for the approval of the Minister in the future.	Regulations have not been prepared and implemented so far and those regulations should be prepared immediately and approvals should be obtained.

		transplanting of corneal tissues, the fees to be charged from non-Sri Lankan nationals, the procedure to be followed in sharing with other countries and matters relating to the electronic submission of requests.		
	(xi) Sub-sections (a), (b), (c) and (d) of section 28 (2) (1) of the Act	Even though it has been stated that the Board shall make rules without prejudice to the generality of the powers vested in the Board, rules had not been made regarding the qualifications, powers and functions of the Tissue Coordinators, the procedures relating to the distribution of corneal tissues and other tissues required for ophthalmic surgery to Sri Lankans, the procedure for the recruitment and training of Tissue Coordinators, to maintain registers which shall be kept and maintained under the Act.	Rules will be made in the future.	The relevant rules should be made immediately and used those rules.
(b)	Sub section 38 (2) of the National Audit Act, No. 19 of 2018	Even though a written review of the effectiveness of the internal control system for financial control, and a copy thereof should be submitted to the Auditor General, the Trust had not taken action accordingly.	There is a shortage of human resources in the Trust, and these activities will be carried out after the relevant posts are approved.	The effectiveness of the relevant system should be reviewed and a copy should be submitted to the Auditor General.

(c)	The Guidelines and Operational Manual issued by the Department of Public Enterprises on 16 November 2021			
(i)	Paragraph 2.3 of Chapter 2 of the Guidelines	In order to achieve the objectives, a strategic plan including an Action plan and an annual budget had not been prepared and the plan had not been submitted to the Department of Public Enterprises through the Secretary to the relevant Line Ministry.	The Sri Lanka Institute of Development Administration has been entrusted with the preparation of the Action plan and the strategic plan, and action will be taken to submit it to the Department of Public Enterprises as soon as it is completed.	The relevant plans should be prepared and approvals obtained and operations should be implemented accordingly.
(ii)	Paragraph 3.1 of Chapter 3 of the Operational Manual	Even though all Public Enterprises should obtain the approval of the General Treasury for their cadres, action had not been taken accordingly.	After the posts are created by the Department of Management Services, the cadre will be submitted for approval to the General Treasury.	The approval of the General Treasury should be obtained expeditiously.
(iii)	Paragraph 3.2 of Chapter 3 of the Operational Manual	Even though the approval should be obtained from the Department of Management Services regarding the cadre, Scheme of Recruitments, pay structure and allowances, action had not been taken accordingly.	The cadre, Scheme of Recruitments, pay structure, and allowances will be submitted in the future for approval to the Department of Management Services.	Relevant approvals should be obtained promptly from the Department of Management Services.
(iv)	Paragraph 3.3 of Chapter 3 of the Operational Manual	A strategic human resource plan including the cadre requirement and organization chart of each Division had not	Action will be taken to prepare a strategic human resource plan including the cadre requirement and	A strategic human resource plan should be prepared in accordance with the Operational Manual.

		been prepared.	organization chart of each Division.	
(v)	Paragraph 3.4 (i) of Chapter 3 of the Operational Manual	An institution should ensure that its human resource requirements are properly identified and attention should be paid to the existing vacancies and new posts to be created and schemes of recruitment related to such posts, maximum and minimum age limit, job description, Requisite academic /professional qualifications and work experience had not been identified.	Action will be taken in this regard after the posts are established by the Department of Management Services. .	Human resource requirements should be properly identified and implemented in accordance with the Operational Manual.
(vi)	Paragraph 3.6 of Chapter 3 of the Operational Manual	An effective performance appraisal system based on the strategic plan and Action plans had not been introduced.	The Sri Lanka Institute of Development Administration has been entrusted with the preparation of the Action plan and strategic plan, and an effective performance appraisal will be introduced after its completion.	The preparation of the plans should be carried out expeditiously.
(vii)	Paragraph 7.5 of Chapter 7 of the Operational Manual	Even though the Trust should prepare performance reports quarterly, half-yearly and annually and forward those reports to the relevant Line Ministry and the Department of Public Enterprises, action had not been taken accordingly.	Only two Management Assistants are currently serving and action will be taken after the posts are created by the Department of Management Services.	Performance reports should be prepared and forwarded to the Department of Public Enterprises.

(d)	Establishments Code of the Democratic Socialist Republic of Sri Lanka			
	(i) Section 2.1 of Chapter VI	When an officer is appointed to a post on a permanent, probationary, or on agreement, a history sheet for such an officer should be prepared at once. However, history sheets had not been included in the personal files of the officers.	History sheets will be included in the personal files of the officers of the Trust once the posts are formed.	History sheets should be included in the personal files.
	(ii) Section 1.7 of Chapter XII	A register of leave granted had not been maintained in accordance with Form General 190.	A register of leave granted will be maintained in the future in accordance with Form General 190.	A register of leave granted should be maintained.
(e)	Financial Regulations of Democratic Socialist Republic of Sri Lanka			
	(i) Financial Regulation 135	No delegation of financial authority had been made in respect of the incurrence of expenditure.	At present, activities are carried out in accordance with the powers delegated by the Board of Directors and that arrangements would be made to formally establish and relevant posts are approved and created by the Department of Management Services.	Financial authority in respect of the incurrence of expenditure should be delegated in accordance with the Financial Regulations. .
	(ii) Financial regulations 225	Although it is required that vouchers for all payments be prepared accurately and completely using the	It was stated that the forms used for the payment of salaries and wages, overtime, ordinary payments,	The prescribed General Forms should be used in accordance with the Financial

		prescribed forms, and that the specific form prescribed by law be used whenever such a requirement exists, the Trust had not used General Forms Nos. 33, 36, 35(A), 35, 177 and /178 respectively for the payment of salaries, wages, overtime, ordinary payments, imprest, advances, and travelling expenses.	imprest advances, and travelling expenses are those currently used by the Sri Lanka National Eye Hospital.	Regulations.
(iii)	Financial regulations 257	Although payments should be made only on duly certified vouchers and it is the responsibility of every officer authorizing or making payments to ensure that the vouchers have been properly certified by an officer vested with the authority to certify vouchers, sample testing of payment vouchers revealed that payments amounting to Rs. 185,370 had been made on 06 uncertified vouchers.	All payment vouchers would be duly certified by the Chief Executive Director (Acting) before being submitted for payment in the future.	All payment vouchers should be duly certified prior to payment in order to prevent fraud and irregularities.
(iv)	Financial regulations 260	Although it is required that, where the payee appears to receive payment, the paying officer should satisfy himself as to the identity of the payee and obtain the payee's signature on the voucher, payments had been made without obtaining the signature of the recipient on the relevant vouchers.	Payments would be made only after obtaining the name, signature, and date of the recipient on all payment vouchers in the future.	The signature of the recipient should be obtained on the payment voucher as evidence of receipt of payment.

(v)	Financial Regulations 262 (2)	In 51 instances, payments amounting to Rs. 1,139,197 had been made on payment vouchers and the related invoices without affixing the “Paid” stamp.	The “Paid” stamp would be affixed on all payment vouchers issued and on the supporting documents attached thereto, in the future.	The “Paid” stamp should be affixed on payment vouchers and the related invoices immediately after the payments are made.
(vi)	Financial regulation 454 (1)	The Trust had not followed the procedures prescribed in General Form 44 with regard to the receipt and issue of government property and store items.	In this regard action would be taken once the relevant posts are approved and created by the Department of Management Services.	General Form 44 should be used for the receipt and issue of store items.
(f)	Government Procurement Guideline Chapter 4.2	An entity is required to prepare a Master Procurement Plan and including the procurement activities for a period of next three years, the Trust had not been acted accordingly.	Arrangements will be made to prepare a Procurement Plan in the future.	A Master Procurement Plan including procurement activities for a period of next three years should be prepared.
(g)	Management Service Circular No.39 dated 26 May 2009 and paragraph 02(v) of Management service Circular dated 26 October 2020.	Salaries and allowances should be decided according to the salary code given by Management service Department for the each post and the prior approval should take from the Management Service Department of the General Treasury for each additional payment as extra payments. Non-compliance to that Rs. 1,645,918 had been paid as salaries and allowances to two Management Assistant Officers during the year under review.	Until the Management Services Department would be taken a decision regarding salaries and allowances the two Management Assistant Officers who served at the Sri Lanka National Eye Bank Project will continue in their positions in the Trust and a Cabinet Paper has been submitted to obtain approval for this.	The relevant approval should take for the payment of salaries and extra allowances.

(h)	Public Administration Circular No. 03/2017 dated 19 April 2017.	All government institutions should maintain records of officers' arrivals and departures through the use of finger scanner. Overtime and holiday pay or other time-based allowances are paid based on hours worked beyond normal office hours, such time should be verified through the finger scanner. But the Trust had not acted accordingly and had paid a sum of Rs. 14,841,267 as overtime and holiday pay during the year under review.	The Eye Donation Trust follows the practice of the Ministry of Health and maintains attendance records properly, and that the relevant salaries and overtime allowances are paid accordingly.	The claims for overtime and holiday pay should be verified through the finger scanner before such payments are made.
(i)	Circular No. 1822/11 dated 22 December 2022 issued by the Secretary to the Ministry of Health.	Although the provisions of Circular Letter No. 1822/11 dated 22 December 2022 issued by the Secretary to the Ministry of Health were not applicable for the payment of honoraria, daily allowances, and lecture fees to resource persons, participants, lecturers, and other contributing officers involved in meetings, workshops, training programmes, and similar activities, a sum of Rs. 2,780,400 had been paid as honoraria to 26 officers of the Trust, the Ministry of Health, and the Health Development Fund..	A Cabinet Memorandum had been submitted for the approval of the Minister in this regard.	Payments of additional allowances should be made only after obtaining the relevant approvals from the appropriate authorities.

2. Financial review

2.1 Financial Result

The operating result of the year under review amounted to a surplus Rs. 24,454,662.

3. Operational Review

3.1 Management Inefficiencies

Audit Observation	Management Comments	Recommendations
It was observed from the information submitted to the audit via email on 24 December 2025 that 1003 corneal tissues were received during the year under review, out of which 907 were used and 96 of these were expired during the year. However, information was further submitted to the audit that 22 corneal tissues remained in the trust at the end of the year and in addition 6 corneal tissues had expired. As mentioned above, contradictory information was submitted on two occasions and a reporting system had not been implemented regarding receipts, issues, remaining stocks and expired corneal tissues during the year.	Action will be taken implement a reporting system by the Trust regarding the corneal tissues.	Action should be taken to maintain a reporting system regarding corneal tissues.

3.2 Operational Inefficiencies

Audit Observation	Management Comments	Recommendations
Corneal tissues obtained from the National Hospitals in Kurunegala and Kandy were transported to the Trust and examined to determine their suitability for transplantation. Thereafter, the tissues were handed over to drivers of public transport services and dispatched by bus to the hospitals that had requested them. This was not a secure method of transportation; the Trust had not paid adequate attention to implementing a proper and formal transportation procedure.	A secure mechanism and a formal procedure for this process would be developed and submitted to the Board of Directors in the future.	A secure and formal procedure should be established and implemented for the transportation and handling of corneal tissues.

3.3 Human Resource Management

Audit Observation	Management Comments	Recommendations
Personal files maintained in respect of staff had not been properly maintained, and copies of officers' educational, professional, and experience certificates, as well as birth	The relevant records would be properly maintained and	Proper action should be taken to maintain files..

certificates, had been included in the files without being duly certified.	updated in the future.	

4 Accountability and Good Governance

4.1 Submission of Financial Statements

Audit Observation	**Management Comments**	**Recommendations**
Although in accordance with paragraph 6.6 of Chapter 6 of the Operations Manual issued by the Department of Public Enterprises on November 16 2021, financial statements should be prepared and submitted to the Auditor General within 60 days of the end of the accounting year, the financial statements for the year under review were submitted to the Auditor General on December 16, 2025, 290 days after the end of the accounting year. The draft annual report had also not been submitted for audit up to the date of this report.	It is stated that these activities will be carried out in a timely manner after the relevant positions are established by the Department of Management Services. .	Financial statements and draft annual reports must be submitted to the Auditor General on the due date.

4.2 Internal Audit

Audit Observation	**Management Comments**	**Recommendations**
In terms of Sub-section 40(1) of the National Audit Act No. 19 of 2018 and Paragraph 4.4 of Chapter 4 of the Guidelines Manual issued by the Department of Public Enterprises on 16 November 2021, an Internal Auditor had not been appointed and an Internal Audit Unit had not been established.	It was stated that no positions had been established in the Trust and that arrangements would be made to establish an Internal Audit Unit when positions are created in the future.	The provisions of the National Audit Act and the relevant circular instructions should be complied with. .

4.3 Audit Committee

Audit Observation	**Management Comments**	**Recommendations**
According to Paragraph 4.2(h) of Chapter 4 of the Guidelines Manual issued by the Department of Public Enterprises on 16 November 2021, Audit and Management Committee meetings should be held at least once every three months. However, the Trust had not conducted any such meetings during the year under review.	It was stated that arrangements would be made to hold Audit and Management Committee meetings once every three months in the future.	The required Audit and Management Committee meetings should be held within the year in accordance with the prescribed requirements.