

Report of the Auditor General on Head 140 Ministry of Livestock and Rural Community Development and the Department under the Ministry – Year 2014

Paragraphs 1 and 2 of this Report contain the general information on the Accounts of the Ministry and the Department under the Ministry and the Audit Observations on each Head appear in paragraph 3 onwards.

1. Department under the Ministry

Head	Department
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292	Department of Animal Production and Health

1.1 Scope of Audit

The audit of the Appropriation Account and the Reconciliation Accounts including the financial records, books, registers and other records of the Ministry of Livestock and Rural Community Development and the Department under that appearing in Paragraph 1 above for the year ended 31 December 2014 was carried out in pursuance of provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Chief Accounting Officer and the Accounting Officer of the Ministry and Department on the under mentioned dates. The audit observations, comments and findings on the accounts and the reconciliation statements were based on a review of the Accounts and Reconciliation Statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

Head	Ministry/ Department	Date of Issue of Management Audit Report
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140	Ministry of Livestock and Rural Community Development	20.10.2015
292	Department of Animal Production and Health	16.06.2015

1.2 Responsibilities of the Chief Accounting Officer and the Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer and the Accounting Officer are responsible for the maintenance, preparation and fair presentation of the Appropriation Accounts and the Reconciliation Statements in accordance with the provisions in Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other statutory provisions and Public Finance and Administrative Regulations. The responsibility includes: designing, implementing, maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

2. Accounts

2.1 Appropriation Accounts

(a) Total Provision and Expenditure

The total net provision made for the Ministry and the Department under the Ministry amounted to Rs.5,789 million and out of that Rs.5,438.5 million had been utilized by the end of the year under review. Accordingly, the savings out of the net provision of the Ministry and Department ranged between Rs.142.7 million and Rs.207.8 million and represented 3 per cent and 22 per cent of the net provisions. Details appear below.

Head	As at 31 December 2014			Savings as a Percentage of Net Provisions
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	Net Provision	Utilization	Savings	
	-----	-----	-----	
	Rs.Millions	Rs.Millions	Rs.Millions	
140	4,831.9	4,689.2	142.7	3
292	957.1	749.3	207.8	22
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Total	5,789.0	5,438.5	350.5	6
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(b) Utilisation of Provisions made available by other Ministries and Departments

Provisions amounting Rs.187.8 million had been made available by the Ministry of Economic Development for various activities. Out of that provisions, a sum of Rs.185.5 million had been utilized. Accordingly, the provisions of Rs.2.3 million had been saved.

2.2 Advance Accounts**2.2.1 Advances to Public Officers Accounts
Limits Authorized by Parliament**

The limits authorized by Parliament for the Advances to Public Officers Accounts of the Ministry and the Departments under the Ministry and the actual amounts are given below.

Item Number	Expenditure		Receipts		Debit Balance	
	Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
	Rs.Millions	Rs.Millions	Rs.Millions	Rs.Millions	Rs.Millions	Rs.Millions
14001	10.0	9.9	4.0	5.7	30.0	17.7
29201	26.0	20.6	16.0	22.4	110.0	72.8

2.3 Impreset Account

The imprest balance of the account No. 7002/0000/00/0296/0014/000 of the Ministry as at 31 December 2014 amounted to Rs.18,000.

2.4 General Deposit Account

The balances of General Deposit Accounts of the Ministry and the Department under the Ministry as at 31 December 2014 totalled Rs.16.15 million. Details appear below.

Ministry/ Department	Deposit Account Number	Balance as at 31 December 2014
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		Rs. Millions
Ministry of Livestock and Rural Community Development	6000/0000/00/0015/0052/000	0.15
Department of Animal Production and Health	6000/0000/00/0015/0147/000	16.0

Total		16.15
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2.5 Audit Observation

According to the Financial Records and Books for the year ended 31 December 2014, it was observed that subject to the audit observations appearing in the Management Audit Reports referred to in paragraph 1.1, the Appropriation Account and the Reconciliation Statements of the Ministry of Livestock and Rural Community Development and the Department have been prepared satisfactorily. The material and important observations out of the observations included in those Management Audit Reports appear in paragraph 3 to 4 herein.

3. Head 140 – Ministry of Livestock and Rural Community Development

3.1 Non – maintenance of Registers and Books

Register of Liabilities had not been updated and maintained in terms of Financial Regulations 214 by the Ministry.

3.2 Lack of Evidence for Audit

Deposits totalling Rs.8,586,709 as at 31 December 2014 could not be satisfactorily vouched in audit due to non – availability of the pass book relating to the Savings Account of the Ministry maintained in the Bank of Ceylon for Self Employment Revolving Fund Loan Scheme.

3.3 Replies to Audit Queries

Reply to one Audit query issued to the Ministry in respect of a private company functioning under the Ministry in the year under review had not been furnished even by 31 March 2015.

3.4 Appropriation Account

3.4.1 Budgetary Variance

The following observations are made.

- (a) Due to non-receiving adequate imprests from Treasury for utilization of provisions made for 03 Capital Objects, provisions ranged from 9 per cent to 30 per cent of the net provisions had been saved at the end of the year under review relating to the respective Objects.
- (b) Excess provisions had been made for 05 objects and as such the savings after the utilization of provisions ranged between 35 per cent to 88 per cent of the net provisions relating to the respective Objects.
- (c) Provisions of Rs.114,100,000 had been transferred to 04 Objects through Financial Regulation 66 due to non-forecasting the requirement of the provisions properly by the management. However, a sum of Rs.66,431,918 had been saved out of those provisions without being utilized.

3.4.2 Provision made available by the Ministry of Economic Development

A sum of Rs.187.8 million had been made available by the Ministry of Economic Development for continuous work of Divineguma Project 2013 and for the year 2014. Even though that money had been granted to Directors of the Provincial Department of Animal Production and Health, follow up action had not been carried out by the Ministry relating to the performance.

3.5 General Deposit Account

The insurance claim relating to a vehicle accident amounting to Rs.150,000 received on 19 March 2013 had been retained in the General Deposit Account.

3.6 Reconciliation Statement of the Advances to Public Officers Account

The following deficiencies were observed at the audit test check carried out on the Reconciliation Statement of the Advances to Public Officers Account, Item No 14001 as at 31 December 2014.

- (a) According to the Reconciliation Statement presented to audit, the balances that remained outstanding for a period from 01 year to 04 years as at that date totalled Rs.257,716 and the follow up action on the recovery of those outstanding balances had been at a weak level.
- (b) The Ministry had failed to recover the outstanding loan balances amounting to Rs.173,096 recoverable from officers transferred out in terms of National Budget Circular No.118 dated 11 October 2004.

3.7 Annual Procurement Plan

Even though 04 motor vehicles had been purchased in the year under review, that was not included in the Annual Procurement Plan.

3.8 Internal Audit

The following observations are made.

- (a) The examination of the operations of the Mahaweli Livestock Company implemented under the Ministry had not been included in the Internal Audit Programme and an internal audit had not been carried out in respect of the company.
- (b) Even though it was planned to examine 06 main projects relating to the Livestock Section in the year under review, those projects had not been examined.

- (c) Replies to 13 internal audit queries issued in respect of the year 2014 had not been furnished even by 30 May 2015.

3.9 Assets Management

Following deficiencies were observed at the audit test check carried out relating to the assets of the Ministry.

(a) Idle and Under – utilized Assets

Eight motor vehicles valued at Rs.40,000,000 belonging to the Ministry were remained idle for a period ranging from 06 months to 32 months.

(b) Conduct of Annual Boards of Survey

The following observations are made.

- (i) Even though the annual Boards of Survey for 2014 should be conducted and those reports should be furnished to the Auditor General before 17 March 2015 the Boards of Survey Report had been furnished only on 26 May 2015 by the Ministry.
- (ii) Even though there were 57 motor vehicles belonging to the Ministry as at 31 December 2014, a Board of Survey relating to the motor vehicles had not been conducted.
- (iii) According to the Boards of Survey Report, a laptop computer, a digital camera, a television set, a mobile telephone and a normal telephone, 04 emergency lamps, 04 internet equipment and 02 handheld detectors remained in the Minister's office had not been handed over and the actions taken relating to that shortages had not been included in that report.

- (iv) According to the Survey Report, it was observed that 07 excesses and 21 shortages had remained relating to the goods belonging to the various sections. It was not mentioned in the report that actions to be taken by identifying those shortages and excesses.

(d) **Unsettled Liabilities**

The unsettled liabilities of the Ministry remained less than one year amounted to Rs.1,364,452,605.

3.10 Non-compliance

Non-compliance with Laws, Rules and Regulations

Instances of non-compliance with the provisions in laws, rules and regulations observed during the course of audit test checks are analyzed below.

Reference to Laws, Rules and Regulations	Value	Non – compliance
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(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka	Rs.	

(i) Financial Regulation 94	1,326,255,391	Liabilities had been committed exceeding the savings after utilization of provisions made for 12 Objects.
(ii) Financial Regulation 104	418,329	Action in terms of the Financial Regulations had not been taken relating to the accidents caused to 06 vehicles.
(b) Public Finance Circulars		

(i) Circular No.353 (5) dated 01 January 2003	40,000,000	Action had not been taken to dispose 8 vehicles proposed to dispose as at 09 September 2014.
(ii) Circular No. 423 dated 22 December 2006	10,300,000	Action in terms of the Circular had not been taken relating to operations of the Revolving Fund established to grant loans for youths of the estate sector for employment projects assigned to the Ministry in the year 2010.

3.11 **Implementation of Projects through Domestic Financing**

Instances of projects abandoned without commencing and projects abandoned without completion and the delays in execution of projects revealed during the course of audit test checks are given below.

(a) **Projects Abandoned without Commencing**

The Ministry had not commenced the following projects.

Project	Estimated Cost	Due Date of Commencement	Reasons for not Commencing (Briefly)
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Water supply to Kotagala Daytron Section	200,000	-	File had not been furnished to audit.
Development of Rosita Scheme Road	4,787,000	-	File had not been furnished to audit.
Development of Kotagala Lockheel Kovil Road	4,787,000	-	File had not been furnished to audit.
Concreting Gamunupura Main Road	1,150,000	04.09.2013	Reasons had not been shown.

(b) **Projects Abandoned without Completion**

Even though an advance amounting to Rs.175,796 had been granted by the Ministry to a road concreting project valued at Rs.1,102,940 commenced on 18 February 2014, the project had been cancelled due to non – executing of the activities of the project and this amount had not been recovered.

(c) Delays in the Execution of Projects

Delays in the execution of the following projects by the Ministry were observed.

Project	Estimated Cost	Due to Date of Commencement	Due date of Completion	Date of Completion	Expenditure as at 31 December 2014	Reason for Delay
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	Rs.				Rs.	
Water Supply to Salasumagama Village	2,640,223	14.12.2012	14.03.2013	18.03.2014	2,640,223	Reason had not been shown.
Construction of Corangumale Road	1,341,754	31.12.2012	15.03.2013	31.12.2013	1,332,084	Heavy Rain
Construction of Endarugolla Bridge	1,626,670	23.07.2012	30.10.2012	27.05.2014	1,696,807	Reasons had not been shown
Concreting Illukthennawatta Lower Section	557,151	11.03.2013	11.05.2013	16.02.2014	560,624	Delay of granting Imprest
Ratmalana Hindu College – Construction of the Building	12,947,837	23.08.2011	23.08.2012	27.03.2014	14,194,169	Inaccurate Estimation

(d) Project work Commenced after Delays

Even though the under mentioned projects should have been commenced in the preceding year, those projects had been commenced in the year under review after a period of delay.

Project	Implementing Institution	Cost of the Project	Due Date of Commencement	Period of Delay
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Repairs of Trilcoultry Community Strengthening Centre	Human Development Plantation Trust	278,712	12.07.2013	192 days
Supply of Sanitation Facility to a Section of the Watagoda Estate	-do -	566,115	26.06.2013	205 days

(e) **Non – utilization of Provision of Projects**

According to the Performance Report of the Rural Community Development Section, the provisions of Rs.28,956,377 had been made to implement 31 various sub - projects under Rural Community Development through Local Authorities and Human Development Plantation Trust. However, no provision whatsoever had been utilized by the Ministry for these projects in the year under review.

3.12 Performance

The observations on the progress of the Ministry according to the Annual Budget Estimates and Action Plan for the year 2014 are given below.

(a) **Rural Community Development Project**

Five hundred and fourteen Rural Community Development Projects for 10 activities had been approved in the year under review. According to the Annual Action Plan a sum of Rs.360 million had been estimated to execute those projects and a sum of Rs. 706 million had been approved. A sum of Rs.527 million had been utilized by the end of the year under review. Out of 514 approved projects 381 projects had been completed and other 133 projects had remained without being completed. The following observations are made in this connection.

- (i) A sum of Rs.3.8 million had also been incurred in addition to the Rs.1.8 million allocated for execution, supervision and evaluation of physical and financial performance of each activity according to the time frame of the Action Plan and 381 projects out of 514 projects implemented in the year 2014 including the continuous projects had only been completed.
- (ii) According to the Performance Report of the year 2013 no records whatsoever had been made relating to the continuous work for the period from the year 2009 to 2013.
- (iii) Even though a sum of Rs.5 million had been allocated for special projects included in the action plan prepared, the activities performed under that had not been shown in the performance report.

- (iv) The work of the project for Repairs and Refurbishment of Trilcoultry Community Strengthening Centre had been commenced only after a delay of 192 days from the payment of advances and as such the advance paid amounting to Rs.55,309, had remained idle in the agency institution. Similarly, according to the agreement, 2.5 per cent of the contract amount should be retained and the retention money should be released after completion of 06 months of the contract with ensuring whether the contract have been properly completed. But without ensuring that, the entire amount had been released after 55 days of the completion of the contract.
- (v) The particulars were not revealed that a valid agreement had been entered with the contractor of the project for constructions of Rain Water Drainage System near the parapet wall of the Ramboda Cultural Centre and as such it could not be identified the date of commencement of the contract, the date to be completed, contract value and the conditions of the contract. As several differences were observed between estimated rates and payment report rates it was revealed an overpayment of Rs.366,540.
- (vi) A sum of Rs.289,683 had been paid as advances for constructions of Maskeliya Crematorium Building and Access Road on 16 September 2014, and after that no particulars on progress of the work had been included in the file. The work had not been completed as at 30 May 2015, the date of audit and according to the file, the agreement period also had not been extended and as such a sum of Rs.91,224 should have been recoverable for 36 weeks as liquidated damages as at that date.
- (vii) Even though the agreement period of the project for constructions of 15 lavatory units in Watagoda Estate had been 90 days up to 26 September 2013, no information was revealed on the completion of this activity according to the file. Even though the completion date of this work had

been extended up to 30 June 2014, the advance of Rs.113,208 granted thereon had remained idle for 61 days in the Human Development Plantation Trust. As the work of this project had been delayed for a long period, the of Rs.33,966 paid to Human Development Plantation Trust for operations and supervision was questionable an issue in audit whether it had been an effective payment.

(b) **Livestock Development Section**

A sum of Rs.1,441.20 million had been allocated from the original estimate for this section in the year under review and an action plan had been prepared accordingly. The performance report of the Livestock Development Section had not been furnished to audit in accordance with that action plan and as such the progress of those projects could not be examined.

Eventhough this section had received a sum of Rs.3,478 million under the revised estimate, the utilization of the money according to the same had not changed in the Action Plan.

(c) **Small and Medium Scale Poultry Farm Development Project**

The following observations are made at the audit test check carried out in respect of Small and Medium Scale Poultry Farm Development Project.

- (i) A sum of Rs.20 million received under this project had been distributed to Directors of the Department of Animal Production and Health but follow up action relating to that project had not been carried out.
- (ii) Even though it was decided the price of a chick as Rs.400, it had been paid at the rate of Rs.497 per chick to obtain 2770 chicks for the Director of North Central Province. Accordingly a sum of Rs.268,690 had been overpaid to purchase 2,770 chicks.

- (iii) A sum of Rs.1,055,770 had been released by the Ministry from this project to Mahaweli Animal Production Company to obtain animal food due to adequate funds was not made available with the company to supply food to the live animals as a result of keeping meat stocks for market requirement by the company.

(d) Planning

Action not taken in accordance with the Annual Action Plan

The number of sub projects expected to be carried out under each project group of the Rural Community Development and Livestock Development Section and other details had not been shown in the action plan for the year 2014 and the action plans had not been revised according to the revised estimates as a result the progress relating to the projects included in the plan could not be reconciled and examined with the records.

3.13 Transactions of Contentious Nature

Certain transactions entered into by the Ministry had been of contentious nature. Particulars of several such instances observed during the course of test checks are given below.

- (a) As two Land Rover Jeeps utilized for transporting Special Task Force soldier groups for the security purposes of the Minister are in decaying position a request had been made to Secretary to the Ministry of Finance and Planning to purchase 02 new jeeps. Despite the approval of the Director of the Department of National Budget had been received to remove two decaying vehicles and to purchase two new jeeps, a sum of Rs.2,652,292 had been spent for above two decaying Jeeps in the year under review.
- (b) An approval had been received by the letter of the Director General of National Budget No.BD/EE/140/08/2013 dated 23 August 2013 to purchase two Land Rover Defender vehicles for the security purposes of the Minister. Accordingly two Land Crusher Prado vehicles valued at Rs.45,600,000 had been purchased on the approval of the Procurement Committee dated 13 September 2013. Instead of

proposed vehicles to be utilized for security purposes, another vehicles had been purchased. As such action had been taken again to purchase 02 Land Rover Defender vehicles by spending Rs.9,046,741 in the year 2014 on the approval received by the letter of the Director of the National Budget No.BD/NS/190/03/01 dated 14 August 2014. The expected objective to purchase vehicles had not been fulfilled as one vehicle only had been received by the end of the year under review out of these two vehicles.

3.14 Losses and Damage

Even though a vehicle valued at Rs.3,625,000 met with an accident in the year 2010 had been handed over to a garage for repairs on 11 November 2010, it had not been repaired and obtained by the Ministry even by 11 May 2015.

3.15 Uneconomic Transactions

The particulars of transactions entered into devoid of economy revealed during the course of test checks are given below.

- (a) Even though in terms of paragraph 3.1 of the Circular No. CA/1/17/1 of Presidential Secretariat dated 14 May 2010 the maximum number of vehicles allocated for the use and security purposes of the Honourable Ministers, and Deputy Ministers amounted to 3, nineteen vehicles had been allocated as 14 vehicles to Honourable Minister of Ministry of Livestock and Rural Community Development and 05 vehicles to Honourable Deputy Minister.
- (b) A vehicle belonging to Presidential Security Division which had been run for 38,420 kilometers had been given to the Ministry on 29 August 2014 while a sum of Rs.446,827 had been incurred to repair the Turbo Charger after 02 days from the taking over of the vehicle by the Ministry.
- (c) A vehicle obtained under leasing facility had been assigned to Legal Consultant of the Ministry in the year 2006 while this vehicle had not been handed over to the Ministry after termination of his service in the year 2006 and as such the payment

of leasing installments had been stopped by the Ministry from the year 2008. Further, payment of installments had been commenced again from the year 2012 and a sum of Rs.7,432,095 had been paid as lease installments and a sum of Rs.3,932,095 had been overpaid even though the assessment value of the vehicle was Rs.3,500,000.

No service could have been obtained by the Ministry from this vehicle for 06 years, as this vehicle had been retained with an external party for about 05 years and with the leasing company for about 01 year and no any recovery had been obtained from the relevant parties during the period which depriving the service.

3.16 Management Weaknesses

The following observations are made.

- (a) The Cabinet of Ministers had decided to deposit Rs.1 million in a state bank for creating a Revolving Fund to give loans to youths in estate sector as an objective of providing self-employment opportunities under the Job Training Programme for Youths. The following observations are made in this connection.
 - (i) A sum of Rs. 300,000 had been deposited during the year 2014 in the bank exceeding the approved amount.
 - (ii) According to the agreement entered into between two parties the actions to be taken against the defaulters of the loan payments had not been mentioned. According to the Statement of Accounts of Bank of Ceylon dated 12 September 2013, a sum of Rs.3,845,061 recoverable from defaulters of the loans had been deducted by the bank from the deposits in the bank. List of the loan beneficiaries and the particulars of the outstanding loans and persons were not made available in the Ministry to check those payments.

- (iii) Even though various discussions had been conducted with the bank in which the sum deposited and another state bank to re-activate the agreement which not in operation after the year 2011 and to achieve the objective of this fund, the Ministry had failed to enter into a Memorandum of Understanding even by 15 June 2015.
- (iv) No benefit whatsoever had been obtained from this Fund from the year 2011 except receiving interest of 02 per cent from the bank and no future arrangement had been implemented to utilize this fund. It was not established in audit that the youths of the estates had been made aware of payment of loans through this fund from the year 2010 to 2014.
- (b) In terms of paragraph 3.2 of the Presidential Secretariat Circular No.CA/1/17/1 dated 14 May 2010 it should be informed immediately to the Secretary to the Ministry of Finance and Planning relating to the vehicles allocated in excess to the Honourable Minister and Deputy Minister so as to utilize them for the requirements of the Ministry or other institutions. Nevertheless the Ministry had not taken action accordingly.
- (c) Eleven vehicles given by the Presidential Secretariat to the Ministry of Youth Empowerment and Social Economic Development had been handed over to the Ministry of Livestock and Rural Community Development in the year 2010. However, Revenue Licences and Insurance for those vehicles had not been obtained.
- (d) Even though lease installments had been paid and finalized by July 2014 for four vehicles obtained on lease, the Registration certificates of those vehicles and the documents relating to the ownership had not been obtained by the Ministry from relevant company.
- (e) The Mahaweli Livestock Company Limited established in 1989 had been attached to the Ministry of Livestock and Rural Community Development from the year

2010, but the Ministry had not carried out an evaluation relating to the details and the position of the financial and physical resources owned by the company at that time. Further, an adverse opinion was expressed on the financial statements for the year 2005/2006 and after that the financial statements had not been audited by an independent auditor. It was observed according to the Report of the Annual General Meeting held on 20 February 2014 that a large administration and financial irregularities were occurred and the Ministry had failed to improve the financial position and the physical activities of this company operated under the Ministry from the year 2010.

3.17 Human Resources Management **Approved Cadre and Actual Cadre**

The position of the cadre as at 31 December 2014 had been as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
(i) Senior Level	27	21	06
(ii) Tertiary Level	05	04	01
(iii) Secondary Level	84	71	13
(iv) Primary Level	74	63	11
(v) Others (Casual/ Temporary/ Contract Basis)	06	05	01
Total	196	164	32

The Ministry had failed to fill 32 vacancies by the end of the year under review.

4. Head 292 – Department of Animal Production and Health

4.1 Appropriation Account

Budgetary Variance

Excess provisions had been made for 02 Capital Objects and as such the savings after the utilization of provisions ranged between 45 per cent to 60 per cent of the net provisions relating to the respective Objects.

4.2 General Deposit Account

Action in terms of Financial Regulation 571 had not been taken on 88 deposits older than 2 years totalling Rs.6,774,770.

4.3 Reconciliation Statement of the Advances to Public Officers Account

According to the Reconciliation Statement of the Advances to Public Officers Account Item No. 29201 as at 31 December 2014, the follow-up action on the recovery of the balance of Rs.23,265 remained outstanding since 17 years from an officer who vacated the post had been at a weak level.

4.4 Good Governance and Accountability

Audit and Management Committee

Even though the meetings of the Audit and Management Committee should be conducted at least once in quarter in terms of the Management Audit Circular No. DMA/2009/(1) dated 09 June 2009, three meetings only had been held in the year under review.

4.5 Assets Management

The following deficiencies were observed at the audit test check carried out relating to the assets of the Department.

(a) Idle and Under-utilized Assets

Action had not been taken to dispose a motor bicycle remained idle from the year 2004.

(b) Irregular use of Assets belonging to Other Institutions

Nineteen land blocks belonging to external parties had been utilized by the Department without a proper approval.

4.6 Non- compliances**Non – compliance with Laws, Rules, Regulations etc.**

Reference to Laws, Rules and Regulations	Non – compliance
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(a) <u>Public Administration Circulars</u>	

(i) Circular No.19/89 dated 23 March 1989	Even though the overtime allowances should not be approved for a period more than one month at a time, over time allowances had been approved at once for the period from January to December 2014 for 163 employees.
(ii) Paragraph 4.8 of the Circular No. 29/98 dated 30 December 1998.	The officers who obtain incentive allowances on Language Proficiency should be done translations without obtaining allowances. Nevertheless, a sum of Rs.77,277 had been paid in the year 2013 for translations to an officer who obtained incentive allowance.

4.7 Implementation of Projects under Domestic Financing

The following deficiencies were observed at the audit test check carried out relating to the projects implemented under domestic financing.

(a) Delays in Execution of Projects

The delays in execution of following projects by the scheduled date were observed.

Project	Estimated Cost	Date of Commencement	Due Date of Completion	Expenditure as at 31 December 2014
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	Rs.			Rs.
Research Project for Improvement of Animal Production and Health	32,000,000	01.01.2014	31.12.2014	15,470,000
Establishment of a Milk Technological Laboratory in the Livestock Research Institute	15,000,000	01.01.2014	31.12.2014	7,560,000
Programme for Control of Breast Inflammatory Diseases	15,000,000	01.01.2014	31.12.2014	2,510,000
Expansion and Renovation of Animal Quarantine Units	14,000,000	01.01.2014	31.12.2014	2,080,000
Supplying Facilities for Exporting Chicken and Eggs through Management of Poultry Health	18,000,000	01.01.2014	31.12.2014	10,400,000

(b) Unsuccessful Projects

A Water Treatment Unit had been established by the Department to fulfill water requirements in Sippukulam Animal Farming Training Centre by incurring a sum of Rs.1,870,400 in the years 2012 and 2013. As the water requirement could not be fulfilled from that water treatment centre as expected action had been taken to obtain drinking water by spending Rs.15,000 per month from March 2015, and a sum of Rs.29,000 had been spent thereon in the month of March and April 2015. Further, the drinking water requirement could not be fulfilled from that Water Treatment Unit established even by 10 June 2015.

4.8 Human Resources Management

Approved Cadre and Actual Cadre

The position of the cadre as at 31 December 2014 had been as follows.

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
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(i)	Senior Level	169	134	35
(ii)	Tertiary Level	11	10	01
(iii)	Secondary Level	346	260	86
(iv)	Primary Level	351	297	54
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	Total	877	701	176
		=====	=====	=====