

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the National Aquatic Resources Research and Development Agency for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024 and statement of financial performance, statement of changes in equity and the 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, National Aquatic Resources Research and Development Agency Act No. 54 of 1981 and the Finance Act No.38 of 1971. My comments and observations which I consider should be reported to Parliament appear in this report.

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

1.2 Basis for Qualified Opinion

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

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of my report. I believe that 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 determines 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 Agency's stability 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 agency or to cease operations, or has no realistic alternative but to do so.

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

As per Section 16(1) of 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 of the Agency.

1.4 Audit Scope (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 report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the board'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 related disclosures in the financial statements or if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

- Whether the organization, systems, procedures, books, records and other documents have been properly and adequately designed from the point of view of the presentation to enable a continuous evaluation of the activities of the agency, 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 discussions issued by the governing body of the agency,
- Whether the agency has performed according to its powers, functions and duties and
- Whether the resources of the agency 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 the Preparation of the Financial Statements

1.5.1 Non-compliance with Sri Lanka Public Sector Accounting Standards

Non-compliance with the reference to particular standard	Management Comment	Recommendation
(a) In terms of paragraph 29 of Sri Lanka Public Sector Accounting Standards 2, the net cash flow from operating activities should be compared with the surplus generated from general activities when preparing the cash flow statement using the direct method and even though it should be shown as part of the cash flow or as a note in the financial statements, actions had not been taken accordingly.	This deficiency has been identified and necessary actions are being taken to correct it.	Actions should be taken to make the necessary disclosures in the cash flow statement in terms of Sri Lanka Public Sector Accounting Standards.
(b).Although, property, plant and equipment should be revalued and accounted every three to five years as per paragraph 47 of Sri Lanka Public Sector Accounting Standards 07, 05 lands valued at Rs.3,231,216,479 as on 31 December 2024 were last revalued in the year 2013 and revaluation had not been carried out thereafter.	Government Accounting Standard No. 07 provides guideline for the accounting of property, plant and equipment. Accounts can be prepared on the asset cost model or the revaluation model in relation to this standard according to the clarifications made by the	Actions should be taken to revalue the property, plant and equipment as per Sri Lanka Public Sector Accounting Standards.

Institute of Chartered Accountants of Sri Lanka.

Assets can be carried at a net value of 0 under the cost model. Or else, the asset can be accounted under the revaluation model. This audit observation is submitted in accordance with paragraph 47 under the revaluation model.

1.5.2 Accounting Deficiencies

Audit Issue	Management Comment	Recommendation
(a) Even though the purchase of property, plant and equipment during the year under review was Rs. 13,462,445, as the cash flow statement showed it as Rs. 10,579,813, cash flows from investing activities had been understated by Rs. 2,882,632 .	Even though this amount of Rs. 2,882,632 should have been shown under investment activities for the purchase of assets, it has been shown under other expenses.	Actions should be taken to reflect purchases of property, plant and equipment in the cash flow statement accurately.
(b) Although the project cost was Rs. 52,987,109 and due to the cash flow statement showed Rs. 40,084,809, cash flows under operating activities had been understated by Rs. 12,902,300.	The project expenditure for the year under review was Rs. 52,987,109. However, the amount under operating activities for the settlement of advances is understated by Rs. 12,902,300. Actions will be taken to ensure that this deficiency does not occur in the future.	Actions should be taken to reflect project expenses in the cash flow statement accurately.
(c) Even though the consultancy services revenue received during the year under review was Rs. 44,247,430 and due to the cash flow statement showed Rs. 87,142,128, cash flows in the operating activities had been overstated by Rs. 42,866,698.	The consultancy service income for the year 2024 was Rs. 44,247,430. The income was Rs. 87,142,128 including other project receipts. Due to the fact that this total income is related to consultancy projects, consultancy income has been overstated by Rs. 42,866,698 in the cash flow. Actions will be taken to ensure that this deficiency does not take place in the future.	Actions should be taken to reflect cash inflows in the cash flow statement accurately.

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| <p>(d) Although the consultancy service expense was Rs. 7,602,728 and due to the cash flow statement showing Rs. 45,547,441, cash flows in the consultancy service expense had been overstated by Rs. 37,944,713.</p> | <p>Even though the consultancy service expenditure for the year under review was Rs.7,602,728, the expenditure on other projects including non-consultancy projects had been also included in this. Thus, a sum of Rs.45,547,441 has been recorded as the expenditure on consultancy projects. Actions will be taken to show this in the future separately.</p> | <p>Actions should be taken to reflect cash inflows in the cash flow statement accurately.</p> |
| <p>(e) Since the amount of Rs.9,604,532 received from the Treasury and redirected was not shown as cash flows in the cash flow statement, cash flows from financing activities had been understated.</p> | <p>This amount of Rs.9,604,532 cannot be considered as expenditure. The expenditure has been deducted from the income since it is an amount diverted from the provisions provided by the Treasury.</p> | <p>Actions should be taken to reflect cash inflows in the cash flow statement accurately.</p> |
| <p>(f) Due to the debiting of the work in progress account, which is the amount of Rs.1,171,732, considered to be deducted and which was not deducted from the advance payment paid as of 31 December 2024 in relation to the contract for the construction of the Marine Hatchery Center, work in progress was overstated by that value and other advances were understated by that value.</p> | <p>The error of understating the Advance Account and overstating the Work in Progress Account was corrected when amending the amount of Rs. 1,171,732, which was part of the uncollected advance amount as per the second bill settled for the contract for the construction of the Marine Hatchery Centre.</p> | <p>Actions should be taken to account the advance for contracts accurately.</p> |
| <p>(g) Even though a fish feed production machine with an assessed value of Rs. 16,868,610, which had been leased to a private institution, had been reacquired to the agency in 2021, the relevant entries to recover the outstanding tax amounting to Rs.4,650,000 from that institution for the period from 05 June 2020 to 31 months had not been adjusted in the accounts and the relevant money had not been recovered even by 31 May 2025.</p> | <p>The first lessee of this machine was informed to take the machine back to the institution due to the faulty conditions of the machine. Charges were not made on this basis. The expression of interest was again called and the machine was given on lease to another institution. The said institution started making payments from January 2024. However, only 02 installments were paid and due to the machine being faulty, the institution has informed</p> | <p>Action should be taken to terminate the contract related to this machine or to recover the premiums as per the contract.</p> |

by a letter dated 11 March 2024 to take the machine back.

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| <p>(h) The total amount of Rs. 2,575,863 received in the year under review in respect of bonds submitted by two officers of the Research Institute who had not returned to duty from abroad had not been credited to the Consolidated Fund and had been accounted as income of the Agency.</p> | <p>The money received has been accounted as income of the institution since these agreements were signed with the institutions. I would like to point out that our self-financing estimate is submitted to the Budget Department when preparing the annual budget estimates and this amount is also taken into account when providing provisions.</p> | <p>Actions should be taken to identify and account the income accurately.</p> |
| <p>(i) 07 items of goods purchased in the year under review totaling Rs.2,395,920 were not accounted under property, plant and equipment but had been accounted as a project expense.</p> | <p>Actions will be taken to correct this error in the 2025 accounts.</p> | <p>Actions should be taken to account the Purchased goods under the correct items.</p> |
| <p>(j) Although the fees were to be estimated based on direct costs and overhead costs as per Guideline No. 11 of Part II, Paragraph 7.2 of Public Finance Circular No. 01/2020 dated 28 August 2020, Rs.66,153,660 had been accounted as consultancy service expenses without separately showing the direct costs, overhead costs and the direct and indirect costs paid to each officer in the ledger.</p> | <p>Accounting for these consultancy services is done in accordance with Sri Lanka Accounting Standards No. 10 and the calculation thereof is made based on the performance of the tasks related to the project and the project completion rate as designated by the project officers. The project cost structure obtained in such calculation has been calculated as the actual expenses incurred and the expenses payable for the year.</p> | <p>Actions should be taken to prepare the Ledger accounts so that the direct costs and overhead costs of consultancy services can be identified separately.</p> |
| <p>(k) The necessary provisions had not been made in the accounts for other debtors and employees' debts exceeding 05 years, including Rs.3,521,319 and Rs. 882,493 for the period between 1-5 years, included in the trade and other receivables balance of Rs.41,531,283 and the recovery of</p> | <p>Since a final decision has not been taken regarding the cancellation of the deposit of Rs. 270,000 due from the Sri Lanka Fisheries Corporation, which is overdue for 5 years, that balance is being carried forward. The loan balance of Rs.783,744 due from the Colombo Municipal Council, which is</p> | <p>Action should be taken to recover the receivable balance.</p> |

those balances was uncertain.

overdue for 5 years, has not yet been recovered and a sum of Rs.100,300 out of the Rs. 205,300 due for special cash advances between years 1-5 has been recovered.

1.5.3 Documentary Evidences not made available for Audit

	Item	Amount Rs.	audit evidence unprovided	Management Comment	Recommendati on
(a)	A bin card system had not been implemented for warehouse stocks and as a result, each item could not be identified separately during the physical inspection of the warehouse carried out on 29 May 2025. Since the necessary evidence to substantiate the stock of Rs.1,809,139 as at 31 December of the year under review was not presented to the audit, it was not possible to verify the existence and accuracy of the relevant stocks during the audit.	1,809,139	Bin cards, stock books, warehouse ledger accounts.	Efforts are being made to streamline warehouse administration and operations at present and every effort is being made to correct these deficiencies.	Actions should be taken to submit the relevant information for audit to verify the accuracy of warehouse inventories.
(b)	The accuracy of the balance could not be verified as the sources and documents relating to the other payable balance of Rs.11,777,414 included in the other creditors balance were not submitted for audit.	11,777,414	Journal entries in balance confirmation letters	Since it has been learned that the relevant amount due has been directed to the National Hydrographic Office from the Treasury for about two years, we have taken steps to inquire through the	Actions should be taken to submit the sources and documents required to substantiate the balance for audit.

National Hydrographic Division to resolve this. This amount is shown as payable until it is resolved. Once the relevant reply is received, Actions will be taken to correct this.

1.6 Non-compliance with laws, rules, regulations and Management Decisions

Reference to laws, rules, regulations, etc.	Non-compliance	Management Comment	Recommendation
(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka			
i. Financial Regulations 104,105	The amount of Rs.4,263,649 that was to be received in relation to the advance security, performance security and security for the contract to repair the auditorium at the head office of the Marine Hatchery Center construction contract has now been directly lost to the institution and investigation had not been carried out to identify the officers responsible for this and to determine the	The situation regarding the construction of the Marine Hatchery Center can be completed based on the instructions of the Ministry, Audit and Management Committee. Accordingly, the construction contract has not been continued and actions have been taken to complete the project in its current state and settle the final bill. Accordingly, the contractor has submitted the final bill. Actions will be taken to recover the advance security due to the institution from it and thereafter, the engineer has informed that an amount of Rs.118,000 remains to be	Actions should be taken to act in accordance with Financial Regulations

	relevant loss.	paid to the contractor. I would also like to inform that since the construction of the auditorium at the NARA Head Office has not yet commenced, actions will be taken to recover the relevant guarantee.	
ii. Financial Regulations 135	The approval of the Chief Accounting Officer had not been obtained for the financial delegation document related to financial control and the limitations of the financial delegation document had not been specified.	The method currently followed is that after the Chief Accounting Officer appoints the Accounting Officer, the powers of that officer are annually referred to the Governing Council and a delegation of authority is made in accordance with Financial Regulation 135. This document is then submitted to the Secretary of the Ministry for information and necessary action.	Actions should be taken to act in accordance with Financial Regulations.
iii. Financial Regulation 177(1)	The amount had been remitted monthly without having remitted the amount collected daily at the Rekawa Regional Center daily.	Since the amount of remittances received daily at the Rekawa Center is limited, arrangements have been made to deposit them in the bank once a week.	Actions should be taken to act in accordance with Financial Regulations.
iv. Financial Regulation 703 (1) (a)	Although the Head of Department was responsible for monitoring and evaluating the contract, it had not been fulfilled in the construction of the contract for the construction of a mangrove nursery.	The supervision of the construction and maintenance activities of the institution is carried out under the Director (Services and Operations). In this incident reported regarding the construction of the mangrove plant nursery at the Kadolkele Regional Center in the year under review, although the Assistant Director	Actions should be taken to act in accordance with Financial Regulations.

supervised the relevant construction, the financial problems of the supplier have affected this.

v. Financial Regulations 756, 770	Actions had not been taken to repair the various machinery and motorcycle parts that have been lying in the warehouse as scrap and reuse, or act in accordance with financial regulations since 2018.	The Risk Management Committee has instructed the Director of Services and Operations to repair these motorcycles and use them at the head office and regional centers.	Actions should be taken to act in accordance with Financial Regulations.
(b) Section 5.4.8 of the Government Procurement Guidelines	Although 6 months had passed since the award of the contract for the renovation of the auditorium at the NARA Head Office, the management had not taken steps to cash the relevant performance security until the audited date of 28 April 2025 as the contract work had not commenced.	There was a delay in starting this work. The contractor was called and discussed regarding this matter. It was agreed to complete this work before 30 June 2025. The contractor has also agreed to extend the validity period of the performance security.	Actions should be take comply with Government procurement guidelines
(c) Section 3 (a) of Asset Management Circular No. 10/2022 dated 09 September 2022	Although the amount of Rs. 382,500 received from the disposal of vehicles should have been credited to the Consolidated Fund of the General Treasury, contrary to this, the said amount had been accounted as income of the institution.	An amount of Rs. 382,500 was received from the disposal of vehicles on 15 February 2024 and it has been deposited in the institution's account. I would like to inform that actions will be taken to transfer this amount to the General Treasury.	Action should be taken to proceed as per the circular.

2. Financial Review

2.1 Financial Results

The operating result for the year under review amounted to a deficit of Rs.24,239,410 and corresponding surplus in the preceding year amounted to Rs.52,984,328. Therefore, a deterioration amounting to Rs.77, 223,738 of the financial result was observed. The reasons for the deterioration were mainly due to a decrease in other income by Rs.16,957,954, an increase in personal emoluments, travel expenses and fringe benefits, supplies and consumables, research and development expenses, other operating expenses and project consultancy expenses by Rs.24,956,943, Rs.1,320,984, Rs.672,340, Rs.9,757,233, Rs. 20,409,401 and Rs.53,907,064 respectively.

3. Operational Review

3.1 Management Inefficiencies

Audit Issue	Management Comment	Recommendation
(a) Although an amount of Rs. 15,937,388, including an advance payment of Rs.5,880,989, had been paid to the contractor by 31 December 2021, in order to construct a marine hatchery center, the cost had become a wasteful expenditure as the construction had been stopped on its way. Further, the advance security of Rs. 6,986,615 (including VAT) due on 04 February 2021 and the performance security of Rs. 1,746,654 due on 18 March 2022 had expired to recover the uncollected advance amount of Rs. 2,432,290 from the total advance amount paid and the management had not taken actions to extend the date or cash in on those securities.	It has been possible to resolve the problematic situations in this regard. Actions were taken to terminate the contract based on the recommendations of the Audit and Management Committee. The contractor has submitted the final bill for this. As previously informed, any loss has not been incurred by the institution and the engineer has reported that after the institution has recovered all the charges, the amount still to be paid to the contractor is about Rs. 118,000.	Actions should be taken to extend the dates of performance security and advance security for contracts that have been suspended on the way and to recover the money.
(b) An action was instituted in the Colombo District Court regarding the amount of Rs. 5,874,798 due to the institution from an officer who had left the service and a settlement was reached in the year 2022 to pay an amount of Rs.587,479 in two installments per year over five years. Accordingly,	The relevant officer has informed by an email on 16 June 2025 that the full value of the bonds would be paid off by the end of July 2025.	The agency should take actions to recover the outstanding amounts.

Rs.592,273 of the total amount due for the year 2024 had been received and the agency had not yet taken steps to recover the outstanding amount of Rs.2,467,575.

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| <p>(c).A amount of Rs.1,518,901 had been paid to the contracting agency on 30 December 2024, despite the fact that any construction work had not been completed in relation to the contract for the construction of a mangrove nursery.</p> | <p>Although there has been a delay in completing the work, this amount has not been allowed to become an futile expenditure. The necessary agreements have been obtained to complete this work by 08 June 2025. Accordingly, the project activities will be completed and the relevant objective can be achieved.</p> | <p>Construction should be completed within the scheduled time frame as per the plan.</p> |
| <p>(d) Even though officer bearing No. 744, who was abroad for foreign training, should report back to duty on 18 May 2024, he was designated as an officer who had left the service as per the Director General's letter NARA/ADM/02/0605/744/23 dated 07 June 2024 due to his failure to report to duty. Although it had been decided in the 476th Governing Board meeting held on 10 September 2024 that the outstanding amount of Rs. 1,228,744 in the bond value should be recovered from the guarantors from February 2025, action had not been taken to recover the balance as of the audited date of 08 May 2025.</p> | <p>There was a delay in obtaining clarifications regarding the amount and calculation to be collected from the guarantors. Recoveries have been made from the relevant guarantors since May 2025.</p> | <p>The agency should take actions to recover the outstanding amounts.</p> |
| <p>(e) Actions had not been taken so far to acquire the ownership of Rekawa land in extent 20.7582 hectares revalued at Rs. 42,500,000 in 2014.</p> | <p>We have informed the line ministries that obtaining the right to possession through a gazette notification is sufficient in accordance with Section 35 of Act No. 54 of 1981.</p> | <p>Actions should be taken to acquire ownership of the land.</p> |

3.2 Operational Inefficiencies

Audit Issue	Management Comment	Recommendation
(a) A number 33 tanks out of the 87 tanks constructed in 06 hatcheries for fish promotion at the Rekawa Regional Center, had not been put into use by the time of the audit on 25 February 2025. 21 tanks of these had not been used for many years and the roots of large trees had grown into those tanks and the fish tanks currently in use had not been properly maintained. In addition, 07 fiberglass tanks, consisting of 03 large circular tanks, 02 medium-sized tanks and 02 small-sized tanks of unknown purchase year and value had been piled up on the center premises without any use.	Water leakage is occurring due to the roots of trees growing near two fish hatcheries. The State Timber Corporation has been informed to remove these trees as per the existing government procedure. After removing these trees and repairing the tanks, actions will be taken to resume the hatchery activities. These fiber tanks have been used for various projects implemented by the Rekawa Regional Center in the past. But with the time, these tanks have deteriorated. It is hoped to find out which tanks can be reused and restore them to use.	Actions should be taken to make use of fish tanks with maximum efficiency.
(b) Actions had been taken to attach 14 officers to the Rekawa Regional Center as of 25 February 2025 and although a sum of Rs.18,105,639 had been spent on the administrative expenses of the center for the year 2024, adequate research activities had not been carried out. In the years 2023 and 2024, the head office had not taken steps to formally supervise the activities of the center and direct it towards its objectives.	Since the research activities carried out at this center are limited, the income generated is low. However, since the emoluments of the employees should be paid, it costs a lot of amount. Further, it should be specifically mentioned that Rekawa center has not been established with the aim of making a profit and is only for conducting research activities. This kind of amount has been earned through the sale of the remaining fish resources after the research activities are completed.	Actions should be taken to carry out a regular monitoring in respect of the activities of the center.

3.3 Idle or underutilized property, plant and equipment

Audit Issue	Management Comment	Recommendation
(a) The consultancy fee of Rs.3,900,673 incurred in 2018 in relation to the consultancy contract for the Central Laboratory Complex Project had become a waste of money due to the relevant contract being terminated on its way.	This work was initiated with the approval of the Ministry of Finance to provide funds in accordance with the Cabinet Decision No. CMP/17/1635/725/025 dated 09 August 2017. Subsequently, any funds were not allocated for this purpose due to the adverse economic situation in the country. However, I would like to inform that we are currently considering other alternative sources of aids.	The contract should be completed as planned.
(b) Since the projects to construct a Kalpitiya Hatchery Complex, which was initiated in 2020 and a multi-species hatchery, which was initiated in 2019, have now been halted, the total expenditure of Rs.1,814,971 had become a waste.	Initial plans were made and implemented to construct a fish hatchery in Kalpitiya. Later, funds were not allocated for this due to the adverse economic situation in the country. Project proposals were submitted for obtaining aids from the Government of India in 2024. I would like to inform you that we are considering other alternative aids opportunities.	The contract should be completed as planned.
(c) Before taking a 3-acre land lease for a period of 30 years from 16 February 2022 to construct a multi-species fish hatchery complex in the Kudawa area of Kalpitiya, an expenditure of Rs.1,631,963 had been incurred for the development of the land in the year 2020. It was observed during the physical inspection conducted on 17 June 2025 that this land had not been used for the relevant purposes and the land was largely overgrown and underutilized and the wire mesh covering constructed around the land was deteriorating due to lack of proper maintenance.	It is expected that this land is to be used for a project implemented with the support of the Government of India and since the work on it has not yet been completed, this land remains as it is. I hope that the construction will be able to commence very soon.	Actions should be taken to develop the land and direct towards objectives.

(d) The “Tharani” vessel, which was built in 2011 at a cost of Rs.12 million had been lying idle for over 10 years without being put to any task.	This vessel has been built as an experiment for whale watching. This was a failure and it is now being used for the study of students visiting the institute.	The vessel should be used for a suitable purpose.
(e) A stock of 9391 oyster models worth of Rs.7,512,800 had been lying unused for many years.	These artificial oyster models were donated to the NARA Institute and used for research, with relevant reports provided, and are the remaining stock. In terms of the recommendations made by the 131 Audit and Management Committee to provide a report on the actions that can be taken regarding these stocks, a report was submitted to the Audit and Management Committee. Accordingly, it has been recommended that these stocks be distributed to fishermen or used for future research with fishermen.	Actions should be taken to use the Oyster models for proper research purposes.
(f) 3 laboratory equipment worth Rs.21,373,564 and 2 equipment of unknown value in the Post-Harvest Technology Division of the Agency remained idle.	It is hoped that analysis work will resume after a new UPS system is received as the UPS system of one laboratory instrument has failed due to an electrical fault and it is hoped that analysis work will resume after the gas is received as the helium gas of another instrument has run out. The other device has been discontinued due to lack of spare parts. Currently, as the arrangements were made to obtain the accreditation certificate for the histamine parameter, it is hoped that all data from the 2 unidentified devices will be provided in the future.	Actions should be taken to use the laboratory equipment with maximum efficiency.
(g) It was observed during the physical inspection conducted on 25 February 2025 that the Rekawa	Since this institute is used for conducting research activities, the calm and quiet surrounding in the environment is very conducive to	Actions should be taken to complete the construction of

Regional Center owns a land in extent 20.7582 hectares located near a lagoon with tourist value and except the land where the office and the fish tanks are located, the remaining area of the entire land was unused and idle. Moreover, the observation deck that had been constructed with the aim of viewing the lagoon from the center had been abandoned on its way and had become overgrown and as a result, a sum of Rs.475,170 spent on purchased construction materials has become a wasteful expenditure.

duties. Therefore, the relevant land should be developed or used with great care. Also, the materials brought to build the observation deck that needed to be protected from rain had been stored safely. The Director of Service Operations has been informed to complete further work in this regard.

the observation deck as planned and to utilize the regional center land to maximum efficiency.

- (h) Although one of the objectives of establishing the Kalpitiya Regional Center was to conduct research, the hatchery that had been constructed for research purposes was not being used for research purposes and was getting destroyed by the audited date of 17 June 2025. Further, although the objective of establishing the center was to maintain a mangrove plantation and a fish farming project, it had failed to achieve those objectives by the audited date of 17 June 2025.

This hatchery had not been used for many years and there was not any need arisen so far for it. Therefore, it has not been included in the year 2026 for renovation work.

Action should be taken to achieve the objectives of establishing the regional center.

- (i) 15 rolls of plastic mesh netting had not been used for any purpose in the Kalpitiya Regional Center storage premises and several plastic tanks and other equipment had also been left unused and left to rot.

Since the expiration date of all these materials has expired, immediate action will be taken to write off the relevant stock books and dispose of them.

Actions should be to identify the need and purchase the goods.