

## Head - 151 Ministry of Fisheries

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### 1. Financial Statements

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#### 1.1 Qualified Opinion

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The audit of the financial statements of the Ministry of Fisheries for the year ended 31 December 2021 comprising the statement of financial position as at 31 December 2021 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 Ministry was issued to the Chief Accounting Officer on 21 June 2022 in terms of Section 11(1) of the National Audit Act, No.19 of 2018. The Annual Detailed Management Audit Report relevant to the Ministry was issued to the Chief Accounting Officer on 28 June 2022 in terms of Section 11(2) of the Audit Act. This report will be tabled in Parliament in pursuance of provisions in Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka 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 paragraph 1.6 of this report, the financial statements give a true and fair view of the financial position of the Ministry of Fisheries as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

#### 1.2 Basis for Qualified Opinion

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My opinion is qualified based on the matters described in paragraph 1.6 of this report. I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibility for the financial statements are further described in the Auditor's Responsibilities Section. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### 1.3 Responsibilities of the Chief Accounting Officer and the Accounting Officer for the Financial Statements

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The Chief Accounting Officer is responsible 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 for the determination of the internal control that is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As per Section 16(1) of the National Audit Act, No.19 of 2018, the Ministry is required to maintain proper books and records of all its income, expenditure, assets and liabilities to enable the preparation of annual and periodic financial statements.

In terms of Sub-section 38(1)(c) of the National Audit Act, the Chief Accounting Officer shall ensure that an effective internal control system for the financial control exists in the Ministry and carry out periodic reviews to monitor 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 for the Audit of the Financial Statements**

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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 summary 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 and its materiality depends on the influence on economic decisions taken by users on the basis of these financial statements.

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

- Appropriate audit procedures were designed and performed to identify and assess the risk of material misstatement in financial statements whether due to fraud or errors in providing a basis for the expressed audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- An understanding of internal control relevant to the audit was obtained in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's / Department's / District Secretariat's internal control.
- Evaluate the 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.
- Evaluate the overall presentation, structure and content of the financial statements including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Chief 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 Requirements**

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

- (a) The financial statements are consistent with the preceding year,
- (b) The following recommendations made by me on the financial statements of the preceding year had not been implemented.

Reference to the Paragraphs of 154 (6) Report of the Auditor General's for the year 2020	Audit Observation	Recommendation
1.6.2(c)	Although the total asset purchases for the year 2020 were stated as Rs.81,787,561 in checking the Statement of Non-Financial Assets ACA-6, capital asset acquisitions were stated as Rs.81,982,353 in the financial performance statement, thus there was a difference of Rs.194,792.	Financial statements must be prepared accurately.
1.6.4	Deposits of Rs.1,625,268, which exceeded 2 years, were not credited to the state revenue.	Checked and overdue deposits should be credited to public revenue.

## 1.6 Comments on Financial Statements

### 1.6.1 Deposits

#### Audit Observation

The 5-year deposit balance in the general deposit account of the Ministry of Fisheries was Rs.1,227,112 as at 31 December 2021. Out of which, two retained contract deposits of Rs. 555,553 were retained due to non-submission of final bills and Rs. 671,559 retained due to non-completion of defects in the contract and the said balances were not settled and taken into the public revenue as per the financial regulations.

#### Comment of the Chief Accounting Officer

That the deposit balance of Rs.1,227,112 more than 05 years will be taken care of and dealt with promptly.

Checked and overdue deposits should be credited to public revenue.

### 1.6.2 Property, Plant and Equipment

#### Audit Observation

According to the SA 82 Treasury computer printout submitted for the Statement of Non-Financial Assets (ACA-6), the purchase value of fixed assets in the year under review was shown as Rs. 71,020,869, since the acquisition of capital assets during the year in the statement of

#### Comment of the Chief Accounting Officer

That the Ministry of Fisheries was under the Ministry of Agriculture during the period from 01.01.2020 to 31.08.2020 and as the assets purchased at Rs. 24,497,372 during that period have not been transferred to the Ministry, it was arranged to be

#### Recommendation

Financial statements must be prepared accurately.

financial performance was shown as transferred to the Ministry of Rs. 46,523,499, there was a difference of Fisheries as opening balance in the Rs. 24,497,370. year 2021 through a journal entry.

### 1.6.3 Imprest Balance

#### Audit Observation

An outstanding balance of Rs. 6,400,000 from the Ceylon Fishery Corporation since 2018 was not shown in the Ministry's accounts as at 01 January 2021 and part of the outstanding balance was settled by Rs. 1,083,663 deposited by Sri Lanka Customs in February 2021. Rs.5,316,337 was shown as the outstanding balance in the Treasury computer printed SA 70 report. Rs. 150,000 collected from Ceylon Fisheries Corporation in the months of October, November and December 2021 at Rs. 50,000 each was sent to the treasury to settle these outstanding advances. The outstanding balance (7002-0-0-089-18) was not disclosed in the statement of financial position as at 31 December 2021 and as per ACA 4.

#### Comment of the Chief Accounting Officer

That this is an outstanding balance from the year 2010 and is not brought forward through the ministry's account books and is settled through the treasury books, so the Ceylon Fishery Corporation will work to settle this outstanding debt balance by sending the amount given from time to time to the treasury.

#### Recommendation

Treasuries should disclose the outstanding balance in the statement of financial position and ACA 4 as compared to the computer printout.

## 2. Financial Review

### 2.1 Management of Expenditure

#### Audit Observation

- (a) (i) Rs.335.37 million had been allocated for the deepening and cleaning of the lagoons of Nayaru, Nandikadal, Arugambe, Lanka Patuna, Mundalam and Rakewa in the year 2021 for the lagoon development and conservation project,. Only Rs.23.49 million equal to 5.9 percent had been spent at the end of the year.
- (ii) The cost for the construction project of Balapitiya Fishery Harbor was Rs.1,030,216 and only 0.34 percent financial progress had been made compared to the original allocation. Accordingly, as the expected activities were not accomplished, the physical progress was also slow.

#### Comment of the Chief Accounting Officer

That due to the delay in these pre-planning activities, the procurements were delayed and as a result, the expected expenditure could not be incurred.

The work was affected by the global pandemic of Covid-19, which slowed down the work.

#### Recommendation

Pre-planning and procurement should be done without delay.

Expected activities should be performed without delay.

(iii) Although an allocation of Rs.145 million has been made for the construction of a new jetty facility under the development of the Negombo lagoon, Rs.71,500,000 had been transferred to other development projects as per Financial Regulation 66 Transfers. Accordingly, the net project allocation was Rs.73,500,000 and the project cost was shown as Rs.11,095,602. Furthermore, according to the vote ledger maintained by the Ministry, information that any amount spent had not been recorded in the ledger for those project activities and according to the progress report prepared on the action plan, the physical progress was shown as zero value.

Due to the case filed by the Department of Forestry, the consent was not given and after the Attorney General informed that no legal problem would arise, that he would give his approval after a joint field investigation by the letter dated 06.09.2021 and those fields test was done on 03.11.2021 and that the approval of that department has not been given so far and it has also been reported that due to this unexpected process, the procurement activities were not completed.

Pre-planning and procurement should be done without delay.

(b) Out of the allocation of Rs.169,500,000 transferred under the financial regulation 66 for 03 expenditure objects, only Rs.20,652,381 was spent during the year, which was a saving of Rs.148,847,619 and the percentage of the savings was 88 percent compared to the allocation under the transfer on financial regulation. The following observations are also made in this regard.

(i) Although construction has been underway under the Kalamatiya Fishery Harbour construction project since last years, an initial cost estimate had not been made for it.

That all the works planned in the preliminary phase were completed within the approved estimate limit and it was identified that additional work should be done according to the demands of the fishermen during the field inspection conducted by the Honorable Minister, the Honorable State Minister and the Ministry Secretary on 15.01.2021.

Cost estimates should be done realistically.

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| (ii) Although Rs.8,177,173 had been spent under the vote object of preliminary investigation and feasibility study, the related payment vouchers, the amount paid, etc., were not submitted to the audit.  | That details and voucher details can be submitted for audit on request.  | Details of payment vouchers, amount paid etc. should be submitted for audit as per financial regulations. |
| (iii) Furthermore, out of the savings of Rs.8,322,827 under the above vote object, the savings of Rs.6,500,000 was a transfer made entirely according to the financial regulations.  | Answers not submitted.   | Cost estimates should be done realistically.  |
| (c) There was a savings of Rs.1,019,145,349 equal to 24.3 percent of the total net allocation amount of Rs.4,177,250,000 and it was also observed that there were savings of Rs.239,264,700 in the range of 53 to 96 percent in 11 vote objects and 100 percent savings in two vote objects.   | Agreeableness.   | - do -  |
| (d) The Ministry of Fisheries had given Rs.20,278,000 to Nara Institute for the implementation of development projects in the year 2021, of which Rs.12,042,841 had been spent. It was observed in the audit that the amount of Rs.15,378,000 given in July was not fully utilized even after 5 months and Rs. 4,900,000 was given to the Nara Institute without submitting the details of the expenses related to the amount spent.   | The institute has informed the Ministry that due to the Covid epidemic situation in the country in the year 2021, it was not possible to carry out the activities related to the projects in the prescribed time frame due to the inability to maintain the daily duties of the government institutions. | The activities related to the projects should be implemented according to the prescribed time frame.      |
| (e) According to paragraph 07 of Budget Circular No. 07/2020 dated 31 December 2020, detailed reports on the allocations related to the transfers made by the Ministry Secretary in the transfer of allocations between vote objects under recurring expenditures under Financial Regulations 66 and 69 should be sent to the Budget Department before December 31 of the financial year. However, there was no information that the Ministry of Fisheries submitted such a report to the National Budget Department regarding the 8 cases of transfers made by the Secretary. | That details related to recurring transfers have been submitted to the National Budget Department at the same time the transfer is made.   | Proceed as per the circular.  |

- (f) As per paragraph 12(1) of the Financial Regulations, the need for rehabilitation and improvement of capital assets shall be fully explained in the estimation of capital expenditure. However, Rs.15,300,601 was paid for a contract for the repair of the main entrance gate of the Ministry in the year 2021 without estimating an expenditure on rehabilitation and improvement of capital assets under the vote object 2001 for the year 2021.
- Provision had been made under the head of acquisition of capital assets for this procurement process with a four-stage of construction of 03 additional floors, improvement of sanitary system, improvement of archives and parking facilities and improvement of the layout of the Ministry building including painting, garden decoration etc. by a Cabinet decision. Accordingly, the related expenses have been credited to that vote object.
- Cost estimates should be done realistically.
- (g) The following matters are observed regarding the allocation of Rs.39.012 million by the Ministry of Fisheries for the renovation of the Hikkaduwa Fisherman's Housing Complex.
- (h) (i) The renovation of this housing complex was not included in the 2021 Annual Action Plan of the Ministry of Fisheries.
- That this provision was given to the State Ministry of Rural Housing and Construction and Building Materials Industry Promotion for the renovation of the Hikkaduwa Fisherman's Housing Complex, which was identified as a task to be done urgently in the program of comparison with the village held with the participation of the President and considering this task as a
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priority task and the need was taken into account and fulfilled.

(ii) Although the National Budget Department has stated that the Hikkaduwa Fishermen's Housing Complex is an asset owned by the Ministry of Fisheries, it has not been considered whether it is an asset owned by the Ministry of Fisheries or not. Further, the purpose of lagoon conservation and development had not been fulfilled as those expenses were covered by the provision of lagoon conservation and development.

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(iii) According to the financial and physical progress details as at 23 December 2021 sent by the State Ministry of Rural Housing and Construction and Building Materials, Industrial Promotion, it was stated that the financial progress of this project is Rs.5.5 million equal to 14 percent and the physical progress is 20 percent and also the work was planned to be completed by the end of 2021.

The relevant ministry has been asked about this and the reply will be submitted as soon as it is received.

Financial progress and physical progress should be submitted for audit.

## 2.2 Incurring of Liabilities and Commitments

### Audit Observation

Although the commitments and liabilities totaled Rs.226,496,035 in the statement of commitments and liabilities in the note (iii) in the financial statement as at 31 December 2021, the total liabilities and liabilities in the treasury computer printed SA-92 report submitted with the financial statements was Rs.227,727,740. Accordingly, although a difference of Rs. 1,231,705 was observed, the reasons for the difference were not disclosed.

### Comment of the Chief Accounting Officer

According to the financial statement, the balance of the statement of obligations and liabilities as at 31 December 2021 is Rs.223,584,930.

### Recommendation

The balance in the statement of liabilities should be presented correctly and commitments should be made for expenditure only on the basis of provisions.



### 2.3 Certification of Chief Accounting Officer

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Chief Accounting Officer should certify the following matter in terms of provisions set out in Section 38 of the National Audit Act, No. 19 of 2018. However, it had not been so done.

<b>Audit Observation</b>	<b>Comment of the Chief Accounting Officer</b>	<b>Recommendation</b>
<p>The Chief Accounting Officer and the Accounting Officer should ensure that an effective internal control system for the financial control exists in the Ministry, and carry out periodic reviews to monitor the effectiveness of such systems, and accordingly make any alterations as required for such systems to be effectively carried out. Such reviews should be carried out in writing, and a copy thereof should be presented to the Auditor General, but no statements had been furnished to the Audit that the reviews had been carried out.</p>	<p>In order to protect the stability of the internal control, delegated F.R.135 powers and the activities of the Ministry will be supervised by the audit and management committees and the decisions taken in relation to it will be reported to the Auditor General through that committee and copies of annual estimates, action plan, procurement plan audit plan and delegation of financial powers have been submitted to the Auditor General at the beginning of the year and quarterly progress review meetings and audit and management committee meetings have been held and the annual accounts have been submitted on time as per Treasury instructions.</p>	<p>Action should be taken in accordance with Provisions in Section 38 of the National Audit Act No.19 of 2018.</p>

### 2.4 Operation of Bank Accounts

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Deficiencies revealed at the audit test checks carried out on operation of bank accounts, appear below.

<b>Audit Observation</b>	<b>Comment of the Chief Accounting Officer</b>	<b>Recommendation</b>
<p>According to note (viii) of the financial statement submitted by the Ministry of Fisheries for the year under review, the balance on 31 December 2021 under Northern Province Sustainable Fisheries Development Project Bank Account No. 7040777 and according to the bank statement, the bank balance on that day was Rs.48,700.</p> <p>The facts observed in this regard are given below.</p>		

<p>(a) The amount of Rs. 391,655,000 had been transferred in February 2021 to the bank account maintained by the Ministry of Fisheries for the development and renovation of fishing harbors, anchorages and landing sites. Although bank reconciliation statements should be prepared in accordance with Financial Regulation 395(c), the bank statements related to the project bank account from March 2021 to November 2021 were not submitted for audit.</p>	<p>That the bank reconciliation statements were not prepared as the bank account was not active during this period.</p>	<p>Bank statements and bank reconciliation statements should be submitted for audit as per financial regulations.</p>
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<p>(b) The State Ministry had issued three cheques to the project bank account without remitting the amount of Rs.2,908,690 which should have been remitted to the treasury on 31 December 2020.</p>	<p>Due to the lack of sufficient advance received by 31.12.2020 to cover the costs of the Develop &amp; Rehabilitation of Fishery Harbors Anchorages &amp; Landing sites Project maintained in the Project Management Unit, the amount of bills on hand as of 31.12.2020 was Rs. 385,182,274.82. That an amount of Rs.2,908,690 was given in advance in three terms by the State Ministry on 31.12.2020 and the said advance was entered in the cash book and the cash book was closed on 31.12.2020.</p>	<p>The cash balance should be remitted to the treasury.</p>
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**3. Operating Review**  
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**3.1 Planning**  
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**Audit Observation**  
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**Comment of the Chief Accounting Officer**  
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**Recommendation**  
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(a) Although the estimate for the year 2021 of the Ministry of Fisheries has introduced 9 special priority tasks, according to the action plan for the year 2021 and the progress report prepared

accordingly, except for expanding the welfare activities of the fishing community, modernizing the fishing harbor and constructing the fishing harbor if necessary. Plans were not prepared focusing on other following tasks. Further, a joint working committee between Sri Lanka and India was formed and only implemented a few decisions for the task of eliminating illegal fishing in the North and East seas and strengthening the naval and coast guard units and resolving conflicts with India.

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| (i)   | Introduction of scientific method to increase fish population in coastal areas.        | As a second step of coastal zone development under the Department of Fisheries to increase the fish habitats, the implementation of a project in collaboration with the Sri Lanka Navy in Matara Nilwella area and under the third step, 38 discarded buses have been sunk in Jaffna sea. | Plans should be prepared and implemented focusing on priority tasks. |
| (ii)  | Providing opportunities for local companies to expand fishing in international waters. | That the Fisheries Department has prepared project reports by an expert committee to introduce a fully equipped vessel with modern technology and modern operational methods and submitted for the approval of the National Planning Department but the approval has not been received.   | -do-   |
| (iii) | Encouraging private companies and investors to promote the canned fish industry.       | That the budget provision for the year 2021 had not been allocated.   | -do-   |

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| (iv)  | Expansion of marketing and development activities for fish production in a manner that is fair to both producer and consumer.   | That the approval of the National Planning Department was not received due to the failure of the Fisheries Corporation to submit a formal implementation plan for this.   | -do-   |
| (v)   | Elimination of illegal fishing in North and East Seas and strengthening of naval and coast guard units and resolution of conflicts with India.  | That a Joint Working Group has been formed between Sri Lanka and India to discuss the measures to be taken to eliminate illegal fishing in the North East Sea.  | -do-   |
| (vi)  | Introduction of an effective banking and insurance system for the fishing community.  | That the provision was not separated from the budget estimate for the year 2021.  | -do-   |
| (vii) | Implementation of technical and management training programs on fisheries for youth using Sagara University.  | That this project was not implemented due to the lack of financial allocation for this project for the year 2021.   | -do-   |
| (b)   | Although it was stated that the National Aquaculture Development Authority spent Rs. 8,514,000 to purchase 110 tab machines under the vote object of capital transfer under development assistance, it was observed that no provision was made for such a purchase according to the 2021 action plan. | According to the new project report presented by the National Aquaculture Development Authority, the amount allocated for these projects is Rs. 7 million. That the amount has been sent for approval to be deployed for the purchase of 110 tab machines to the Aquaculture Extension Officers for research on the purpose of increasing the depleted fish population and streamlining data collection currently harvesting non-utilized fish species. | The works should be carried out as per the provisions of the proposed projects as per the action plan. |

- (c) Although the NARA Institute had spent Rs. 10,130,187 under the vote object of introducing new technology under capital transfers, according to the action plan, details of the technology introduced to increase fish production and reduce the travel time spent on fish production by introducing new technology were not submitted to the audit. .
- That the amount allocated to the NARA Institute was allocated for the diposit of fish aggregation devices in the districts of Matara, Galle and Jaffna in the sea and it is stated in the revised action plan.
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### 3.2 Non- performance of Functions

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The following observations are made.

#### Audit Observation

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Out of the allocation of Rs.10,000,000 allocated to the National Aquatic Resources Research and Development Agency, only the activity of providing a software for finding fish grounds was accomplished at a cost of Rs.6,500,000. Projects planned by the Ministry in the year 2021 and should have been implemented by the Department of Fisheries and Aquatic Resources and the Nara Institute such as FAD installations for 10 coastal fishing grounds, introduction of an improved vessel with environmentally friendly low fuel, alternative fuel energy, research work to identify the types and sizes of fish for stocking to boost the depleted fish population and the use of hollow vehicles to increase the fish population in coastal waters were not implemented.

#### Comment of the Chief Accounting Officer

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An allocation of Rs. 60 million had been allocated to the Department of Fisheries and Aquatic Resources and the National Aquatic Resources Research and Development Agency under the vote object of new technology in the year 2021 and the amount of allocation spent was Rs. 39.2 million.

#### Recommendation

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According to the action plan, the works should be carried out using the provisions of the proposed projects.

### 3.3 Failure to reply Audit Queries

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#### Audit Observation

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According to the subsection (e) of Section 38 of the National Audit Act No. 19 of 2018, although all audit queries must be answered within specific periods as required by the Auditor General, 6 audit queries issued in the years 2019, 2020 and 2021 have not been answered.

#### Comment of the Chief Accounting Officer

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06 queries are left and will be submitted as soon as they are answered by the concerned departments.

#### Recommendation

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The provisions of Section 38 of the National Audit Act No. 19 of 2018 should be followed.

### 3.4 Management Weaknesses

The following observations are made.

<b>Audit Observation</b>	<b>Comment of the Chief Accounting Officer</b>	<b>Recommendation</b>
<p>Rs.180 million was given to the National Aquaculture Development Authority for the purchase of 03 machines out of the amount of Rs.1000 million allocated to the Ministry for the year 2018 for the program of developing 10 lagoons and 100 tanks. Although the bid of the bidder who submitted the lowest price was rejected without any reasonable reason and the bid was awarded to another bidder, as the relevant machine was not received by the Ministry, the targeted role could not be fulfilled even after 4 years.</p>	<p>That the reasons for recommending this product in the technical evaluation committee report regarding the purchase of this equipment are clearly stated.</p>	<p>The provisions of the Government Procurement Guidelines 2006 should be followed.</p>
<p>(a) The supplier had submitted fake advance security for the purchase of 03 machines and no action was taken against the relevant officials or against the supplier for fraudulently misusing the government funds and the supplier had not been blacklisted as per the Financial Regulations 705.</p>	<p>That all the losses to the government have been recovered and according to the instructions of the Attorney General, the agreement between the two parties should be terminated due to the nullity of the agreement based on the fake bank security documents submitted by the suppliers and the failure of the supplier to deliver the goods within the stipulated contractual period accordingly, the agreement was terminated.</p>	<p>Taking action against the concerned officials and taking legal action against the supplier. Also blacklisting the supplier as per Financial Regulation 705.</p>
<p>(b) Although the accuracy of the advance payment certificate No. 152/2018 dated 03 July 2018 should be confirmed before paying the advance amount, as it was delayed for 6 months, it was not possible to identify that it was a fake certificate.</p>	<p>That as soon as the advance payment certificate was found to be fake, the authority took the necessary measures and recovered not only the amount related to the advance guarantee, but also the amount related to the performance guarantee.</p>	<p>The accuracy of the advance payment certificate must be verified before paying the advance amount.</p>

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| (c) As the relevant agreement was not prepared according to the instructions of the Ministry Secretary, procurement instructions and financial regulations and the instructions given by the Attorney General, it was not possible to take legal action against the relevant supplier.   | It is a standard agreement regarding the supply of goods and that the relevant agreement was terminated as per the instructions of the Attorney General.  | The provisions of the Government Procurement Guidelines 2006 should be followed. |
| (d) Although Rs.435,499 were paid for participating in a foreign trip to the United States of America to inspect the structural design, raw materials used, spare parts and Engine of the said equipment, including the Chairman of the Ministry and the National Aquaculture Development Authority, the desired objectives were not achieved.   | That it can be confirmed by studying the report of the Procurement Appeal Committee regarding the production of the relevant equipment.   | Action should be taken against the concerned officials.                          |
| (e) According to General Conditions 1.2 of the tender documents, although it must be ensured that the equipment is manufactured to the required standard and is of the latest design, it was stated that the Ultra Tex WH 120 equipment offered by the selected company was manufactured in Malaysia. However according to the company's website in Malaysia, it was observed that such a device is not manufactured and that a device manufactured according to American technology is assembled and manufactured in Malaysia. Accordingly, the bidder had chosen to purchase these machines against the conditions of the bid. | According to the general conditions of the tender documents, the related equipment has been manufactured to the required standards, the manufacturer has certified that it is a brand new design and that it is not confirmed in the procurement process that it is a product of Malaysia and it has been confirmed by the notes of the procurement appeals committee and the relevant attachments. | The provisions of the Government Procurement Guidelines 2006 should be followed. |