

**1. Financial Statements**

**1.1 Qualified Opinion**

The audit of the financial statements of the National Aquaculture Development Authority of Sri Lanka for the year ended 31 December 2022 comprising the statement of financial position as at 31 December 2022 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018 and Finance Act No. 38 of 1971 My comments and observations which I consider should be report to Parliament appear in this report.

In my opinion, because of the matters described in paragraph 1.5 of this report the accompanying financial statements do not give a true and fair review of the financial position of the Authority as at 31 December 2022 and its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

**1.2 Basis for Qualified Opinion**

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

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibility, under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Authority’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority’s financial reporting process.

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

#### 1.4 Audit Scope (Auditor's Responsibility on the Audit of Financial Statements)

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained 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 internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Concluded on the appropriateness of the Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. However, future events or conditions may cause to cease to continue as a going concern.
- Evaluated 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.

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

- Whether the organization, systems, procedures, books, records and other documents have been properly and adequately designed from the point of view of the presentation of information to enable a continuous evaluation of the activities of the Authority and whether such systems, procedures, books, records and other documents are in effective operation;
- Whether the Agency has complied with applicable written law, or other general or special directions issued by the governing body of the Authority;

- Whether it has performed according to its powers, functions and duties; and
- Whether the resources had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

## 1.5 Audit Observations on Preparation of Financial Statement

### 1.5.1 Non – compliance with Sri Lanka Public Sector Accounting Standards

	<b>-compliance with Reference to the Relevant Standard</b>	<b>Comments of the Management</b>	<b>Recommendation</b>
(a)	According to Section 25(h) of Sri Lanka Public Sector Accounting Standard No. 02, although cash receipts for forward transactions, forward agreements, exchange agreements should be shown under investment activities in the cash flow statement, the amount of Rs.5,500,000 received by the Authority under the public private joint venture agreements in the year under review had been shown as other income under cash flow from operating activities.	Agreed.	Actions should be taken to proceed as per the Standard.
(b)	According to Section 29 of Sri Lanka Public Sector Accounting Standard 2, although in preparing the statement of cash flow in the direct method, the net cash flow should be disclosed along with the surplus, the authority had not done so.	Agreed.	Actions should be taken to proceed as per the Standard.
(c)	Although the land of about one acre of Mannar Oleithudawa sea leech hatchery was acquired on lease basis for 30 years from the year 2016 at a value of Rs.800,000, it had not been recognized in the accounts as a leased property according to the provisions of Section 06 of Sri Lanka Public Sector Accounting Standard 07.	Agreed.	Land acquired on lease basis should be recognized in the accounts as a leasing property.
(d)	According to Section 100 of Sri Lanka Public Sector Accounting Standards 8, although every improbable liability should be disclosed as of the reporting date, It had not been disclosed in the financial statements that Authority sought advice from the Attorney General's Department and take actions to file cases in the High Court regarding the amount of Rs.26,839,477 that had to be	Actions are taken to reveal legal matters and impossibilities with the authority in the annual accounts of 2023.	Actions should be taken to disclose each contingent liability at the reporting date.

paid to a contract construction company for the Welikanda Hatchery construction works by an arbitration council decision, regarding 10 court cases filed by contractors and other parties against the Authority and regarding 193 cases filed in the court regarding the non-payment of money given to the growers for the promotion of fish cultivation.

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| <p>(e) Ministry grants of Rs.482,746,457 and foreign grants of Rs.10,454,968 received to the authority for development programs in the year under review amounting to Rs.493,201,425 had been credited to project accounts without recognition as income in accordance with the provisions of Clause No. 95 of Standard 11 of Public Sector Accounts of Sri Lanka. The total expenditure of Rs.483,621,100 incurred for those programs in the year under review had been debited to the project accounts without being included in the income statement.</p> | <p>Further studies are being conducted regarding this fact pointed out by the audit and if there is a need to present or correct the facts in the 2024 annual accounts, necessary actions will be taken in that regard.</p> <p>Ministry grants and foreign grants received to the authority for development programs should be recognized as income according to the standard.</p> |
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### 1.5.2 Accounting Deficiencies

<b>Audit Observation</b>	<b>Comments of the Management</b>	<b>Recommendation</b>
<p>(a) The amount of income Rs. 1,628,497 received to the Dambulla Aquaculture Development Center received in the years 2017, 2018 and 2019, which was not banked and misused, had not been accounted as income until the year 2022.</p>	<p>The amount mentioned in the inquiry has not been recognized as retained earnings and receivable in the accounts of the year 2022. Adjustments in this regard have been made in the accounts of the year 2023.</p>	<p>Actions should be taken to investigate regarding misappropriation of money and all revenues received by the authority should be properly accounted.</p>
<p>(b) Although the shrimp hatchery worth Rs.75,880,829 in Pudukudirippu had been handed over to the authority by the Aquaculture Development and Quality Promotion Project on 30 December 2009, it had not been recognized as an asset and accounted since that date. According to the valuation report dated 22 June 2015,</p>	<p>The construction cost or assessed value of the prawn hatchery at Pudukudirippu has not been recognized in the accounts because the land has not yet been taken over to the</p>	<p>Actions should be taken to take over and account the Assets used by the authority.</p>

- although the land of this hatchery was valued at Rs.3,721,600, the building at Rs.44,230,000, wooden furniture and fixtures, motorcycles, air conditioners, generators and other stock at Rs.3,146,550 and none of those items had been accounted. The accounts were not taken and the existence of these goods had not been confirmed from the boards of survey reports. These assets had been leased under public private partnership agreements from the year 2016 and since this investment value has not been accounted in the financial statements from the year 2016 to 31 December 2022, the investment assets were understated as of 31 December 2022.
- (c) Rs. 1,050,000 tax receivable for the Prawn Hatchery at Pudukudirippu related to the months of November and December 2022 had not been accounted and as a result the profit and receivables for the year under review had been understated by that amount. Actions have been taken to correct in the accounts 2023. Actions should be taken to account the Tax receivables properly.
- (d) The expenditure of Rs.221,719,566 for Hambantota Rekawa Crabcity Hatchery, which was built from the Ministry grants from 2017 to 2020, had been accounted under non-current assets and deferred income and in the year under review, that value was removed from the deferred income account and had been accounted under non-current liabilities as a leased contingent income account. The total investment value of the invested asset of Rs.221,719,566 has been identified in the accounts in the year 2022. If only the contractual amount was recognized in the accounts, then the correct value of the investment asset would not be represented. Investment property should be properly identified.
- (e) In the capitalization of work in progress, by capitalizing the value of work in progress of Rs.301,139,489 as Rs.305,691,169, the assets and ministry grants had been overstated by Rs.4,551,680 in the statement of financial position. The values to be rechecked and corrected are adjusted. Actions should be taken to capitalize and account the work in progress accurately.

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| (f) | Due to the fact that the contract value of Rs.4,016,127 payable for the contract bills had been credited to local grants without accounting as a payable balance, the current liabilities were understated by that amount.  | Agreed.  | The contract value payable for contract bills should be accounted as a balance payable.   |
| (g) | The value 10 lands of 62.7702 hectares currently in use, 2 lands of 10 ½ acres and the lands in extent 41.197 perches which were handed over to the Authority by the Ministries and Government Institutions, had not been identified and disclosed in the financial statements.   | The disclosure related to unacquired and assessed land in the year 2022 has been disclosed under accounting policies 2.9.1 and 2.9.2. Adjustments have not been made in the accounts of 04 lands that have been assessed, with the aim of making the adjustments related to all the lands at the same time.  | The value of the land handed over to the Authority and currently in use should be identified and disclosed in the financial statements. |
| (h) | According to the valuation reports dated 16 July 2014, although the land of Baththuluoya Aquaculture Office had been valued at Rs.4,000,000, due to accounting it as Rs. 2,599,000 in the year under review, the property, plant and equipment balance in the statement of financial position as at 31 December 2022 was understated by Rs.1,401,000. | Currently, all the lands have been submitted to the valuation department for valuation and adjustments are to be made in the financial statements after receiving all the valuation reports,   | Actions should be taken to account the Authority's assets properly  |
| (i) | Since the stock of Death Brood worth Rs.1,008,663 which was 4782 units in the year under review, had not been accounted as loss and damage for the year, the net profit had been overstated by that amount.   | From Note No. 11, the difference between the opening and closing balances has adjusted the increase and decrease in Brood Stock during the year. The profit arising from the assessment of the annual Brood Stock value has been recognized in the calculation of the annual gross profit/loss. Accordingly, there has been no change in the Authority's profit by not showing Death Brood separately. | Dead brood stock should be accounted as losses and damages for the year.  |

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| (j) | As of 31 December 2022 in Udawalawa (new) and Dambulla (genetic) centers, due to the fact that the stock balance of 1878 kg and 7560 units of brood worth Rs. 2,759,315 had not been included in the live brood stock of the financial status statement, Cost of sales increased during the year and profit decreased.  | Agreed. Actions will be taken to correct.  | The Brood Stock balance should be included in the live Brood stock in the statement of financial position.                |
| (k) | The profit of the year was understated due to the accounting of the payments made during the year under review for arrears of salaries and wages of Rs.2,855,551 from the year 2015 to the year 2021.   | Agreed.  | Actions should be taken to account the arrears of wages and salaries paid during the year under review properly.          |
| (l) | A land purchased at a value of Rs.225,000 was not included in the schedules submitted for land in the year 2022 and 02 lands of 10.5 acres and 02 lands of 0.3772 hectares with an estimated total value of Rs.32,971,600 had not been accounted.   | The correct schedule for land balance has been presented in Annex 06.  | Actions should be taken to account the Authority's assets be properly.  |
| (m) | Actions had not been taken to pay the remaining balance of Rs.4,812,922 to the relevant institutions after spending the allocations for the projects from the year 2018 or account as income.   | This is the remaining money after spending the allocations for these expenditure subjects and those will be re-checked through the departments that led the projects and these balances will be given back to the relevant institutions or the necessary activities will be done through the accounts. | Any money left over from project allocations should be paid to the relevant institutions or properly accounted as income. |
| (n) | The World Food and Agriculture Organization (FAO) had built a multi-species saltwater fin fish hatchery in Batticaloa district at a cost of 143 million and handed over to the Authority on 29 June 2017. Although the asset had been valued at Rs.155,450,000 on 8 September 2022, due to the fact that it has not been taken over by the Authority and the value has not been accounted, non-current assets and government grants had been understated by that value. | The assessed value of the Batticaloa multi-species saltwater fin fish hatchery has not been recognized in the accounts because the land has not yet been taken over to the Authority.  | Actions should be taken to take over the assets used by the authority and account.  |

### 1.5.3 Absence of written evidence for audit

Subject	Amount Rs.	Audit evidence not provided	Comments of the Management	Recommendation
Without conducting a stock survey in the reviewed year, the stock value had been accounted as Rs. 101,615,570 according to the reports called from the officers in charge of the centers and the correctness and existence of this value specified without a stock survey was not confirmed.	101,615,570	Reports of stock surveys	The authority has not yet carried out a stock calculation by an annual stock survey committee. This is a somewhat difficult task due the presence of living stock between the spread of the Authority and the Authority's stocks. However, as indicated by the audit, Actions will be taken to carry out in 2024.	A stock survey should be conducted and reports should be submitted to verify the accuracy and existence of the stock value.

### 1.6 Non-compliance with laws, rules, regulations and management decisions etc.

Reference to laws, rules, regulations etc.	Non-compliance	Comments of the Management	Recommendation
(a) <b>Financial Regulations of the Democratic Socialist Republic of Sri Lanka 136, 137, 138, 139</b>	Although a software system is operating in the institution, the Authority has not properly assigned powers for the functions of entering data into the system, exchanging data, obtaining and revising reports.	A detailed circular regarding the software has been drafted and necessary training for all officers has been provided at the time of connecting the center to the software. Also, separate passwords have been given to connect the center to the software and no one can change or delete the data entered by the currently connected centers. Accordingly, the accuracy of the entered data can be guaranteed. Unconnected centers are also to be connected in the year 2024.	Actions should be taken to proceed as the Financial Regulations

- (b) **Public Accounts Circular 30/94 dated 08 July 2022 (4.4)** Although Foreign grants should be received to the institution through the line ministry by making provision in the budget estimate related to the foreign aid utilized by the state corporations, actions have not been taken to act as per the said provisions in respect of the foreign grants of Rs.10.45 million received by the Authority in the year under review. This money has been directly credited to our Authority by the Institution that provides the financial aid in order to provide this money to our institution immediately. But in the future, actions will be taken to proceed according to the relevant circulars. Actions should be taken to proceed as per the procedures of the circular regarding foreign grants.
- (c) **Department of External Resources Circular No. MOEF/ERD/2011/01 dated 21 April 2011 and Circular No. MOEF/ERD/2014/01 dated 26 June 2014** Although the Department of Foreign Resources should have been informed regarding the granting of foreign grants and entering into agreements and the approval of the Treasury should have been obtained, the same had not been done regarding the foreign grants of Rs.10.45 million received by the Authority. This money has been directly credited to our authority by the organization that provides the financial assistance in order to provide this money to our institution immediately. But actions will be taken to proceed as per the relevant circulars in the future. Actions should be taken to proceed as per the procedures of the circular regarding foreign grants,

## 2. Financial Review

### 2.1 Financial Results

The operating result of the year under review was a surplus of Rs.103,989,075 and the corresponding surplus of the previous year was Rs.32,567,704. Accordingly, it was observed that there was an increase of Rs. 71,421,371 in the financial result. This growth was mainly due to the increase in income and other income by Rs.75,860,652.

## 3. Operational Review

### 3.1 Management inefficiencies

Audit Observation	Comments of the Management	Recommendation
(a) The construction of the Muruthuwela Aquaculture Development Center in Hambantota District under Contract No. 2021/R/MURL/01 which was accounted as work in progress at Rs.8, 262,017 had not been completed till now.	I kindly inform that according to the settlement decision, the amount due to the Authority has been recovered by encashing the advance surety of the contractor.	Project work should be completed promptly as planned.

- (b) Due to poor performance of carrying out the renovation works of the Muruthawela Cultivation Development Center in Hambanthota District under Contract No. 2021/R/MURL/02, the contract had been cancelled on 20 April 2022. It was not possible to recover the amount of Rs. 4,412,475 paid as advance and payment bills and the amount paid had also become an idle expense.
- Validity of the Advance security has been extended till 24.03.2022. Although the performance security had been collected, the amount related to the advance guarantee could not be collected. A discussion was held with the said company on 09.11.2023 and accordingly the said company has submitted a letter to us and the said letter is to be studied and the necessary actions are to be taken.
- Arrangements should be made to recover the money paid as advances and bills of payment.
- (c) The ponds and related constructions, which were completed by spending Rs. 221 million for a mud crab cultivation project on a 42-acre land area, had been leased to a private investor on 02 December 2021 for a period of 30 years for brackish shrimp cultivation based on the failure of the project. According to the Aquaculture Development Act No. 53 of 1998, construction of aquaculture centers at the cost of public money and then leased to private parties is not the primary function of the authority and the Act only provided for the promotion of aquaculture and encouraging small and medium scale investments.
- The total investment value of the invested asset has been identified in the accounts as Rs.221, 719,566 in the year 2022. If only the contractual amount was recognized in the accounts then the correct value of the investment asset would not be represented. And the total amount has been identified in the accounts because the value of the project asset that is not charged during the periods of the first investor is to be recovered from the private partner who contracts later.
- The Authority should submit project plans in a manner that fulfills the duties of the Act.
- As per the provisions of public Finance Circular No. 2/2019 dated 26 March 2019, the project could not be considered as a Public Private Joint Venture project as the private sector has not invested money for it, but it had been called as a Public Private Joint Venture project.

- (d) For the Divi Naguma project, the Authority had given an amount of Rs.229,035,250 to 6450 beneficiaries from the year 2011 to the year 2014, but the given amount had not been accounted. Proper procedures had not been introduced to collect the dues from the beneficiaries and the Authority did not have an updated debtor register. The amount of Rs.66,326,302 collected from the beneficiaries as on 31 December of the year under review had not been accounted as a revolving fund but as creditors and the Authority did not have any written evidence to confirm from which beneficiary the money had been received. 193 cases had been filed for non-payment and the financial statements showing Rs. 3,572,500 loan recovery was also uncertain.
- The construction of Vekkaya Fish Hatchery and marine water Ornamental Fish Hatchery was started in 2018 and completed on 10 October 2022. For this, Rs.309,976,861 and Rs.212,124,697 had been incurred. The following observations are made in this regard.
- (i) Even though the cost was borne as above, the Government Valuation Department had assessed the Vekkaya Fish Hatchery as Rs.144,316,000 and the Marine water Ornamental Fish Hatchery as Rs.129,010,00 on 1 December 2022.
- A document related to Divineguma beneficiaries is maintained in the planning and supervision unit and there is a problematic situation in updating this document due to issues such as the cases where the amount prescribed by the court was paid to the court by the beneficiaries and the cases where payments were made to the court in instalments, not presenting detailed reports about collected money accurately though all types of money collected by the court on behalf of the Authority were sent by monthly checks.
- Proper methods should be introduced to recover the money due from the beneficiaries.
- (e) As per paragraph 2.2.2.2 of Asset Management Circular 4/2018 the determination of market value by the Valuation Department is not correct. Therefore, for the period of 01.01.2014 to 31.12.2018 or later, there is no need to re-assess the buildings that are occupied during this period.
- Actions should be taken to act in a way that does not cause financial losses.

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| (ii)  | The consultancy service for these hatcheries had been provided by a single private institution and even though an amount of 46 million had been paid for this, it was problematic whether it was correct for the consulting service agency to certify the work value of the bills when there was an engineering unit of the Authority. | It is clear through the relevant certificates that the said consulting Agency has ensured the value of the work done. | The work should be done in a proper manner in order to ensure the value. |
| (iii) | As Vekkaya Fish Hatchery is not used for production purposes, Rs. 309,976,861 and for that and Rs. 9,366,143 recurring expenditure from the year 2019 to 2022 had become idle expenditure.   | Answers have not been provided.   | Wekkaya fish hatchery should be used for production purposes.            |

### 3.2 Operational inefficiencies

<b>Audit Observation</b>	<b>Comments of the Management</b>	<b>Recommendation</b>
(a) The capacity of the fish tanks and in the year 2022, the fish tanks with a capacity of 34320 square meters in 4 centers remained idle and although 200 tanks among the ornamental fish tanks of Rambadagalla were in need of repair, they had not been brought to the operational production level.	Udawalawa New Center of 6,700 square metres in extent which was idle has been repaired and used for the production process of the center since March this year. The amount of 1,750 of Inganiyagala Center of 4,500 square meters in extent which was inactive has been repaired and applied to the production process and the remaining extent of 2,750 will be repaired during the year 2024.	Efforts should be made to bring the capacity of the fish tanks to the level of operational production.

Currently 02 ponds in extent of 1,600 square meters out of the Murutawela Center is inactive which is 8,360 square meters have been repaired and are currently being used for cultivation .It has already been decided that the Iraranadu Center which is idle in extent of 3,510 square meters is to be repaired. It is scheduled to be used for the production process in the year 2024.

Udawalawa Center of 21,300 square meters in extent had been idle for many years and till now no provision has been allocated for carrying out renovations.

- (b) Actions had been taken to recover the amount of Rs.11,213,291 owed to the Authority in respect of two cancelled contracts till 31 December of the year under review.
- Rs.8,147,748 out of the value accounted in relation to the contract 2021/R/MURL/01 was recovered from the advance bond as per the decision given in the settlement and the remaining amount was repaid to the contracting company. According to the accounts, Actions will be taken to adjust the difference between the balance and the recovered value in the accounts of the year 2024.
- Actions should be taken to recover the dues.

The Attorney General's Department has been submitted a request for advice on the reply given to the letter addressed by the Legal Officer to the contracting company for the amount due in connection with the contract of 2021/R/MURL/02. Further actions will be carried out according to the instructions given by the Attorney General.

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| <p>(c) Out of Rs.10,454,968 foreign grants received by the Authority as foreign grants in the year under review, only Rs.878,423 i.e. 8.40 percent had been utilized for related purposes.</p> | <p>As of 31.12.2022, an amount of Rs. 7,697,742.00 has been received by our Authority through the ILO and with the help of that provision, although we started to purchase various equipment and nets in the year 2023, due to the inability to find sufficient suppliers, the purchases were not completed. Accordingly, Efforts are being made to call for bids again and buy those equipment and nets.</p> | <p>All foreign grants received by the Authority should be used for the relevant purposes.</p> |
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### 3.3 Idle or underutilized property, plant and equipment

<b>Audit Observation</b>	<b>Comments of the Management</b>	<b>Recommendation</b>
<p>(a) In relation to the amount of Rs.4,683,789 paid to a consulting service company in the years 2016 and 2017, when the consulting services were not completed, once again in the year 2022, the same company had been awarded the consulting services for the design and construction of an aquatic garden in the Batticaloa district for a sum of Rs.4,219,408. As on 31 December of the year under review, although Rs.1,538,750 had been capitalized in relation to this contract, but the related work had not been completed, the intended objectives had not been achieved and the payments had also become an idle expense.</p>	<p>I would like to inform you that the projects mentioned here are different locations each other and according to the Conceptual Plan obtained from them, we are taking actions to obtain the relevant environmental approvals and call the EOI and give the shares to the investors.</p>	<p>The construction of an aquatic park in Batticaloa district should be completed immediately.</p>
<p>(b) Although the Authority had spent Rs.13,135,274 to improve the Ornamental Fish Display Unit in Galle Butterfly Park, the amount spent had become an idle expense due to the ornamental fish unit not functioning properly.</p>	<p>I kindly inform that an agreement has been entered into with the Municipal Council for the maintenance of the ornamental fish unit of the aforesaid Butterfly Park and the notice has been sent to the contractor to correct the deficiencies with the money retained from the contractor.</p>	<p>Arrangements should be made to properly operate the ornamental fish unit in the Butterfly Park, Galle.</p>

- (c) 02 lands of 137.0294 hectares in the areas of Mannar and Vavuniya and 02 lands of 2 acres each in the areas of Mullaitivu and Jaffna, which had been handed over to the Ministry by the respective Divisional secretaries for the use of the authority, remained unused.
- The work could not be done because the Asian Development Proposal project could not get enough money to construct the buildings. Moreover, the above lands have not yet been taken over by the Authority. These lands are expected to be invested effectively after the transfer work is done.
- Arrangements should be made to utilize the assets provided for the use of the authority.
- (d) Since 2017, an amount of Rs. 107.6 million had been spent to develop infrastructure for 04 lands of 1361.76 hectares which the Authority does not own and the area of which cannot be identified, as no project had been started till 5 May 2024, the expenditure had become an idle expense.
- The fact that it takes a long time to release these lands is the main reason for the delay in starting these projects. Arrangements are being made to start the Gal Mulla project this year and the other projects are also scheduled to start in the near future, so the Rs. 107.6 million cannot be considered as an idle expenditure.
- Arrangements should be made to start the relevant projects on the lands where the infrastructure has been developed.
- (e) Although it was expected to produce 127,000 kg of tilapia fish feed annually from the fish feeder producing machine installed at a cost of 11,802,000 Rupees in Udawalawa fish feed processing center on 8 October 2019, Only 36,612 kg in 2021 and 2022 and kilo 38,361 grams i.e. 28 percent and 30 percent had been produced. This machine has not been used by now.
- Ambitions are currently invited to continue this machine as a public-private joint venture and an application was made to the Valuation Department on 15.03.2023 to assess the value of this joint venture. At present, this machine and the building have been assessed and the report has not been received till now. After receiving this assessment report, the necessary activities are being carried out to maintain this as a public private joint venture.
- Actions should be taken to make use of the feed production machine for tilapia fish.
- (f) Although the consultancy service fees of Rs.6,929,664 had been paid for 03 projects, due to the non-implementation of those projects, the money had become idle expenses.
- I kindly inform that once the land issue of one project is resolved, the project will be implemented as per the proposed plans. Regarding another project, I would like to inform you that further actions will be taken according to the decision of the case pending in
- Actions should be taken to implement 03 projects for which consultancy service fees have been paid

the Hon. court. I would like to immediately.  
kindly inform you that after removing the obstacles and objections in the implementation of the other project, the relevant activities will be carried out by the investors through invitation of interest (EOI) according to the prepared plans.