

1. Financial Statements

1.1. Disclaimer of Opinion

The audit of the financial statements of the Sugarcane Research Institute for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024 and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies 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 the Finance Act, No 38 of 1971. My comments and observations which I consider should be report to Parliament appear in this report.

I do not express an opinion on the accompanying financial statements of the Institute. Because of the significance of the matters discussed in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

1.2 Basis for disclaimer Opinion

My opinion is disclaimed on the 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 the audit evidence I have obtained is sufficient and appropriate to provide a basis for my disclaimer 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 Institute'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 Institute or to cease operations, or has no realistic alternative but to do so.

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

As per Section 16 (1) of the National Audit Act No.19 of 2018, the institute 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 institute.

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 Institute's 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 Institute'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. 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 Institute 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 of information to enable a continuous evaluation of the activities of the institute, and whether such systems, procedures, books, records and other documents are in effective operation;
- Whether the Institute has complied with applicable written law, or other general or special directions issued by the governing body of the Institute;
- Whether the Institute has performed according to its powers, functions and duties; and

- Whether the resources of the Institute 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 Statements

1.5.1 Non-Compliance to the Sri Lanka Public Sector Accounting Standards

Non-Compliance	Comments of the Management	Recommendation
(a) As a stock of GI pipes in the main warehouse, which was purchased during the year under review at a cost of Rs.2,493,635, was capitalized under buildings, the Property, Plant and Equipment had been overstated by Rs.2,493,635 and the inventory had been understated by the same value.	Sine the construction work required for the G.I. Pipe stock purchased during the year under review was to be commenced in the year 2024 and completed within the same year, the entire cost of the GI pipes has been capitalized.	GI Pipe stock should be correctly accounted as it has not been used for construction.
(b) Since the payment of research allowances of Rs.1,520,852 relating to previous years had been accounted as expenses in the year under review, the expenses for the year had been overstated by that amount.	That the research takes years to complete, and very few research projects qualify for allowance and that the payment approvals will be received after the completion of the research and Rs.1,520,852 approved in the year 2024 has been accounted in the current year.	Accounts should be done in accordance with Sri Lanka Public Sector Accounting Standards No.08.
(c) An acquisition cost of Rs.38,349,500 was incurred for the 11.4 perches of land and building purchased in the Colombo area in 2019. In accounting for this property, the land and buildings were not accounted separately and the total cost incurred was accounted under buildings and annual depreciation had been calculated for the total value.	That the valuation department has completed the valuation work and, that the accounts will be done after receiving the valuation report.	Accounts should be adjusted in accordance with Sri Lanka Public Sector Accounting Standards Nos. 03 and 07.
(d) Since 02 fixed deposit balances of Rs.99,473,220 and treasury bills of Rs.6,847,304, which were due to mature within the next 12 months, were shown under non-current assets, the non-current assets had been overstated by Rs.106,320,524 and current assets had been understated by the same amount.	That the fixed deposit balance of Rs.99,473,220 and the treasury bill balance of Rs.6,847,304 included in the financial statements of the Sugarcane Research Institute will be shown under current assets.	Assets should be correctly classified and presented in accordance with Sri Lanka Public Sector Accounting Standards No. 01.

(e)	<p>Although the effect of a change in accounting estimate should be adjusted to the profit of the current year and the profit of future years in accordance with paragraph 41 of Sri Lanka Public Sector Accounting Standard No. 03, The medical expenses of Rs.93,982 paid during the reporting year based on the saved balances of the medical allowances of two officers allocated for the previous two years and Rs.327,100 allocated in the previous year for 13 officers who vacated during the year had been adjusted against retained earnings.</p>	<p>That the action will be taken to adjust medical expenses of Rs.93,982 in accordance with Sri Lanka Public Sector Accounting Standard No. 03.</p>	<p>Changes in accounting estimates should be adjusted to comply with Sri Lanka Public Sector Accounting Standards No. 03.</p>
(f)	<p>Since Rs.450,994 allocated for 13 officers who vacated the institution during the year under review was included in the balance of Rs.3,583,848 provisioned for medical expenses as at 31 December of the year under review, the provision for medical expenses had been increased by Rs.450,994.</p>	<p>That the action will be taken to correctly adjust the balance of Rs.450,944 allocated for the 13 vacated officers included in the provision for medical expenses as of December 31 of the year under review.</p>	<p>The accounts should be adjusted to comply with Sri Lanka Public Sector Accounting Standards No. 03.</p>
(g)	<p>Medical expenses (welfare expenses) of Rs.7,699,934 relating to the year under review were reported under the salary expenditure head and the over-provision for medical expenses of Rs.14,486 had been presented under other income.</p>	<p>That the action will be taken to correct the presentation of the medical aid expenditure (welfare expenditure) of Rs.7,699,934 in the year under review under the salary head (personal salaries) and to adjust the over or under provision of medical aid under welfare expenditure.</p>	<p>The correct expense headings related to the expenses should be identified and the accounts corrected.</p>

1.5.2 Accounting Policies

Audit Observation	Comments of the Management	Recommendation
<p>(a) Assets of Rs.6,207,600, which were accounted as field equipment and agricultural equipment, had been identified as motor vehicles in the previous year and transferred between accounts. However, since the institute's depreciation policy is to depreciate field equipment and agricultural equipment annually at 15 percent on cost and motor vehicles at 25 percent annually, the depreciation rates are lower than in</p>	<p>That the action will be taken to correct the relevant depreciation value.</p>	<p>The accounts should be adjusted to comply with Sri Lanka Public Sector Accounting Standards No. 03.</p>

previous years due to changes in these Depreciation rates had not been adjusted for the reported depreciation value.

1.5.3 Accounting Deficiencies

	Audit Observation	Comments of the Management	Recommendation
(a)	The balance of the retained earnings account as per the general ledger as at the end of the year under review was Rs.249,393,070 and the balance was presented as Rs.77,596,156 in the financial statements, which was understated by Rs.171,796,914.	The balance of Rs.77,596,156 included in the trial balance and financial statements is the correct balance and that balance is also included in the final financial statements. The incorrect balance shown in the retained earnings account is an error in the accounting system and action will be taken to correct it.	The accounts should be corrected to comply with Sri Lanka Public Sector Accounting Standards No. 03.
(b)	Since the amount of Rs.13,547,180, which was 10 percent of the salary deducted as the employee's contribution to the Employees' Provident Fund during the year under review, was not recognized under the gross salary and was debited to the Employees' Provident Fund expense account, the salary expenditure was understated and the Employees' Provident Fund expenditure was overstated by that amount.	That the actions are being made to accurately adjust these contribution payments.	The accounts should be adjusted to comply with Sri Lanka Public Sector Accounting Standards No.03.
(c)	Since the gratuity amount of Rs.10,547,550 paid in the year under review to 14 employees included in the gratuity provision balance as at the beginning of the year under review was accounted as an expense of the year under review, the expenditure for the year had been overstated by that amount.	When paying gratuity, the amount allocated for each employee in previous years will be adjusted using the gratuity provision chart and the gratuity amount for the current year will be recorded in the accounts for that year.	Provisions made for expenses should be adjusted in accordance with Sri Lanka Public Sector Accounting Standards No. 08.
(d)	The value of Property, Plant and Equipment was understated as the value of 03 land plots totaling 207.363 hectares, used by the institution had not been valued and accounted.	Due to the problematic situation regarding the ownership of the land plots belonging to the sub-centers of Siyambalanduwa, Deniyaya and Kanthale and their unresolved, after resolving the issues regarding the ownership of those lands, Action will be taken to assess them and include in the financial statements.	Property, Plant and Equipment should be properly recognized in accordance with the criteria set out in Sri Lanka Public Sector Accounting Standards No. 07.

1.5.4 Documentary Evidence not made available for Audit

	Item	Value Rs.	Audit evidence not made available	Comments of the Management	Recommendation
(a)	Property, Plant and Equipment	158,009,293	Valuation Reports	That the valuation reports relating to the assets valued by the Valuation Department and the assets valued by the committee consisting of officers of the institution will be submitted for audit.	Reports of professional valuer that comply with Sri Lanka Public Sector Accounting Standard No. 07 should be submitted for audit.
(b)	Provisions for Gratuity	100,206,723	Actuarial Valuation Report by Qualified Velures	Gratuity provisions are calculated in accordance with the Gratuity Payment Act, No. 12 of 1983 and the value of the provisions made accordingly is presented in the financial statements.	The valuation report of qualified valuer should be submitted for audit.
(c)	Losing Inventory	33,277,162	Stock Verification Reports	That the action will be taken to submit physical stock verification reports for audit.	Physical stock verification reports should be submitted for audit.

1.6 Receivable and Payable Accounts

1.6.1 Receivables

	Audit Observation	Comments of the Management	Recommendation
(a)	Action had not been taken to recover the amount of Rs.4,890,951 due from 03 sugar manufacturing institutions for a period of 02 to 05 years.	That, those institutions are being informed through letters to recover the loans, and that the relevant institutions have also been informed by the line ministry to make payments, nevertheless, no positive response has been received in this regard.	Appropriate action should be taken against officers who have not collected loan balances on time and recover non-performing loan balances.

1.7 Non-Compliance to and Management's Decisions etc.

Reference to Laws, Non-Compliance Rules, Regulations etc.	Comments of the Recommendation Management
(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka	
(i) Financial Regulations 757(2) and (4)	The Board of Survey reports had not been submitted to the Auditor General. That the inventory and asset survey has been completed and that the survey reports will be submitted to the Auditor General promptly.
(ii) Financial Regulation 1646	Daily running charts had not been submitted to the Auditor General. That the running charts were not submitted to the Auditor General's Department on a monthly basis, and were submitted when requested. and that the monthly running charts have been submitted to the Auditor General since July 2024.

2. Financial Review

2.1 Financial Results

The operating result for the year under review was a deficit of Rs.46,807,733, while the corresponding deficit for the previous year was Rs.49,180,086. Accordingly, a growth of Rs.2,372,353 was observed in the financial result. This increase was mainly due to the increase in income of Rs.25,345,791 in the year under review.

2.2 Trend Analysis of major Revenue and Expenditure Objects

(a) The government's capital and revenue grant, which was Rs.286,096,000 in the previous year had increased by Rs.34,520,000 to Rs.320,616,000 in the year under review.

3. Operational Review

3.1 Uneconomic Transactions

	Audit Observation	Comments of the Management	Recommendation
(a)	With the aim of starting the Kantale Sugar Factory, providing the necessary seed sugarcane and providing facilities for research activities including selecting sugarcane varieties suitable for the area, a land area of 400 acres from the land owned by the Kantale Sugar Factory and 13 buildings were provided to the Sugarcane Research Institute in 2011 and although the Institute has appointed a staff of 18 and Rs.147.5 million had been spent on renovation and capital expenditure and, operate for a period of 13 years until 2024, the cost had been idled due to the failure to start the Kantale Sugar Factory.	The Line Ministry has decided to maintain this sub-centre as the objective of starting the Kantale sugar industry is still remains. That the matter has been verbally notified and that the recommendations of the Audit and Management Committees in this regard will be forwarded to the Governing Board and discussed with the Line Ministry.	The need to maintain the Kantale Sub-Center should be reconsidered and appropriate use should be made of its assets.

3.2 Identified Losses

	Audit Observation	Comments of the Management	Recommendation
(a)	Although the inventory records had been reduced by showing that 860 liters of glyphosate worth Rs.456,373 had leaked from barrels in the warehouse on 05 occasions, action had not been taken to identify the responsible parties and recover the loss in accordance with Financial Regulations 103 and 104.	That the committee has been appointed to conduct an investigation to find out the responsible parties in this regard as per the recommendation of Audit and Management Committee meeting held on 10.04.2025.	Action should be taken to identify the responsible parties and act in disciplinary manner to recover the losses.

3.3 Management Inefficiencies

	Audit Observation	Comments of the Management	Recommendation
(a)	Although a totaling of Rs.434,766 had been paid to the Sri Lanka Institute of Development Administration (SLIDA) as an advance of Rs.217,383 in 2019 and further Rs.217,383 in 2024 for the preparation of a Manual of Organizational Procedures (MOP) for the institution, the Manual of Organizational Procedures was not submitted for audit.	Manual of Organizational Procedures prepared by the Sri Lanka Institute of Development Administration has been submitted to the Ministry on 20 February 2025 for approval by the Department of Management Services.	Manual of Organizational Procedures should be submitted to the audit.

(b)	<p>Rs.11,513,991 had been paid to 05 officers since 2003 as expenses for pursuing degree courses and other professional examinations. Although the course periods had ended by the end of the year under review, the audit did not confirm that the officers had completed the relevant qualifications.</p>	<p>Detailed information has been provided on the costs and current status of studying for degree courses and other professional examinations.</p>	<p>The relevant course fee should be recovered from officers who have not completed the courses as scheduled.</p>
(c)	<p>A medical insurance scheme was implemented using funds issued by the Treasury for recurrent expenses, and instead, the Director General of the National Budget had informed in the year 2017 that the insurance coverage should be obtained through the National Insurance Trust Fund. The institution had paid medical allowances of Rs.7,824,328 using treasury funds in the year under review without paying attention for that.</p>	<p>This A medical insurance scheme has been in operation with the approval of the Board of Governors since the inception of the Institute and up to now, in accordance with the provisions of Section 3 (e) of the Sugarcane Research Institute Act, No. 75 of 1984, to provide welfare facilities to the employees of the Institute.</p>	<p>Since there is no provision for the use of recurring funds issued by the Treasury To provide employee welfare and recreational facilities in accordance with Section 3 (e) of the Sugarcane Research Institutions Act No.75 of 1981 and these activities should be carried out through a fund mentioned in the referenced Section.</p>
(d)	<p>A housing loan scheme had been implemented for employees using the institution's funds and housing loans of Rs.3,820,637 were due from 07 employees by the end of the year under review. Furthermore, information regarding the formal approval required for the implementation of the relevant housing loan scheme was not submitted to the audit.</p>	<p>According to Chapter IX of the Manual of Organizational Procedures, loans are provided through a revolving fund and are implemented with the approval of the Governing Board.</p>	<p>The loan scheme should be implemented after obtaining formal approval.</p>

3.4 Operational Inefficiencies

Audit Observation	Comments of the Management	Recommendation
<p>An amount of Rs.3,854,067 had been given as advances to various external institutions on 36 occasions during the year under review without obtaining advance security, and as of the audit date of 25 April 2025, an amount of Rs.341,312 had been unsettled.</p>	<p>That the, out of Rs.341,312 unsettled balances from these advances, Rs.12,534 has been settled by 30 April 2025 and, that the action will be taken to settle the remaining advances promptly and action will be taken to obtain advance security in the future.</p>	<p>The outstanding advances should be settled promptly and formal action should be taken against the officials who issued the advance without advance security.</p>

<p>(b) The Large-Mill Test for the released sugarcane varieties of SL03 983, SL03 1025 and SL03 1077, which was completed the development activities in the year 2019, had not been conducted until the end of the year under review.</p>	<p>That the relevant new sugarcane varieties were provided to sugar companies and sugarcane farmers in 2020, large-scale variety Test began in 2021 and were planned to be completed in 2024, and it was not possible to produce sufficient seed sugarcane to expand cultivation.</p>	<p>The Large-Mill Test should conduct immediately and take further action.</p>
<p>(c) The institution had not yet taken actions to obtain patents for 05 fertilizer plant nutrient products and pest control products that the production activities had been completed in the previous year.</p>	<p>The necessary documents and information for the patent application have been submitted to SRIiBL, and the patent application process has begun.</p>	<p>Action should be taken against the officers who did not act in a timely manner and urgent action should be taken to obtain the patent.</p>

3.5 Controversial Transactions

Audit Observation	Comments of the Management	Recommendation
<p>(a) The 64 officers of the institution had been provided with quarters without charging monthly rent, and the institution had spent Rs.1,881,383 on electricity charges for the quarters during the year under review.</p>	<p>These quarters are being provided under the welfare facilities in accordance with the provisions of Section 3 (e) of the Sugarcane Research Institutes Act, No. 75 of 1984 and that the provision of electricity has been made with the approval of the Board of Governors, and that only the number of electricity units allocated to each grade is provided under welfare activities.</p>	<p>Since no provision has been made for the use of recurring funds issued by the Treasury for the provision of employee welfare and entertaining facilities in accordance with Section 3 (e) of the Sugarcane Research Institutes Act, No. 75 of 1981 and such activities should be carried out through a fund mentioned in the referenced Section.</p>
<p>(b) Although the institution had spent Rs.364,325 on water charges for the office and quarters during the year under review, since water meters were not installed for the quarters, information on water consumption in the quarters was not submitted for audit.</p>	<p>This water supply is being implemented with the approval of the Governing Board of the Institute under the provision of welfare facilities as per the provisions of Section 3 (e) of the Sugarcane Research Institute Act No.75 of 1984.</p>	<p>Since no provision has been made for the use of recurring funds issued by the Treasury for the provision of employee welfare and entertaining facilities in accordance with Section 3 (e) of the Sugarcane Research Institutes Act, No. 75 of 1981 and such activities should be carried out through a fund mentioned in the referenced Section.</p>

3.6 Idle or Under Utilized Property, Plant and Equipment

Audit Observation	Comments of the Management	Recommendation
The 52 inventory items worth Rs.8,437,096 had been stored in the warehouse for over 05 years as inventory items had been purchased without properly identifying the requirements.	A committee was appointed regarding inventory items and a report was obtained, and action has been taken according to the recommendations of the committee.	Idle stocks should be disposed properly and formal action should be taken against the officers responsible for purchasing such inventory.

3.7 Deficiencies in Contract Administration

Audit Observation	Comments of the Management	Recommendation
(a) In selecting a contractor for the installation of aluminium doors and windows in the institute's auditorium, laboratory and security guard in Kantale, the contract was awarded to a bidder by rejecting the lowest bid without giving acceptable reasons and contract was awarded to the bidder who submitted the bid higher than the minimum price by Rs.502,595. According to the payment bills, Rs.271,018 was overpaid for 11 work items by exceeding the agreed prices and although the doors, which were contracted to be finished entirely with glass according to the work description were finished with glass and cladding, the contractor was overpaid by Rs.83,519 due to the payment being made based on the glass finishing rate.	The Technical Evaluation Committee report states that the supplier who submitted the lowest price had not fulfilled the relevant ICTAD registration, and therefore, during the evaluation, that supplier was identified as an ineligible supplier. Since the estimate for this construction was obtained in 2020 and the bid was called and the contract was awarded in June 2021, and since there is a difference of Rs.6,56342 between the selected bidder's price and the estimated price, that the negotiations were held to complete it at the estimated price. Although the estimate stated the use of full glass, it was changed considering the necessary safety and that arrangements were made to pay only at the prices agreed upon after discussions with the Procurement Committee.	A formal investigation should be conducted in this regard and the losses caused to the government should be recovered from the responsible officials, and disciplinary action should be taken.
(b) From the year 2019 to the end of the year under review, estimates were prepared by paying fees to external parties for 30 construction industries. Out of these, estimates were prepared for two construction industries using the	Payments have been made as per the request of the Chief Engineer of the Sri Lanka Mahaweli Authority. It was proposed to carry out the works in several phases due to the lack of	A formal investigation should be conducted in this regard and disciplinary action should be taken against the officers responsible for

letterheads of the Mahaweli Authority and an officer of the Mahaweli Authority who submitted estimates totalling Rs.24,411,265 had been paid Rs.976,425 as estimate preparation fees in the year 2021 and credited to his personal account. However, the institution had not commenced the construction work related to those two estimates until 02 May 2025. Furthermore, although two external persons and an institution were hired for another 20 construction industries and estimates totalling Rs.33,704,917 had been prepared and Rs.621,456 had been paid as estimate preparation fees, the basis for payment of those fees and the approval obtained to pay the fees had not been submitted to the audit.

sufficient budget provisions for the construction and, that the construction work will be carried out in 2025 using the materials purchased for this purpose and construction related to the remaining parts will be done in future years. Since the Procurement Committee has given its recommendations for payment at the approved rate (maximum of 5%) payable for engineering services it has not acted beyond its authority. That the actions were taken to obtain engineering services directly from a person and an institution registered with the Sugarcane Research Institute.

the irregularities, and action should be taken to recover the losses incurred by the government.

(b) An estimate of Rs.1,285,930 was prepared including 15 work items for the construction of the entrance road, holding wall and gate of the Deniyaya Sugarcane Seed Breeding Centre and an external person had been paid as the estimate preparation fee of Rs.19,289. Rs.1,041,165 had been paid to the contractor without obtaining approval for the completion of 09 work items that were not included in the approved estimate and a total of Rs.263,603 had been overpaid for two work items without using the prescribed standard prices. Furthermore, the amount paid for these additional works included three work items related to another industry totalling Rs.51,000.

That the relevant payments have been made subject to the informing of the Ministry Secretary and the approval of the Governing Board. That the payments have been made subject to the approval of the Procurement Committee as per the recommendations of the Technical Evaluation Committee. According to the needs of the institution, on the instructions of the then director, an estimate was obtained and the money was paid for the parts of the work required to complete the work although it were not included in both estimates.

A formal investigation should be conducted and disciplinary action should be taken against the responsible officers for payments made without proper authorization.

4. Human Resource Management

Audit Observation	Comments of the Management	Recommendation
(a) Although the Sugarcane Research Institute is the only institution established for the development of superior commercial sugarcane varieties in local sugarcane cultivation and for conducting research for that purpose, the key positions essential for its research activities i.e. the post of Deputy Director (Research and Technology Transfer) from the year 2020 and the posts of Chief Technology Transfer Officer, 05 Chief Research Officer and the post of Senior Technology Transfer Officer vacancies were continued from the date of creation of the posts. The 03 Research Officer posts remained vacant as at 31 December of the year under review.	Requests have been submitted to the Line Ministry for approval to fill the vacant positions promptly and action will be taken to fill the vacancies as soon as the relevant approvals are received.	A staff analysis should be conducted based on the current workload and necessary vacancies should be filled immediately.