

Head 285 - Department of Agriculture

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Department of Agriculture for the year ended 31st December 2020 comprising the statement of financial position as at 31st December 2020 and the statement of financial performance and cash flow statement for the year then ended, 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. The summary report containing my comments and observations on the financial statements of the Department of Agriculture was issued to the Accounting Officers on 21 May 2021 in terms of Section 11(1) of the National Audit Act No. 19 of 2018. The Annual Detailed Management Audit Report relevant to the Department was issued to the Accounting Officer on 21 May 2021 in terms of Section 11(2) of the National Audit Act No. 19 of 2018. This report will be tabled in Parliament in pursuance of provisions in Article 154(6) of the Constitution to be read in conjunction with Section 10 of the National Audit Act, No.19 of 2018.

In my opinion, except for the effects of the matters described in the Paragraph 1.6 of this report, the financial statements give a true and fair view of the financial position of the Department of Agriculture as at 31st December 2020, and of its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 The basis for Qualified Opinion

My opinion is qualified on the facts set out in paragraph 1.6 of this report.

I conducted the audit in accordance with the Sri Lanka Audit Standards (SLAuSs). My responsibility in the financial statements is explained further in the sentence of Auditor's responsibility. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Responsibility of the Chief Accounting Officer and the Accounting Officer for the Financial Statements

It is the responsibility of the accounting officer to determine internal control that necessary for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and provisions in Section 38 of the National Audit Act, No.19 of 2018 and the financial statements that are free from material misstatements, whether due to fraud or errors.

In accordance with Section 16(1) of the National Audit Act No. 19 of 2018, the Department shall maintain proper books and records on its own income, expenditure, assets and liabilities so as to be able to prepare annual and periodic financial statements.

In terms of Sub-section 38(1)(c) of the National Audit Act, the Accounting Officer shall ensure that an effective internal control system for the financial control exists in the Department and carry out periodic reviews on the effectiveness of such systems and accordingly make any alterations as required for such systems to be effectively carried out.

1.4 Auditor's Responsibilities on the Audit of the Financial Statements

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

As part of the audit in accordance with the Sri Lanka Audit Standards, I acted with professional judgment and professional skepticism during the audit. I further,

- Design and perform appropriate and responsive audit procedures so as to Identify and assess the risks of material misstatement of the financial statements, whether due to frauds or errors in order to provide a basis for audit opinion provided. 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 Department's internal control.
- Evaluate whether the financial statements represent the underlying transactions and events on the structure and content of the financial statements, including the disclosures in appropriate and fair manner.
- 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 the Accounting Officer regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit

1.5 Report on Other Legal and Regulatory Requirements

I declare the following matters in accordance with Section 6(1)(d) of National Audit Act, No. 19 of 2018.

- (a) That the Financial statements are corresponding to preceding year,
- (b) The recommendations made by me on the financial statements pertaining to the preceding year had been implemented.

1.6 Comments on the Financial Statements

1.6.1 Statement of Financial Performance

Audit Observation

There was a difference of Rs.41, 272, 244 for the sum of 3 items between the Statement of Financial Performance and the ACA 2(ii) note, outside the guidelines for preparation of financial statements under Public finance Circular No. 02/2020 dated 28th August 2020.

Comment of the Accounting officer

That the Expenditure on capital projects in Form ACA 2 (II) is recorded at the end, under other capital expenditures, as the capital projects have been recorded at the end of the previous financial statements prepared by this department and also the capital projects have been recorded at the end of the annual estimate and the final printout of the treasury.

Recommendation

Financial statements should be prepared as per the Circular provisions

1.6.2 Statement of Financial Position

Audit Observation	Comment of the Accounting officer	Recommendation
(a) As per the non-financial assets format in ACA-6, the transport equipment balance as at 31 st December 2020 was Rs.1,192,187,538 but according to information provided it was Rs.1,311,168,699. Hence, there was a difference of Rs.118,981,161. Further, the value of 146 vehicles had not been identified and accounted for.	Most of the transport equipment has been included in the Fixed Assets Register on 31.12.2020 by the relevant sub-units at the request of the Accountant (Asset Management) by contacting the Engineering Division and action will be taken to account for the assessed value of those vehicles in future.	That action should be taken to identify and account for the value of assets.
(b) The buildings and working progress presented under the non-financial assets of ACA-6 was Rs. 6,488,833,907, but according to the information provided it was Rs. 1,840,747,836. Accordingly, there was a difference of Rs.4,648,086,071. Further, 201 buildings were submitted for valuation but they were not assessed and no action was taken to identify the value of 1351 buildings.	That the values of all the buildings of which the assessments were completed had been accounted for, that all the expenditure incurred annually under the Expenditure head 2104 has been accounted for as building and working progress and that only the assessed values of the buildings have been shown in the asset register, hence the value of the buildings in the asset register had understated and that they will be taken into account once the assessed value is received.	Action should be taken to assess assets and take into account for values.
(c) A balance of 15,901,284,779 was shown for Land under non-financial assets of ACA-6 as at 31 st December 2020, no information was provided regarding the value of those lands. Further, values had not been submitted in respect of 536 land units and the extent of land in respect of 103 land units had not been identified.	That steps will be taken to state the value of the lands in the future and that the lands of which the exact extent do not know will be recognized and Land registry will be updated in the future as they are being surveyed.	Action should be taken to recognize the assets of the department, assess and account for their value.
(d) A balance of Rs. 943,141,567 had been shown for other machinery and equipment (Including furniture) under non-financial assets of ACA-6 as at 31 st December 2020. However, according to the information provided, the donation received for furniture Rs.627,054,283 for	There are a large number of donated assets and steps have been taken to obtain the information and account for them.	Action should be taken to identify the value of the assets and account for them

machinery and equipment Rs.1,623,627,029, 120 sterling pounds, 163,985 Japanese yen and 7,532,915 US dollars had not been identified.

- (e) The Statement of Financial Position (ACA-G) should be presented as per Treasury Account Information, but according to Treasury Printouts SA-70 and Financial Statements ACA3, the amount of Rs. 53,812,759 due to treasury as at 31st December 2020 had not been identified in current liabilities as at 31st December 2020 and, the cash in transit balance settled through the cash book was not presented under cash and cash equivalents in financial assets.
- The cash book has been balanced by 31st December 2020 and remaining balance has been sent to the treasury and the books have been closed. since there is no final balance in the Imprest-Account, it can never be shown as a current liability or financial asset in the Statement of Financial Position (ACA-P).
- According to the treasury books, this should be presented in the financial statements as Cash in transit.

1.6.3 Cash Flow Statement

The following observations are made.

Audit observation	Comment of the Accounting officer	Recommendation
<p>(a) The personal salary and operating expenses for the year under review were Rs.5,622,314,992 Since it had been presented as Rs.4,729,330,732 the cash outflow generated from operational activities had been understated by Rs.892,984,260.</p>	<p>From now on, notes were made to prepare the cash flow statement as you have pointed out.</p>	<p>Operating activities should be accurately identified and accounted for</p>
<p>(b) Subsidy and transfer expenses for the year under review were Rs.101,889,711 since it had been presented as Rs.43,993,255, the cash outflow generated from operational activities had been understated by Rs. 57,896,456</p>	<p>- Do -</p>	<p>- Do -</p>

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| (c) | The expenditure on construction or purchase of physical assets and acquisition of other investment, as stated in the Cash Flow Statement (ACA-C) for the year under review was Rs. 83,208,794 Since it was presented as Rs.1,034,089,513 the cash flow generated from investment activities had been overstated by Rs.950,880,719. | - Do - | Investments activities should be identified correctly and accounted for. |
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1.6.4 Commercial Advance Account

The following observations are made

Audit Observation	Comment of the Accounting officer	Recommendation
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(a) According to the Annual Stock Assessment Report of the year under review, the stock of organic fertilizer worth of Rs.1,760,000 which was at Kandapola seed potato farm by the end of the year had been omitted from the books of account.	That it will be corrected in preparing financial statement for the year 2021 in accordance with Financial Regulations 515 as shown in the Audit.	Stock value should be identified and correctly accounted for.
(b) The total value of the growing crops amounted to Rs.1,593,089 owned by the Horana Fruit Research and Development Institute and the Bibila Horticultural Crops Research and Development Institute was not included in the Closing inventory in preparing the financial statements	That the Correction will be made in preparing financial statements for the year 2021 as per the financial regulation 515.	Stock value should be identified and correctly accounted for.
(c) The value of 78113 kg of fertilizer relevant to 08 farms, 143 kg of seed and planting material relevant to 02 farms and 20191 kg of consumer seed paddy relevant to 02 farms had not been identified and accounted for during the year under review.	That it was noted to correct by calculating the cost of the relevant stock of fertilizer and recording in the accounts in preparing the accounts for the year 2021 in accordance with Financial Regulations 515 as shown by the audit.	Stock value should be identified and correctly accounted for

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| (d) | Among the buildings belonging to the offices of the Deputy Director of Agriculture ,there were buildings such as warehouses, cold storages, seed processing units, etc. that directly contribute to the advance activities with total value of Rs.48,012,125, Since, the value of the relevant buildings had not been recorded in the Assets registries, the value of the assets and the depreciation of the year in respect of those assets is Rs. 960,242 had not been accounted for. | The officials of the Department held several rounds of meetings with the Director General of Public Finance and the Director General of Public Enterprises and decided that all assets related to the advance account should be revalued and used for depreciation. According to the decision revaluation was being carrying out however it had to be stopped due to the spread of the Covid-19 and all assets would be revalued and all assets related to the advance account would be depreciated in the future. | The assets relevant to the advance accounting should be correctly identified and depreciated based on the depreciation policy followed and relevant adjustments should be made. |
| (e) | The value of 21 Motor vehicles belonging to 10 farms, 102 items of machinery belonging to 13 farms, 29 tractors and trailers belonging to 08 farms and 18 building items belonging to 3 farms had not been assessed and accounted for. | Assets will be revalued and all assets related to the advance account will be depreciated in the future. | The value of the assets should be correctly identified and accounted for. |
| (f) | The total Machineries value of Rs.716,928 pertaining to 2 farms, Rs.804,111 worth of office equipment and Rs.808,950 worth of tractor and trailer at Ambatenna Farm at the end of the year under review had not been taken into account. | Assets will be revalued and all assets related to the advance account will be depreciated in the future | The value of the assets should be correctly identified and accounted for. |
| (g) | According to the survey reports, the value of Rs.13,770,915 worth of livelihood resources belonging to 13 institutions involved in this advance activity during the year under review had not been adjusted in the preparation of financial statements. | That Livestock Resources are a biological resource and This livestock resource has been excluded from accounting as no recognized accounting practice can be found in this regard. | The value of livestock resources should be taken into account. |

- (h) According to the board of Survey Report of the Seetha Eliya Seed Potato Store for the year under review, the value of the stock of seed potatoes as at 31st December 2020 was Rs.60,693,557 but the stock value of seed potatoes relevant to the financial statements was included the wholesale value of Rs.53,087,084 presented by the Deputy Director of Agriculture, Nuwara Eliya, Letter No. S/ PS / S /08 dated 12th February, 2020. Accordingly, There was a difference of Rs.7,606,473. Hence, the audit was unable to confirm the exact value of stock.
- The answers to this question have been sought again from the relevant director and the answers will be obtained and submitted later
- Inventory records should be maintained up to date and steps should be taken to accurately calculate year end stock and account for.

1.6.5 Imprest Balance

The following observations are made.

Audit Observation	Comment of the Accounting Officer	Recommendation
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(a) Although Imprest received from other sources valued at Rs.32, 205 had been added to the opening balance of Rs.13,333,278 in Account No. 7002/81/19 of the Imprest Account submitted as per ACA-3 and Rs. 13,365,483 had been settled through expenses but, it was not presented separately in the Imprest account.	That the values could not be presented separately by mistake and that it was noted to present separately in the future.	The Imprest settlement should be made separately for the previous year and the year under review.
(b) Although Rs.53,812,759 Imprest settlements were made According to the cash book on 31 st December, 2020, it was not mentioned in the Imprest Account (ACA-3).	By mistake, the settlement by cash is not noted in the column, and it was noted that such errors do not occur in the future.	Necessary action should be taken to prepare the Imprest account correctly.

1.6.6 Lack of Evidence for Audit

The following observations are made.

Audit Observation	Comment of the Accounting Officer	Recommendation
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(a) Evidence required to verify the creditor balance of Rs.12,175,459 in respect of farm maintenance and seed sales advance accounts included in the financial statements for the year under review had not been submitted to the audit	This creditor balance was issued for certain activities at the end of the year by the Ministry of Agriculture. Therefore, confirmation should be obtained from the Secretary and although inquiries have been made from time to time, no reply has been received.	Information which required to verify the balance should be submitted.
(b) Although the cost of disposal of assets in the farm advance account for the year under review was stated as Rs.26,496,732 the source documents relevant for exact calculation of depreciation related to disposal had not been submitted to the audit	Assets will be revalued and all assets related to the advance account will be properly depreciated in the future.	Action should be taken to accurately calculate the depreciation of assets removal and submit relevant evidence.

2. Financial Review

2.1 Imprest Management

The following observations are made.

Audit Observation	Comment of the Accounting Officer	Recommendation
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(a) The Department had prepared the Imprest-Plan only for the first four months of the year 2020 and had applied for the Imprest exceeding the plan. For the remaining eight months, the Imprest was applied without planning the imprest requirement.	Due to Covid 19 and the delay in the adoption of the budget for 2020 until December 20, 2020 that the proposed Imprest plan could not be prepared due to working under 3 by-law supplementary accounts.	Provisions of the Financial regulations should be followed.

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| <p>(b) During the months of November and December as compared to the other months Rs.1,018,643,000 and Rs.1,453,606,000 more imprests had been requested. The Imprest received in those months was also less than the amount demanded. However, on December 31, 2020, Rs.53,812,759 of Imprest had been settled to the treasury. Accordingly, requisition of monthly Imprest had not been made correctly.</p> | <p>Due to the high number of payments in November and December, the higher Imprest is applied within the estimated amount but did not receive the same amount as requested from the Treasury. However, a sum of Rs.53,812,759 was paid to the Treasury on 31st December 2020 due to the increase in the revenue of the Department and an amount of funds was credited under foreign grants and other projects.</p> | <p>Imprest should be requested as per the requirement.</p> |
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2.2 Revenue Management

Audit Observation

Although it is stated that the revenue estimates should be prepared as realistically and accurately as possible in accordance with Financial regulation 85(1)(c), Financial regulation 143(1), paragraph 3 of the Treasury Operations Circular No.01 dated 20th July 2015, The initial estimate of Rs. 318,000,000 Revenue for the Revenue Code 18.02.2003 of the year under review had been amended to Rs.340,000,000. However, the net income being Rs.488,134,208, 44 percent more income than the revised estimate had been earned.

Comment of the Accounting Officer

At the end of the third quarter, due to increase in the number of people focusing on agriculture, it was shown a high growth rate of revenue and Although the discussions were held with the Department of Fiscal Policy to revise the revenue in comparison to that, it was informed that it could not be revised again as the budget for 2021 have been prepared.

Recommendation

Estimates should be accurately prepared and revised as per the Financial regulations.

2.3 Expenditure Management

The following observations are made.

Audit Observation

- (a) The expected objectives to be achieved by small scale agricultural research activities had not been achieved as the net provision allocated is Rs.3,000,000 for the expenditure head related to small scale agriculture research project

Comment of the Accounting Officer

After opening an account with the Central Bank of Sri Lanka, the Treasury releases the Imprest for this standard of expenditure but no such action has been taken and that the

Recommendation

Action should be taken to make effective use of the allocated funds

had entirely been saved without utilizing.

steps are being taken to obtain the same expenditure standard under Financing 13 to avoid the above problematic situation this year.

- (b) Under the Green gram and Cowpea Special Cultivation Program for the third season of 2020, it was planned to be implemented 20,000 hectares or 49,420 acres of cultivation area. In order to provide Green gram seeds at the rate of 10 kg per acre, the cost was set at Rs.330 per kilogram. Accordingly, the amount of Green gram seeds required for 49,420 acres at 10 kg per acre was 494,200 kg and its estimated cost was Rs.163,086,000. An over-estimation of Rs.16,914,000 had been made due to the allocation of Rs.180,000,000 for the action plan and approved program.
- The Seed and Planting Material Center of the Department of Agriculture makes seed price changes based on the availability of seeds in the country and the cost of production. Therefore, the price is estimated by considering the chance of the small variations in the price. As mentioned in the query, even if it is an overestimate of Rs.16,914,000, if the price goes up, 1 kg of seeds is estimated at Rs 360 (At that time the price was Rs.320 per kg.) If this is not done, due to the reduction in the quantity of seeds that can be provided in the event of an increase in seed prices, objectives will not be achieved as the cultivation targets would not be fulfilled and production would be reduced.
- Estimates should be done more accurately.

2.4 Incurring Commitments and Liabilities

Audit Observation	Comment of the Accounting Officer	Recommendation
<p>Vouchers Checking in relating to the Payments of Extension and Training and Economic Services Accounts Branches in January 2021, Regarding the total expense of Rs.1,632,944 paid On 65 occasions for the year under review, Financial Regulations 94 and Public Finance Circular No. 2/2020 dated 28th August 2020 (iii) the Statement of Liabilities and Commitments was not mentioned as liabilities.</p>	<p>These vouchers cannot be declared as liabilities by the CIGAS program as there were insufficient provisions for payment. However, as the expenses related to these vouchers are essential expenses to maintain the activities of the Department of Agriculture, the payment has been made using the provisions of the year 2021.</p>	<p>It should act in accordance with the circular provisions.</p>

2.5 Issuance and Settlement of Advance

The following observations are made.

Audit Observation	Comment of the Accounting Officer	Recommendation
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(a) The total loan balance amounting to Rs.5,369,088 was due by 31 st December of the year under review in respect of 92 officers who had died, retired, retired without pension due to insufficient period of service, had left the service been abroad and had been transferred by various sections under centralization according to the Chapter 4: 2: 2, 4: 2: 4, 4: 2: 5, 4: 3, 4: 4, 4: 5, 4: 6 and 6: 3 in Chapter xxiv of the Establishments Code of the Democratic Socialist Republic of Sri Lanka.	Failure to complete the investigation of financial regulations, delays in submitting retirement files to the Department of Pensions and that, legal action are being taken against some of unrecoverable balances.	It should act in accordance with the provisions of Section 4 of Chapter XXIV of the Establishments Code.
(b) In accordance with paragraph 5.2 of the National Budget Circular 11 dated 11 th October 2004, If the debtor who has obtained a property loan does not pay the loan installments, action should be taken to auction the relevant property on the instructions of the Attorney General and settle the outstanding loan balance, against the total loan of Rs.805,234 in respect of 08 officers and employees worked in the Department had not been dealt with.	As some of officers had not provided mortgage it has not been able to recover therefore, Disciplinary action is being taken against them. That, some loans have been agreed to be paid in cash and some properties have been put up for auction.	Action should be taken to recover the relevant arrears immediately .
(c) The total of unapproved cumulative losses incurred in respect of 05 transaction settlement advance accounts which elapsed the period of 18 to 28 years was Rs.67,146,096 and the balance due over 28 years in respect of Seed and Planting Material Advance Account No. 285-05 was Rs.76,157.	We have taken all possible steps considering this initiative as a matter of priority and This matter will be discussed in the Public Accounts Committee in the future and necessary steps will be taken to complete these settled off advance accounts in full.	Liquidation should be done in accordance with the provisions of Financial regulations.

2.6 Deposit Balances

Audit observation

Comment of the Accounting officer

Recommendation

20 Deposits worth of Rs.7,859,871 in respect of 04 Deposit Accounts that exceeding 02 years had not been dealt with, in accordance with Financial Regulations 570, 571

Since settlement process is not over, the shortcomings have to be rectified; some deposits had been retained until further inspection. Rs.4,015,531 had been retained to make payments after an audit by the SARCC Organizational Fund.

The provisions of Financial regulation should be followed.

2.7 Non-Compliance with Laws, Rules, and Regulations

The following are the instances of non-compliance with the provisions of laws, rules and regulations observed during the sample audit.

Observation

Comment of the Accounting Officer

Recommendation

Reference to Laws, Rules and Regulations

Non-Compliance

(a) Establishments Code of the Democratic Socialist Republic of Sri Lanka

Section 6.1 of Chapter xix

Although the lease period of all the houses except the one reserved for a particular post is 05 years, during the sampling examination 19 officers of 02 institutions had been continuously residing in Quarters for a period of 04 to 11 years exceeding 05 years.

Actions have been taken to take back the quarters that have been occupied in quarters for more than 5 years and to provide official quarters to the officers who are in the waiting list.

The provisions of the Establishments Code should be followed.

(b) **Code of Financial
Regulations of the
Democratic
Socialist Republic
of Sri Lanka**

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| (i) Financial
Regulation 104(4) | As at 31 st December of the year under review, investigations regarding damages and losses amounting to Rs.19,443,173 incurred in 110 cases pertaining to the Seed and Planting Material Development Center and its Regional Units over a period of 01 to 32 years, had not been completed in accordance with the Financial Regulations. | Financial regulatory investigations were conducted and there are 42 instances General 283 were submitted to DGA., 44 instances, General 284 were forwarded to DGA., 10 instances of which General 284 approval was received but charges not completed, 11 instances General 285 were submitted to DGA and 4 instances reported to the unit to be deducted from the book. | Financial regulations should be followed. |
| (ii) Financial
Regulation 175(2) | 67 Debt balances amounting to Rs. 3,275,852 over 01 year in respect of the farm advance account had not been recovered as at 31st December of the year under review. | Necessary actions are being taken by a committee to recover these loans. | - Do - |
| (iii) Financial
Regulation 753 | Although an issuing order and a receipt order must be prepared upon delivery and receipt of goods, in relating to distribution of 60 mobile solar water pump sets and mobile sprinkler systems valued at Rs. 7,373,000 and 869 electric fences amounting to Rs. 17,727,230 receipt orders had not been obtained. | That the supplier has distributed the energizer equipment to the Regional Agricultural Extension Divisions and Notes of receipt in writing have been submitted to the Extension and Training Division. | Financial regulations should be followed. |

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| (iv) | Provisions of Rule 202 of Chapter XVIII of Procedural Rules Part I of the Gazette Notification No. 1589/30 dated 20th February 2009 issued by the Public Service Commission of the Democratic Socialist Republic of Sri Lanka | 85 officers belonging to 09 institutions had worked in the same institution for more than 05 years. | Although the annual transfer requests have been forwarded to the Director General of Combined Services, the transfers have not been received and some officers have already received promotions and reported for duty at other workplaces. | It should act in accordance with procedural rules and regulations. |
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2.8 Informal Transactions

Audit Observation

Although a cheque was written by 31st December 2020 for the total of Rs.762,500 to the Bindunuwewa Bandarawela Bee Development Unit and the Dehiowita Pambasara Bee Box Manufacturing Company for the purchase of 500 bee boxes by 31st December, 2020 only 351 boxes of bees were provided by said institutions.

Comment of the Accounting Officer

That no relevant payments have been made to the manufacturers so far

Recommendation

Provisions of Financial Regulation 215 should be followed.

3. Operational Review

3.1 Failure to Perform Functions

The following observations are made.

Audit Observation

- (a) Out of the Rs. 16,175,000 allocated for two activities of the project to uplift the living standards of the farming community through small scale business development, the utilization was Rs.5,388,000. Accordingly, Rs.10,787,000 or 67percent of the provisions had been saved.

Comment of the Accounting Officer

Poly sealers could not be purchased due to non-bidding for poly sealers and lack of time to re-procure. Due to the inability to import raw materials for 80 mushroom packing tables, 80 mushroom packing tables could not be

Recommendation

Provisions should be utilized efficiently and effectively.

purchased and These provisions were saved due to the availability of 250 boxes of bees at a reduced price.

- (b) In order to achieve the vision and mission of the Socio-Economic Planning Center, it is mandatory for the officers who engaged in research and studies to identify the socio-economic issues for conducting research by going into the field, although the agro-economists working in the Socio-Economic Planning Center since the last 04 years, no action had been taken to identify such problems by going to the field for the relevant role.
- for identification of issues related to the field of agro economics by the Assistant Director of Agriculture (Agro economics) is mainly based on the research issues submitted to the Regional Technology Action Committee (PTWG) and That the researches are conducted by economists identify theoretical issues and meet the needs of the nation.
- Research should be conducted by identifying socio-economic problems in the field and action should be taken to use the research results effectively in agricultural policy and decision making as well as project implementation.
- (c) Collection of information on honey producers and honey production in Sri Lanka was a major function of the Bidunuwewa Bee Development Unit. However, no such information has been collected since 2016. Due to this, there is no system in place to obtain information on how many honey producers are there in the island, whether the annual honey production is sufficient to meet the local demand which are needed to implement the measures, programs and projects to be taken to promote honey production by the management.
- In the collection of bee control data, those forms had been sent to the Provincial Directors of Agriculture and Deputy Directors of Agriculture and it was difficult to collect all the data annually and prepare a report due to the low level of retrieval of information by them.
- Focus should be given on performance of the main roles of the organization.
- (d) Under the Green gram Seed and Cowpea Special Cultivation Program for the Third Season 2020 the District Green gram Cultivation Regional Conferences had not been held by gathering of District Green gram Cultivation Federations and Regional Green gram Cultivation Federations with consists of Government Agent, Deputy Director of Agriculture, Commissioner of Agrarian Services, Director of Irrigation, Residential
- Action will be taken to provide Information immediately and necessary instructions have been given to the relevant Director in this regard
- Necessary activities should be carried out to achieve the objectives of the project efficiently and effectively.

Business Manager, The Zonal Assistant Directors of Agriculture in charge and the Presidents Secretaries and Treasurers of the Regional Conferences.

- (e) Under the Mahinda Chinthana Vision for the Future, the National Agricultural Information and Communication Center has been established by 31st December 2020 with the objective of guiding the National Food Security to solve the marketing problems of the farmers and networking 550 Agrarian Centers island wide for the exchange of agricultural information with the institutions of the Department of Agriculture. No such networking had taken place.
- Cabinet Memorandum No. NPD / AG / CM / 12/11 of September 2012 approved the provision of building facilities to achieve the two main objectives of promoting the service provided by the Audio Visual Center and establishing a National Information Network. Provisions for networking were inadequate however, this division has made continuous efforts for the purpose of establishing the network.
- Action should be taken to achieve the desired objectives.
- (f) Although the Young Farmers' Movement has targeted 5,000 clubs and 250,000 beneficiary youths in the five years since 2015, only 535 societies have been registered so far. It was as low as 10.7 percent of the target percentage.
- A Young Farmers 'Club is registered at the Youth Farmers' Headquarters only after it has been active for a period of 06 months. Therefore, the target percentage is shown as 10.7.
- Action to be taken to achieve the desired goals.
- (g) Although wiring equipment worth Rs.280,770 had been purchased for re-wiring of 09 seed potato warehouses at Pidurutalagala Farm, only one warehouse had been wired by 19th August 2020. Also, a contract for repair the warehouses No. 04 and 05 of the farm had been granted to a construction company in November 2019, for Rs.299,270 the relevant construction work had not commenced by 19th August 2020, the audited date.
- As the farm does not have an employee with sufficient technical knowledge to do the wiring, an officer on duty at the Sita Eliya Branch Complex has been brought to the farm and only two warehouses have been completed. Actions are being taken to complete the Work on other stores.
- Action should be taken to complete the relevant work on time

3.2 Failure to Obtain the Expected Output Level

The following observations are made.

Audit Observation	Comment of the Accounting Officer	Recommendation
(a) When testing the local seed production of 10 additional field crops, the seed production of those crops was less than 50 per cent of the national seed requirement and the production of maize (open pollination) and big onion was less than 1 percent of the national seed requirement..	The quantity of seeds that our sector can produce is estimated relative to the national seed requirement, that amount is between 25 percent and 50 percent of the national requirement. Maize Seed Production in the Seed and Planting Material Sector is relatively 9.2 percent of the National Production, with imported hybrid maize varieties being the most popular among farmers. In the future, it is possible to increase the production of maize seeds as per the demand with the introduction of a more popular variety among farmers.	Necessary measures should be taken to increase seed production locally.
(b) The numbers of approved Agro-Economic Officers of the Socio-Economic Planning Center was 23 and out of them 11 officers were employed as on 23 rd October 2020, the date of audit. However, according to reports presented by the center, the number of researches or studies conducted in the last three years was as low as 17. Mmn	The number of research reports conducted by the Assistant Director of Agriculture (Economics) is not the most appropriate criterion to measure the efficiency of the officers or the institution and the number of studies published is less than the number of studies conducted and the time taken for each study varies. The national contribution of each study also varies. The problems with obtaining software for high quality research also caused to limited research papers.	Continuing research should be done to identify the socio-economic problems of farmers and come up with more effective solutions.

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| (c) | Although fruit cultivation is a major division of the Department of Agriculture, data on fruits was not included in the crop forecast reports. Although information regarding Green leafy vegetables had been obtained in accordance with the relevant format, data with this regard were also not included in the reports. | Although computer software has been developed to input data for fruit crops into the crop forecasting database, due to technical issues, steps are being taken to rectify this situation and enter the relevant data in the future. | Action should be taken to provide more accurate information through the Crop Forecast Report. |
| (d) | The report on the study of the price analysis of selected food crops in Sri Lanka conducted last year had not been released by 23 rd October 2020 and The study of Analysis of the adoption of site-specific fertilizer management practices by paddy farmers which expected to be carried out last year had not been commenced yet by The Socio-Economic Planning Center by 23 rd October 2020. | These studies are conducted in collaboration with other institutions and are based on data obtained from those institutions (secondary data). Difficulties in obtaining data in studies conducted in collaboration with other institutes, lack of required data, lack of data for several consecutive years, change of staff in those institutes caused to research delays. | Researches can be conducted on time through the preparation of a research plan and conduct of research accordingly. |
| (e) | The Green gram and Cowpea Special Cultivation Program for the Third Season 2020 had failed to obtain the seeds which were a vital factor in the implementation of the project as fully planned, and out of the planned 22,500 hectares, 10074 hectares had been cultivated as Green gram and 174 Hectares as cowpea. It was as low as 50.37 percent for Green gram and 6.9 percent for Cowpea out of expected quantity. | The answers to this question have been sought again from the relevant director and the answers will be obtained and submitted later. | Planning should be done after a proper study and the necessary steps should be taken to achieve the expected goals. |
| (f) | According to a survey conducted by the Department of Census and Statistics in the year 2014, there are about 2,310,000 farmers in Sri Lanka who make a living from agriculture and a weather forecasting SMS system to alert them about climate changes had been installed at a cost of 1,179,074. But in between 2017 and 2020, only a very small number of messages as 13 were sent to 3164 registered farmers. | The number of registered farmers is about 3000 and practically, it is inconvenience to cover all the farmers as there is a charge for this SMS and Only SMS sent by the Natural Resource Management Center will be delivered via SMS in all three languages. | Management should pay attention on increasing the number of registered farmers and providing this service effectively. |

- (g) Activities related to 22 projects in 03 sectors are expected to have achieved 100percent physical progress by 31st December 2020 a minimum progress level of 0percent to 50percent had been achieved By 31st December 2020 Covid-19 epidemic situation, natural conditions and lack of timely availability of funds have slowed down this progress. Action should be taken to fulfill work according to the action plan
- (h) Increasing the production of Green gram and cowpea was one of the objectives of the Green gram and cowpea special cultivation program in the third season of the year under review. However, only the farmers who produced Green gram and cowpea, which were given to the farmers under 50 per cent contribution, did not evaluate how much production was done and did not collect information. Although the output of this project is 0.8 metric tons (800kg) - 1.2 metric tons (1200kg) per hectare, the productivity of Green gram cultivation in 07 districts ranges from 0.13 to 0.82 metric tons per hectare. Accordingly, the output not achieved out of the expected output from this project was about 12,267 metric tons or 69.30 percent. Although the project was identified to provide seed threshing machines to improve post-harvest technology, it had not been done. Irrigation or rain water availability for the crop is an important factor in intercrop cultivation. That, a shortage of water or an excess in water leads to reduce the productivity as this cultivation is done in the paddy fields during this season. Also, pest damage in some areas is another reason for the decline in productivity. Since this crop was the only one in the field at that time, technical advice was given and Although some measures were taken to minimize, the occurrence of some level of damage also led to a decrease in productivity. One of the objectives of the project was to increase the productivity of Green gram cultivation. Therefore, the management should focus on increasing the yield per hectare.
- (i) In considering the local seed requirement of vegetables, the total seed production of 12 standard and basic seed varieties produced under the Department of Agriculture's Farms and Contract Program as a percentage of the local seed requirement ranged from 0.9 percent to 15.4 percent. It is possible to supply only a certain percentage of the local seed requirement of vegetables through the Department of Agriculture's farm production and contract production and the prime responsibility of the Department of Agriculture is to produce basic seeds of recommended vegetables. Necessary measures should be taken to increase local seed production.

3.3 Failure to Obtain the Expected Outcome

 The following observations are made.

Audit Observation	Comment of the Accounting Officer	Recommendation
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(a) Although the Department of Agriculture has been able to create a competitive market locally through the production of imported hybrid seeds and limit the cost of imports, hybrid vegetable seeds of government seed production farms in the last 05 seasons have produced a very small quantity of 199 kg in respect of tomatoes, eggplants, cucumbers and capsicum.	Lack of polytunnel green houses for hybrid seed production and availability of sufficient stock of seeds for tomato, cucumber and eggplant can be shown as the reasons for the decline in seed production. Production could not be done until the testing division provided the pure lineages of bitter gourd and capsicum by identifying the Problems in the maternal lineages. Local hybrid seed production has been started in the farms from the Yala season 2020/2021 using the pure lineages provided by the testing division and arrangements have been made for the production of new recommended hybrid seeds.	As there is a high demand for hybrid seeds among the farmers, necessary actions should be taken to increase the production of local hybrid seeds.
(b) About 98 percent of the maize seeds are imported annually and the cost of maize seeds during the year under review was Rs.1,306 million. However, no attention was paid to increase the production of maize seeds locally to meet the demand of the farmers, on the contribution of research officers.	Mahailuppallama Field Crop Research Institute of the Department of Agriculture is focusing on introducing a new competitive variety for imported maize seeds.	Necessary actions should be taken to increase local seed production.
(c) The advance notice program on vegetable cultivation is a program implemented by the Socio-Economic Planning Center for food security. Although this program was initiated to maintain neither shortage nor surplus of vegetables, vegetable prices in the country increase at certain times of the year and fall abnormally at certain times of the year. Thus, the intended purpose had not been fulfilled by this program.	Answers in this regard have been sought again from the relevant Director and the answers will be obtained and submitted later.	Action should be taken to obtain accurate data in a timely manner and submit relevant reports.

3.4 Delays in Implementation of Project

Audit Observation	Comment of the Accounting Officer	Recommendation
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The research conducted by The Director, Seed Certification and Plant Protection Service (NSFS) during his service period, with the provisions of 3,215,340 funded by the National Science Foundation in 2014. For a project on the biological control of moths on diamonds in cabbage cultivation had not been completed by November 10th, 2020

No comments.

A research plan should be prepared and take action to complete the research accordingly.

3.5 Projects where money has been released but no progress has been made

Audit Observation	Comment of the Accounting Officer	Recommendation
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Although a provision of Rs.220.258 million has been allocated for the Green gram and Cowpea Special Cultivation Program in the third season of 2020, 100.84 million out of the allocation so made had been withheld as per the letter dated 12th August 2020 of The Ministry of Agriculture, Irrigation and Rural Development. The reasons for this were not presented to the audit. Further Rs. 80.81 million had been allocated for the cultivation of 15,734 and 2500 hectares but 52.77 million had not been utilized out of the allocation due to non-achievement of the target set.

No comments

Provisions should be utilized more efficiently and effectively.

3.6 Annual Performance Report

The Annual Performance Report should have been prepared in accordance with paragraph 10.2 of Public finance Circular No. 2/2020 dated 28th August 2020 issued by the Department of Public Finance in the form of Guideline No. 14. The following observations are made in this regard.

Audit Observation**Comment of the Accounting Officer****Recommendation**

- | Audit Observation
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| (a) Although it was stated that the matters of 2.9, 8.4 and 9.1 were complied with as per the Compliance Report in the draft annual performance report for the year 2020 submitted to the audit those matters had not been complied with. | That action has been taken to update the damage and loss records, Despite the delay in conducting the survey, the auction of goods had been held at once and completed before 31 st August 2020. And the disposal process is now scheduled to take place before 31 st August 2021. | Information should be presented more accurately. |
| (b) According to the performance report of the year under review, 06 indicators were identified during the examination of the performance indicators of the selected socio-economic and planning sector. It was stated that the performance of all those indicators exceeded 50 percent. Nevertheless, the technical action plan reports on which those indicators were based upon, Out of the 18 activities related to the unit, 09 activities had achieved a performance level of less than 50 percent. | In the face of the Covid-19 epidemic, travel restrictions in the country made it impossible to conduct surveys and had to work at home. Due to this situation, the expected progress in the year 2020 has been less than the expected percentage in the Technology Action Plan by the year 2020. | Action should be taken to perform the functions included in the plan. |

3.7 Procurement

The following observations are made

Audit Observation**Comment of the Accounting Officer****Recommendation**

- | Audit Observation
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| (a) The Procurement Schedule had not been prepared in accordance with Guidelines 4.2.2 (a) and (b) of the Government Procurement Guidelines for purchases relating to four procurements implemented by the Department. | Due to the Covid epidemic at the time of approval for this project, it was not possible to proceed with such a schedule as the attendance of the officers did not take place properly and I have given the necessary instructions to the Director in this regard. | The Government Procurement Guidelines should be followed. |

- (b) The Technical Evaluation Committee had not carried out a review of specification and approval of two procurements implemented by the Department in terms of Guidelines 2.6.1(a)ii of the Government Procurement Guidelines. Relevant officials have been informed to ensure that these mistakes and omissions not to be occurred in future. - Do -
- (c) Although the estimate was approved on July 21st, 2020 For the procurement work of purchasing an energizer (electric fence) so as to be a unit costs Rs.23,500 each for 851 units at a cost of Rs.19,998,500, Preparation of total cost estimate as per guideline 4.3.1(d) of the Government Procurement Guidelines, Review the total cost estimates in accordance with the guidelines 4.3.3, reviewing the specifications in accordance with guidelines 2.6.1(a)ii, obtaining bid securities in accordance with the guidelines 5.3.11 etc. had not been followed. After the establishment of the Green gram plantation, the electric fence was purchased with the intention of protecting the crop but the intended objectives were not achieved. Further, farmers' societies had not been formed in this regard. The electric fences thus purchased could not be delivered to the farmers on the due date and the 155 electric fences worth of Rs. 3,138,750 155 were in storage as of 17th November 2020. The electric fence has been handed over to the districts during the required period that is in the last week of August. It should act in accordance with the Government Procurement Guidelines and follow up on the timely delivery of purchased goods to farmers and the timely distribution by local bodies to farmers.
- (d) Although Rs.229,070 had been paid to the Contractor for Importation and installation of asbestos in accordance with Sri Lankan standards and double application of its emulsion paint for 229.07 sq. M. as per the Issue No. 37 in the estimate of the renovation of Government quarter, No. 2/11, Sarasavi Mawatha, Peradeniya but, Emulsion paint had not been applied twice. Accordingly, Rs.75,135 had been overpaid to the contractor. Also, gutter brackets had not been installed to 2 '-0' gaps in gutters, grid net with gauge 12 had been used instead of grid net with gauge 10 for open Deficiencies will be rectified during the retention period and if not, it will be done by using the retention money. Contract work should be properly supervised

areas in the corridor, and the kitchen tiles were popped out and the ceiling was not fitted with beading straps, however a total of Rs.340,945 had been paid for those items.

3.8 Asset Management

The following observations are made.

Audit Observation	Comment of the Accounting Officer	Recommendation
(a) Although action should have been taken to survey and formally take over the lands belonging to government departments in accordance with Section 224 of the Code of Conduct on Government Lands, 2943.07 hectares out of the total land area of 3901.82 hectares pertaining to 10 institutions belonging to the Department of Agriculture had not been taken over.	that the process of legal acquisition of lands has already been initiated and as the process of acquisition has to be carried out by the Divisional Secretariats under each of the two separate State Ministries in each of the districts and the agencies under the Survey Department and due to the Corona epidemic prevailing in the island That delays have occurred.	Action should be taken to settle all the lands enjoyed by the department and take over the ownership.
(b) Incubator equipment Purchased to the Plant Quarantine Unit on 29 th October 2019 at a cost of Rs.3,594,672 In order to maintain the optimum temperature and humidity required for an animal or medium to grow had been idle for more than 11 months due to non-availability of three-phase power as on the date of the audit of 10 th November 2020,	No comments	Assets need to be used efficiently and effectively
(c) The Government Quarters No.2/11, Sarasavi Mawatha, Peradeniya was repaired at a cost of Rs.1,850,614 and handed over to the Department on 8 th January 2020 The quarters has been idle since that day.	This house has been repaired and taken over by the owner of the house on 08 th January 2020. That the owner was informed to properly under take the usable materials which were disposed from work site and it is stored in-house to prevent wastage.	Assets should be used efficiently and effectively.

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| (d) Although a warehouse has been built at the cost of Rs.11,371,010 in 2018 to store the seed paddy produced at the Batatha farm, the Office part of which estimated value was Rs.1,891,888 had been idle As of 04 th September 2020. | That, The office part belonging to the warehouse and seed processing unit has been constructed for the needs of an officer supervising the pre-processing activities including drying etc. and necessary instructions have been given. | - Do - |
| (e) 10 tractors used for cultivation activities of Batatha farm valued at Rs.4,911,478, 05 hand tractors valued at Rs.550,000 and. 4 motorcycles valued at 80,000 and 15 vehicles belonging to 5 institutions had been idle and underutilized. | It is expected to apply for disposal | The assets of the institution should be utilized efficiently and effectively and action should be taken to dispose of the unusable resources formally. |
| (f) The value of fixed deposits deposited by the Young Farmers' Headquarters in the Bank of Ceylon in the year 2009 and in the People's Bank in the year 2008 as at 31 st December 2019 was Rs.1,212,500 and Rs.1,027,271 respectively. Although the attention was paid on the useful utilization of the relevant fixed deposits, in the National Convention in 2016, relevant funds remained underutilized by 31 st December 2020. | These matters were discussed at the meeting of the National Farmers' Federation of the Young Farmers' Association held on 11 th December 2017, but no final decision has been reached. Action will be taken to use the fund for a useful purpose having discussion with the relevant officials in the future | Assets must be used efficiently and effectively. |
| (g) 4.2603 hectares of land belonging to 10 government houses related to 02 institutions, 0.0252 hectares belonging to the Bibila Horticulture Training and Development Institute and land area of 02 perches of circuit bungalows belonging to the office of the Deputy Director of Agriculture (Seeds and Planting Materials) in Ampara were also seized illegally. | Relevant activities are being carried out to remove the unauthorized persons and take over the relevant lands to this department | Legal action should be taken regarding unauthorized seizures. |

3.9 Deposit Securities by the Public Officers

Audit Observation

According to Financial Regulations 880 and 881 (1), Departments Regulations No. 17/2015 and dated 11th December 2015 of the Department of Agriculture and Chapter 612 of the Public Officers Security Ordinance, 83 officers who are required to deposit securities in 06 institutions had not deposited relevant securities as of 31st December 2020

Comment of the Accounting Officer

Officers who have to deposit securities have already deposited the securities.

Recommendation

Securities should be deposited by the relevant officers in accordance with the financial regulations and departmental orders.

3.10 Damages and Losses

The following observations are made.

Audit Observation

- (a) As mentioned in Financial Statement Note 01, the value of 390 cases in respect of damages or losses relating to further recovery or write off or omission amounting to Rs.320,279,512 had not been settled in accordance with the financial regulations

Comment of the Accounting Officer

Investigations into Financial Regulations 104 (4) in respect of damages and losses for more than 10 years have already been completed, but Final decisions regarding losses have been delayed due to lack of information to implement final decisions regarding losses such as problems arising in the recovery of surcharges (e.g., pension recovery issues, legal issues, petitions filed by responsible persons, Appeals, etc.) long-standing and relevant incidents being reported long after they have occurred ect..

Recommendation

Financial regulations should be followed.

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| (b) | According to Financial Regulation 104(4), the full report should have been submitted within 03 months from the date of the damage, but as at 31 st December 2020, further action had to be taken on 226 cases. | Out of 445 cases, 219 cases have been investigated under Financial Regulation 104 (4) and further actions are being taken regarding recovery and write off from the book. | Financial regulations should be followed |
| (c) | About 15,420 kg of peanut seeds valued at 5,404,000 which produced at the Karadiyanaru Government Seed Production Farm during the Yala season 2020 were sold as consumables on 18 th December 2020, the date of audit, due to reduced germination. | Due to insufficient chilled storage space at Pelwehera, Measures have been taken to store nearly 34000 kg of seeds at the Rikillagaskada Seed Bean Storage Unit. Oily crops such as peanuts and soybeans have the potential to reduce the rate of rapid germination compared to other supplementary food crops. As a large quantity of peanut seeds will have to be procured and supplied by the Seed and Planting Material Development Center as per the national need in future, It was planned to upgrade the storage facilities accordingly. | Action should be taken to use the produced seeds effectively. |

3.11 Management Weaknesses

The following observations are made

Audit Observation	Comment of the Accounting Officer	Recommendation
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(a) Imports of snake guard, eggplant, bitter gourd and long beans were less than 15 per cent of the domestic seed requirement but imports of other crops ranged from 31.3 percent to 96 percent of the domestic seeds requirement. The contribution of the Department of Agriculture should have continued to reduce the volume of imports, reduce the cost and encourage farmers to produce them locally.	Sri Lanka's local vegetable seed requirement is met in several ways. Department of Agriculture, Private Institutions, Private Farmers are engaged in seed production and in addition a certain percentage of the seed requirement is imported and most of the imported seeds are kind of Seeds related to upcountry vegetable production such as Cabbage, Beet, Nokol, Carrot,	Action should be taken to increase local seed production.

capsicum (HYW) which cannot be produced under the climatic conditions in Sri Lanka.

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| (b) | Although it is timely need to install a software that minimizes the time delays in computing the field data related to the preparation of the Cost of Production Survey and can enter the data in the field more accurately and easily, as of 23 rd October 2020, no suitable software had been developed for the activities of this unit. | That, Project Proposals for the year 2021 have been submitted to the Ministry of Agriculture in order to Obtain Provisions Required for Developing Computerized Methodologies for Production Cost Survey. | Getting more accurate data in a timely manner through the introduction of software. |
| (c) | The program had begun without conducting research or study on whether the agricultural instructors who provide data to the Crop Forecasting program can report data on cultivation area changes in their territory every 15 to 15 days during their routing work and what are the practical issues involved in reporting so. | Cultivation progress of each crop is obtained for future meetings of Agriculture Instructors. This is the specific routing work of agricultural instructors. The data obtained here are regularly added to the system by data collection officers from the Agriculture Offices and training and awareness programs related to the Crop Forecasting Program are conducted every year. Here the problems in the crops are identified and corrections are made. | Follow-up should be done continuously in order to use this program effectively. |
| (d) | The Crop Forecasting program on vegetable cultivation was initiated by the Socio-Economic Planning Center, which is the only institute conducting socio-economic research and planning in the Department of Agriculture, had been commenced without prior planning and feasibility study. | No comments | A proper feasibility study should be conducted during the implementation of the program. |
| (e) | The bee colonies maintained by the Bee Development Unit have been affected by a viral disease in the early part of the year 2020. 114 colonies have been wiped out and there is a risk of further | Necessary instructions have been given to the Director in this regard. | As it is a major role of the organization, it is necessary to pay attention over the relevant issues more |

spread of this virus because the bees will have a famine time in the future. Therefore, no research or formal measures have been taken to control this viral disease.

efficiently.

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| (f) | Examining the progress of the training programs conducted by the Bee Control Unit during the last 5 years, there was a gradual decline in the training of departmental officers, farmers, university students, bee control equipment manufacturers and school children. | The training program organization is primarily on request and the above progress may change annually. But that the necessary instructions have been given to the Director in this regard | Attention should be paid on improving the progress of conducting training programs. |
| (g) | The Eraminigolla Rambutan Research Unit under the Gannoruwa Horticultural Crops and Development Institute was placed under the Fruit Crops Research and Development Center in the year 2014. Since then, no research has been conducted as of December 10 th , 2020, the date of the audit. | There is a significant shortage of research officers in the Department of Agriculture as recruitment to the post has been suspended due to the ongoing legal proceedings regarding the recruitment of research officers to the Department. This situation has made it difficult to direct research officers to regional research farms in the area. Due to this only mother plant conservation and plant production are being done in these farms at present. | Attention should be paid to recruit research officers immediately and make effective use of local research institutes for research activities. |
| (h) | According to Article 58 of the Constitution of the Young Farmers' Society, the National Council of Young Farmers' Associations should meet once a year, but the National Conference of the Young Farmers' Association was last held on 07 th February 2016 and Thereafter, no action had been taken to hold the relevant conference by 31 st December 2020. | No comments | Necessary action should be taken to carry out these activities properly in order to attract the youth for agricultural activities. |

- (i) Although, the Deputy Director of the Mahailuppallama Farm Mechanical Research Center had committed irregularities such as Irregularities in the arrival, Failure to submit future work plans, leaving the workplace without permission, not covering the working hours, addressing the subordinates in an indecent manner, using the subordinates for their personal affairs and using their employees for tuition classes during the working hours Disciplinary action had not been taken in accordance with the provisions of the Establishments Code.
- According to the Disciplinary actions recommendations of the should be taken preliminary investigation formally against report regarding the relevant officers deployment of officers to conduct tuition classes, the mechanical engineer of the Mahailuppalama Farm Mechanical Research Center has been severely warned and has not commented on other matters.

4. Achievement of Sustainable Development Goals

 The following observations are made.

Audit Observation	Comment of the Accounting Officer	Recommendation
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(a) Although the Department of Agriculture has established the Sustainable Development Goals and indicators relevant to each objective, it has not identified an adequate criterion or methodology for measuring each index.	The National Council for Sustainable Development has been entrusted with the task of formulating objectives and indicators for sustainable development and so far the Department of Agriculture has not been provided with accurate information on specific sustainable development objectives and indicators.	A Criterion or methodology should be established to measure the index relevant to achieving sustainable development goals and objectives.
(b) Although a plan had to be prepared on How to achieve sustainable development goals, time frame and the relevant allocations had to be made accordingly, the Department had not prepared a plan to achieve the Sustainable Development Goals for each year.	Action will be taken to prepare required plans to achieve the Sustainable Development Goals in the future As audit has shown.	The Annual Action Plan should be formulated to achieve the Sustainable Development Goals

5. Human Resource Management

Audit Observation

There were 2672 vacancies at the end of the year under review, although service requirements should be identified at the appropriate time and recruitments should be made at the required time In order to maintain the activities of the department in a proper and systematic manner,

Comment of the Accounting Officer

Future actions are being taken to fill the vacancies in all position.

Recommendation

Action should be taken to fill the vacancies immediately for the essential posts.