

## **Head 289 – Department of Export Agriculture**

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### **1. Financial Statements**

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#### **1.1 Qualified Opinion**

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The audit of the financial statements of the Department of Export Agriculture for the year ended 31 December 2018 comprising the statement of financial position as at 31 December 2018 and the statement of financial performance and cash flow statement for the year then ended, was carried out under my direction in pursuance of provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act, No. 19 of 2018. The summary report including my comments and observations on the financial statements of the Department of Export Agriculture was issued to the Accounting officer on 31 May 2019 in terms of Section 11 (1) of the National Audit Act No. 19 of 2018. As per Section 11 (2) of the Audit Act, the Detailed Annual Management Audit Report related to the Department for Registration of Persons was issued to the Accounting Officer on 28 May 2019. This report will be tabled in Parliament in pursuance of Provisions in Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka to be read in conjunction with Section 10 of the National Audit Act, No. 19 of 2018.

In my opinion, except for the effects of the matters described in paragraph 1.6 of this report, the accompanying financial statements give a true and fair view of the financial position of the Department of Export Agriculture as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

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

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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 qualified opinion.

#### **1.3 Responsibilities of Chief Accounting Officer and Accounting Officer for the Financial Statements**

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Accounting Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and provisions in Section 38 of the National Audit Act, No.19 of 2018 and for such internal control as Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

As per Section 38 (1) (c) of the National Audit Act, the Accounting Officer shall ensure that effective internal control system for the financial control of the Department exists and carry out periodic reviews to monitor the effectiveness of such systems and accordingly make any alterations as required for such systems to be effectively carried out.

#### **1.4 Auditor's Responsibility for the Audit of the Financial Statements**

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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 the summary report of the Auditor General 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 Department's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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. I communicate with the Accounting Officer regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

## 1.5. Report on Other Legal Requirements

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I express the following matters in accordance with Section 6 (d) and Section 38 of National Audit Act, No. 19 of 2018.

Since there was no requirement for the Department of Export Agriculture to prepare financial statements for the preceding year, recommendations on the financial statements had not been made.

## 1.6 Comments on the Financial Statements

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### 1.6.1 Noncompliance of Financial Statements to Provisions of Circulars

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<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of the Accounting Officer</b>
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In terms of Paragraph 7 (vi) of the State Accounts Circular No. 267/2018 of 21 November 2018, an imprest adjustment account had not been accurately prepared for the balance of Rs. 104,719,508 as per statement of financial performance.	Action should be taken to prepare an imprest account accurately.	An imprest adjustment account had been prepared in terms of Paragraph 7 (iv) of State Accounts Circular No. 267/2018 after it had been pointed out by the Audit and it has been submitted to audit.

### 1.6.2 Accounting Deficiencies

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#### (a) Statement of Financial Position

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<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of the Accounting Officer</b>
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(i) Even though fixed assets amounting to Rs. 281,472,925 had been started in the statement of financial Position, a fixed assets report had not been presented to audit.	A fixed assets report should be submitted to the audit at the end of the year.	The Department of State Accounts had deleted data due to defects occurred in the execution of the CIGAS Programme in the year 2018 and action is being taken to submit that register to audit in the

future.

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| (ii)  | The balance as at 01 January 2018 was Rs.37,360,122 as per printed copies of the General Treasury and the balance in the statement of non-financial assets had been Rs. 2,596,211,542 and a difference of Rs. 222,261,420 was observed.      | Accounts should be accurately prepared after reconciling with printed copies of the Treasury. | Since Report on assets (BOS Report) brought to accounts as opening balances had been cancelled due to not balancing, the reports have also been included in the computer programme.                               |
| (iii) | Even though the value of purchases in the statement of non-financial assets during the year under review had been Rs.21,851,383, a balance of Rs. 14,165,029 had been stated as purchases as per the printed copies of the general treasury. | -Do-  | A total of Rs. 21,851,483 had been stated as purchases of the year comprised of Rs.13,248,754, which is the expenditure incurred by the Department and Rs. 8,602,729 as the expenditure of the other Departments. |

**(b) Statement of Financial Performance**

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The following observations are made.

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of the Accounting Officer</b>
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(i) Even though the value of receipts from deposits was Rs. 36,899,162 as per statement of financial performance, the balance was Rs. 37,725,353 as per printed copies of the general treasury. Therefore, a difference of Rs. 826,191 was observed.	The total value of deposits received from cash and from cross entries should be included in the statements of financial performance.	The amount received in cash under deposit account was Rs. 36,899,162 and receipts from cross entries was Rs. 826,191. The total of those two values is indicated as the total indicated in the printed copies of the General Treasury.
(ii) Even though advance receipts had been indicated as Rs. 587,455 in the statements of financial performance, the balance according to the printed copy of the General Treasury was Rs. 31,555,342 and as a result, a difference of Rs. 30,967,887 was observed.	The total value of deposits received from cash and from cross entries should be included in the statements of financial performance.	Receipts in cash had been stated in the statement of financial performance. The total of cross entry receipts and receipts in cash amounting to Rs. 31,555,343 had been credited to the advance account.

(iii)	Even though other receipts had been indicated as Rs.79,643,440 in the statements of financial performance, the net income according to the printed copy of the General Treasury was Rs. 113,074,077 and as a result, a difference of Rs. 33,430,637 was observed.	-Do-	The arrangement of total receipts of Rs. 1,086,631,057 related to imprest account in the statement of financial performance had been stated separately. Please consider that there is no difference in accordance with monthly account summaries.
(iv)	A difference of Rs. 31,599 had prevailed between the opening balance of the financial statement report for the year under review and the opening balance of the deposit registers.	The difference of Rs. 31,599 had been settled and particulars regarding that should be presented to audit.	A net difference of Rs.11,601 had been identified between deposit documents and action had been taken to settle it.

**1.6.3 Reconciliation Statement on Public Officers' Advance Account**

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The following observations are made.

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of the Accounting Officer</b>
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(a) Action had not been taken to settle the loan amounting to Rs. 429,818 to be recovered from the year 2013 from 11 officers deceased, retired and vacated post even by May 2019.	Necessary action should be taken to settle the loan balances.	Action had been taken to settle loan balances of 04 officers retired amounting to Rs. 597,519 by May 2019. Arrangements are being taken to recover the remaining loan balance of Rs. 245,330 in the future.
The property loan balance of Rs.232,965 to be charged from an officer vacated the post in the year 2001 had not been settled as the Divisional Secretary had informed that it was not possible to implement a writ of execution on the instructions of the Attorney General.	Action should be taken to recover the loan balances of Rs. 232,965 in the future.	The Divisional Secretary had informed that the writ of execution cannot be implemented according to the instructions of the Attorney General and action is being taken in relation to writing off loan amounts in terms of FR 109.

#### 1.6.4 Non- maintenance of Registers and Books

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It was observed at the audit test checks that the Department of Export Agriculture had not maintained certain documents mentioned below and certain registers had not been maintained in systematic and updated manner.

Audit Observation	Recommendation	Comments of the Accounting Officer
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<p>(a) Security Register</p> <p>-----</p> <p>In terms of FR 891 (1), a security register containing information of all officers and employees required to give security had not been updated and maintained.</p>	<p>A security register containing information of all officers and employees required to give security should be maintained in terms of FR 891 (1).</p>	<p>It had been stated that security register is being prepared.</p>
<p>(b) Inventory of Electrical apparatus</p> <p>-----</p> <p>An inventory on electrical apparatus had not been maintained in terms of FR 454 (2).</p>	<p>An inventory on all the electrical appliances and electrical equipment in government buildings should be maintained in terms of FR 454 (2).</p>	<p>Comments were not made.</p>
<p>(c) Register for Listing of Vehicles</p> <p>-----</p> <p>The register for listing of vehicle had not been updated and maintained.</p>	<p>A register for listing of vehicle should be maintained in terms of FR 1647 (e).</p>	<p>A register for listing of vehicle has been prepared.</p>
<p>(d) Attendance Register of the Procurement Committee and the Technical Evaluation Committee</p> <p>-----</p> <p>In terms of Guideline 2.11.2 of the Government Procurement Guidelines, The Secretary of the Committee had not maintained an attendance register.</p>	<p>The Secretary of the Committee should maintain an attendance register.</p>	<p>It has been informed that action is being taken to maintain an attendance register of the Technical Evaluation Committee from</p>

the year 2019.

**1.6.5 Responsibilities of Accounting Officer**  
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Even though the Accounting Officer is responsible for the following matters as per Provisions stipulated in Section 38 of the National Audit Act, No. 19 of 2018, action had not been taken accordingly.

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of the Accounting Officer</b>
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Even though the Accounting Officer should ensure that an effective internal control system for the financial control exists in each such entity and carry out periodic reviews to monitor the effectiveness of such systems and accordingly make any alterations as required for such systems to be effectively carried out and the review to be carried out by a Chief Accounting Officer shall be in writing and copies of the same shall be made available to the Auditor-General, declarations that such reviews had been done were not presented to audit.	Action should be taken in terms of Section 38 of the Audit Act, No. 19 of 2018.	Comments were not made.

**1.6.6 Non-compliance to Laws, Rules and Regulations**  
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Instances of non-compliance to laws, rules and regulations observed at the audit test checks are mentioned below.

<b>Observation</b>	<b>Reference to Laws, Rules and Regulations</b>	<b>Value</b>	<b>Non-Compliance</b>	<b>Recommendation</b>	<b>Comments of the Accounting Officer</b>
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(a) The Establishments Code of the Democratic Socialist Republic of Sri Lanka	(i) Sub Section 5.6 of Chapter xix	-	Even though the economic rent had	Action should be taken to get the	Action has been taken to obtain the approval

been taken as the approval of the of the Secretary of the basis in relation to Secretary of the Ministry. 33 official quarters, Ministry. the approval of the Secretary of the Ministry had not been obtained for that.

(ii) Sub Section -  
6.1.1 of Chapter  
xix

Even though the Action should be Since there are officers period of rent for taken in terms of the with specialized all the government Provisions of the knowledge in each houses is 05 years, Establishments field, the officers have it was observed that Code. been residing close to officers in 08 official quarters of the Department Extension Officers have been have been staying in those houses for relevant Divisions, 06 years to 18 official quarters have been provided to them. years. Some officers have been residing in the same quarters for a longer period of time as there are vacancies in certain posts.

(b) FR 570 of the  
Financial  
Regulations of the  
Democratic  
Socialist Republic  
of Sri Lanka

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- Lists of all deposits Action should be Action is being taken to which have lapsed taken to prepare present a reconciliation as indicated in F.R. lists. statement expeditiously 570 had not been prepared at the close of each half year. of the balances of the deposit account.



(c) Paragraph 3.1 of - Public Administration Circular No. 30/2016 of 29 December 2016.	The fuel burning in relation to 44 vehicles out of 95 vehicles owned by the Department had not been tested.	The fuel burning should be tested as per the Circular.	The fuel burning of 51 vehicles should be tested.
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**2. Financial Review**

**2.1 Management of Imprest**

The following observations are made.

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of Accounting Officer</b>
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Imprest provisions for expenditure of the other Departments had been revised in non-realistic manner as 361 per cent.	Even though imprest limits are revised in quarterly basis, action should not be taken to revise imprest limits in non-realistic manner.	Provisions have to be released for construction activities that should be accomplished from the other Departments during the year. Therefore, imprest limits have to be revised in quarterly basis.

**2.2 Management of Expenditure**

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of Accounting Officer</b>
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An amount of Rs. 6,757,050 or 5 per cent to 76 per cent out of the net provisions totalling to Rs.536,390,000 allocated for 14 Objects had been saved without utilizing.	Action should be taken to obtain imprest by carrying out procurement activities at the beginning of the year.	These Provisions had been saved due to non-receiving of imprest in the final half of the year as planting materials for crops in the Maha Season are issued at the final half of the year.

### 2.3 Incurring of Liabilities and Commitments

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<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of Accounting Officer</b>
<p>-----</p> <p>The Department had incurred liabilities by exceeding Provisions totalling Rs. 24,216,161 pertaining to 05 capital Objects in contrary to Provisions specified in FR 94 (2)</p>	<p>-----</p> <p>Action should be taken not to incur liabilities by exceeding provisions and action should be taken as much as possible to</p>	<p>-----</p> <p>It had to incur liabilities by exceeding provisions as the Department had to undertake only urgent renovations and the Department had to settle payments amounting to Rs. 113 million due to the limitation of receiving imprest at the final half of the year 2017.</p>

### 2.4 Utilization of Provisions Provided by the other Ministries and Departments

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<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of Accounting Officer</b>
<p>-----</p> <p>Even though Provisions amounting to Rs. 15,670,339 had been provided for various projects, a sum of Rs. 2,479,498 had been returned without accomplishing functions duly.</p>	<p>-----</p> <p>Plans have to be prepared for the maximum utilization of provisions that are allocated.</p>	<p>-----</p> <p>These Provisions granted by the Ministry of Primary Industries were saved due to non-accomplishment of the relevant functions.</p>

### 2.5 Issuance and Settlement of Advances

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<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of the Accounting Officer</b>
<p>-----</p> <p>(a) Even though sub imprest should be settled within 10 days after the completion of the relevant function, 121 advance balances totalling to Rs. 3,724,059 had been settled subsequent to a delay of 10 days to 313 days.</p>	<p>-----</p> <p>Action should be taken to immediately settle sub imprests obtained.</p>	<p>-----</p> <p>These programmes are field programmes and advances had been provided for the relevant programmes on the non-availability of cash payment books in offices and</p>

these programmes were implemented within a wide range of time.

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|-----|--|--|---|
| (b) | The advance totalling to Rs. 381,695 provided in 15 occasions had been resettled fully after the advance amount for a period of 16 days to 133 days without utilizing it for any function.     | Action should be taken to issue advances subsequent to conducting prior evaluations in relation to the relevant purchases. | Advance had been issued to purchase seeds and advances had not been utilized as much time has to be spent for selecting seeds, cancellation of programmes and inability to obtain planting materials. |
| (c) | An amount of Rs. 671,747 or an amount of advance in the range of 40 per cent to 95 per cent out of the total advance of Rs. 1,163,430 provided to officers in 35 occasions had been resettled. | Action should be taken to prepare estimates accurately.  | Estimates could not be made accurately as it was an urgent requirement.   |

**2.6 Management Inefficiencies**  
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**Audit Observation**

**Recommendation**

**Comments of Accounting Officer**

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Even though every vehicle has to travel a minimum mileage of 3000 km per month in terms of Paragraph 03 of the Agreement for leasehold vehicles of 22 March 2017, 04 vehicles had not cover the distance of 3000 km in any month.

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Action should be taken to obtain an economy in the cost incurred by travelling the specified mileage by the vehicle in terms of the Agreement.

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Three (03) vehicles obtained on hiring basis were attached to 03 Divisions in which vehicles have to run a more distance and action is being taken to review the distance travelled by the vehicles in every 06 months in the future.

## 2.7 Deposit Balances

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Audit Observation	Recommendation	Comments of the Accounting Officer
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(a) Necessary adjustments had not been done for the Pension of Orphans from the amount of Rs.389,480 sent to the Department from the Public Service Provident Fund as contract employees had been confirmed in the service and the amount had been retained in the deposit register.	The required adjustments should be made to Widows and Orphans pension as contract employees had been confirmed in the service.	Adjustment should be done to the Widows and Orphans pension on the date of recruiting the employees to service on contract basis and time has to be spent for that purpose and until that date deposits cannot be settled.

## 3. Operational Review

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### 3.1 Planning

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The observations revealed in relation to planning the performance in terms of Public Finance Circular No.2014/01 of 17 February 2014 are mentioned below.

Audit Observation	Recommendation	Comments of Accounting Officer
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(a) Even though the Action Plan related to the year under review had to be revised timely, it had been revised on the basis of the progress as at 26 December 2018.	The Action plan has to be revised timely as per the activities of the institution.	Targets have been revised by taking in to consideration the progress up to 21 December 2108.
(b) Provisions amounting to Rs. 18,080,000 out of the provisions, Rs.500,000,000 allocated as capital expenditure, had been allocated for administrative expenditure and a sum of Rs. 19,680,000 out of the Provision had been incurred for non-capital operational expenditure during the year	Action should not be taken to incur operational expenditure under capital Objects.	Direct expenses which are not in the nature of capital expenditure incurred for the implementation of it has to be incurred even under the Capital Objects.

under review.

### 3.2 Non-Accomplishment of the Expected Level of Outcome

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The following observations are made.

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of Accounting Officer</b>
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(a) The physical progress of two activities of the Communication Media Project prevailed in the range of 33 per cent and 58 per cent had been in the zero level as at 31 December 2018.	Plans should be designed to utilize Provisions provided from the Budget up to its maximum level.	It is informed that action would be taken for early initiation of the prior procurement activities required for publicizing the television programmes in the future as scheduled.
Even though the Department had 10 central plant nurseries, the issue of plants was in such a low level of 8.41 per cent out of the total requirement of plants.	Action should be taken to use the central nurseries of the Department in maximum and efficient level.	Comments were not given.

### 3.3 Project Work Commenced after Delays

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<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of Accounting Officer</b>
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Delays in the range of 04 months to 10 months were occurred between the date scheduled and the date of actual commencement of 09 works.	Action should be taken to award contracts in compliance with the time range mentioned in the Procurement Guidelines.	It is accepted that delays were taken place for 01 work to 05 works and action has been taken to prepare the procurement plan for the year 2019 by avoiding the shortcoming of not preparing a specified schedule for works 06 to 09.

### 3.4 Procurements

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The following observations are made.

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of Accounting Officer</b>
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<b>Government Procurement Guidelines</b>		
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(a) Even though the procurement time schedules have to be reviewed for awarding the contract as planned in terms of Guidelines 2.5.1 (b), action had not been taken accordingly.	Action should be taken to review the procurement time schedule.	Action is being taken to review the procurement time schedule.
(b) In terms of the Procurement Guideline 4.2, a main procurement plan had not been prepared including the anticipated procurement activities in detail for a minimum of three years.	Action should be taken as per the Government Procurement Guidelines	A main procurement plan had not been prepared and action has been taken to prepare a plan in the future.
(c) Even though the procurement time schedule has to be prepared in I and 2 stages in order to chronologically describe each procurement activity in terms of the Procurement Guideline 4.2.2 (a), the period of 01 February 2018 to 12 December 2018 had been stated for all the activities.	Action should be taken to prepare the procurement time schedule as stages 1 and 2.	A detailed procurement time schedule has been prepared by avoiding these shortcomings in the year 2019.
(d) Details on contracts amounting to Rs.70,000,000 awarded had not been published in the Website.	Action should be taken to publish details of the contractor to whom the contract was awarded by the Department in the web-site of the Department.	Action is being taken to publish the information on the contract in the web-site in the future.

### 3.5 Management of Assets

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The following observations are made.

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of Accounting Officer</b>
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(a) Polythene bags valued at Rs. 528,589 provided to Middeniya Central plant nursery without making a request had been kept in stores for a period of 01 year to 04 years without using the polythene bags.	Action should be taken to purchase after the identification of the requirement.	Required instructions have been issued to the relevant officers to make arrangements to purchase polythene in the future after considering the balance of polythene.
(b) 07 Official quarters of the Department had been closed for 07 months to 04 years.	Assets of the Government should be fully utilized.	All were instructed not to keep the official quarters underutilized in the future.
(c) Thirty seven (37) land parcels in extent of 203.29 hectares owned by the Government and the private sector have been utilizing and action has not been taken to transfer the possession of the lands.	Action should be taken to expedite the process of transfer.	Action is being taken in coordination with each institution to systematically transfer 37 land parcels used by the Department.
(d) Action had not been taken to transfer the ownership of 34 vehicles of various public institutions, in favour of the Department.	Action should be taken to transfer the possession of the vehicles in favour of the Department	It has been informed that action would be taken to transfer the possession of the vehicles in the future.

### 3.6 Giving Security by Public Officers

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<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of Accounting Officer</b>
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(a) Sixty one (61)	Action should be taken to obtain	Necessary action should be made to

officers, who should give security had not given securities.

securities from officers who should give securities in terms of Public Officers' Security Ordinance and Financial Regulations.

refer Form General 235 to the Ministry for getting the relevant approval related to giving securities by the officers subsequent to identifying the officers who have not yet given securities.

**4. Accomplishment of Sustainable Developmental Goals**  
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**Audit Observation**  
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**Recommendation**  
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**Comments of Accounting Officer**  
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The Department had not taken action to identify sustainable developmental goals, targets and milestones to accomplish those targets and indexes to measure the accomplishment of the targets related to its functions as the Department had not been informed of the Agenda 2030 on the sustainable development adopted by The United Nations.

Action should be taken to identify the sustainable development and targets.

The Action Programme for the year 2019 had been prepared as per the targets for accomplishing the Sustainable Developmental Goals and it had been submitted to the Ministry and the approval had been granted for the Action Programme.

**5. Good Governance**  
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**5.1 Internal audit**  
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**Audit Observation**  
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**Recommendation**  
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**Comments of Accounting Officer**  
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Attention had not been focused on research activities and procurement activities in the preparation of the audit plan and 440 man days or 44 per cent of the overall scheduled time had been allocated for the routine functions and 108 man days or 11 per cent had been allocated for the capital projects. The audit plan had been revised at the end of

Audit should be planned to cover all the fields.

The attention had been paid to the matter that participation in audit committees and accepting letters and documents pertaining to audit is related to audit activities and the audit Division functions in 17 district offices and 03 research centres as routine work. It has been planned to conduct internal audit activities during the year 2019 by



the year based on the functions carried out within the year.

focusing attention on the performance of the year 2018.

**6. Human Resources Management**  
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The following observations are made.

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of Accounting Officer</b>
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(a) Though a systematic evaluation has to be conducted on the process required for the accomplishment of the planned targets, objectives, mission and vision and the staff required for conducting the process optimally has to be identified, such an identification had not been made.	Action had not been taken in compliance with Paragraph 05 of the Management Services Circular of the Secretary of the General Treasury bearing No. 01/2017 of 11 January 2017.	Comments were not made.
(b) Action had not been taken even by May 2019 to recover the penalty of Rs. 2,651,500 to be recovered from a Research and Development Assistant Officer who had vacated the post after obtaining salaried overseas study leave without completing the compulsory period of service.		The Director General had been inquired again to grant opportunity to recover the penalty in instalment system even by increasing the instalment amount.
(c) Any training had been provided to 480 officers related to 13 posts during the year under review.	Attention should be focused to develop the capacity.	It has been mentioned to provide training opportunities to train the officers in the year 2019.
(d) Fifty (50) vacancies existed as at 31 December 2018 for 06 Posts in 11	Action should be taken to fill	Interviews have already been conducted to recruit

plant nurseries.

vacancies.

for 19 Posts and action is being taken to fill the other vacancies.