

Head 322 Department of National Botanical Gardens

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Department of National Botanical Gardens for the year ended 31 December 2020 comprising the statement of financial position as at 31 December 2020 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 summery report containing my comments and observations on the financial statements of the Department of National Botanical Gardens was issued to the Accounting Officer on 21 May 2021 in terms of Section 11(1) of the National Audit Act, No.19 of 2018. The Annual Detailed Management Audit Report relevant to the Department was issued to the Accounting Officer on 21 May 2021 in terms of Section 11(2) of the National Audit Act, No.19 of 2018. This report will be tabled in Parliament in pursuance of provisions in Article 154(6) of the Constitution 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 financial statements give a true and fair view of the financial position of the Department of National Botanical Gardens as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Qualified Opinion

My opinion is qualified based on the matters described in paragraph 1.6 of this report. I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibility for the financial statements is further described in the Auditor's Responsibilities Section. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Responsibilities of the Chief Accounting Officer and the Accounting Officer for the Financial Statements.

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

As per 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 the preparation of annual and periodic financial statements.

In terms of Sub-section 38(1)(c) of the National Audit Act, the Accounting Officer shall ensure that an effective internal control system for the financial control exists in the Department 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 Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's summary report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate and its materiality depends on the influence on economic decisions taken by users on the basis of these financial statements.

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

- Appropriate audit procedures were designed and performed to identify and assess the risk of material misstatement in financial statements whether due to fraud or errors in providing a basis for the expressed audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- An understanding of internal control relevant to the audit was obtained in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.
- Evaluate the structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Evaluate the overall presentation, structure and content of the financial statements including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accounting Officer regarding, among other matters significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

1.5. Report on Other Legal Requirements

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

- (a) The financial statements are consistent with the preceding year.
- (b) The recommendations made by me on the financial statements of the preceding year had been implemented.

1.6 Comments on Financial Statements

1.6.1 Statement of Financial Position

Audit Observation -----	Comment of the Accounting Officer -----	Recommendation -----
(a) According to the treasury printouts balance of computer software was Rs. 255,459 during the year under review and that balance had not been recognized in the Statement of Non-Financial Assets in the Form ACA-06.	The department has removed from the accounts but the CIGAS program has erroneously accounted and will make the necessary adjustments in this regard and inform to the audit.	Assets should be accurately recognized and brought to accounts.
(b) The balance of Non-Financial Assets for the year under review there was a difference of Rs.32,260,312 between ACA-06 Statement of Non-Financial Assets and the SA 82 treasury printouts.	Due to a technical error in uploading data to the new CIGAS website, this change is shown in the asset account and the balance as per the departmental books is correct and action will be taken correct the data entered into the CIGAS website accordingly.	Maintaining accurate accounts compared with treasury books.

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| <p>(c) Acquisitions of capital assets during the financial year under review amounted to Rs. 37,913,538. This includes amounts of Rs.30,526,815 machinery maintenance expenses, raw material purchases, contract salaries, overtime and travel allowances, electricity, water and telephone bills and security and sanitary expenses. That value was deducted from the ACA-06 Non-Financial Assets Statement as a disposal. That value expressed under disposal has not accounted for as recurrent expenditure in the financial statements.</p> | <p>Recurrent expenditures as indicate by the audit are the expenditure incurred in the land improvement work of the sub-projects in Mirijjawila, Gampaha and Avissawella parks. It improves the gardens but the value of the land and buildings are accounted by the assessed value provided by the valuation department. In the CIGAS program, these transactions are recorded in the assets account as land purchases and are referred to as disposal for correction.</p> | <p>Expenses should be accurately identified and brought to account.</p> |
| <p>(d) During the sample test of fixed assets in gardens, there were 881 unaccounted fixed assets items for the year ended 31 December 2020</p> | <p>The matters pointed out by the audit are accepted and arrangements are also being made to assess the assets before 30 June 2021.</p> | <p>Assets should be accurately identified and brought to account.</p> |
| <p>(e) The assets of the National Botanic Gardens Department were Rs. 779,371,034 which had been identified under the Botanic Gardens Trust Fund since 2010 as assets of the Botanic Gardens Trust Fund. From those assets total assets of Rs.515,856,117 were not included in the CIGAS program for reasons such as; failure to include building repairs and land development in the CIGAS program, unavailability of a category to include library books and some assets need to checked duplicating or other errors.</p> | <p>Inability to include existing building repairs and land development work in the CIGAS program as an increase in the value of existing assets, due to the unavailability of a category to include library books, those values could not be included in the CIGAS program, Whether the assets have been duplicating or other errors have been checked with the information of the Botanic Gardens Trust Fund and verified to be accurate, Those assets should be checked one by one with the assets currently included in the CIGAS program and after verifying should be inserted. It is a bit time consuming and the evaluation are currently being carried out.</p> | <p>-Do-</p> |

1.6.2 Cash Flow Statement

The following observations are made.

Audit Observation	Comment of the Accounting Officer	Recommendation
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(a) Although subsidies and transfers for the year under review were Rs.65,370,503 and the Department had entered its as Rs. 81,166,169 in the cash flow statement therefore the cash flows spend on operating activities had been overstated by Rs. 15,795,666.	The cash flow generated from the operational activities has been accurately stated and the personal salary and operating expenses are Rs. 489,215,172 and subsidies and transfers of Rs. 1,919,635, corrected in the cash flow statement and submitted with this.	Operating activities should be accurately identified and brought to account.
(b) Although salary and wages were Rs. 516,119,020 for the year under review, due to the department had been identified salary and wages amounting to Rs. 409,968,638 cash flows spend for operating activities had been understated by Rs. 106,150,382.	As per the audit, in the cash flow statement, personal salaries and operating expenses were not Rs.516,119,020 and should be Rs.489,215,172. A copy of the Cash Flow Statement prepared accordingly will be submitted herewith.	-Do-
(c) The total capital expenditure incurred on the purchase or construction of physical assets and acquisition of other investment under the investment activities in the Cash Flow Statement for the year under review was Rs. 128,268,255. However, in the cash flow statement, the value of the purchase or construction of physical assets should be Rs. 37,913,538. Accordingly, the net cash flow generated from the investment activities had been understated by Rs. 90,354,718.	The cash flow generated from investment activities has been adjusted according to the classification in the budget.	Investing activities should be accurately identified and brought to account.

1.6.3 Reconciliation Statements on Advances to Public Officers Account

Audit Observation	Comments of the Accounting Officer	Recommendation
There was a difference of Rs. 2,330,973 between the distress loan balance of department employees in the accounts and loan balance of the individual loan register (CC 10).	The difference pointed out by the audit is accepted and defects will be corrected accordingly.	The balance of Advances to Public Officers B account and loan balance of the individual loan registers should be the same.

1.6.4 Non-maintenance of Registers and Books

It was observed during audit test checks that the Department had not maintained the following registers while certain other registers had not been maintained in the proper and updated manner.

Audit Observation	Comment of the Accounting Officer	Recommendation
(a) Register of Loans and Advances	The Register of Loans and Advances had not been updated in terms of Paragraph 05 of the State Accounts Circular No.256/2017 dated 05 July 2017.	Officers have been instructed to maintain the relevant documents properly in the future. The Register of Loans and Advances and Register of Members Loan should be prepared based on paragraph 05 of the State Accounts Circular No.256/2017 dated 05 July 2017.

(b) Register of Garden Trees

The register of Garden Trees had not been properly maintained and updated by the Gampaha Botanic Garden, Haritha Piyasa Training Centre in Meegalewa and Sithawaka Wet Zone Botanic Garden which was one of the most important documents to be maintained.	That all the plants in the botanical garden have been maintained in one document.	Action should be taken to maintain a Register of Garden Trees updated.
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1.6.5 Certification of Accounting Officer

Accounting Officer should certify the following matters in terms of provisions set out in Section 38 of the National Audit Act, No. 19 of 2018. However, it had not been so done.

Audit Observation	Comments of the Accounting Officer	Recommendation
----- Although the Chief Accounting Officer and Accounting Officer shall ensure that all audit queries be answered within the specified time as required by the Auditor-General, audit queries had not been answered as indicated in paragraph 3.11 of this report.	----- Not commented.	----- Action should be taken in according to Section 38 of the National Audit Act No.19 of 2018.

2. Financial Review

2.1 Management of Imprests

Audit Observation	Comments of the Accounting Officer	Recommendation
----- Although the Department of Botanic Gardens needs to plan the monthly imprests requirement to effectively control the financial activities, Imprests plan had not been prepared for the month of May to December of the year under review.	----- Although the failure to prepare a monthly imprests plan from May to December 2020, according to the situation prevailing in the country the imprests have been requested through the monthly imprests application to take necessary action.	----- Imprests requirement of the Department should be planned.

2.2 Revenue Management

Audit Observation

According to the financial regulation 85(1)(c) and financial regulation 143(1) the amount to be collected should be assessed as accurately as possible. Also, the forecast should be made very accurately in accordance with paragraph 03 of the Fiscal Policy Circular No. 01/2015 dated 20 July 2015 of the Secretary to the Treasury. However, the revised estimated revenue of the department for the year under review was Rs. 550,000,000 and the revenue collected was Rs. 286,772,138, which is more than the estimated revenue of Rs. 263,227,862, which is 48 percent decreased.

Comments of the Accounting Officer

At the time of revised of the revenue estimate, the COVID 19 pandemic in the country had been gradually subsided and the botanical gardens had a gradual increase in income in June, July, August and September 2020, Accordingly, revenue was revised in anticipation of a gradual growth by December, but due to the second wave of COVID 19 recurrence in October 2020 failed to collect the expected revenue.

Recommendation

Revenues should be more efficiently forecast in according to the provisions of Monetary Regulations 85(1)(b) and Fiscal Policy Circular No. 01/2015 dated 20 July 2015.

2.3 Management of Expenditure

Audit Observation

Although the net provision for capital expenditure of the department during the year under review was Rs. 183,962,000 and utilization was out of which Rs.128,268,255 only. Accordingly, out of the capital expenditure Rs.55,693,745 were remained which is 30 percent.

Comments of the Accounting Officer

Although some projects had been completed, due to the absence of the full amount of Rs.121Mn requested for capital projects in December 2020 provisions have been remain and it had been disclosed in the financial statement under the contingent liabilities. It was planned to be implemented as per the annual action plan, but due to non-availability of goods due to import restrictions, the COVID 19 pandemic prevailing in the country and various complications in daily activities the bids had to be abandoned.

Recommendation

Provisions should be utilized efficiently and effectively.

2.4 Incurring of Liabilities and Commitments

Audit Observation -----	Comments of the Accounting Officer -----	Recommendation -----
(a) Expenditure during the year under review exceeded the savings of two votes were reached to liabilities by Rs. 3,478,830.	The matters pointed out by the audit are accepted and Relevant officers have been informed to take steps to prevent such shortcomings in the future.	Commitments should not be incurred in the exceeding provision.
(b) According to the sample test conducted on the payments made in the year 2021 for the year under review, a sum of Rs.1,056,682 had been paid for the expenditure on 13 occasions were not stated as liabilities in accordance with Guideline No. 6 of the Public Finance Circular No. 2/2020 dated 28 August 2020.	The matters pointed out by the audit are accepted and the statement of liabilities and commitments will be corrected and submitted	All liabilities should be identified and brought to account.

2.5 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.

Observation -----	Comments of the Accounting Officer -----	Recommendation -----
Reference to Laws, Rules and Regulations -----	Non-compliance -----	
(a) Financial Regulation 643 of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka.	A stock of 6947 obsolete foreign tickets at the Seethawaka Botanic Gardens had not been acted upon as per Financial Regulations.	Action being taken to legally dispose of the remaining foreign tickets. Action should be taken to dispose of obsolete forms in according to the provisions of the Financial Regulations.

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| (b) | The provisions of Rule 193 of Chapter XVIII of Procedural Rules 01 published in the Extraordinary Gazette Notification No. 1589/30 dated 20 February 2009 issued by the Public Service Commission of the Democratic Socialist Republic of Sri Lanka. | Six officers of the Gampaha Botanic Gardens had worked in the same workplace for 9 to 20 years. | There is no transfer policy in departmental posts and more productive service can be obtained from satisfied officers by providing a workplace close to the place of residence. | Action should be taken in according to the Procedural Rules. |
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2.6 Issuance and Settlement of Advances

Audit Observation

No action had been taken to recover the debt balance of Rs. 673,250 due from the 12 retired, deceased, interdicted officers and the officers who vacated the service as per the Section 4 of Chapter XXIV of the Establishments Code of the Democratic Socialist Republic of Sri Lanka.

Comments of the Accounting Officer

These outstanding debt balances will be settled immediately.

Recommendation

Action should be taken in according to the provisions of Section 4 of Chapter XXIV of the Establishments Code regarding arrears in advance.

2.7 Deposit Balances

Audit Observation

Financial Regulations 571(3) had not been complied with in respect of 30 deposit balances amounting to Rs.5,013,965 older than 02 years.

Comments of the Accounting Officer

The relevant institutions have been informed regarding other deposits and some of the deposits will be credited to the government revenue.

Recommendation

Action should be taken in accordance with Financial Regulations.

3. Operating Review

3.1 Planning

Audit Observation

Department of National Botanic Gardens had not been prepared Action Plan for the year 2020 according to the Fiscal Circular No. 01/2014 dated 17 February 2014 including Activity plan prepared according to the annual budget-based priorities for the relevant year, the functional time frame and the expected output / outcome from those activities.

Comments of the Accounting Officer

Not commented.

Recommendation

Activity plan should be prepared in accordance with the Circular provisions.

3.2 Activities contrary to Key Functions

Audit Observation

The installation of LED panels at the Haggala Botanic Gardens was not included in the previous year's procurement plan of the Department of National Botanic Gardens. Provisions of Rs. 6,481,080 under Expenditure Head 6000-0-0-6-70 for the year 2019 had been utilized for this purpose. This procurement work was carried out without any focus on priority as most of the basic activities identified for the development plan of the National Botanic Gardens, including plant conservation, have not been completed yet.

Comments of the Accounting Officer

Not commented.

Recommendation

Action should be taken to revise and approve the action plan when changing activities.

3.3 Non-achievement of expected Output Level

 The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
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(a) During the inspection of plants and infected plants produced by the Floriculture Research and Development Unit of the Mirijjawila Botanic Gardens, the number of plants produced during the period from January 2019 to August 2020 was 10460 and the number of infected plants was 4987. It was 48 percent as a percentage.	This is due to the low proficiency of the officers assigned for this purpose and instructions have already been given for this.	Attention should be paid to improving the quality of the seedlings produced.
(b) Out of 152 items related to the contract to repair the warehouse building of the Royal Botanic Gardens, 85 items were valued at Rs.3,046,321 or 16.54 percent of the work had been done less than the estimated amount. The value of 28 items is Rs.1,256,822 had not been fully completed.	That these additional functions had to be performed due to changes in the performance of the terms of this contract.	Estimated works should be performed correctly.
(c) According to Item Nos. 63 and 122 of the quantity bills and survey bills relating to the contract for repairing the warehouse building of the Royal Botanic Gardens, although Rs. 674,221 had been paid on recommendation, for applying cement on the ground floor and upper floor for 222.98 and 239.41 square meters, respectively, according to the inspection conducted on 20 September 2020, the cemented floor on the ground floor and upper floor has been dilapidated.	The contractor has been informed by a letter dated 15 March 2021 to rectify that defect again.	Estimated works should be performed correctly.

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| (d) | According to the 144 items related to the contract to repair the warehouse building of the Royal Botanic Gardens and its drawing, although it should be finished with 140 pieces of 04 beams and a unit should be 40 feet long with iron beams 2 by 2 feet, it had not been completed accordance with the drawing and without 52 pieces, including only 88 pieces. | 88 pieces have been deployed and Rs.62,882 has been recovered from the contractor for 52 pieces have been lesser deployed. | Action should be taken to perform the task as per the estimates and drawings. |
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3.4 Non-achievement of expected Outcome

 The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
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(a) 4 August 2016 at the Mirijjawila Botanic Gardens the project for the construction of a restaurant with a contract value of Rs. 6,677,573 had been completed and handed over to the garden on 21 December 2016. However, nearly four years have elapsed from that date to 31 December 2020, the constructed building had not been used for the intended purpose.	None of the bidders offered to run the restaurant due to the lack of visitors, that it has decided to use this as an information center.	Action should be taken to achieve the expected objectives.
(b) It was agreed to construct a research center at the Mirijjawila Botanic Gardens at a contract value of Rs. 26,567,937 and this research center was completed and handed over on 26 November 2019. But construction had not utilized to achieve the expected objectives until 31 December 2020.	This is due to the receipt of provision in the third quarter of 2020 to procure the office equipment required to start the research center.	Relevant assets should be used to obtain the expected benefits.

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| <p>(c) An Orchid House was constructed on purpose to increase the inspiration of visitors to the Gampaha Botanic Gardens in the year 2017 at a cost of Rs. 23.76 Mn. Due to the location of the house, its structure and the discolored glasses Orchids did not bloom due to the low tendency to receive clear sunlight in the morning, which is an essential component of orchid flowering. Due to this the intended purpose of this house was not fulfilled.</p> | <p>The currently completed model cannot be changed and the branches of the surrounding plants have been removed to increase the morning sunlight that comes into the house and the glass in the house is cleaned weekly.</p> | <p>Orchid house should be maintained in a beautiful way to achieve the expected objectives.</p> |
| <p>(d) Meegalewa Haritha Piyasa Training Center has been constructed a store and the adjoining quarters in the year 2017 at a cost of Rs. 3,955,092, Although it was used for the welfare of the employees for more than 03 years from the year of its construction and it was not used for the expected purpose.</p> | <p>It has not been given to the resident so far, because there is no suitable officer of this use.</p> | <p>It should be used for the expected purpose.</p> |

3.5 Delays in the Execution of Projects

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>(a) The 110 sand cubes worth of Rs. 770,000 purchased on 12 December 2018 for the purpose of creating a desert structure of the Mirijjawila Dry Zone Botanic Garden, from that there were 38 sand cubes worth of Rs.266,000 which had not been used for the intended purpose for 01 years and 8 months in the garden premises as at 4 September 2020. Further, the total cost estimate for this had not been prepared.</p>	<p>There is no technical officer in the garden to prepare the estimates and expert knowledge is required to create a desert structure and the desert structure had been completed using all the remaining sea sand.</p>	<p>Relevant activities should be completed on time.</p>

(b) Although the project of constructing the office building of Seethawaka Wet Zone Botanic Gardens should have been completed within 08 months from 22 April 2019 on or before 24 December 2019, the project was completed and handed over 239 days after that due date.	Not commented.	Relevant activities should be completed on time.
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3.6 Projects without Progress despite the release of Money

----- Audit Observation -----	Comments of the Accounting Officer -----	Recommendation -----
Although the office building of Seethawaka Wet Zone Botanic Gardens has commenced construction work at a contract value of Rs. 25,682,196 (VAT free) and completed and handed over on 20 August 2020, the building was not in use as at 03 February 2021 due to the inability to get electricity connection. Due to the non-utilization of the relevant building and electrical equipment, the company had lost the opportunity to make any repairs or replace new equipment within a short period of time as the warranty period for the defects liability period expires.	Not commented.	Action should be taken to use the assets of the department efficiently and effectively.

3.7 Annual Performance Report

In terms of paragraph 10.2 of Public Finance Circular No.2/2020 of 28 August 2020, the Annual Performance Report should have been prepared in accordance with the Format specified in Guideline 14, issued by the Department of Public Finance. The following observations are made in this connection.

Audit Observation -----	Comments of the Accounting Officer -----	Recommendation -----
(a) According to the progress report and the action plan submitted to the audit, the total allocation of Rs. 6,500,000 for the six work items had been remained at the end of the year under review.	Not commented.	Work should be performed correctly according to the action plan.
(b) Out of the allocations made for the year 2020, the savings in the allocations for 13 votes ranged from 14 percent to 95 percent. Accordingly, the performance of the department was at a low level.	Not commented.	The tasks included in the action plan should be completed on time.

3.8 Procurements

The following observations are made.

Audit Observation -----	Comments of the Accounting Officer -----	Recommendation -----
(a) Mirijjawila Dry Zone Botanical Gardens' procurement bids totaling Rs. 3,778,462 were delayed from day 01 to day 10 in bidding on 20 occasions noncompliance with the section 6.3.3 of the Government Procurement Guideline in during the previous year and the year under review.	The Chairman of the Committee and the Accountant of the District Secretariat will not be able to attend the scheduled dates due to the existing duties for the bid opening process and as a result the bid opening date will be changed.	Bid opens to be done according to the government procurement guidelines.
(b) According to the sample test, procurement time table had not been prepared relating to the four constructing contracts implemented by the Department as per guideline 4.2.2 (a) and (b) of the Government Procurement Guideline.	The procurement time table will be prepared from now on.	The procurement time table should be prepared in accordance with the provisions of the Procurement Guidelines.

- (c) According to the sample test, the request for the appointment of the Technical Evaluation Committee of the Department as per Guideline 2.8.4 of the Government Procurement Guidelines regarding the four construction contracts executed by the Department had not been made in line with the request made for the appointment of the Procurement Committee. According to 2.8.4 of the Procurement Guidelines, the Departmental Procurement Committee and the Technical Evaluation Committee should be carried out by the Head of the Department and the department has acted accordingly. -Do-
- (d) According to the sample test, the standard bidding documents submitted by the Construction Industry Development Authority (CIDA) for four construction contracts executed by the department had not been used for procurement. Action has been taken to use the bidding documents issued by the Construction Industry Development Authority (CIDA) for small scale procurement activities from the year 2020. Standard bidding documents should be used for procurement.
- (e) According to the sample test conducted, the department had not been submitted a certificate of completion as per the guideline 8:12:2 of the Government Procurement Guidelines regarding four construction contracts executed. A recommendation 8:12:2 of the Payment Voucher has been given by the Civil Engineer. Action should be taken in accordance with the Government Procurement Guidelines.
- (f) The estimated value of item No. 06 of the contract for repairing the roof of the Royal Botanic Gardens is Rs. 911,400 and due to the bid of Rs. 492,000, it was not taken into consideration by the Technical Evaluation Committee in the bidding process. Although it is required to comply with the guideline 8.13.4 of the Government Procurement Guidelines, Rs.320,056 additional In this regard, the contractor was summoned and discussed and since he has a stock of the relevant Kumbuk planks, the contractor agreed to carry out the procurement work for that value and to provide the statement in writing and that the written statement could not be obtained by mistake. Although provisions are left over due to the reuse of the
- i. Action should be taken in accordance with the Government Procurement Guidelines.
 - ii. The estimate should be prepared accurately.

works had been done and Rs. 494,167 works had not been completed. It was 21 percent and 33 percent as a percentage of the estimated contract value. Overestimation of Item No. 03 amounting to Rs. 61,020 to 30.71 square meters of Lunumidella timber application, 45 Kumbuk wooden planks of 85.57 meters having cracks, decomposition, connecting as a joint, having grind of wood the wood was not finished to a suitable standard due to those reasons. Rs. 140,531 had been paid for that. Although more than seven months have elapsed since the announcement that the detention money could not be released until these construction deficiencies have been rectified, those deficiencies had not been rectified as at 31 December 2020.

material which was in good condition at the time of construction, it has been about a year since this section was completed and some of the planks have been reduced due to direct sunlight. The contractor has been notified three times in writing to remove the crushed planks and decayed parts and re-assemble the planks.

iii. Action to be taken as per the estimate.

(g) Out of the 152 items in the Royal Botanic Gardens warehouse repair contract, 37 items quantitative rounding ranged from 7.12 percent to 1800 percent. 29 additional items had been completed and the contract value was Rs. 2,039,943. Accordingly, the value of the variance related to this contract was Rs. 4,234,653 and it was 23 percent of the total estimated value, which was not complied with Guideline 8.13.4 of the Government Procurement Guidelines.

This variation occurred due to changes in the performance of the terms of this contract.

Action should be taken in accordance with the Government Procurement Guidelines.

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| (h) | The roof of the second floor was estimated to be made of steel in accordance with item 144 of the engineering estimate relating to the contract for the repair of the warehouse building of the Royal Botanic Gardens. For that a unit cost Rs. 215,600 each the cost of 04 trusses made of steel is estimated at Rs. 862,400 but the unit will be constructed by the selected contractor at a cost of Rs. 100,000 each for 04 units at a cost of Rs. 400,000 had been agreed for construction. Accordingly, bid has submitted less than the estimated value amounting to Rs. 462,400 which is 53.6 percent decreased. | When the Technical Evaluation Committee inquired about this from the contractor, it had stated that the value had been submitted as its company had a surplus of steel beams as per the said specifications and it had been informed to provide it in writing but the relevant letter could not be obtained due to a mistake. | Action should be taken properly. |
| (i) | Seethawaka Wet Zone Botanic Gardens office building construction contract variation of total value is Rs. 5,891,292 and it was 19.6 percent of the total estimated value and it has not acted according to the guideline 8.13.4 of the Government Procurement Guidelines. Further, the variance of 15 percent in the consideration of this project had not been obtained with the prior approval of the Chief Accounting Officer. Although the steel grill of the building was corroded, Rs. 1,681,110 was paid for 157.32 square meters. Homogeneous glazed polished floor tile was to be installed inside the building, but Homogeneous floor tile was used and an additional Rs. 267,063 was paid to the contractor. Further for skirting Rs. 176,822 was paid using the same | Not commented. | Estimates should be prepared more accurately and the estimated work should be performed accurately. |

rate as for glazed polished floor tile. Although a sum of Rs. 186,560 had been paid for the construction of a handrail on the stairs of the office building, The gap between the 1 "diameter steel tubes applied vertically to the handrail was not in accordance with the requirements specified in the quantity sheet and the handle was corroded.

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| (j) | Bids had been invited for the setting up and installing an LED panel at Haggala Botanic Gardens and two LED panels have been purchased outside the guideline 3.6.1(c) of the Government Procurement Guideline. The Technical Evaluation Committee had made recommendations without any evaluation and confirmation with all the supporting documents other than guideline 7.11.1 of the Government Procurement Guidelines. A total cost estimate had not been prepared for this as per guideline 4.3. An Agreement for the Contract had not been signed as per guideline 8.9.1 (b). According to the 3.8 guideline, 10 percent performance bond had not been obtained. Although Rs. 6,481,080 was paid for this LED panel on 31 December 2019 without activating and confirming its suitability and without obtaining the recommendations of the Technical Evaluation Committee, it could not be utilized due to non-availability of three phase electricity as at 31 December 2020. | Not commented. | Action should be taken in accordance with the Government Procurement Guidelines. |
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(k) The estimated cost for the construction of the toilet system at the Haggala Botanic Gardens was Rs. 2,704,097 and for the supply and installation of aluminum doors for 29.6 square meters had been paid Rs. 297,213. The audit confirmed that the doors were too weak to be reinforced due to the failure to mention the density and quality of the aluminum sheets in the preparation of the estimates.	Not commented.	Action should be taken to make the specifications more accurate.
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3.9 Assets Management

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
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(a) For the construction of a sprinkler irrigation system for the Meegalewa Haritha Piyasa and Training Center, the required equipment has been purchased at a cost of Rs. 625,373 in 2018. Although a sprinkler irrigation system of approximately one hectare has been installed, due to insufficient water capacity of the old well in the garden, the sprinkler irrigation system could not be activated and was underutilized. Out of the equipment purchased, Rs. 48,505 worth of 2 inches of 109 PVC pipes and Rs. 144,270 worth of 1 inch 630 PVC pipes had been underutilized in storage for more than two years as at 17 December 2020.	By the mid of the year 2019, the existing sprinkler irrigation system has been repaired and it was decided to apply later to the rest of the water supply system as the weather was dry at that time and it was difficult to dug drains in the ground. Remaining part could not be completed in the year 2020 due to the COVID 19 pandemic absence of workers for several months and the inability to prepare the cultivation well.	Action should be taken to use the purchased assets for the intended purpose.

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| (b) | Hostel in Meegalewa Haritha Piyasa Training Center which was constructed at a cost of Rs. 8,118,525 was used for two residential training programs in 2018, but it remained inactive without being used for any residential courses in 2019 and 2020. | The training programs could not be held on 2019 and 2020 the country under the Easter bombings and COVID 19 pandemic in respectively. | The assets of the department should be utilized efficiently and effectively. |
| (c) | A ½ acre of paddy land belonging to the Seethawaka Wet Zone Botanic Gardens is occupied by an unauthorized occupant, Although the Divisional Secretary of Seethawaka had been informed about this, a solution had not been found as at 3 February 2021. | The Attorney General has been instructed the Seethawaka Divisional Secretary to remove the unauthorized occupant and settle the land and that has been answered. The department has been informed on 1 August 2019 with the signature of Seethawaka Divisional Secretary. | Action should be taken to settle all the lands enjoyed by the department and take over the ownership |
| (d) | Five vehicles owned by the department had remained condemned more than two years and action had not been taken to repair, use or dispose of the vehicles. | Not commented. | Action should be taken to dispose or repair and use the vehicle. |
| (e) | An area of 20250 square feet belonging to the Hambantota Dry Zone Botanic Garden shops, the Museum of the Royal Botanic Gardens, Peradeniya and the hostel of the Meegalewa Haritha Piyasa Training Center remained underutilized as at 31 December 2020. | Not commented. | The assets of the department should be utilized efficiently and effectively. |

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| (f) | A stock of Rs. 1,060,120 were remained out of the stocks of raw materials purchased without accurately determining the requirement in the warehouse of the Hakgala Botanic Gardens as at 13 November 2020. | Not commented. | Needs should be identified properly and make purchases. |
| (g) | A driven machine for cleaning and collecting garbage from the Peradeniya Botanic Gardens was purchased for Rs. 2,242,500. The machine had become inactive during the warranty period due to the inability to sweep on non-flat ground. | Not commented. | Action should be taken to get a new machine to replace the relevant machine or repair it within the warranty period. |

3.10 Security of Public Officers

The following observation is made.

Audit Observation

According to Financial Regulations 880, action had not been taken to obtain a security deposit from 32 officers attached to the Mirijjawila and Gampaha Gardens.

Comments of the Accounting Officer

Each garden has been informed to take the necessary action to obtain a security deposit from the officers who are required to deposit the securities.

Recommendation

Action should be taken in accordance with Financial Regulations.

3.11 Failure to reply Audit Queries

Audit Observation

Four audit queries presented to the Department had not been answered even by 31 May 2021.

Comments of the Accounting Officer

Not commented.

Recommendation

Action should be taken to answer the audit queries accordance with section 38 of the National Audit Act, No.19 of 2018 and regulation 155 of the Financial Regulations.

3.12 Management Weaknesses

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
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(a) Three of the ten golf cars owned by the Mirijjawila Botanic Gardens have been out of service for nearly a year due to technical faults. During the period from June 2018 to February 2020, the number of working hours is 41376 hours when the daily working hours are considered as 08 hours, 33891 hours were not used for driving golf car.	Due to the corona pandemic situation in the country, demand for golf cars has decreased as a result of the huge drop in visitors.	Needs should be identified accurately and make purchases and utilize the assets efficiently and effectively.
(b) 39 GI pipes purchased for Rs. 273,000 in December 2019 for the construction of arches From the South Gate of the Mirijjawila Botanic Gardens to the Tropeer Garden had not been used for that purpose.	Accept the observation. Necessary action has been taken against the relevant officers as per the Establishments Code.	Needs should be identified accurately and make purchases and utilize the assets efficiently and effectively.
(c) Five inventory items worth of Rs. 437,259 has been in storage for more than 2 years as the audit date of 30 September 2020 due to purchases made by the Gampaha Botanic Gardens without properly identifying the need and due to the lack of storage facilities 18,295 flower pots were piled up irregularly in an outdoor section.	The instructions have been given to paint to be completed before the end of the first quarter of 2021, flower pots to be used for nursery activities and to use other paints for the activities of the institution.	Needs should be identified properly and make purchases.

- (d) The restaurant, which belongs to the Seethawaka Wet Zone Botanic Gardens, had been given to the Welfare Society since 2016 without signing a formal agreement on a monthly rent of Rs. 15,000 and without following the government procurement procedure. From the year 2021, the restaurant will be advertised in newspapers and rented out. Action should be taken to earn the revenue available to the government efficiently.
- Due to this the government had lost the revenue that could have been earned by tendering the restaurant.
- (e) At the time of payment, the Engineer should certify the amount to be paid to the Contractor within 28 days of the submission of the final bill in accordance with paragraph 57 of the Standard Document on Construction Tenders of the Institute for Construction Training and Development (ICTAD). Although payment should be made to the Contractor within 21 days of receipt of the Engineer's Certificate, the final bill of the contract for repairing the roof of the warehouse at the Royal Botanic Gardens, Peradeniya was submitted to the Accounts Division on 26 August 2020, but the value of Rs. 2,335,016 had not been paid until 27 October 2020. The reason for the delay in payment was that there were no provisions for payments related to this function in the interim budget held up to 31 August 2020. Should be act by the conditions contained in the standard documents on construction tenders.

3.13 Fraudulent transactions

----- Audit Observation -----	Comments of the Accounting Officer -----	Recommendation -----
(a) The second bill related to the contract to repairing the warehouse building at the Royal Botanic Gardens was submitted on 31 December 2019. The bills had not been checked by the engineer or the sub-technical officer under the engineer and the subject clerk on the advice of the chief accountant had revised the measurement sheets and bill summaries and prepared payment vouchers. Also, according to the bill, the goods worth of Rs. 2,140,162 at the site had not been physically inspected. Although 80 percent of the value of the goods could be paid for the goods at the site, vouchers had been given to pay the full amount for the goods at the site in relation with this contract. Due to insufficient provisions Rs. 918,682 had been paid in non-compliance with Financial Regulations 137, 138 and 139.	Payment had made after the work done by the contractor has been verbally verified by the engineer and due to the remaining of the provisions, advised to pay after the stock documents and all other documents checked and certified by the engineer in the future.	Payments should be made in accordance with Financial Regulations.

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| <p>(b) A sum of Rs. 260,035 had been paid for 19.85 cubic meters for the side wall as per item No. 06 of the quantity bills and survey bills relating to the contract for repairing the warehouse building of the Royal Botanic Gardens. According to the physical inspection conducted on 30 September 2020, its size was 15.9048 cubic meters. Accordingly, the actual value is Rs. 208,353 and for the side wall costing Rs. 51,682 had been overpaid to the contractor.</p> | <p>The action has been taken to recover Rs. 51,682 from the contractor for item No. 06.</p> | <p>Action should be taken to perform the task as per the estimates.</p> |
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4. Achievement of Sustainable Development Goals

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
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<p>(a) Improvement of parking facilities at Gampaha Botanic Gardens, Establishment of a Library, Establishment of an Information Center, Establishment of Botanical Museums, Detailed Display Boards on Plants and Animals and waste Disposal Projects had not been implemented in relation to the programs implemented under the implementation of the Sustainable Development Objectives of the Department of National Botanic Gardens.</p>	<p>From the year 2021, a number of programs have been launched to implement the Sustainable Development Objectives.</p>	<p>Action should be taken to achieve the goals relevant to the Sustainable Development Objectives.</p>

<p>(b) According to the Performance Report 2020 submitted by the Department for Audit as Sustainable Development Goals, although three SDGs have been established as the elimination of all forms of poverty in all over, ensuring a holistic, fair negative education for all and the creation of lifelong educational opportunities and biodiversity conservation, the elimination of desertification, environmental equilibrium protection through vegetation conservation, when achieving goals, Other goals have been achieved outside the set goals / objectives. Further, no criteria or methodology was identified to measure each indicator of sustainable development objectives.</p>	<p>Not commented.</p>	<p>Criteria or methodology should be identified for measuring each indicator of sustainable development objectives.</p>
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5. Human Resource Management

<p>Audit Observation</p> <p>-----</p>	<p>Comments of the Accounting Officer</p> <p>-----</p>	<p>Recommendation</p> <p>-----</p>
<p>Although the needs of the employees should be identified at the appropriate time and recruitments should be made when necessary to maintain the activities of the gardens in a proper and orderly manner there were 159 vacancies at the end of the year under review.</p>	<p>Not commented.</p>	<p>Action should be taken to fill the vacancies which are essential.</p>