Sri Lanka Press Council

Annual Report and Statement of Accounts

01st January, 2022 – 31st December, 2022

Sri Lanka Press Council,
No.155/15, Castle Street,
Colombo 08.

The Hon. Minister of Mass Media,
Ministry of Mass Media,
No.163, Kirulapone Mawatha,
Polhengoda,
Colombo 05.

Honourable Minister,

Annual Report – 2022

In terms of Section 20 of Sri Lanka Press Council Law, No.5 of 1973 and Section 14 of the Finance Act, No.38 of 1971, I have honor to forward herewith under mentioned reports of the Sri Lanka Press Council:

1. The Report of the work done by the Council for the period from 01st January to 31st December, 2022 and the policy and program of the council.
2. The report of the Auditor – General
3. A copy of the statement of accounts for the period

Yours faithfully,

Mahinda Pathirana,
Chairman.

ANNUAL REPORT OF THE SRI LANKA PRESS COUNCIL
FOR THE YEAR 2022

SRI LANKA PRESS COUNCIL

Sri Lanka Press Council was established in terms of the Sri Lanka Press Council Act, No.5 of 1973 under the Ministry of Finance and Mass Media as a Statutory Board.

The objectives of the Sri Lanka Press Council are-

1. to ensure the freedom of the Press in Sri Lanka,
2. to prevent misuse of the freedom,
3. to ensure the rights of the general public to correct information.

Sri Lanka Press Council is situated at No.155/15, Castle Street, Colombo 08 from 01.01.2012.

01. Composition of the Council

Functioning as a Juridical Body Sri Lanka Press Council is composed of seven Board Members. Amongst the members one is nominated by Journalists' Association and the other member is appointed to represent the employees of Newspaper business. Among these seven members Director of information has been appointed as an Ex-*officio* member. The term of office will be a period of 3 years for members since the appointments are made. The Press Commissioner serves as the chief executive officer of the council.

The names of the Chairman and Members of the council were appointed by the President from 08.01.2020 are as following:-

Position	Name	Date of Appointment
Chairman	Senior Lecturer Mahinda Pathirana	08.01.2020
Member	Dinith Chinthaka Karunaratna (Director General of Government Information) Ex - officio	
Member	Gamini Wijewardene, Attorney – at- Law	22.01.2020
Member	Prasantha Lal De Alwis, President's Counsel	22.01.2020
Member	Dr. Tudor Weerasinghe	22.01.2020
Member	Mr.Ariyananda Dombagahawaththa	07.07.2020
Member	K.G.C.P. Bandara	17.09.2020

Mr. S. Giridharan was appointed on 03.03.2022 for the post of treasury representative (observer) in the audit and management committee for the board of directors of Sri Lanka Press Council as the successor of Ms. K.A. Ramya Kanthi.
Mr. Dinith Chinthaka Karunarathna,Director General of Information was appointed for board meetings from 08.09.2022 as the successor of Mr. Mohan Samaranayake ,former Director General of Information .

02. Meetings of the Council
The Council held 24 meetings with the presence of the chairman and the members during the year 2022.

03. Staff

The constitution of the staff in accordance with the new recruitment procedure of National Salaries and Cadres Commission is given below.
The employees of Sri Lanka Press Council are 18 in the year 2022.

1.	Mr.T. Niroshana	Press Commissioner
2.	Mr. M.P. Kushan Dewapriya	Accountant
3.	Mr. Suroshana Iranga	Assistant Press Commissioner
4.	Mrs. Dilhani Wijerathna	Assistant Press Commissioner
5.	Mrs.K.G.N.H. Pathirathna	Administrative Officer
6.	Mrs.H.S. Wijeratne	News Investigator (Sinhala)
7.	Ms. Shalani. E.J. Yogaraja	News Investigator (Tamil)
8.	Ms.K.G. Thilani M. Bandara	News Investigator (English)
9.	Mrs.T.A. Anoma Priyanthi Thilakaratne	Management Assistant
10.	Mrs.T.N. Nilmini Peiris	Accounts Assistant
11.	Mrs. B.M.P.K. Siriwardana	Management Assistant
12.	Mrs.A.S. Neranji	Management Assistant
13.	Mrs.Vidurangi Wathsala	Management Assistant
14.	Mr.H.S.S. Ananda	Messenger
15.	Mr.G. Isuru Dananjaya Karunathilaka	Office Assistant

The officers are mentioned in below resigned from their reputed positions at the said year.

Mrs. N.J.A.J.G. Perera	Management Assistant	(05.02.2022)
Mr. J.B. Karunathilaka	Driver	(25.08.2022)
Mrs.K.A. Vinushi Shashikala	Translator	(21.10.2022)

04. Complaints

The number of complaints received during the year 2022 was 34.
The complaints received in 2022 and the manner of examining as in below.
Eleven complaints were filed at the Court of Appeal against' Ethalaya" newspaper from 2013 -2018 by the Council. (These complaints are being under consideration at the Court of Appeal)

Number of complaints brought forward from last year (2021) to the year 2022	35
The number of complaints received in 2022	34
The total of complaints examined in 2022	69

The manner of examining complaints

Irregular complaints	08
On Investigation	23
Forwarding being averted	17
Dismissals	10
Mutual Settlement	11
	69

The sources of these complaints were:-

1. Individuals / Public Representatives
2. Heads of the institutions/ secretaries to the ministries
3. Lecturers
4. Medical officers, other professionals
5. Clergy
6. Principals and School Teachers
7. Trade Unions
8. Several leaders from political parties, groups

During the year 2022, 34 complaints were made against the following proprietors of Newspapers:-

<u>Name of the Proprietor:</u>

1. Associated Newspapers of Ceylon.Ltd.
2. Upali Newspapers Ltd.
3. Vijaya Newspapers Ltd.
4. Ethalaya Newspapers Ltd.
5. Express Newspapers Pvt. Ltd.
6. Ceylon Newspapers Pvt. Ltd.
7. Liberty Publishers Pvt. Ltd
8. Other

Registration of Newspapers
The number of Newspapers registered in the Council during the year 2022 was 147.

05. Directives issued to the Sri Lanka Press Council by the Ministry

No directives were issued to the Sri Lanka Press Council by the Minister of Mass Media during the period under review.

06. Awareness Programs for Journalists, Teachers and Students

Workshops, Lectures and programs were held till December, 2022 as follows.

I. Workshops were held for A/L teachers and Students who are teaching and following "communication and Media Studies as a subject.

- 2022.02.03 'The origin and development of Communication Studies'
- 2022.03.10 'Introduction to Communication and its nature'
- 2022.03.24 'Elements of communication and its functions'

II. Contemporary discussion held via Zoom Technology

- 2022.08.18 'Role of the media at the face of discrepancy Politics'
- 2022.09.08 'Media Freedom at the face of Social Tendencies'
- 2022.10.06 'Right to information and Role of The Journalist'
- 2022.10.27 'Crime reporting and social responsibility of The Journalist'
- 2022.11.24 'Role of Language using in Media Reporting'

III. Workshops held for schools / Tuition Classes

- Kadawatha "Science Image" Institution
- WP/Ke/ Bollegala Central college
- ISK Institution
- Gampaha zMontanaZ Institution

07. Diploma Course on Journalism and Media Studies - 2022

The academic studies of Diploma Course on Journalism and Media Studies for its' IX th batch (initiated in 2021) yet to be finished.

08. Certificate Course on Journalism -2022

Enrolment fees were refunded to 20 students who registered to the course as per the board decision due to insufficient student registration for the commencement of its second group.

The subject units of the course cover special areas relevant to journalism. Therefore the syllabus was revised and electronic media and social media were included with the attention on current media tendencies. Accordingly, the said course is named as "Certificate course on Journalism II" and interviews were held for new admissions .Six students were enrolled to the said course.

09. Discussion on Communication, Year 2022

A discussion program on significant contemporary publications was held in every Wednesday afternoons. Accordingly, eighteen (18) programs were held for the said year at the auditorium of SLPC and via ZOOM technology.

- 2022.02.09 – "Smart Koombiyage Walakulu Sawariya", Mr. Nuwan Kumara Katugampola.
- 2022.02.03 – "The Noval World" – Role of Ven. Udakandewala Saranankara in Liberal communication" – Mr. Chandana Wijekoon.
- 2022.03.16 – "Pipasayi Anannda, Kusinarawa Thawa Durada ?" – Mrs. Irani Nilmini Abeykoon.
- 2022.03.30 – " Ravi Gee Sandawe- The entertainment program" – The Program on Musician, Ravishankar Sharma.
- 2022.10.11 – " This is the luckiest day " – The entertainment program on Nadagam and Noorthi Songs.
- 2022.10.25 – " The Program to short films , ' Anichchanuga and Peripla'
- 2022.11.09 – "Gahakatath Waripanam Ankayak" – Mr. Anura.B.Seneviratne.
- 2022.11.29 – " Pahanada Pahan" , The poetry book written by Mr. Sunanda Karunarathne.
- 2022.12.14 – The program - 'Gee padha sankalpana'
- 2022.12.28 – The program – 'Gee Padura1'

10. Finance

I. A sum of Rs. 35,200,000/- was approved being recurrent expenditure of the Sri Lanka Press Council for the year 2022 under the budget allocation of Ministry of Finance & Mass Media. The same amount was drawn for expenditure of the Council from the General Treasury in installments.

II. For the year 2022 Rs.3, 000,000/- has been allocated as Capital expenditure under the budget allocation of the treasury and Rs. 2,422,000/-of this amount was obtained to the Council as Capital expenditure.

III. Apart from the Government Grant and the Registration Fees of Newspapers, other receipts credited to the Council's fund during the year 2022 are as follows :-

Other income (except differed income)	Rs.	709,535.47
Late Registration Fees	Rs.	136,000.00
		845,535.47

IV.Financial Performance Report

With the Government Grant for the recurrent expenditure, the total income during the year was Rs.38,713,504.77. The total expenditure was Rs.37,060,232.50. The surplus of Rs. 1,653,272.27 was credited to the Council Fund during the year 2022.

V.Council Accumulated Fund

The credited balance of the Councils Fund at the beginning of the year 2022 was Rs. 8,901,743.40. At the beginning of the year the balance of the capital fund was Rs.982,406.97.The amount given for buying capital assets is Rs.2,422,000/-. Capital Amortization for the year is Rs.2, 110,273.30. The balance of the Capital Fund for the year was Rs. 1, 294,133.67. The surplus of the year Rs.1, 653,272.27 being the adjustment in respect of the previous year Rs. (600,298.16) was transferred to the Council Fund. The credited balance of the accumulated Fund at the end of the year was Rs.9, 954,717.51.

The credited balance of the Council Accumulated Fund, credited balance of capital reserve, balance of employee benefit Rs. 4,746,257.50 and current liabilities Rs. 738,738.05 including total liabilities are represented by non-current assets of Rs. 8.239,870.26, Loan Fund balance Rs. 4,239,588.99 and current assets of Rs. 10,303,544.20.

VI. Registration of Newspapers

During the period from January to December 2022 a sum of Rs.532, 000/- was received as registration fees for Newspapers.

11. Acknowledgement

The correct instruction and direction given by the Ministry of Finance and Mass Media and the devotion and dedication of the entire staff of the Sri Lanka Press Council in carrying out their duties and responsibilities is appreciated.

Senior Lecturer Mahinda Pathirana
Chairman
Sri Lanka Press Council,
No.155/15, Castle Street,
Borella, Colombo 08.

SRI LANKA PRESS COUNCIL
STATEMENT OF FINANCIAL PERORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2022
(All Amounts Are In Sri Lanka Rupees)

	Note	2022	2021
Revenue			
Contribution From Government Of Sri Lanka	3	35,200,000.00	28,665,000.00
Paper Registration Fees		532,000.00	504,000.00
Copying Fees		17,920.00	1,500.00
Late Fees		136,000.00	10,500.00
Other Income	4	2,135,969.30	2,587,162.83
Sale of Books	5	(29,884.50)	6,330.00
Diploma & Certificate Course Income		466,500.00	473,500.00
Interest Income-Loans To Staff		137,483.50	106,017.31
Interest Income-Bank Accounts		117,516.47	167,716.55
Total Revenue		**38,713,504.77**	**32,521,726.69**
Expenses			
Wages, Salaries and Employee Benefits	6	23,923,160.11	21,260,061.36
Supplies & Consumables Used	7	794,756.68	939,782.01
Depreciation Of Property ,Plant & Equipment	16	2,530,981.74	2,947,239.86
Utility Expenditure	8	5,983,693.13	5,335,628.76
Other Operating Expenses	9	2,640,847.14	3,370,321.42
Grants & Transfer Payments	10	1,186,793.70	2,049,866.00
Total Expenses		**37,060,232.50**	**35,902,899.41**
Surplus/(Deficit) Before Taxation		**1,653,272.27**	**(3,381,172.73)**
Income Tax Expenses		-	-
Surplus/(Deficit) For The Year		**1,653,272.27**	**(3,381,172.73)**

SRI LANKA PRESS COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2022
(All Amounts Are In Sri Lanka Rupees)

	Note	2022	2021
Current Assets			
Cash & Cash Equivalents	11	3,605,249.91	2,797,631.03
Receivable	12	238,370.00	243,870.00
Inventories	13	876,512.54	989,959.76
Deposits & Prepayments	14	1,210,911.75	1,138,622.70
Distress Loan Receivable	15	3,917,500.00	2,603,033.50
Short Term Loan Receivable	15.1	455,000.00	-
		10,303,544.20	**7,773,116.99**
Non Current Assets			
Property ,Plant & Equipment	16	8,239,870.26	8,341,636.49
Investments-Savings Account (Fund Purpose)	17	4,239,588.99	5,840,839.02
		12,479,459.25	**14,182,475.51**
Total Assets		**22,783,003.45**	**21,955,592.50**
LIABILITIES			
Current Liabilities			
Sundry Creditors		2,000.00	2,000.00
Accrued Expenses	18	736,738.05	1,398,447.91
		738,738.05	**1,400,447.91**
Non Current Liabilities			
Employee Benefits	19	4,746,257.50	4,621,837.50
Capital Introduced By Government Treasury		1,294,133.67	982,406.97
		6,040,391.17	**5,604,244.47**
Total Liabilities		**6,779,129.22**	**7,004,692.38**
Net assets		**16,003,874.23**	**14,950,900.12**
NET ASSETS/EQUITY			
Capital Reserve		4,115,000.00	4,115,000.00
Revaluation Reserve		1,934,156.72	1,934,156.72
Accumulated Surpluses/(Deficits)		9,954,717.51	8,901,743.40
		16,003,874.23	**14,950,900.12**

Accounting Policies and Notes on pages 06 to 19 form an integral part of these Financial Statements.
These financial statements have been prepared in accordance with the Sri Lanka Public Sector Accounting Standards.

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Prepared By
Accountant
Sri Lanka Press Council

The Board of Directors is Governors of the Council is Responsible for the Preparation and Presentation of these Financial Statements.
Signed for and on behalf of the Board of Governors,

....
Press Commissioner
Sri Lanka Press Council

....
Board of Director
Sri Lanka Press Council

....
Board of Director
Sri Lanka Press Council

....
Chairman
Sri Lanka Press Council
21st February 2023

STATEMENT OF CHANGES IN NET ASSETS/ EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2022
(All Amounts Are In Sri Lanka Rupees)

	Contributed Capital	Capital Reserve	Revaluation Reserve	Accumulated Surpluses/(Deficits)	Total
Balance As At 31st December 2020	**838,569.79**	**4,115,000.00**	**1,934,156.72**	**12,239,016.13**	**19,126,742.64**
Changes In Accounting Policy/Correction of Errors **(Note A)**	-	-	-	43,900.00	43,900.00
Funds Received From Government Treasury	2,731,000.00	-	-	-	2,731,000.00
Transferred To Capital Reserve	-	-	-	-	-
Debited to Capital Grant (for Amortization)	(2,587,162.83)	-	-	-	(2,587,162.83)
Surplus/(Deficit) For The Year	-	-	-	(3,381,172.73)	(3,381,172.73)
Balance As At 31st December 2021	**982,406.97**	**4,115,000.00**	**1,934,156.72**	**8,901,743.40**	**15,933,307.09**
Changes In Accounting Policy/Correction of Errors **(Note B)**	-	-	-	(600,298.16)	(600,298.16)
Funds Received From Government Treasury	2,422,000.00	-	-	-	2,422,000.00
Debited to Capital Grant (for Amortization)	(2,110,273.30)	-	-	-	(2,110,273.30)
Surplus/(Deficit) For The Year	-	-	-	1,653,272.27	1,653,272.27
Balance As At 31st December 2022	**1,294,133.67**	**4,115,000.00**	**1,934,156.72**	**9,954,717.51**	**17,298,007.90**

SRI LANKA PRESS COUNCIL
STATEMENT OF CHANGES IN NET ASSETS/ EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2021
(All amounts are in Sri Lanka Rupees)

Note A - Changes In Accounting Policy/Correction of Errors

Paper Registration Fees Relevant to 2021	14,000.00
Over Provision of Audit Fess 2021	53,200.00
Web Domain Registration relevant to 2021	(23,300.00)
	43,900.00

Note B - Changes In Accounting Policy/Correction of Errors

Paper Registration Fees Relevant to 2022	8,000.00
Accrued Expenses in 2021 Wrongly entered to the Council Fund	(17,563.75)
Chairman's Salary Adjustment 2021 December	(401,730.00)
School Item Stock Adjustment	72,330.08
Staff Training Fees Reimbursement	20,000.00
Prior Years Depreciation Adjustment of Furniture & Fixtures	2,148.01
Distress Loan Opening Balance Correction	(86,783.50)
Paper Registration & Late Fees Correction	(189,500.00)
Under Provision Adjustment of Audit Fees for the year 2021	(7,200.00)
Accrued Expenses in 2021 Wrongly entered to the Council Fund	1.00
	(600,298.16)

SRI LANKA PRESS COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2022
(All Amounts Are In Sri Lanka Rupees)

	Note	2022	2021
Surplus/(Deficit) For The Year		1,653,272.27	(3,381,172.73)
Adjustment For :			
Depreciation		2,530,981.74	2,947,239.86
Written Off		-	-
Previous Year Adjustment		(600,298.16)	43,900.00
Gratuity Provision during the year		1,275,747.50	258,211.50
Correction of Depreciation		(2,148.01)	-
Capital Grant Amortization		(2,110,273.30)	(2,587,162.83)
Interest income for the year		(117,516.47)	(167,716.55)
Operating Profit Before Changes in Working Capital		**2,629,765.57**	**(2,886,700.74)**
Changes in Working Capital			
(Increase) / Decrease In Receivable Income		5,500.00	(48,000.00)
(Increase) / Decrease In Inventories		113,447.22	(361,072.75)
(Increase) / Decrease In Deposits and Prepayments		(72,289.05)	(44,839.28)
(Increase) / Decrease In Distress Loan Receivable		(1,314,466.50)	217,268.25
(Increase) / Decrease In Short Term Loan Receivable		(455,000.00)	-
Increase / (Decrease) In Sundry Creditors		-	(5,000.00)
Increase / (Decrease) In Accrued Expenses		(661,709.86)	533,713.99
Cash Generated From Operation		**245,247.38**	**(2,594,630.53)**
Cash Generated From Operations			
Gratuity Paid		(1,151,327.50)	(431,016.50)
Net Cash Flows From Operating Activities		**(906,080.12)**	**(3,025,647.03)**
Cash Flows From Investing Activities			
Fixed Assets Purchased		(2,427,067.50)	(2,892,575.00)
Investment In Funds		1,601,250.03	(491,002.11)
Interest income		117,516.47	167,716.55
Net Cash Inflows/ (Outflows) From Investing Activities		**(708,301.00)**	**(3,215,860.56)**
Cash Flows From Financing Activities			
Cash Granted / (Refunded) From / (To) Government Treasury		2,422,000.00	2,731,000.00
Net Cash Inflows/ (Outflows) From Financing Activities		**2,422,000.00**	**2,731,000.00**
Net Increase/(Decrease) In Cash & Cash Equivalents		**807,618.88**	**(3,510,507.59)**
Cash & Cash Equivalents At The Beginning Of The Year		**2,797,631.03**	**6,308,138.62**
Cash & Cash Equivalents At The End Of The Year	11	**3,605,249.91**	**2,797,631.03**

1. General

Sri Lanka Press Council was established by the Parliament Act No 73 of 1973. Sri Lanka Press Council registered office and principal place of service is located at No: 155/15, Castle Street, Borella, Colombo 08.

1.1 Principal Activities & the Nature of Operations

The principal activity of Sri Lanka Press Council is popularising press freedom as a cultural element for national development.

1.2 Basis of Preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared in accordance with Sri Lanka Public Sector Accounting Standards (SLPSAS) for public sector entities published jointly by Institute of Chartered Accountants of Sri Lanka (ICASL) and Ministry of Finance & Planning. These financial Statements are presented in Sri Lankan Rupees.

1.3 Statement of Compliance

The Financial Statements of Sri Lanka Press Council has been prepared in accordance with Sri Lanka Public Sector Accounting Standards (SLPSAS).

1.4 Going Concern

The Board of Governors is satisfied that the council has adequate resources to continue its operations in the foreseeable future. Accordingly the financial statements are prepared based on going concern basic.

1.5 Comparative Information

The Council has consistently applied accounting policies and is consistent applied by the council and with those used in previous year. Previous year's figures have been related wherever necessary to confirm to the current year's presentation.

1.6 Materiality and Aggregation

Each material class of similar items is presented separately in the financial statements. Items of a Dissimilar nature or function is presented separately unless they are immaterial.

1.7 Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial years.

2. Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements

2.1 Property, Plant & Equipment

2.1.1 Recognition and Measurement

All property plant & Equipment other than motor vehicle are stated at cost less accumulated depreciation and accumulated impairment losses. Motor vehicles are stated at revalued amounts, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The carrying values of property plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.All items of property, plant and equipment are initially recorded at cost. Where items of property, plant and equipment are subsequently revalued, the entire class of such assets is revalued at fair value. Revaluations are done with sufficient regularity. When an asset is revalued, any increase in the carrying amount is credited directly to a revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the income statement, in which case the increase is recognized in the income statement. Any revaluation deficit that offsets a previous surplus in the same asset is directly offset against the surplus in the revaluation reserve and any excess recognized as an expense. Upon disposal, any revaluation reserve relating to the asset sold is transferred to retained earnings. Items of property, plant and equipment are derecognized upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognizing of the asset is included in the income statement in the year the asset is derecognized.

2.1.2 Depreciation

Provision for depreciation is calculated by using a straight-line method on the cost or valuation of all property, plant and equipment, other than freehold land, in order to write off such amounts over the estimated useful economic lives of such assets. The estimated useful lives of assets are as follows:

Type of Asset	Years
Motor Vehicle - (10%)	10
Furniture & Fixtures-(20%)	05
Office Equipment-(20%)	05
Computer Equipment-(20%)	05
Books of Library-(20%)	05

The useful life and residual value of assets are reviewed, and adjusted if required, at the end of each financial year.
Accountable for depreciation on the day of Assets usage is the Council Policy.

2.2 Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risks of changes in value.

2.3 Investments

Investments comprise of savings accounts and these investments are accounted at cost.

2.4 Inventory

Inventories consist of Publications, Stationery and School Item Stock. Publications are stated at the lower of cost and selling price less costs to complete and sell.

2.5 Other Receivables
Other Receivables are stated at the amounts estimated to be realized. All receivables are accounted on accrued basic other than receivable from Diploma course.

2.6 Liabilities & Provisions
Liabilities are recognized in the balance sheet when there is a present obligation arising from a past event, the settlement of which is expected to result in an outflow of resources embodying economic benefits. Obligations payable at the demand of the creditor or within one year of the balance sheet date are treated as current liabilities in the balance sheet. Liabilities payable after one year from the balance sheet date are treated as non- current liabilities in the balance sheet.

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits for which a reliable estimate could be made is required to settle the obligation.

2.7 Employee Benefits

2.7.1 Defined Contribution Plans
All employees of the council are members of the employee's provident fund and employees' trust fund to which the council contributes 15% and 3% respectively of such employees' gross salary or wage.

2.7.2 Defined Benefit Plans
Gratuity is a Defined Benefit plan. The Council is liable to pay gratuity in terms of the relevant statute. In order to meet this liability, a provision is carried forward in the statement of financial position, equivalent to an amount calculated based on a half month's salary of the last month of financial year. Employees who are expecting to leave from the council immediately, for the each completed year of service, Commencing from the first year of service. The resulting difference between brought forward provision at the beginning of a year net of any payment made, and carried forward provision at the end of a year is dealt with in the income statement.
The gratuity liability is not funded nor actuarially valued.

2.8. Statement of Financial Performance
2.8.1 Revenue Recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue and the associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and sales taxes.

2.8.2 Government Grant
Government grant, which is recognized in the financial statements only upon receipt, are initially shown in the balance sheet under non-current liabilities & deferred income. Payments made are claimed against the grant and the amount unutilized is shown in the balance sheet.

Grant related to Property, Plant & equipment are allocated to income in the systematic basis over the straight line basis of the property, plant equipment as follows.

Motor Vehicle	10%
Furniture & Fixtures	20%
Office Equipment	20%
Computer Equipment	20%
Books of Library	20%

2.8.3 Interest Income
Interest income is recognized as it accrues in profit or loss, using the Effective Interest Method.

2.8.4 Other Income
Other income is recognized on an accrual basis.

2.8.5 Expenditure Recognition
All expenses incurred in day to day operations of the council and in maintaining the Property, Plant Equipment in a state of efficiency has been charged to the statement of financial performance.

2.8.6 Classification Of expenditure
For the purpose of presentation of statement of financial performance, the governors are of the opinion that the nature of expense method present fairly, the elements of the council's performance hence such method adopted.

2.9 Cash Flow Statement
Cash Flows statement has been prepared using the 'Indirect Method'.

2.10 Events Occurring After the Reporting Period
Events after the reporting period are those events favorable and unfavorable that occurs between the end of the reporting period and the date when the financial statements are authorized for issue. The materiality of the events occurring after the reporting period is considered and appropriate adjustments to or disclosures are made in the Financial Statements, where necessary.

	2022	2021
Note 3 - Contribution From Government Of Sri Lanka	**35,200,000.00**	**28,665,000.00**

Represents the allocation received from Government of Sri Lanka for utilities and maintenance of the Council

	2022	2021
Note 4- Other Income		
Differed Income	2,110,273.30	2,587,162.83
School Programme Income	10,400.00	-
Auction Sales Income	15,250.00	-
RTI Copy Charges	46.00	
	2,135,969.30	**2,587,162.83**
Note 5- Sale Of Books		
Book Sales	176,420.00	31,500.00
Less-Cost Of Book Sales	(206,304.50)	(25,170.00)
	(29,884.50)	**6,330.00**
Note 6 - Wages, Salaries & Employee Benefits		
Salaries And Wages	16,575,396.05	15,237,011.07
EPF Contribution	1,772,196.90	1,652,016.75
ETF Contribution	354,439.40	330,403.45
Overtime & Holiday Payment	449,398.90	571,482.92
Members Fees	786,000.00	834,000.00
Gratuity	1,275,747.50	258,211.50
Audit Committee Meeting Fees	87,092.00	54,000.00
Other allowances	35,200.91	272,039.24
Fuel Allowances	1,168,688.45	529,200.00
Transport Allowances	1,200,000.00	1,200,000.00
Telephone Allowances	219,000.00	321,696.43
	23,923,160.11	**21,260,061.36**
Note 7 - Supplies &Requisites		
Stationery	50,785.55	84,845.91
Fuel & Lubricants	396,447.55	569,548.24
Office Requisites	181,513.58	204,067.86
Uniforms	12,000.00	12,000.00
Newspapers & Periodicals	154,010.00	69,320.00
	794,756.68	**939,782.01**
Note 8 - Utility Expenditure		
Telephone Charges	198,435.14	225,252.40
Postage	27,355.00	21,120.32
Lighting	596,433.33	511,002.00
Rent-Office	4,026,000.00	3,660,000.00
Water Charges	154,130.16	103,747.04
Security Charges	840,814.50	748,980.00
Rate Tax	140,525.00	65,527.00
	5,983,693.13	**5,335,628.76**

SRI LANKA PRESS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS(Contd...)
FOR THE YEAR ENDED 31ST DECEMBER 2022
(All Amounts Are In Sri Lanka Rupees)

	2022	2021
Note 9- Other Operating Expenses		
Travelling-Staff	570.00	56,960.00
Travelling-Members	95,688.00	55,104.00
Advertisement	27,424.60	65,705.04
Printing & Binding	53,571.63	445,410.90
Translation	10,065.00	26,130.00
Repair & Maintenance	1,219,269.70	1,101,891.73
Entertainment Expenses	234,103.25	167,295.00
Technical Evaluation Committee	480.00	4,380.00
Written Down of Books Stock to NRV	76,384.00	-
Audit Fee	654,000.00	646,800.00
Incidental Expenses	8,900.00	478,924.28
Bank Charges	2,770.00	4,860.00
Car Insurance & License	187,120.96	180,960.47
Legal Fees	42,000.00	37,600.00
Website Expenses	28,500.00	98,300.00
	2,640,847.14	**3,370,321.42**
Note 10 - Grants & Transfer Payments		
Provincial Communication-Work Shop	82,400.00	191,170.00
Diploma Course	742,527.91	212,865.00
Certificate Course	172,465.76	23,970.00
Communication Discussion	81,464.00	24,890.00
Publication & Research	63,146.00	1,274,700.00
Essay/Poster competition	-	9,540.00
Training Course-Staff	-	77,500.00
Other Programme	9,370.00	175,073.00
Welfare Facilities to Journalists	-	52,230.00
Donation	35,420.03	7,928.00
	1,186,793.70	**2,049,866.00**

SRI LANKA PRESS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS(Contd...)
FOR THE YEAR ENDED 31ST DECEMBER 2022
(All Amounts Are In Sri Lanka Rupees)

	2022	2021
Note 11 - Cash and Cash Equivalents		
Cash At Bank	3,605,249.91	2,797,631.03
	3,605,249.91	**2,797,631.03**
Note 12 - Receivable		
Book Sales Receivable	48,370.00	36,370.00
Paper Registration Fees	117,000.00	104,000.00
Paper Late Fees	73,000.00	103,500.00
	238,370.00	**243,870.00**
Note 13- Inventory		
Stock Of Books	330,101.85	668,030.38
Stock Of Stationery & Office Requisites	356,214.51	223,883.28
Goods on Sales or Return Basis	117,866.10	98,046.10
School Item Stock	72,330.08	-
	876,512.54	**989,959.76**
Note 14- Deposits & Prepayments		
Security Deposit-Castle Street Building	831,600.00	831,600.00
Security Deposit-Water Bottle	12,200.00	12,200.00
Fuel Deposit	100,000.00	75,000.00
Insurance & Revenue License Fees, Service Agreement	257,111.75	209,822.70
Refundable Deposit on Sri Lanka Foundation	10,000.00	10,000.00
Total	**1,210,911.75**	**1,138,622.70**
Note 15 - Distress Loan Receivable		
Balance As At The Beginning Of The Year	2,603,033.50	2,820,301.75
Opening Balance Adjustment	(86,783.50)	-
Loans Given During the Year	2,975,000.00	303,750.00
	5,491,250.00	3,124,051.75
Loans Recovered During The Year	(1,573,750.00)	(521,018.25)
Balance As At The End Of The Year	**3,917,500.00**	**2,603,033.50**
Note 15.1 - Short Term Loan Receivable		
Balance As At The Beginning Of The Year	-	-
Loans Given During the Year	830,000.00	-
	830,000.00	-
Loans Recovered During The Year	(375,000.00)	-
Balance As At The End Of The Year	**455,000.00**	-

SRI LANKA PRESS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022
(All amounts are in Sri Lanka Rupees)

Note 16-Property ,Plant & Equipment

	Motor Vehicle	Furniture & Fittings	Office Equipments	Computer Equipments	Books of Library	Total
Cost / Valuation						
Balance as at 01st January 2022	10,541,000.00	2,731,313.96	5,650,693.84	5,137,753.00	335,825.66	24,396,586.46
Additions	-	-	2,042,340.00	384,427.50	300.00	2,427,067.50
Disposals/Written Off	-	-	-	-	-	-
Balance As At 31st December 2022	10,541,000.00	2,731,313.96	7,693,033.84	5,522,180.50	336,125.66	26,823,653.96
Accumulated Depreciation						
Balance as at 01st January 2022	9,487,700.00	1,399,104.12	3,497,351.31	1,528,687.21	142,107.33	16,054,949.97
Opening Balance Adjustment	-	(2,148.01)	-		-	(2,148.01)
For The Year	57,950.00	506,108.27	1,005,159.10	902,881.24	58,883.13	2,530,981.74
On Disposals	-	-	-		-	-
Balance as at 31st December 2022	9,545,650.00	1,903,064.38	4,502,510.41	2,431,568.45	200,990.46	18,583,783.70
Carrying Value						
As at 01st January 2022	1,053,300.00	1,332,209.84	2,153,342.53	3,609,065.79	193,718.33	8,341,636.49
As at 31st December 2022	995,350.00	828,249.58	3,190,523.43	3,090,612.05	135,135.20	8,239,870.26

SRI LANKA PRESS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS(Contd...)
FOR THE YEAR ENDED 31ST DECEMBER 2022
(All Amounts Are In Sri Lanka Rupees)

	2022	2021
Note 17- Investments-Savings Account (Fund Purpose)		
Peoples Bank-Loan Fund	4,239,588.99	1,885,273.09
Peoples Bank-Research Fund	-	3,955,565.93
	4,239,588.99	**5,840,839.02**
Note 18 - Accrued Expenses		
Casual Salary	-	21,048.44
Overtime	54,252.95	59,071.41
Water Bill	7,487.21	5,655.50
Travelling Allowance	-	-
Telephone	19,172.13	19,072.56
Audit fee-2021	-	646,800.00
Audit fee-2022	654,000.00	646,800.00
Diploma Advertisement	1,825.76	-
	736,738.05	**1,398,447.91**
Note 19 - Employee Benefits		
Balance as at The Beginning Of The Year	4,621,837.50	4,794,642.50
Gratuity Paid During The Year	(1,151,327.50)	(431,016.50)
	3,470,510.00	**4,363,626.00**
Provision/(Reversal) During The Year	1,275,747.50	258,211.50
Balance As At The End Of The Year	**4,746,257.50**	**4,621,837.50**

Note 20 - Transactions with Related Parties

(a) Transactions with Key Management Personnel

Key Management Personnel Comprise the Directors of the Council and the details of transactions with them are as follows.

Name	Relationship	Nature of Transaction	Value
Proffesor Tudor Weerasinghe	Director	Audit Committee Meeting Fees	180,000.00
		Lecturing Fees for Zoom Workshops	3,000.00
		Diploma Course Lecture Fees	3,000.00
		"Madya Sameeksha V" Committee Fees	3,000.00
Mr. Gamini Wijewardena	Director	Audit Committee Meeting Fees	12,000.00
Mr. Ariyananda Dombagahawaththe	Director	Lecturing Fees for Zoom Workshops	3,000.00
		"Madya Sameeksha V" Committee Fees	3,000.00

SRI LANKA PRESS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022
(All Amounts Are In Sri Lanka Rupees)

	Actual	Budget (Final) Rs	Variances Rs	Percentage %
Revenue				
Contribution From Government Of Sri Lanl	35,200,000.00	32,700,000.00	2,500,000.00	7.65
Paper Registration Fees	532,000.00	500,000.00	32,000.00	6.40
Copying Fees	17,920.00	-	17,920.00	100.00
Late Fees	136,000.00	100,000.00	36,000.00	36.00
Other Income	2,135,969.30	-	2,135,969.30	100.00
Sale Of Books	(29,884.50)	30,000.00	(59,884.50)	(199.62)
Diploma & Certificate Course Income	466,500.00	1,350,000.00	(883,500.00)	(65.44)
Interest Income-Loans To Staff	137,483.50	120,000.00	17,483.50	14.57
Interest Income-Bank Accounts	117,516.47	100,000.00	17,516.47	17.52
Total Revenue	**38,713,504.77**	**34,900,000.00**	**3,813,504.77**	**10.93**
Expenses				
Wages, Salaries and Employee Benefits	23,923,160.11	22,200,000.00	1,723,160.11	7.76
Supplies & Consumables Used	794,756.68	1,139,000.00	(344,243.32)	(30.22)
Depreciation Of Property ,Plant & Equipm	2,530,981.74	-	2,530,981.74	100.00
Utility Expenditure	5,983,693.13	6,056,000.00	(72,306.87)	(1.19)
Other Operating Expenses	2,640,847.14	2,916,000.00	(275,152.86)	(9.44)
Grants & Transfer Payments	1,186,793.70	2,589,000.00	(1,402,206.30)	(54.16)
Total Expenses	**37,060,232.50**	**34,900,000.00**	**2,160,232.50**	**6.19**

Note 22- Reconciliation of Budget & Actual Expenditure

	Actual	Budget (Final) Rs	Variances Rs	Percentage %
Wages, Salaries & Employee Benefits				
Salaries And Wages	16,575,396.05	15,749,840.00	825,556.05	5.24
EPF Contribution	1,772,196.90	2,031,960.00	(259,763.10)	(12.78)
ETF Contribution	354,439.40	406,000.00	(51,560.60)	(12.70)
Overtime & Holiday Payment	449,398.90	660,000.00	(210,601.10)	(31.91)
Members Fees	786,000.00	1,008,000.00	(222,000.00)	(22.02)
Gratuity	1,275,747.50	-	1,275,747.50	100.00
Audit Committee Meeting Fees	87,092.00	120,000.00	(32,908.00)	(27.42)
Other allowances	35,200.91	240,000.00	(204,799.09)	(85.33)
Fuel Allowances	1,168,688.45	565,200.00	603,488.45	106.77
Transport Allowances	1,200,000.00	1,200,000.00	-	-
Telephone Allowances	219,000.00	219,000.00	-	-
	23,923,160.11	**22,200,000.00**	**1,119,671.66**	**5.04**

SRI LANKA PRESS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022
(All Amounts Are In Sri Lanka Rupees)

Supplies &Requisites	Actual	Budget (Final)	Variances	Percentage
		Rs	Rs	%
Stationery	50,785.55	250,000.00	(199,214.45)	(79.69)
Fuel & Lubricants	396,447.55	548,000.00	(151,552.45)	(27.66)
Office Requisites	181,513.58	250,000.00	(68,486.42)	(27.39)
Uniforms	12,000.00	16,000.00	(4,000.00)	(25.00)
Newspapers & Periodicals	154,010.00	60,000.00	94,010.00	156.68
Mechanical & Electrical goods	-	15,000.00	(15,000.00)	(100.00)
	794,756.68	**1,139,000.00**	**(344,243.32)**	**(30.22)**

Utility Expenditure				
Telephone Charges	198,435.14	225,000.00	(26,564.86)	(11.81)
Postage	27,355.00	60,000.00	(32,645.00)	(54.41)
Lighting	596,433.33	720,000.00	(123,566.67)	(17.16)
Rent-Office	4,026,000.00	4,026,000.00	-	-
Water Charges	154,130.16	110,000.00	44,130.16	40.12
Security Charges	840,814.50	850,000.00	(9,185.50)	(1.08)
Rate Tax	140,525.00	65,000.00	75,525.00	100.00
	5,983,693.13	**6,056,000.00**	**(72,306.87)**	**(1.19)**

Other Operating Expenses				
Travelling-Staff	570.00	15,000.00	(14,430.00)	(96.20)
Travelling-Members	95,688.00	150,000.00	(54,312.00)	(36.21)
Advertisement	27,424.60	150,000.00	(122,575.40)	(81.72)
Printing & Binding	53,571.63	180,000.00	(126,428.37)	(70.24)
Repair & Maintenance	1,219,269.70	1,000,000.00	219,269.70	21.93
Entertainment Expenses	234,103.25	220,000.00	14,103.25	6.41
Technical Evaluation Committee	480.00	8,000.00	(7,520.00)	(94.00)
Translation	10,065.00	30,000.00	(19,935.00)	(66.45)
Audit Fee	654,000.00	646,000.00	8,000.00	1.24
Incidental Expenses	8,900.00	200,000.00	(191,100.00)	(95.55)
Bank Charges	2,770.00	30,000.00	(27,230.00)	(90.77)
Car Insurance & License	187,120.96	220,000.00	(32,879.04)	(14.95)
Legal Fees	42,000.00	42,000.00	-	-
Website Expenses	28,500.00	25,000.00	3,500.00	14.00
	2,640,847.14	**2,916,000.00**	**(275,152.86)**	**(9.44)**

SRI LANKA PRESS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022
(All Amounts Are In Sri Lanka Rupees)

Grants & Transfer Payments	Actual	Budget (Final) Rs	Variances Rs	Percentage %
Provincial Communication-Work Shop	82,400.00	250,000.00	(167,600.00)	(67.04)
Diploma Course	742,527.91	1,050,000.00	(307,472.09)	(29.28)
Certificate Course	172,465.76	400,000.00	(227,534.24)	(56.88)
Publication & Research	63,146.00	600,000.00	(536,854.00)	(89.48)
Other Programme	9,370.00	216,000.00	(206,630.00)	(95.66)
Training Course-Staff	-	50,000.00	(50,000.00)	(100.00)
Communication Discussion	81,464.00	23,000.00	58,464.00	100.00
Donation	35,420.03	-	35,420.03	100.00
	1,186,793.70	**2,589,000.00**	**(1,402,206.30)**	**(54.16)**

Note 23- Basis of the Preparation of the Annual budget
The Budget of the Sri Lanka Press Council has been Prepared Based on the Accrual basis.

Note 24- Reasons for the Major Variances of the Budget vs. Actual Income & Expenses

Revenue

Sale of Book Income
Sale of book Income represent a negative balance and unfavorable variance of 199.62% when compared to the budgeted amount. We have sold our publications in various ways in during the year at discount prices and books delivered on the sales or return basis for outside publishers. Due to these reasons this variance has raised.

Diploma & Certificate Course Income
Diploma & Certificate Course Income represent a negative variance of 65.44% when compared to the budgeted amount. We budgeted the Certificate course income for the year, But we were not position to identify the income from the course due to the certificate course has not been started yet. And also Due to the Economic crisis in the country some students stopped the course at the middle.

Expenses

Salaries & Wages

Salaries & Wages has been increased by 5.24% when compared to the budgeted amount mainly due to the payment of special 5,000 allowance for staff as government circular from January onwards which wasn't included in the budget.

Gratuity

Three Employees have been resigned from the council unexpectedly and we had to pay gratuity for them. Due to the non budgeted of the gratuity for the year gratuity expenses represent a 100% Variance.

Fuel Allowances

Fuel Allowances has been increased by 106 % when compared to the budgeted amount due to the fuel price increase of during the year in country.

News Papers & Periodicals

There is a 156.68% unfavorable variance in newspapers & periodicals due to the price increase of news papers during the year.

Water Charges

Due to the increased of water charges rates during the year , water expenses increased by 40.12% when compared to the budgeted amount.

Repairs & Maintenance

Due to the financial crisis in the country all spare parts and labor charges have been increased in highly. Due to this repair & maintenance cost increased by 21.93% when comparison with budgeted amount.

CAM/C/SLPC/3/22/FA-1 25th May, 2023

Chairman,
Sri Lanka Press Council.

Report of the Auditor General on the Financial Statements and Other Legal Requirements of the Sri Lanka Press Council ("Board") for the year ended 31 December 2022 in terms of Section 12 of the National Audit Act, No.19 of 2018

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1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Sri Lanka Press Council ("Board") for the year ended 31 December 2022 comprising the statement of financial position as at 31 December 2022 and statement of financial performance, 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 Constitution 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 report will be tabled in Parliament in due course in terms of Article 154(6) of the Constitution.

In my opinion, except for the effects of the matters described in the basis for Qualified Opinion section of my report, the financial statements give a true and fair view of the financial position of the Board as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Qualified Opinion

(a) In accordance with paragraph 47 of Sri Lanka Public Sector Accounting Standard 7 and the Accounting Policy of the Board, motor vehicles should be revalued and disclosed in the financial statements. However, action had not been taken to disclose the cost of motor vehicles amounting to Rs.10,541,000 in the financial statements.

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.

Other Information included in the Annual Report-2022 of the Board

Other information means the information included in the Annual Report -2020 of the National Institute of Plantation Management which is expected to be submitted to me after the date of this report, but not included in the financial statements and my audit report thereon. The Management should be responsible for other information.

Other information is not enclosed by my opinion on financial statements and I do not make any certification or express an opinion in that connection.

My responsibility relating to my audit on financial statements is to read other information identified as above when it is available and to consider whether other information is not materially compatible with financial statements or with my knowledge gained in audit or any other manner.

When reading the Annual report 2020 of the National Institute of Plantation Management, if I conclude that material misstatements exist, those matters should be communicated to those charged with governance for correction. If any material misstatements further exist, those will be included in the report tabled in Parliament by me in due course in terms of Article 154(6) of the Constitution.

1.4 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'sability 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 of the Board.

1.5 Auditor's Responsibility for the Audit of Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Appropriate audit procedures were designed and performed to identify and assess the risk 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 procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board'sinternal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial 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 Board to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, significant findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on Other Legal and Regulatory Requirements

2.1 National Audit Act, No. 19 of 2018 include specific provisions for following requirements.

2.1.1 Except for the effect of the matters described in the Basis for Qualified Opinion paragraph of my report, I have obtained all the information and explanation that is required for the audit and as far as appears from my examination, proper accounting records have been kept by the Board as per the requirement of Section 12 (a) of the National Audit Act, No. 19 of 2018.

2.1.2 The financial statements of the Board presented is consistent with the preceding year as per the requirement of Section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.

2.1.3 The financial statements presented include all the recommendations made by me in the previous year as per the requirement of Section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.

2.2 Based on the procedures performed and evidence obtained were limited to matters that are material, nothing has come to my attention.

2.2.1 To state that any member of the governing body of the Board has any direct or indirect interest in any contract entered into by the Board which are out of the normal cause of business as per the requirement of Section 12 (d) of the National Audit Act, No. 19 of 2018.

2.2.2 To state that the Board has not complied with any applicable written law, general and special directions issued by the governing body of the Board as per the requirement of Section 12 (f) of the National Audit Act, No. 19 of 2018.

Reference to Laws Rules/Direction	**Observations**
(a) 16.46(i) (c) of Cabinet Decisions 20/wiwidha(064) dated 13 October 2020	A sum of Rs.1,079,032 had been paid as the salary of the Chairman of the Board relating to the period from 20 January 2021 to 31 December 2021 contrary to the Cabinet Decision even after the sabbatical leave of the Chairman, who was a University lecturer, ended in January 2021.
(b) Paragraph 01 of letter No.CA/1/17/1 dated 14 May 2010 of the Presidential Secretariat and Directive No.07 of the Committee on Public Enterprises of 10 July 2012	Even though the Board should be operated in a Government building, the Board had been operated in a private building obtained on rent for a period of about 23 years from the inception. Moreover, a sum of Rs.33,794,800 had been incurred therefor as building rent from the year 2010 up to the year under review.

2.2.3 The following observations are made as per the requirement of Section 12 (g) of the National Audit Act, No. 19 of 2018.

Powers, Functions and Duties	**Observations**
(a) Taking action against newspapers and editors etc. in terms of Section 09 of the Press Council Law	The total number of 69 complaints comprised 34 complaints from the public and various institutions against newspapers during the year under review and 35 complaints brought forward unresolved in the year 2021 and 23 of those complaints were being investigated even by the end of the year under review.
(b) Making Rules and Regulations in terms of Section 30 of the Press Council Law	Measures had not been taken to make Rules and Regulations required for taking action relating to unregistered newspapers issued to the market.
(c) Making Regulations for registration of newspapers and the levy of fees in respect of such registration in terms of Section 25 of the Sri Lanka Press Council Law, No.5 of 1973	Publication of e-newspapers has gradually developed with the development of technology and the Board had not taken action to revise the provisions of the Law in regard to the registration of those newspapers.

2.2.4 To state that the resources of the Board had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of Section 12 (h) of the National Audit Act, No. 19 of 2018

2.3 Other Matters

(a) Action had not been taken even up to March 2023 to recover the loss by holding relevant inquiries in terms of Financial Regulations relating to the shortage of 02 computers identified at the Board of Survey in the year 2021 and the shortage of 01 computer identified in the year 2022.

(b) Two computers valued at Rs.299,168 and Rs.384,427 purchased in the years 2021 and 2022 respectively, had remained idle without being made use of even by the date of carrying out the physical inspection. In the purchase of the said computers, it was observed that the warranty given for hardware and software parts had ended and that the Board may have to incur the cost for defects which arise subsequently, due to non-use of computers.

W.P.C.Wickramaratne,
Auditor General.