

## **Head 322 - Department of National Botanical Gardens- 2024**

### **1. Financial Statements**

#### **1.1 Qualified Opinion**

The audit of the financial statements of the Head 322- Department of National Botanical Gardens for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024 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 National Botanical Gardens was issued to the Accounting Officers on 30 May 2025 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 2025 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 Paragraph 1.6 of this report, the financial statements prepared give a true and fair view of the financial position of the Department of National Botanical Gardens as at 31 December 2024 and its financial performance and cash flows and on all the materialities in accordance with the basis of preparation of the financial statements set out in Note. 1 related to the financial statements.

#### **1.2 Basis for Qualified Opinion**

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 is 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 Emphasis of Matter – Basis for preparing Financial Statements**

The attention is drawn to the Note 1 related to the Financial Statements which describes the basis of preparing these financial statements. The financial statements have been prepared as per the Financial Regulation 150, 151 and the State Accounts Guideline No. 06/2024 dated 16 December 2024 amended on 21 February 2025 for the requirement of the Department of National Botanical Gardens, General Treasury and the Parliament. Consequently, these financial statements may not be suitable for other objectives. My report is only for the use of the Department of National Botanical Gardens, General Treasury and the Parliament of Sri Lanka. My opinion on this matter is not modified.

#### **1.4 Responsibility of the Chief Accounting Officer and Accounting Officer for the Financial Statements**

The Accounting Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the Financial Regulation 150, 151 and the State Accounts Guideline No. 06/2024 dated 16 December 2024 amended on 21 February 2025 and for such internal control as Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As per Sub-section 16 (1) of the National Audit Act, No. 19 of 2018, the Department of National Botanical Gardens 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.

As per Section 38 (1) (c) of the National Audit Act, the Accounting Officer shall ensure that effective internal control system for the financial control of the Department of Export Agriculture exists 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.

#### **1.5 Auditor's Responsibilities for 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 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 judgment and maintain professional scepticism throughout the audit. I also:

- Appropriate audit procedures were designed and performed to identify and assess the risk of material misstatement in financial statements whether due to fraud or errors in providing a basis for the expressed audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- An understanding of internal control relevant to the audit was obtained in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department'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 Accounting Officer regarding, among other matters significant audit findings, including any significant deficiencies in internal control that I identify during my audit

## **1.6 Comments on the Financial Statements**

### **1.6.1 Accounting Deficiencies**

#### **(a) Non-revenue Receipts**

<b>Audit Observation</b>	<b>Comment of the Accounting Officer</b>	<b>Recommendation</b>
Although the value of the Value Added Tax (VAT) payable to the Department of Inland Revenue as at 31 December of the year under review, based on the receipts of the Department, had been stated as Rs. 23,831,212 in the financial statements, according to the calculations carried out during the audit, the amount payable as at 31 December 2024 was Rs. 22,838,875. Accordingly, a discrepancy of Rs. 782,559 was observed.	This has arisen due to the used accounting software systems of CIGAS and ITMIS and the procedure followed in submitting VAT Returns.	Having conducted a formal review, steps should be taken to correct the Department's records and to establish an internal procedure ensuring the accuracy of calculations.

#### **(b) Capital Expenditure**

<b>Audit Observation</b>	<b>Comment of the Accounting Officer</b>	<b>Recommendation</b>
Although capital expenditure amounting to Rs. 50,718,236 had been incurred according to the Annual Financial Performance Statement of the National Botanic Gardens Department for the year under review, only Rs. 9,663,966, representing 19 percent, had been capitalized in the ACA-6 format. Accordingly, expenses of capital nature, which constituted 81 percent of the capital expenditures, had not been identified and capitalized in the ACA-6 model.	A sum of Rs. 41,054,270 has not yet been capitalized, and it will be capitalized and accounted for after the final payment is made.	Capital expenditure should be capitalized under the relevant asset categories through a formal procedure.

**(c) Property, Plant and Equipment**

	<b>Audit Observation</b>	<b>Comment of the Accounting Officer</b>	<b>Recommendation</b>
(i)	The 12 trade stalls constructed in 2013 near the main entrance of the Hambantota Mirijjawila Botanical Garden had not been valued and accounted for under non-financial assets.	The 12 trade stalls have been referred to the Valuation Department for assessment.	All assets should be accounted for using an expedited process.
(ii)	Within the statement of expenditure in ACA-2 (ii), the land and land improvements to be capitalized under the expenditure incurred by other ministries and departments under Financial Regulation 208 included in the expenditure amounting to Rs. 16,864,235 incurred during the year under review under Object 2105 in Expenditure Head 322, had not been capitalized in the ACA-6 Format. No steps had been taken to identify and account for under the work-in-progress the unfinished land and land improvements in those projects.	Instructions have been given to the relevant sections to capitalize the lands included in the expenditure amounting to Rs. 16,846,235, and to identify and account for the unfinished lands and land improvements under work-in-progress.	Steps should be taken to make corrections through a formal procedure and to establish an internal process that ensures accounts are updated accurately and in a timely manner in the future.

**(d) Imprest Balance**

<b>Audit Observation</b>	<b>Comment of the Accounting Officer</b>	<b>Recommendation</b>
As at 31 December of the year under review, the unsettled imprest balance of Rs. 974,526 should have been disclosed under current assets in the statement of financial position. However, since this balance was not included under current assets, the value of current assets was understated by this amount.	Instructions have been given to the relevant sections to ensure that such lapses do not occur when preparing financial statements in the ensuing year.	Steps should be taken to establish an internal procedure that ensures financial statements are prepared accurately.

**(e) Failure to Maintain Books and Registers**

	<b>Audit Observation</b>	<b>Comment of the Accounting Officer</b>	<b>Recommendation</b>
(i)	<b>Waiting List</b> According to Section 4.3.4 of Chapter XIX of the Establishments Code, a Waiting List regarding government grades has not been maintained.	Instructions have been issued to the relevant division to maintain such a list.	In accordance with the Establishments Code, steps should be taken to maintain the Waiting List.
(ii)	<b>Record of Losses</b> In terms of Financial Regulation 110, the record of losses had not been updated.	Instructions have been issued to update and maintain the relevant register.	Action should be taken against officers who have failed to update the register, and steps should be taken to ensure that the register is updated in accordance with the regulations.

**(f) Lack of Evidence for Audit**

	<b>Audit Observation</b>	<b>Comment of the Accounting Officer</b>	<b>Recommendation</b>
(i)	Since the board of survey reports for property, plant, and equipment totaling Rs. 8,061,011,502, in ACA Form 6 of the financial statements of the year under review, were not submitted for audit, the accuracy of this value could not be verified.	The relevant board of survey reports for property, plant, and equipment totaling Rs. 8,061,011,502 have been forwarded to the audit division via email to verify their accuracy.	Action should be taken to ensure that the board of survey reports are submitted for audit
(ii)	The disposals recorded under ACA Form 6 in the non-financial assets statement amounted to Rs. 29,944,850. However, the cost of 09 items totaling Rs. 45,600 included in this balance was not recorded in the disposal reports, and the remaining balance was not supported by board of survey	The relevant board of survey reports for property, plant and equipment have been forwarded to the audit division via email to verify their accuracy.	- Do -

reports or other documentation submitted for audit. Therefore, the value of disposals included in the financial statements could not be verified during the audit.

## 2. Report on Other Legal Requirements

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

- (a) That the financial statements are consistent with those of the preceding year.
- (b) That the recommendations made by me on the financial statements of the preceding year with regard to the observations stated in paragraph (c) (i) of the financial statements of the year under review have not been implemented.

## 3. Financial Review

### 3.1 Revenue Management

	<b>Audit Observation</b>	<b>Comment of the Accounting Officer</b>	<b>Recommendation</b>
(a)	It was observed that the original revenue estimate of Rs. 800,000,000 of the Department for the year under review had been revised to Rs. 1,150,000,000, resulting in a variation of 44 percent between the original estimate and the revised estimate. Therefore, it was observed that the original revenue estimates had not been prepared in a systematic manner.	Taking into account the increasing trend in both domestic and foreign tourist arrivals, and the recognition of Sri Lanka as one of the best travel destinations in the world, a higher number of foreign tourists than expected arrived in the country, while the number of local tourists also increased significantly.	Steps should be taken to prepare estimates as realistically and accurately as possible.
(b)	The arrears of revenue amounting to Rs. 3,691,000, which should have been recovered by 31 December 2023, had not been recovered even by 31 December of the year under review.	Action is being taken to recover the arrears of revenue, and since the relevant court case has not yet been settled, no action has been taken so far regarding the relevant arrears.	Formal action should be taken against the officers who failed to recover the arrears of revenue in a timely manner, and necessary steps should be taken to recover the outstanding arrears without delay

### 3.2 Expenditure Management

	<b>Audit Observation</b>	<b>Comment of the Accounting Officer</b>	<b>Recommendation</b>
(a)	Although Rs. 60,377,823 or 8 percent of the net provision of Rs. 752,050,000 for the year under review had remained unutilized, it was observed that the unutilized percentage of the 17 Objects ranged from 5 percent to 100 percent.	The 8 percent remained unutilized because the Presidential Secretariat had instructed to withhold 6 percent of the allocations under the performance agreement, and that reasons relating to the Objects had also been submitted.	Action should be taken to prepare accurate and realistic estimates in the future and to utilize the allocations efficiently and effectively.

### 3.3 Incurring Liabilities and Commitments

	<b>Audit Observation</b>	<b>Comment of the Accounting Officer</b>	<b>Recommendation</b>
(e)	During the year 2024, commitments amounting to Rs. 294,569 had been incurred in excess of the provisions allocated for 03 Objects, in a manner not in compliance with Financial Regulation 94 and Section 02 of the State Accounts Circular No. 255/2017 dated 27 April 2017.	No liabilities or commitments will be incurred in excess of the allocated provisions in the future.	A strengthened expenditure monitoring mechanism should be introduced to prevent the incurrence of liabilities exceeding the limits of the approved provisions.

### 3.4 Non-compliance with Laws, Rules, and Regulations

	<b>Reference to Laws, Rules, and Regulations</b>	<b>Observation Value (Rs.) Non-compliance</b>	<b>Comment of the Accounting Officer</b>	<b>Recommendation</b>
(a)	Section 224 of the State Lands Ordinance No. 08 of 1947	-	The transfer of 480.7167 hectares of land, including 355.8744 hectares belonging to 05 parks, and 02 land plots totaling 124.8423 hectares belonging to the	The Department of Agriculture had not formally transferred these lands to the Department of National Botanic Gardens, and that the Action should be taken to expedite the transfer of lands to the Department in accordance with

			training center of the Mahaweli Authority and the Dry Zone Botanic Garden, had not been completed as at 31 December of the year under review.	Mahaweli Authority had made only a conditional transfer of the lands belonging to the Meegalaewa Green Park and the Dry Zone Botanic Garden to the Department of National Botanic Gardens.	the provisions of the State Lands Ordinance.
(b)	The Asset Management Circular No. 05/2021 dated 09 December 2021 issued by the Ministry of Finance.	-	Although non-financial assets should be revalued once every five years, the cost value of Rs. 7,631,911,841 pertaining to the lands and buildings owned by the Department had last been revalued in 2016.	The relevant division has been informed to carry out a revaluation again, and upon receiving the new valuations, those values will be entered into the CIGAS system and included in the financial statements of the following year.	Action should be taken to revalue the non-financial assets and report them accordingly, in compliance with the circular provisions.
(c)	Sections 4 and 6.3 of Chapter XXIV of the Establishments Code of the Democratic Socialist Republic of Sri Lanka.	3,778,973	As at the end of the year under review, loan balances relating to 35 officers who had retired, died, been interdicted, or vacated their posts had not been recovered.	The loan balances of 07 retired officers have been recovered, that Rs. 83,300 should be recovered from two interdicted officers, and that the loan balances of officers who had vacated their posts or had died will be recovered from their guarantors.	Action should be taken to conduct a formal inquiry and to take measures against the officers who failed to recover the loan balances in a timely manner, and to expedite the recovery of outstanding loan balances.



(d)	Regulation 571 (3) of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka.	6,742,723	Nineteen lapsed deposits had not been settled.	Action is being taken to release the deposits and credit them to Government revenue, and that retention money relating to projects for which final bills have not yet been settled is currently being held.	Action should be taken, in accordance with the Financial Regulations, to clear the security deposits without delay.
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### 3.5 Bank account management

	Audit Observation	Comment of the Accounting Officer	Recommendation
(a)	There were unidentified payments amounting to Rs. 1,265,208 in one of the Department's bank current accounts for the period from 08 November 2024 to 31 December 2024.	The payments have been identified as expenditure, recorded in the accounts, and corrected.	The relevant payments should be identified and properly accounted for, and the related source documents should be submitted promptly for audit verification.

## 4. Operational Review

### 4.1 Procurements

	Audit Observation	Comment of the Accounting Officer	Recommendation
(a)	On 14 September 2023, the contract for constructing a chain-link fence measuring 1,100 feet in length and 8 feet in height at the Mirijjawila Botanic Garden was awarded to a private company for Rs. 3,841,200 (excluding VAT). The construction was completed on 07 November 2023, and payments amounting to Rs. 4,417,380 (including VAT) had been made. When preparing the estimate for this contract, an abnormal value of Rs. 1,858,689 had been included for four items, exceeding the prevailing market prices.	The detailed analysis of the estimate should have included, in addition to 1.25 days for a Provincial Council welder, three days for skilled labour. The Provincial Council analysis had included 1.5 kg of welding rods instead of 1.25 kg, whereas only 1 kg had been included in our estimate. In addition to the explanation given in (a) (b), no additional funds had	A formal and independent examination should be conducted to ascertain whether abnormal pricing was used in preparing the estimates, and appropriate action should be taken accordingly.

been added to the following components when preparing the SSR in order to avoid increasing the rate calculations.

#### 4.2 Leasing of assets owned by the department

Audit Observation	Comment of the Accounting Officer	Recommendation
(a) Leasing the building located at the exit terminal of the Royal Botanical Gardens to Laksala Institute.		
(i) Based solely on a meeting report held between the parties on 25 October 2023, and without calling for a tender, it had been agreed to lease the building for a period of ten years from 22 December 2023 to 21 December 2033, and agreement was executed for a period of two years.	As this is a formally executed agreement between two government institutions, no decision from the Procurement Committee was obtained, and in accordance with Clause 11 of the agreement signed with the Laksala Institute, the authority to extend the lease period has been delegated to the Director General of the National Botanical Gardens Department; therefore, obtaining a Procurement Committee decision for this purpose is not necessary.	A proper investigation should be conducted to recover any loss caused to the government and to take action against officials who acted improperly.
(ii) Prior to receiving the government valuation, the monthly rent had been agreed at Rs. 412,500, and no condition was included in the lease agreement to revise the monthly rent based on a new valuation. As a result, due to the failure to charge the monthly rent of Rs.850,000, which should have been applied according to the valuation provided by the	If there is a delay in obtaining building valuation reports from the Valuation Department, and if a condition is included in the agreement stating that the monthly rent will be revised	- Do -

<p>Valuation Department in December 2024, lease rent income of Rs. 5,250,000 was lost for the year 2024.</p>	<p>according to a new valuation, there is a risk that if the new valuation results in a lower rent than the currently charged amount, the government will incur a loss of revenue.</p>	
<p>(iii) When entering into an agreement with the institution, a performance security should be obtained prior to signing the agreement to safeguard the department in case of a breach. However, in this instance, the performance security was received 08 months after the agreement had been executed.</p>	<p>Necessary instructions have been issued to prevent such deficiencies in the future.</p>	<p>- Do -</p>
<p>(iv) Although penalties should have been charged in terms of Clause 2 of the Lease Agreement, a penalty of Rs. 48,300 for the delay period had not been charged.</p>	<p>The LakSala Institution has been made aware to take action to charge the penalty and that the lessee has been notified to pay the penalty highlighted in the audit.</p>	<p>The penalty should be recovered without delay.</p>
<p>(c) Although two institutions submitted bids for leasing the cafeteria for the year 2024/2025, only one institution had fulfilled the required conditions at the initial bid evaluation stage. Since there was no other substantively responsive bid to compare the prices of food and beverages submitted by that institution, the Technical Evaluation Committee, as recorded in its meeting minutes, recommended that prices be called again. However, disregarding that recommendation, the bids submitted by the two institutions were evaluated, and the cafeteria was leased for a monthly rental of Rs. 790,000, despite the highest bid being Rs. 1,225,000. As a result, an income loss of Rs. 5,220,000 was incurred for the 12-month period from 01 March 2024 to 28 February 2025, a rate of Rs. 435,000 per month.</p>	<p>When the Technical Evaluation Committee has not recommended the acceptance of a procurement, the authority to review bid documents and select a bidder has been vested in the Departmental Procurement Committee by the Procurement Guideline Manual.</p>	<p>A formal investigation should be carried out, and if a loss has been caused to the Government, it should be recovered, and action should be taken against the officers responsible for irregular conduct.</p>

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| (d) | <p>According to the Technical Evaluation Committee report dated 21 March 2023, when selecting the lessee for leasing the Welfare Cafeteria for the year 2023/2024, the selected bidder had neither submitted information regarding experience or existing business operations nor complied with the contractual conditions during 2023/2024. Nevertheless, without taking these matters into consideration, a decision had been made on 13 June 2024 to lease the cafeteria to the same lessee for the year 2024/2025 without calling for bids. Furthermore, due to the failure to include a clause in the agreement to revise the monthly rental after the Government valuation, an income loss of Rs. 18,150 had occurred during the year under review for a period of six months based on the new valuation.</p>   | <p>The contract had been awarded to this contractor as it was essential to reopen and operate the cafeteria promptly for the welfare of the employees, and the opportunity to inspect bid documents free of charge had been made available through newspaper advertisements.</p>  | <p>A formal investigation should be conducted, and if any loss has been caused to the Government, it should be recovered, and action should be taken against the officers responsible for the irregular conduct.</p> |
| (d) | <p>When leasing the milk bar for the one-year period from 01 June 2024 to 31 May 2025, the selected private institution had not submitted the required pre-qualification documents, which is a major deviation in the bid documents. However, disregarding the recommendation of the Technical Evaluation Committee, the bid submitted by that institution based solely on a trade licence obtained on 13 February 2024 after calling for bids had been accepted at a monthly rental of Rs. 786,700. As a result, the other institution that had submitted the highest monthly bid of Rs. 1,225,000 lost the opportunity to obtain the lease, causing an income loss of Rs. 5,259,600 to the institution for the year. Furthermore, due to the failure to include a clause in the agreement to revise the monthly rental based on the new Government valuation, a rental income loss of Rs. 93,100 had occurred for the seven-month period from 01 June 2024 to 31 December 2024 at a rate of Rs. 13,300 per month.</p> | <p>When the Technical Evaluation Committee has not recommended the awarding of a procurement, the Procurement Guideline Manual grants the Departmental Procurement Committee the authority to re-examine the bid documents and determine the successful bidder for awarding the contract, and that if a clause is included to revise the monthly rental based on the new valuation, the Government would incur a loss in the event where the new valuation amounts to a rental lower than the rental currently charged.</p> | <p>- Do -</p>  |

### 4.3 Assets Management

Audit Observation	Comment of the Accounting Officer	Recommendation
(a) A total of 17 items valued at Rs. 6,886,585, which had been purchased in 2021 and 2023 for distribution to Suwas floriculturists, had not been distributed to the respective beneficiaries and had been stored for a period ranging from 01 year to 03 years. In addition, 13 rolls of UV-resistant polythene and shade nets had been kept unsecured for a long period.	A committee appointed in February 2025 is to select suitable cultivators for the distribution of the materials and, upon selecting such beneficiaries, action will be taken to distribute the materials accordingly.	A formal investigation should be conducted regarding the non-utilization of the assets for their intended purpose, and appropriate action should be taken against the responsible officers, as well as prompt measures should be taken to utilize these assets productively.
(b) Four air conditioners that had been taken out of use in 2016 had remained idle in the office stores without being repaired and put back into use or disposed of.	The necessary actions are being taken to proceed with the further action while referring the matter to the Board of Survey in 2025.	Action should be taken to repair and put this machine and equipment into use or to dispose of them in a proper manner.
(c) Of the 26 shade nets purchased in 2018 for Rs. 1,130,220 for the repair of the shade-net house of the Anthurium Unit of the Floriculture Research and Development Division, 16 shade nets valued at Rs. 695,520 had remained idle in the unit's store for nearly 07 years. Furthermore, although the Division already had shade nets in stock, 13 rolls of the same type of shade nets had been purchased in 2021 at Rs. 3,297 per roll for distribution to Suwas floriculturists.	A portion of the excess shade nets is being used for the activities of the Anthurium Unit, while action is being taken to inquire of the requirements of other botanical gardens and supply the remaining nets accordingly.	A formal investigation should be conducted regarding the non-utilization of the assets for their intended purpose, and action should be taken against the responsible officers, as well as prompt measures should be taken to utilize these assets productively.
(d) Sixteen items purchased in 2013, 2015, and 2017 for which the value could not be ascertained had remained underutilized in the stores of the Gampaha Botanic Gardens for a period ranging from 02 to 04 months, and no action had been taken to repair them.	Out of 16 items of equipment, 7 are planned to be auctioned during the 2024 board of survey, and the remaining 9 are scheduled to be repaired based on the existing provisions.	- Do -

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| <p>(e) In the audit test check carried out on the nursery at the Gampaha Botanic Gardens, a shortage of 423 plants valued at Rs. 42,300 relating to 12 plant varieties and an excess of 37 plants valued at Rs. 3,700 relating to 3 plant varieties were observed. Further, in the Anthurium and Orchid House, an excess of 594 and a shortage of 56 mother plants that had not been recorded were observed, and 1,170 plants belonging to six varieties that had not been entered in the plant register were also found.</p> | <p>The necessary steps will be taken to maintain a stock book by separating varieties from the year 2025.</p>   | <p>A formal inspection should be conducted, and appropriate action should be taken against the responsible parties regarding shortages and excesses, while measures should also be taken to keep the records updated.</p> |
| <p>(f) A stock of plant name boards that had been printed without proper assessment and planning had remained idle and unused for a period of 06 years.</p>   | <p>These name boards had been prepared several years ago and, after the compilation of the arboretum register at the Gampaha Botanic Gardens, were installed on the relevant plants that lacked name boards. It is expected that in the future, the names on these boards will be changed and installed for the plants of the garden.</p> | <p>Action should be taken against the officers who acted without a proper assessment of the requirement, and measures should be taken to use the notice boards effectively.</p>   |
| <p>(g) Of the land parcel of 0.3658 hectares comprising the garden access road near the suspension bridge of the Royal Botanic Gardens, Peradeniya, 68 percent or 0.2513 hectares had been occupied and used by unauthorized settlers by now who had constructed permanent buildings on it.</p>   | <p>Although agreement had been expressed to use the land solely for the relevant purpose, and the Divisional Secretary had decided to allocate it to another institution due to the non-performance of the intended activity, necessary actions are being taken to return the land to the departments.</p>                                | <p>Action should be taken to clear the lands and to vest their ownership.</p>   |
| <p>(h) An item of equipment valued at Rs. 2,242,500 had remained idle and underutilized in a store of the Royal Botanic Gardens for a period of 06 years.</p>   | <p>The organic waste shredding machine is now kept in the compost yard and is in use, while action is being taken to hand over the garbage wiping</p>   | <p>Measures should be taken to implement an arrangement for the productive utilization of machines and equipment and to allocate unnecessary</p>  |

	and collecting machine to another government institution, but no response has been received regarding this.	machines to other institutions where they are required.	
(i)	Due to the fact that 10 golf carts, including 8 valued at Rs. 15,080,380 and 2 whose value could not be determined, belonging to 04 botanical gardens had remained unused for periods ranging from 01month to 03 years, the potential golf cart revenue that could have been earned had been lost.	Necessary actions are being carried out to complete the repairs, and that steps are being taken to dispose of 02 battery cars belonging to the Seethawaka Botanic Gardens.	Action should be taken to promptly repair the golf carts, put them into service, and thereby increase revenue sources.
(j)	A land extent of 0.5015 hectares belonging to the Seethawaka Wet Zone Botanic Gardens and 49.564 hectares belonging to the Hakgala Botanic Gardens were being occupied by unauthorized occupants. However, no action had been taken to settle these lands.	Actions are being taken to clear the lands and measures are being implemented to protect them.	A formal procedure should be established to clear the land, confirm their ownership, and protect the land.
(k)	Although a cab belonging to the Gampaha Botanic Gardens and a motor vehicle belonging to the Hakgala Botanic Gardens had remained unrepaired for periods of 1 year and 4 months and 1 year, respectively, no action had been taken to complete their repairs and put them into operation.	The relevant divisions have been informed to carry out the necessary repairs.	Prompt action should be taken to repair and put into use.
(l)	The Page Unit equipment, purchased last year for Rs. 640,000 under a two-year warranty for testing DNA samples discharged by the Molecular Biology Laboratory, had completed one year of the two-year warranty period, yet only a single test had been conducted so far.	This equipment is used solely for specific genetic tests, and that if a sufficient number of officers are in service, the equipment can be utilized for productive research.	The equipment should be put into use for the intended purpose by deploying a sufficient number of trained officers.

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| (m) | Although two cameras and two digitizing copy stands were available in the herbarium for the purpose of digitally photographing dried specimens using barcode labels, an examination of their usage from 2021 to 2024 revealed that the progress of digital photography had declined by 78 percent compared to 2021. | Progress has been declined due to factors such as an insufficient number of staff, approximately 05 months required to rectify the technical fault in the equipment, and the inability to procure the colored cards used. | Action should be taken to utilize the asset effectively for its intended purpose through a proper procedure. |
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#### 4.4 Loases and Damages

	Audit Observation	Comment of the Accounting Officer	Recommendation
(a)	According to Financial Regulation 104, whenever a loss or damage occurs to the government, the amount, causes, and responsible parties should be promptly identified, and action should be taken to recover the loss to the government. However, the Department of Botanical Gardens had not disclosed 26 losses and losses that were still recoverable or to be written-off as of December 31 of the year under review in the statement of losses and waivers in Annex (i) of the financial statements. Furthermore, the age analysis for recovering these losses and damages was not disclosed in the financial statements.	Information regarding losses that remained recoverable or subject to write-off as of 31 December 2024 could not be included, and instructions were issued to the relevant parties to prevent such deficiencies in the future.	Action should be taken against officers who did not report losses and damages correctly and did not act in a proper manner, and investigations into losses and damages should be expedited and appropriate action should be taken based on the recommendations.
(b)	Under Financial Regulation 104(3), when a loss occurs, full reports, including the reasons for the loss, should be submitted within seven days from the date the loss occurred. If this is not possible, preliminary reports should be issued immediately after the loss. However, in the case of the asset misplacement that occurred at the Hambantota Dry Zone Botanical Garden on 21 December 2010, preliminary reports were issued only after a lapse of 13 years.	Although it has been recorded in the logbook that an inspection had been conducted, the information could not be traced. Consequently, the deficiency was entered in the unit's inventory book, and in accordance with Financial Regulation 104(4), an inspection was conducted and, based on its recommendations, the	Action should be taken against officers who fail to act in a timely manner in accordance with the Financial Regulations, and steps should be taken to complete investigations related to losses and damages promptly.



Director General granted approval on 24 January 2025, to write off the entries from the book.

#### 4.5 Management Weaknesses

Audit Observation	Comment of the Accounting Officer	Recommendation
(a) Although a period of 04 years has elapsed since the Divisional Secretary of Yatinuwara handed over 0.3658 hectares of land consisting of the garden access road near the suspension bridge of the Peradeniya Royal Botanical Garden, to the Department on 08 October 2020 for vehicle parking, no action had been taken to utilize this land for the intended purpose.	Although consent had been given to provide the relevant land solely for the purpose of carrying out the designated activity, the Divisional Secretary had decided to allocate the land to another institution due to the failure to undertake the expected activity. However, steps are currently being taken to reassign the land to the Department.	A prompt arrangement should be prepared and implemented to utilize the relevant land for its intended purpose.
(b) Although 18 years have passed since the Department of National Botanic Gardens, which previously functioned as a Director's Office under the Department of Agriculture, was declared a new department by Extraordinary Gazette No. 1471/2006 dated 10 November 2006, the transfer of the Agriculture Director's official residence and the Agricultural Publications Unit located within the premises of the Department of National Botanic Gardens had not been completed.	Although requests had been made to transfer the two buildings to the Department of National Botanic Gardens, those requests had been rejected, and although further inquiries had been made regarding the matter, no opportunity had been provided for a discussion.	Discussions should be held with the relevant institutions and action should be taken to formally clear the ownership of the property.
(c) A total of 37 unidentified expired chemicals (without labels) and 69 expired chemical substances were found in the Floriculture Research and Development Division; however, the Department had not taken appropriate	The necessary arrangements are being made to dispose of the chemicals through an institution approved by the Central Environmental Authority.	A disposal program should be developed and implemented in a systematic manner and according to a proper methodology.

action to dispose of these chemicals in accordance with proper procedures.

(d)	<p>According to Section 5 of Chapter XIX of the Establishments Code, rent must be charged for official quarters, and in terms of Article 5.6, the Chief Valuer's report must be obtained to determine the economic rent. Accordingly, a monthly economic rent of Rs. 1,000 is charged for 18 official quarters belonging to the Royal Botanical Garden, based on the valuation of the Chief Valuer dated 02 December 2016. As that valuation was valid only for a further period of two years, the time to obtain a new valuation had lapsed by 05 years; however, as at 25 February 2025, a new valuation had not been obtained and no valuation report had been prepared. Due to the failure to obtain an updated valuation, the government had lost the rental income that should have been received based on the new assessment.</p>	<p>Instructions have been given to obtain new valuation reports for all official quarters for which the valuation period has expired, and to issue reminders if the reports are not received. Further actions are being taken to recover rent in accordance with the Establishments Code until the valuation reports are received.</p>	<p>Action should be taken against the responsible officers for failing to obtain timely valuation reports to charge economic rent, and steps should be taken to obtain valuation reports and recover economic rent at the updated rates.</p>
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**5. Achievement of Sustainable Development Goals**

	Audit Observation	Comment of the Accounting Officer	Recommendation
(a)	<p>According to the 2024 Draft Annual Performance Report, when assessing the progress of the indicators established for four Sustainable Development Goals (SDGs), the progress of 03 indicators ranged between 63 percent and 80percent.</p>	<p>The targets could not be fully achieved due to a shortage of officers, decreased demand for training programs, increased production costs, and the absence of qualified personnel.</p>	<p>Efficient measures should be taken to achieve the Sustainable Development Goals.</p>

**6. Human Resource Management**

<b>Audit Observation</b>	<b>Comment of the Accounting Officer</b>	<b>Recommendation</b>
(a) As at 31 December of the year under review, the approved staff strength was 964, while the actual staff strength was 736. This included eight senior-level officers, with 168 vacancies and 10 excess officers.	Actions are being taken to fill the vacancies.	A staff review should be conducted to revise the actual staff and action should be taken to fill the necessary vacancies.