Sri Lanka Rupavahini Corporation - 2024
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1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Sri Lanka Rupavahini Corporation for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024 and the statement of income , statement of changes in equity and 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 provisions of the National Audit Act ,No. 19 of 2018 and the Finance Act, No. 38 of 1971. My comments and observations which I consider should be presented in Parliament appear in this report.

In my opinion, except for the effects of the matters described in paragraph 1.5 of this report, the accompanying financial statements give a true and fair view of the financial position of the Corporation as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

1.2 Basis for Qualified Opinion

My opinion is qualified on the matters described in paragraph 1.5 of this report.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs).

My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related

to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

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

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

1.4 Audit Scope (Auditor's Responsibility for Auditing Financial Statements)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation’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 Corporation’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 Corporation to cease to continue as a going concern.

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

The scope of the audit also extended to examine as far as possible and as far as necessary the following;

- Whether the organization, systems, procedures, books, records and other documents have been properly and adequately designed from the point of view of the presentation of information to enable a continuous evaluation of the activities of the Corporation and whether such systems, procedures, books, records and other documents are in effective operation;

- Whether the Corporation has complied with applicable written law, or other general or special directions issued by the governing body of the Corporation.

- Whether the Corporation has performed according to its powers, functions and duties; and

- Whether the resources of the Corporation had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

1.5 Audit Observations on Preparation of Financial Statements

1.5.1 Non-Compliance with Sri Lanka Accounting Standards

Non-compliance with reference to relevant standard	Management Comment	Recommendation
(a) Even though in accordance with paragraph 07 of Sri Lanka Accounting Standard No. 07, only investments with a maturity of 03 months or less should be recognized in cash and cash equivalents, fixed deposits at a value of Rs. 33,000,000 invested in the Bank of Ceylon and the State Mortgage and Investment Bank for a maturity period of one year by the Corporation had been indicated in cash and cash equivalents.	According to Sri Lanka Accounting Standard No. 01, investments with a period of one year or less have been identified as current assets and the financial statements for the year 2024 have been prepared accordingly	As per paragraph 07 of Sri Lanka Accounting Standard No. 07, cash and cash equivalents should be identified and accounted correctly as per their maturity.
(b) Even though, in accordance with paragraphs 5.5.13 to 5.5.16 of Sri Lanka Financial Reporting Standard No. 09, Expected Credit Loss, adjustments should be made for impairment losses if the credit risk of a financial asset has increased significantly since initial recognition, impairment losses were not provided for the amount of Rs. 28,505,006, which is the representative and direct debtor value and has a high risk of recovery.	Impairment adjustments have been made only for debt balances for which legal action has been taken and which are included in the debtor balance for more than 01 year but less than 03 years.	Impairment losses should be allocated in accordance with the expected credit losses paragraph of Sri Lanka Financial Reporting Standard No. 09.
(c) In accordance with Sri Lanka Accounting Standard No. 21,	The value payable to “Film One” for the purchase of foreign	In accordance with the Accounting

Although the outstanding amount of US$ 219,070 payable to the supplier institutions as of the end of the year under review for foreign programs purchased in foreign currency since 2019 by the Corporation should be converted at the spot exchange rate prevailing on that date and presented in the financial statements, since the conversion at the selling price in dollars, the exchange loss had been less identified. Therefore, the loss and accrued expenses for the year were understated by Rs.8,532,309.	programs is based on the Dollar selling price prevailing on the date of submission of payment applications, and the value payable to Raj TV has not been adjusted to the updated exchange rate of the current year.	Standard, the outstanding amount payable as at the end of the year under review should be converted at the spot exchange rate prevailing on that date and presented in the financial statements.
(d) Constant obsolescence that occurs due to the extensive use of technical equipment for operational purposes and due to underutilized and idle assets, although asset impairment examination should be conducted at the end of each reporting period in accordance with paragraph 09 of Sri Lanka Accounting Standard No. 36, the Corporation had not carried out an assessment of asset impairment and recognized the impairment loss in the accounts.	It is intended to take action in this regard from next year.	An impairment assessment should be made in accordance with Accounting Standard and impairment losses should be recognized in the accounts.

1.5.2 Accounting Policies

Audit Issue	Management Comment	Recommendation
Obsolete stocks worth Rs. 195,049,281, which had not been used for about 09 years, were included in the closing stock of the financial statements as at 31 December 2024. Further, action had not been taken regarding that obsolete stock until 19 June 2025, which was the date of the audit. .	It is not possible to estimate the scrap value of obsolete items that are currently not in use, which are included in engineering spare parts, and the Board of Directors has approved the writing off of those values from the books, and the Tender Board has approved the sale of the remaining items at public auction.	Action should be taken regarding the Obsolete stocks included in the closing stock of the financial statements in accordance with the relevant formal approvals.

1.5.3 Accounting Deficiencies

Audit Issue	Management Comment	Recommendation
(a) Even though Rs. 25,651,993 was accounted as accrued expenses for membership of the Asia Pacific	Due to an error in recording the opening balance, an overstatement of Rs. 1,000,000	Correct values should be included in preparing financial

Broadcasting Union (ABU) as at 31 December 2023, that value was taken as Rs. 26,651,993 as the opening balance of the year under review. Accordingly, although the exchange loss should have been Rs 16,782,075, it was taken as Rs. 15,782,075. Therefore, the loss and accrued expenses for the year were understated by Rs. 1,000,000 in the accounts.	was made, resulting in an understatement of Rs.1,000,000 in the accrued value for the year 2024, and action will be taken to correct this when recalculating the relevant accrued expenses for the year 2025.	statements.

1.5.4 Going Concern of the Organization

Audit Issue	Management Comment	Recommendation
The net assets of the Corporation had deteriorated to a negative value of Rs.631,441,791 by the end of the year under review and had taken a negative value of Rs. 567,799,343 in the year 2023. The negative balance of retained profit of Rs. 1,459,985,460 as at 01 January 2024 had further deteriorated to a negative value of Rs. 1,763,427,908 by the end of the year under review after the loss of Rs.255,482,264 in the year under review and previous year adjustments made during the year. The working capital position of the Corporation has remained negative since 2021,the negative working capital position of Rs. 254,309,644 in 2021 increased to Rs. 600,839,596 in the year 2023, and during the year under review, that negative working capital position had further increased to Rs. 759,976,255.	Answers had not been given.	Since the negative working capital position of the Corporation may affect its going concern, attention should be paid by the management in this regard. Action should be taken to increase working capital and net assets.

1.5.5 Unreconciled Control Accounts or Records

Item	Value as per financial statements Rs.	Value as per corresponding reports Rs.	Difference Rs	Management Comment	Recommendation
Debtor balance confirmations	66,595,307	62,960,000	3,635,307	Jeevaka Weda Niwasa and the Development Lotteries Board have made payments in the year 2025.	Debts should be recovered and debtors who are with balance differences should be followed up and confirmed.

1.6 Accounts Receivable and Payable

1.6.1 Receivables

Audit Issue	Management Comment	Recommendation
(a) As at the end of the year under review, sufficient action had not been taken to recover the client debtor balance of Rs. 136,050,454 exceeding 5 years and Rs. 2,659,026 for years 1 to 5, totalling Rs. 138,709, 480, as well as the receivable income not recovered of Rs. 5,221,056 from the year 2005 and Rs. 83,826,466 from the year 1995, which are shown under other receivables.	The Debt Recovery Committee, which has been appointed to investigate long-standing client debtors, is taking the necessary action to recover these debts.	The activities of the Debt Recovery Committee should be reviewed regularly and adequate action should be taken to recover client debtor balances and income receivables.
(b) The balance of Rs. 10,000,000 included in the debtor balance due from the National Savings Bank has not been recovered for about 09 years, and the two parties had not entered into a formal agreement regarding the transaction.	The Attorney General's Department has instructed to solve the matter through negotiations as they are two government institutions, and the Ministry of Mass Media has sent letters in March 2024 to recover the money due from government institutions.	Action should be taken to promptly recover receivable loan balances.
(c) Even though the Corporation had invested Rs. 1,104,000 in the years 1985 and 1992 to purchase shares from Lanka News Paper Company, no dividend income had been received up to the year under review. The Corporation was unable to obtain share certificates as it did not have sufficient documents to submit to the relevant Newspaper Company to confirm the value of the investment. Further, evidence was not presented to the audit that this investment was made with the concurrence of the Minister in charge of Finance and with the approval of the relevant Minister in accordance with Section 15 of the Sri Lanka Rupavahini Corporation Act and that it was an investment made for a purpose directly related to telecasting on Rupavahini. Furthermore, as per the recommendations of the COPE Committee in 2019, the Secretary to the Ministry of Mass Media and the Chairman of the Corporation were required to take measures to obtain a permanent solution to this issue within 01	Necessary action will be taken in this regard in the future.	Action should be taken to enter into a formal agreement and transactions should be carried out accordingly and prompt action should be taken to recover the debtor balances.

month. However, a permanent solution had not been obtained for that issue even during the year under review.		
(d) As at the last day of the year under review, the statement of financial position included agency commissions of Rs. 10,482,842 for which the period could not be identified in various debtors and that value made up of a total of 75 agencies. Further, 02 agencies with an amount exceeding Rs. one million were included in it and action had not been taken to settle them during the year under review.	Action has been taken to conduct a reconciliation of accounts in the future regarding these balances that have existed for many years.	Action should be taken to identify and settle agency commissions included in the debtors.

1.6.2 Payables

Audit Issue	Management Comment	Recommendation
(a) During the period from January to December of the year under review, a value of Rs.2,580,460, which had been directly remitted by 29 institutions and individuals, had been identified and credited to the receipts in advance account without taking action to settle the same from the relevant accounts. Owing to this reason, current liabilities were overstated in the accounts by that amount.	Direct remittances have been properly identified in the year 2025 and adjustments have been made to a value of Rs. 1,548,900 so far, and the remaining value will be identified in the future and the relevant adjustments will be made accordingly.	Action should be taken to settle the amount payable. Agent commissions not claimed should be credited to income.
(b) As per the financial statements submitted for audit, the value of agency commissions to be settled for more than 06 years as at 31 December 2024 was Rs. 89,096,111 and that balance was 76 percent of the total trade payables value of Rs. 116,866,472. Further, there were 19 agencies with agency commissions to be settled from Rs. 01 million to Rs.09 million and Further, there were 19 agencies with agency commission value to be settled from Rs.01 million to Rs.09 million and actions were not taken to settle such values during the year under review.	It is planned to submit the agent commissions not claimed for more than 06 years to the Corporation's Board of Directors for approval in the future to be credited to the income of the Corporation, due to the closure or inactivity of the relevant agencies.	The closure or inactivity of the relevant agencies should be confirmed and action should be taken to submit it for approval to the Board of Directors and credit it to the income.

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

Reference to Laws, Rules, Regulations etc.	Non-compliance	Management Comment	Recommendation
(a) Sections 5(1) and 5(4) (1) of the Payment of Gratuity Act, No. 12 of 1983	Even though the employer is required to pay the gratuity entitled to an employee within one month from the date of termination of service, the total gratuity liability payable as at the end of the year under review was Rs.33,857,952, consisting of Rs. 19,638,986 for the years 2022 and 2023 and Rs.14,218,966 for the year 2024. The Corporation had paid a surcharge of Rs.3,078,878 owing to non-payment of gratuity payments for the years 2022 and 2023 on the due date.	Due to the unfavourable financial position and the fact that the funds from the Treasury were provided in 2024, the gratuities payable for the years 2022, 2023 and 2024 were not paid on time and a fine had to be paid in that regard. Further, the gratuities of officers who have gone abroad still need to be paid.	Action should be taken to pay the gratuities payable in accordance with the Payment of Gratuity Act.
(b)Section 16 of the Employees' Provident Fund Act, No. 15 of 1958	The Corporation had not taken action to pay the Employees Provident Fund contribution of Rs.36,309,686 for the months of August, September, October and November of the year 2023 and Rs.37,721,745 for the months of January, February, March and May of the year under review by 30 May 2025, the date of audit. Further, the Corporation had paid Rs. 590,384 as surcharge during the year under review due to non-payment of Employees' Provident Fund contribution value payable on the due date during the months of February, April and May of the year 2023.	Due to the prevailing unfavourable financial position of the Corporation, there is a shortfall in the Provident Fund payable for the years 2023 and 2024 and the current balance is Rs.32,380,533 for 2023 and Rs.36,994,439 for 2024.	Fund contribution should be paid on the due date as per the Employees' Provident Fund Act.

1.8 Cash Management

Audit Issue	Management Comment	Recommendation
During the year under review, an overdraft interest of Rs. 1,846,721 was paid on the bank overdraft of Rs. 71,774,899 in the current accounts maintained at the Bank of Ceylon Head Office and Torrington Branch.	Answers have not been given.	Action should be taken to reduce bank overdraft by recovering existing loan balances and increasing income.

1.9 Non -compliance with Tax Regulations

Audit Issue	Management Comment	Recommendation
(a) In terms of Sections 26(1) and 27(1) of the Value Added Tax Act, No. 14 of 2002, the Corporation had not paid the tax liability of Rs. 211,864,319 for the year under review out of the total value of Rs. 573,851,370 payable to the Inland Revenue Department for the period from 2019 to 2024 on the due date, and the penalty payable by the Corporation in terms of Section 27(1) of the said Act was Rs. 68,862,164.	Payments are currently being made as per a payment plan for the value of the tax payable on the value added, and a sum of Rs. 126 million has been paid by 30 June 2025.	Action should be taken to settle the tax liability payable on the due date in accordance with the Value Added Tax Act.
(b) In terms of Sections 17 and 18 of the Social Security Contribution Levy Act, No. 25 of 2022, the Social Security Contribution Levy of Rs. 30,161,121 for the year under review had not been paid by the closing date of the year under review and the penalty payable by the Corporation on the outstanding levy amount in terms of Section 18 of the said Act was Rs. 3,619,335.	A payment plan for the outstanding value of social security contribution levy has already been approved and payments are planned to be made according to this plan in the future.	Payments should be made according to the payment plan.
(c) Even though there was an opportunity to write off the Nation Building Tax amounting to Rs. 20,999,551 payable to the Income Tax Department in respect of the assessment years prior to 31 December 2020 by the Corporation with the relevant approvals in accordance with the Finance Act, No. 18 of 2021, the necessary action had not been taken for that purpose.	Necessary action will be taken to reduce the amount of nation building tax payable in the future by obtaining approval from the Audit Committee and Board of Directors.	Action should be taken with relevant approvals.

2. Financial Review

2.1 Financial Results

The operating result for the year under review was a loss of Rs. 255,482,264, compared to a loss of Rs. 343,214,422 in the previous year. Accordingly, an increase of Rs. 87,732,158 was observed in the financial result. This increase was mainly due to the increase in airtime income of the National Channel and Nethra Channel, an increase in other operating income and a decrease in bank overdraft interest and bank loan interest.

2.2 Trend Analysis of major Income and Expenditure items

During the year under review, the airtime income of the National Channel and the airtime income of the Nethra Channel had increased by Rs. 101,454,809 and Rs. 7,358,383 respectively, or by 12 percent and 7 percent compared with the preceding year. The airtime income of Channel I had decreased by Rs.75, 420,334 compared with the preceding year, and the contra deal transactions had contributed Rs. 6,827,250 to the total revenue compared with the preceding year.

It was observed that other income had increased by Rs. 30,438,040 during the year under review, which was due to an increase of Rs. 17,998,968, or 16 percent, a production income of Rs. 18,492,938 from women's cricket documentary programs during the year under review, and an increase in YouTube income of Rs. 16,316,860 compared with the preceding year. Further, interest income on withdrawal of fixed deposits had decreased by Rs. 17,518,651 compared with the preceding year.

During the year under review, general program expenses increased by Rs. 21,211,266, or 20 percent, and other production expenses by Rs. 34,989,823,or 4 percent, compared with the preceding year. The increase in payments for technicians by Rs. 16,128,336 during the year under review also affected the increase in production expenses. Selling and distribution expenses and bad debts increased by Rs.5,567,503 and Rs. 12,330,905 respectively. Finance expenses decreased by Rs. 22,173,516, or 42 percent, of which the decrease in bank overdraft interest and bank interest expenses compared with the preceding year was Rs. 37,782,154.

2.3 Ratio Analysis

The Corporation's negative working capital position was Rs. 600,839,596 in the year 2023 and it had further deteriorated to Rs. 759,976,255 in the year under review, while the current asset ratio and quick ratio had also further deteriorated compared with the preceding year. The deterioration in the liquidity of the Corporation was mainly due to the inefficiency in recovering debts from debtors, trade payables, accrued expenses and the increase in the value added tax liability payable.

The deterioration in the net profit ratio was observed to have decreased compared with the preceding year which was due to a decrease in airtime income, other income, administrative expenses and financial expenses. Furthermore, a slight decrease in the debt equity ratio of the corporation was observed, which was due to the settlement of bank loans and bank overdrafts.

3. Operational Review

3.1 Identified Losses

Audit Issue	Management Comment	Recommendation
A late interest charge of Rs. 3,586,301 had to be paid due to non-payment of the electricity bill of Rs. 169,176,717 for the year under review within the stipulated time.	Due to the increase in electricity bills during the 2024 period and the inability to pay bills on time due to the unfavorable financial position of the Corporation, the late payment interest charges as stated herein had to be paid.	Action should be taken to pay the relevant bills within the stipulated time without delay.

3.2 Management Inefficiencies

	Audit Issue	Management Comment	Recommendation
(a)	By the end of the year under review, the Corporation had filed a case against a client and 15 client institutions for the amount of Rs. 46,877,595 for the airtime provided by the Corporation, and 07 and 06 cases had been filed against the Corporation by employees of the Corporation and external parties in the Supreme Court, the Civil Appellate High Court, the Labor Tribunal and the District Court respectively. The Corporation had spent Rs. 5,673,810 on those legal proceedings up to 30 December 2024. The compensation claimed by the complainant in relation to 08 cases filed against the Corporation was Rs.433,470,000 and the Corporation had spent Rs. 2,292,000 as lawyer fees on those legal proceedings during the year under review alone.	The legal fees stated herein have been incurred for legal proceedings related to incidents that have arisen from time to time and the necessary steps have been taken to minimize legal fees.	Action should be taken to minimize legal proceedings.
(b)	The Corporation had signed an agreement with a private entity for a period of 03 years from 16 October 2021 to 16 October 2024 for the Digital Transformation (You Tube) project. Before the expiry of the said agreement period, a case had been filed against the Corporation by the first contracting party owing to the signing of a new agreement with another private entity for the same project on 08 February 2022.Accordingly, based on its decision, the first party had been dealt with until the end of the contract period and the Corporation had incurred an expense of Rs.4,987,500 for those legal proceedings. Furthermore, although in the first instance, the contract had been entered into so that	Necessary procurement activities were carried out to select a new institution between 15 October 2024 and 30 April 2025.	The loss caused to the Corporation should be recovered from the negligent officers and necessary action should be taken to select new institutions before the expiry of contract periods in the future.

70 percent of the project income would go to the Corporation and 30 percent to the other party, without taking action to find a suitable institution so that the Corporation would receive a larger share of the income, the old contracting party had been dealt with without an agreement until 30 April 2025, i.e. for a further period of 06 months.		
(c) As per the Public Enterprises Circular dated 16 November 2021, the net value of Rs.17,580,936 of the economic service charges of Rs. 21,030,312 presented under deposits and advances in other receivables for the year 2023 and the economic service charges payable of Rs. 3,449,382 presented under other payables, which cannot be recovered from the Corporation in terms of Section 03(1) of the Economic Service Charges Act, No. 13 of 2006, had been written off against retained earnings without following proper procedures.	The net value of the values payable and receivable for economic service fees has been written off based on the audit queries of the year 2023 and actions are being taken to obtain the approval of the Board of Directors in this regard	Deductions should not be made from retained earnings without following proper procedures as per the Public Enterprises Circular.

3.3 Operational Inefficiencies

Audit Issue	Management Comment	Recommendation
(a) Even though it is stated in Section 7(1) of the Finance Act, No. 38 of 1971 that it shall be the duty of the Board of Directors of the Corporation to maintain the affairs of the Corporation in such a manner that the ultimate surplus in the Revenue Account is sufficient to cover the ultimate deficit in that Account within a period of 5 years or such other period as may be determined by the Minister of Finance, considering the financial results of the Corporation in the year under review and the previous 04 years, the loss had further increased to Rs.343,214,422 in the year 2023 under a situation of continuous losses of Rs.234,300,093, Rs. 227,342,397 and Rs.538,281,105 in the years 2020, 2021 and 2022. The loss after tax had also been Rs.255,482,264 in the year under review.	The net financial loss has increased due to the unfavorable financial position of the Corporation.	Attention should be paid to the measures and programs necessary to improve the financial position of the Corporation.
(b) During the year under review, the Corporation had telecast 14 local teledramas and earned Rs. 54,845,183 as airtime income, and the total expenditure incurred for telecasting those teledramas was Rs. 65,966,212, resulting in a loss of Rs. 11,121,029 from telecasting local teledramas during the year under review. Similarly, during the year	The National Television Channel has a low rating percentage and the value of sponsorship contributions and income received for teledramas has also decreased.	Necessary action should be taken to increase ratings and increase the value of sponsorship contributions,

under review, the Corporation had telecast 06 foreign teledramas and earned Rs.10,728,095 as airtime income, and the total expenditure incurred for those teledramas was Rs.58,574,615, resulting in a loss of Rs.47,846,519 from telecasting foreign teledramas during the year under review. The Corporation had made an overall loss of Rs.58,967,549 from the telecasting of local and foreign teledramas during the year under review due to the failure to take necessary action to increase the ratings measured by audience response and to increase the value of sponsorship contributions.	.	thereby enhancing audience enjoyment and retaining viewers on the channel.
(c) The contract period for 02 teledramas with 02 runs costing Rs. 14,364,000 had expired on 29 October 2024 and 21 November 2024, and although the first run of those dramas had ended by 02 July 2023 and 18 February 2023, the Corporation had not taken action to telecast the second run before the contract period expired.	Even though the relevant teledrama was purchased for 02 runs , no second telecast has taken place as free airtime has not been allocated, and necessary action will be taken to re-telecast the teledrama purchased in the future in accordance with the relevant agreements.	The run must be telecast as per the agreement during the contract period.

3.4 Idle or underutilized Property, Plant and Equipment

Audit Issue	Management Comment	Recommendation
The Corporation had purchased 05 Broadcast Quality HD Camera Chains in 2018 at a cost of Rs. 23,544,186, out of which 02 devices were non-operative and had been kept unused in the store of the maintenance division since 23 December 2021. At the time of this equipment was under the warranty period, taking new procurement measures without taking action to obtain other equipment or get them repaired through the relevant supplier institution had further increased the unfavorable financial position of the Corporation and the remaining 03 equipment had been sent to the maintenance division for repair by studio number 02 on 25 April 2025. Even by 18 June 2025, the date of the audit, the equipment was still under repair.	Answers have not been given	At the time of this non-operative equipment is within the warranty period, action should be taken to replace or repair the equipment through the relevant supplier.

3.5 Procurement Management

Audit Issue	Management Comment	Recommendation
In accordance with 2.3.2(b), 2.6.1(a) (ii) and 6.3.7(i) of the Procurement Guidelines 2006, the Procurement Entity should appoint Technical Evaluation Committees before the commencement of the procurement process and the Technical Evaluation Committee should review and approve the specifications. The bidding document and the minutes of the bid opening shall be submitted to the Chairman of the Technical Evaluation Committee. However, the Corporation had appointed the Technical Evaluation Committee in the relevant procurement to purchase 02 Audio Mixer machines with 32 channels worth Rs.900,000 for studios 01 and 03 on 18 March 2024 and 04 September 2024, 13 days after the completion of the bidding process and 09 days after the opening of the bids. Further, out of these machines received by the Corporation, the Sound Craft Lxii32 Analog Audio Mixer machine was idle without installation and use, while the Sound King type Digital Audio Mixer machine with 16 channels was currently in the Production Services Division and was in a working condition after being updated with the help of a Pen Drive, with some defects.	As stated here, there was some delay in appointing the Technical Evaluation Committee at the time of purchasing the 02 Audio Mixer machines and the Technical Evaluation Committee will be appointed before the commencement of procurement activities in the future.	In accordance with 2.3.2(b), 2.6.1(a) (ii) and 6.3.7(i) of the Procurement Guidelines, the Procurement Entity shall appoint Technical Evaluation Committees before the commencement of procurement activities.

3.6 Management of Vehicle Fleet

Audit Issue	Management Comment	Recommendation
By the end of the year under review, 04 vans of the Corporation had been removed from running for over 18 months due to non-operative vehicle engines and injector pumps, painting work and other repairs, and the management had not taken the necessary urgent measures to restore them. The Corporation had incurred a rental expense of Rs. 30,012,739 for 15 vehicles that were provided on a rental basis during the year under review, despite the fact that the vehicles owned by the Corporation had not been maintained.	Due to the current unfavourable financial position, funds could not be found for vehicle repairs. Therefore, vehicles have to be procured on a rental basis.	Necessary action should be taken to expedite repair work and taken those vehicles that have been removed from running to their original condition.

4. Accountability and Good Governance

4.1 Submission of Financial Statements

Audit Issue	Management Comment	Recommendation
Even though the financial statements and draft annual report should be submitted to the Auditor General within 60 days of the end of the accounting year in accordance with the Public Enterprises Circular No. 01/2021 dated 16 November 2021, the Corporation submitted the financial statements and draft annual report for audit for the year under review on 11April 2024.	The final accounts for the year 2024 were submitted to the Board of Directors on 11 March 2024 and approval was obtained, and since the draft annual report for the year 2024 had to be submitted along with this, there has been some delay in submitting the financial statements as mentioned here.	The financial statements and draft annual report should be submitted to the Auditor General in accordance with the Circular.

4.2 Annual Action Plan

Audit Issue	Management Comment	Recommendation
Even though the Corporation had prepared an annual action plan, it had not been prepared in a manner that would enable it to carry out the functions, powers and duties of the Corporation in accordance with Section 7.1 of the Sri Lanka Rupavahini Corporation Act, No. 06 of 1982. Due to the delay caused by not completing project tasks according to the timelines in the action plan prepared for the year under review, there was insufficient time for marketing activities. Hence, 15,176 Nena Mihira question and answer books worth Rs. 3,691,311 printed for Grades 3, 4 and 5 in the year 2024 and 16,662 books printed before the year 2024 remained unsold and remained in the store even by the last day of the year under review.	The plan for the sale of the 2025 Nena Mihira question and answer books has already been prepared, and it is planned to sell the books from previous years as well.	In accordance with Section 7.1 of the Sri Lanka Rupavahini Corporation Act, the annual action plan should be prepared in a manner that enables the Corporation to carry out its functions, powers and duties, and project activities should be carried out according to the time frames of the plan.