

## **Agricultural and Agrarian Insurance Scheme - 2020**

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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 Agricultural and Agrarian Insurance Scheme for the year ended 31 December 2020 comprising the statement of financial position as at 31 December 2020 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with the Agricultural and Agrarian Insurance Act, No.20 of 1999 and provisions of the National Audit Act, No. 19 of 2018 and the Finance Act, No.38 of 1971. My comments and observations which I consider should be reported to Parliament, appear in this report.

In my opinion, except for the matters described in Paragraph 1.5 of this report, the financial statements give a true and fair view of the financial position of the Scheme as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

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

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My opinion is qualified based on the matters described in Paragraph 1.5 of this report. I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

#### **1.3 Responsibility of Management and Those Charged with Governance for the Financial Statements**

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Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Scheme or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

- Whether the organization, systems, procedures, books, records and other documents have been properly and adequately designed from the point of view of the presentation of information to enable a continuous evaluation of the activities of the Scheme, and

whether such systems, procedures, books, records and other documents are in effective operation;

- Whether the Scheme has complied with applicable written law, or other general or special directions issued by the governing body of the Scheme;
- Whether the Scheme has performed according to its powers, functions and duties; and
- Whether the resources of the Scheme had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

## **1.5 Audit Observations on Preparation of Financial Statements**

### **1.5.1 Non-compliance with Sri Lanka Accounting Standards**

<b>Non-compliance with reference to relevant Standard</b>	<b>Comments of the Management</b>	<b>Recommendation</b>
(a) In terms of paragraph 51 of Sri Lanka Accounting Standard 16, the useful life of an asset should be reviewed at each financial year-end. However, it had not been so done in respect of property, plant and equipment costing Rs.25,801,935 fully depreciated as at 31 December 2020, but still in use.	Motor vehicles included in property, plant and equipment have been revalued and brought to account and other assets have been accounted on historical costs thereof. Action will be taken to revalue the serviceable assets out of fully depreciated assets again and to remove other assets as well.	The useful life should be reviewed and adjustments thereof should be made in financial statements.
(b) In terms of paragraph 59 of Sri Lanka Accounting Standard 37, identification of active contributors and death gratuity for farmer pensioners should be computed based on actuarial assessment. However, liabilities relating to Death Gratuity Fund of farmers amounting to Rs.1,077,622,157 as at 31 December 2020 had not been computed based on actuarial assessment and no provision had been made therefor timely.	This Fund should be operated obtaining premiums from Farmers' Pension Scheme and gratuity payments made during the year is debited to this Fund. Action will be taken to carry out actuarial assessment annually with the commencement of new Pension Scheme.	Liabilities relating to Death Gratuity Fund should be computed based on actuarial assessment timely.

## 1.5.2 Accounting Deficiencies

### Audit Observation

The value of the land of 76.6 perches belonging to the Scheme where 03 official quarters are maintained in Mahiyanganaya, Embilipitiya and Anuradhapura and buildings of official quarters in Embilipitiya had not been assessed and indicated in financial statements.

### Comments of the Management

Necessary action has already been taken in that connection by holding discussions with District Deputy/Assistant Directors and action will be taken to expedite those activities and to account assessed value thereof.

### Recommendation

Value of buildings should be assessed and indicated in the financial statements.

## 1.5.3 Lack of Documentary Evidence for Audit

Item	Amount	Audit Evidence not made available	Comments of the Management	Recommendation
	Rs.			
Unpaid Indemnity	76,174,434	A register on unpaid indemnity or computer database	Particulars of those cheques are maintained separately on computer and information have been entered in relevant files. The said cheques have been filed so as to recognize easily in crediting to the income. Further, payments are made after checking the relevant file in an instance of reclaiming for the said cheque.	A register or a computer database should be maintained so as to recognize unpaid cheques for indemnity.

## 1.6 Accounts Receivable and Payable

### 1.6.1 Receivables

#### Audit Observation

(a) Salaries amounting to Rs.228,015 paid by the Scheme to an officer who was released to the Ministry of National Languages and Social Integration, was being brought forward in the financial statements for a period of 09 years without being reimbursed.

#### Comments of the Management

There was a balance of salaries amounting to Rs.342,023 receivable at the beginning of the year of accounts and action has been taken to recover a sum of Rs.57,004 during the year 2021. Moreover, action is being taken to recover the remaining amount from relevant officer.

#### Recommendation

Measures should be taken to reimburse them.

(b) Action had not been taken even in the year under review to recover the balances of loans and advances amounting to Rs.1,764,637, old for a period from 01 year to 25 years.	Particulars on employees' loans and advances remained unrecovered for a long period have been provided to the Director (Administration) and action will be taken to recover these loans after carrying out further studies in this connection.	Action should be taken to settle loans and advances expeditiously.
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**1.6.2 Payables**

----- <b>Audit Observation</b> -----	----- <b>Comments of the Management</b> -----	----- <b>Recommendation</b> -----
(a) The value of repayable Tender deposits amounting to Rs.426,871 remained as at 31 December 2018 had not been settled even by the end of the year under review.	Action will be taken in the year 2021 to brief the relevant parties on repayable tender deposits mentioned in this balance and to pay those moneys when requests are made by them in a proper manner.	Action should be taken to settle this balance.
(b) The balance totalling Rs.999,713 payable as printing expenses, Sundry creditors and crop insurance incentive relating to the period from 2018 to 2019 indicated under current liabilities in the statement of financial position, had not been settled .	Action will be taken to settle these balance by subjecting to reconciliations accurately.	Action should be taken to settle this balance.

**1.7 Non-compliance with Laws, Rules, Regulations, Management Decisions etc.**

----- <b>Reference to Laws, Rules, Regulations etc.</b> -----	----- <b>Non-compliance</b> -----	----- <b>Comments of the Management</b> -----	----- <b>Recommendation</b> -----
(a) Financial Regulations - 1992 of the Democratic Socialist Republic of Sri Lanka I. F.R.177(1)	It is the duty of all Collecting Officers, who receive any monies on behalf of Government, to remit the whole amount, daily or at the earliest possible opportunity, and obtain a receipt in acknowledgement of the amount remitted. According	It was observed that there were delays in depositing premiums in the bank, collected in the field and as such, those officers have been briefed thereon by taking necessary steps to avoid such delays.	Moneys so collected should be deposited in banks without a delay.

to audit test checks carried out on remitting process in Galle and Puttalam District Offices, it was observed that insurance premiums relating to agricultural motor vehicles collected by insurance officers had been remitted with a delay of 01 and 02 months.

Moreover, premiums so collected are reconciled and necessary steps have been taken to avoid such situations.

II.F.R. 261(3)

No payment should be recorded in the Cash Book, or a cheque drawn out for payment, unless there is sufficient money available. Action should be taken to ensure that sufficient money is available to meet the current as well as the impending payments, without interruption, by making an appropriate application to the relevant authority well in time for necessary funds. However, action had not been taken accordingly and as such, a number of 1,780 cheques valued at Rs.55,720,568 written for insurance indemnity had been again taken to the income.

Unless there is sufficient money available in accounts, the Scheme does not draw cheques or write vouchers for cash books. There are instances where indemnity is paid before getting money in paying indemnity as per the requirement, and it is reimbursed from the General Treasury. Cheques relating to payment of indemnity for farmers in Ampara District whose cultivations were damaged less than 100 per cent due to Sena caterpillar, have been prepared by using funds of the Scheme and as granting money was delayed by the Ministry, those cheques were retained without issuing to farmers. However, the Government had granted money to farmers only whose cultivations were damaged 100 per cent due to Sena Caterpillar, and as moneys were not granted for damages occurred in half, action has been taken to credit the total value of Rs.55,720,568 to the income. Cheques for damages occurred in half in

Before drawing cheques, it should be confirmed whether sufficient money is available.

Ampara District had to be written due to payment of indemnity initially at a rate of 100 per cent for the said damage in Ampara District, mobilization of farmers for indemnity and struggles continued by Farmers' Organizations.

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|---------------------------|--|--|---|
| III. F.R 762              | The stock of insurance cards relating to agricultural motor vehicles had finished in stores in 13 instances of the year 2020 due to failure in identifying stock levels and maintaining adequate stocks to the satisfactory level. Moreover, in purchasing a number of 25,000 cards on an emergency basis, an additional cost of Rs.148,000 had to be incurred on airfare. It was observed that the said amount was an additional cost which had to be incurred by the Scheme due to failure to follow a proper stock control system.  | Even though necessary action had been taken to purchase cards, cards could not be supplied in an adequate manner due to the pandemic and action has been taken to get down cards on an emergency basis. Stocks received have been distributed on the requirements of District Offices and as such, there were instances where stocks of cards in stores were finished. These shortcomings have been managed by the purchased database.         | A stock control system should be maintained.              |
| (b) Scheme of Recruitment | (i) Even though it was mentioned that external or internal candidates should be recruited through a structural interview after calling for applications by publishing newspaper advertisements, contrary to that, 8 retired officers on the basis of extension of service, 8 officers on contract and training basis and 40 officers on casual basis had been recruited for the posts such as the Director, Deputy Director, System Administrative Officer, Development Officer, Management Assistant, Driver and Office Aide with the | As the Director General had performed duties of the post of Director (Administration), in addition to his duties, it was necessary to recruit an officer for the post of Director (Administration) with immediate effect. An officer was recruited on contract basis for a period of one year by informing the Scheme of Directors. An officer was recruited for the post of Development Officer (Legal) on contract basis for a period of one | Action should be taken in terms of Scheme of Recruitment. |

approval of the Scheme of Directors. year at the level of post of Development Officer, approved for the year 2020 to cover up delays relating to lawsuits instituted with regard to insurance activities of third party and to resume those lawsuits. An officer had been recruited as a Development Officer (Livestock Insurance) on contract basis for a period of one year with the approval of the Scheme of Directors for the duty of coordinating Medical Officers and arrangements were made to provide contribution to performance of that sector. Moreover, an officer was recruited for the post of Assistant Director (Information Technology) on contract basis for a period of 06 months to expedite the service until a qualified person is recruited. However, recruitments have already been commenced for this post. According to policies of the Scheme, a Driver was recruited on contract basis for the Chairman.

(ii) The Efficiency Bar Examinations should be held at least once a year or as required for officers belonging to every service category and the first Efficiency Bar Examination should be passed within 03 years from the date of appointment. However, the Efficiency Bar Examination had not been conducted from January 2017 up to year 2020. Even though all necessary arrangements have been made to conduct the Efficiency Bar Examination in each District from the year 2020 onwards, the said Examination could not be conducted due to the Corona pandemic. Moreover, even though action has been taken to Action should be taken in terms of the Scheme of Recruitment.



to now. As such, 12 Assistant Directors, 11 Development Officers and 15 Management Assistants who were recruited to the Scheme in the years 2016 and 2017, could not pass the Efficiency Bar Examination within the due period.

conduct examinations within the first 04 months of the year 2021, it also failed due to the Corona pandemic. However, it will be coordinated with relevant institutions to hold examinations duly.

(c) Agricultural and Agrarian Insurance Act, No. 20 of 1999

(i) Section 7(a)

A comprehensive insurance scheme should be established and operated for the benefit of agriculturalists which will indemnify them against losses and with a view to providing stability to agriculturalists and to promoting agricultural production. However, 4 years old indemnity of Rs.70,800,200 entitled to 8,185 farmers relating to the Kethata Aruna Insurance Scheme operated by the Scheme, had been returned by banks as Account numbers, names of farmers and identity card numbers had not been tallied. Moreover, action had not been taken to identify relevant farmers and settle those monies.

Indemnity of Rs.70,800,200 had been continuously unclaimed by farmers and as such, the said indemnity had been submitted to the Scheme of Directors for transferring to the Agricultural Insurance Fund. Moreover, approval has been received for providing those monies in designing the Agricultural Data Management System.

Action should be taken to identify farmers and to settle the same.

(ii) Section 7(c)

An insurance scheme should be established and operated for the benefit of agriculturalists in respect of the storage and preservation of agricultural and horticultural produce and the products of medicinal plants and fisheries and forest produce. Even though plans had been prepared for insurance of storage, it had not been implemented.

Even though a storage insurance scheme was in operation in the Scheme, no requests had been received from farmers during the year 2020. Necessary awareness on attracting farmers towards storage insurance has been carried out.

Action should be taken in terms of plans.

## 2. Financial Review

### 2.1 Financial Results

The operations of the year under review had resulted in a surplus of Rs.1,229,863,654 as compared with the corresponding surplus of Rs.702,186,912 for the preceding year, thus observing an improvement of Rs.527,676,742 was observed in the financial result. Non-payment of reinsurance premium of Rs.576,361,848 since the year under review and increase in premium received from the General Treasury for payment of indemnity by Rs.210,120,000 as compared with the year 2019, had mainly attributed to this improvement.

### 2.2 Trend Analysis of Major Income and Expenditure Items

The income of the Livestock Insurance Scheme, implemented with the motive of minimizing the risk of large scale as well as small scale livestock farmers and ensuring safety, was decreasing rapidly. Accordingly, as compared with the year 2017, the livestock insurance income had decreased from Rs.13,391,254 to Rs.5,780,196 by the year 2020, by Rs.7,611,058 representing 57 per cent.

## 3. Operating Review

### 3.1 Uneconomic Transactions

<b>Audit Observation</b>	<b>Comments of the Management</b>	<b>Recommendation</b>
(a) An advance of Rs.565,800 had been granted by the Scheme to the Sri Lanka Land Reclamation and Development Corporation on 04 June 2008 for construction of an office building. Even though 13 years had lapsed after granting of advances, action had not been taken according to plans.	This land has been granted to the Scheme for constructing the Head Office and future works have been included in the budget estimates of the year 2021. Necessary action for constructing the office is due to be taken in future.	Constructions should be completed according to plans.
(b) Despite publishing advertisements in 3 newspapers on 19 November 2020 by incurring a cost of Rs.237,654 for recruitment of Management Assistants and mentioning 31 December 2020 as the date	Newspaper advertisements were published for recruitment of the number of Management Assistants approved for the year 2020 and 07 others was recruited on casual basis until interviews were held by selecting from among	Recruitments should be made as per the newspaper advertisements.

of closing applications, without considering that, the Director General had called 16 persons from the Central Province for interview and had recruited 07 of them on 26 November 2020. As such, it was observed that the cost of Rs.237,654 incurred for the newspaper advertisements had been an uneconomic cost.

applicants. In future, selections will be made after holding proper interviews in relation to applications called.

### 3.3 Management Inefficiencies

----- <b>Audit Observation</b> -----	----- <b>Comments of the Management</b> -----	----- <b>Recommendation</b> -----
<p>(a) Out of 421 posts in the approved cadre of the Scheme, 155 vacancies existed in 15 posts as at the end of the year under review and it was observed in audit that these vacancies have become a hindrance in the discharge of duties of the Head Office, Districts Offices and duties relating to the Field.</p>	<p>Action had not been taken even by the year 2020 for total recruitment in the approved cadre of the Scheme. Moreover, no recruitments had been made for a similar number or more or less from the year 2011 itself in which the said cadre was approved. Taking action currently by the Scheme on the basis of self-financing is the reason therefor. As such, recruitments are increased from time to time presently, based on financial stability without recruiting the entire staff. Recruitments of employees are being made by the Scheme at present.</p>	<p>Action should be taken to review the approved cadre or to fill vacancies.</p>
<p>(b) According to the Reinsurance Agreement entered into with the Insurance Trust Fund, instead of obtaining the sum of Rs.312 million further outstanding from the Insurance Trust Fund for the first payment of Rs.10,000 for each farmer, out of the total amount of indemnity that could be recorded for the 2019 Yala season, agreements had been terminated in the year 2020 and obtained only a sum of</p>	<p>They have been informed in writing and verbally on a number of occasions to pay the insurance indemnity due under the reinsurance for the 2019 Yala Season and this has been discussed with the Treasury and the National Insurance Trust Fund. As reinsurance cannot be provided by the National Insurance Trust Fund, the premium paid for reinsurance by the Scheme, had been reimbursed. All monies relating to the first payment of Rs.10,000 of the indemnity relating to the year 2019 had been paid by the National Insurance</p>	<p>Action should be taken to recover the indemnity relating to the respective period from the Insurance Trust Fund.</p>

Rs.148,380,848. As such, the Scheme had to sustain a loss of Rs.163,619,152.

Trust Fund to the Scheme. Accordingly, the sum of Rs.163,619,152 which was calculated as receivable had not been received to the Scheme due to non-implementation of reinsurance coverage.

(c) A separate bank account is not operated for the Farmers' Death Gratuity Fund of the Farmers' Pension and Social Security Benefit Scheme. As such, it was observed that out of the Farmers' Death Gratuity Fund of which the balance amounted to Rs.1,077,622,157, the remaining balance of Rs.161,683,984 after deducting the total of Rs.915,938,172 comprising the loan granted to the said Scheme, the amount receivable as contributions from the said Scheme and the value invested in fixed deposits from the Fund and the interest thereon had been used for the expenses of the Scheme and investment in Treasury Bills without paying any benefit to the said Fund.

Bank current accounts are not operated separately for all funds of the Scheme and remaining balances are invested in investment sources. Action has been taken at present to invest the monies in this Fund separately in fixed deposits and Treasury Bills so as to conveniently identify on behalf of the Fund.

As the last responsibility of the Farmers' Pension Fund lies with the Government, the requirement of implementing such an insurance scheme should be reviewed again.

(d) It had been difficult to identify when to re-order insurance cards due to non-maintenance and updating of a Stocks Order Register and Inventory.

The Scheme was not equipped with a data system for control of stocks and by now a computerized data base has been purchased relating to stocks and stock registers are updated through the said system.

Stock Order Registers should be maintained.

(e) The physical progress for the year 2020 on Suwasetha and accident insurance which fall under normal insurance, was between 11 per cent and 37 per cent as compared with the amount planned.

Even though the coverage for accidents and Suwasetha insurance was promoted for farmers, the expected targets could not be reached during the pandemic. There was difficulty in carrying out promotional activities due to the said situation and arrangements have been made to reach the expected targets of these insurance schemes in future.

Necessary promotion should be carried out by reviewing the progress.

(e) Obtaining weather data for damage assessment on crops for the index based insurance scheme is the key objective of the Scheme and a sum of Rs.1.715 million had been granted by the International Finance Corporation (IFC) affiliated to the World Bank for obtaining weather data from 1980 up to 2019 relating to Districts planned. Even though the said data had been obtained from several Districts, it was observed that project activities had not been successfully executed due to matters such as limitation of computing index based indemnity already to the Districts of Hambanthota and Gampaha, coverage of only very small radii related thereto in obtaining data by rain gauges in the above planned Districts and installation of rain gauges in only 03 places of Vavuniya despite having made plans to install standardized rain gauges under the Department of Meteorology.

This new insurance scheme has been presently introduced to the Districts of Gampaha, Vavuniya and Hambanthota and has been planned to introduce it to the other Districts including Kurunegala, Anuradhapura, Ampara and Kilinochchi during ensuing seasons. Past weather data will be used therefor. The new insurance scheme is formulated at experimental level for the Districts of Kurunegala, Anuradhapura, Ampara and Kilinochchi from the 2021 Yala Season. Moreover, the said scheme is being further updated by comparing with the computation of indemnity under the existing scheme.

Action should be taken for the success of the Scheme.

### 3.4 Operating Inefficiencies

Audit Observation	Comments of the Management	Recommendation
(a) Deficiencies such as striking off and altering of the date of cultivation, date of application and the date of damage to crops, non-completion of the date of	Some of the applications that were distributed to Agrarian Service Centres in the 2019 Yala Season had remained by the beginning of the 2019/2020 Maha Season. By the time damages of initial stages were	Indemnity applications on damages to crops should be duly perfected.

determining the damage occurred to crops in 35 applications on damages to crops, payment of indemnity despite non-entitlement to indemnity for farmers submitting applications for damages occurred within 07 days from the date of cultivation, issuing indemnity applications to farmers who had reported damages without placing the date stamp by authorized officers who record information on damages to crops even though they should be issued with the date stamp at that instance itself and forwarding for making payments without completing the part in which indemnities of applications are computed (Part E), were observed at the physical audit inspection carried out in the Galle District Office.

- (b) The Scheme is not equipped with a complete data base including agricultural information even at present. The Ministry had made provision of Rs.10 million for programming software with agricultural data and a mobile application and by 31 December 2020 the Scheme had spent Rs.5 million for programming the above input and it has been designed half way. Mapping of agricultural lands in the Districts of Gampaha and Hambanthota had been completed half way by the said input which has been designed in a level so that only the authorized officers

reported during the 2019/2020 Maha Season, Agriculture Research and Production Assistants had taken action to issue the said application to farmers at that time itself. Instead of Part "E", all information therein had been taken to a seal and placed on the left hand corner of the first page in the application and had carried out computation of indemnities. Part "E" of the applications issued from the Yala Season was printed and information to be filled in Part "E" has been included in the computation of indemnity. It is reported that the above problem has been solved from this season onwards.

These projects had not been discontinued and according to experience gained from feasibility studies carried out in the Districts of Gampaha and Badulla, this programme is intended to be carried out island wide. The project proposals required therefor have been already submitted to the Ministry.

An agricultural data base should be designed.

can use it. However, it had not been implemented up to now due to reasons such as unavailability of internet facilities and lack of information technology equipment in other District Offices. Meetings on awareness relating to the 2020/2021 Maha Season had been held only in the Districts of Hambanthota and Anuradhapura. As such, it was observed that this function with a national significance, is not in use at the expected level.

**4. Accountability and Good Governance**  
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**4.1 Presentation of Financial Statements**  
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<b>Audit Observation</b> -----	<b>Comments of the Management</b> -----	<b>Recommendation</b> -----
<p>The Draft Annual Report had been presented along with the financial statements of the Agricultural and Agrarian Insurance Scheme for the year 2020. However, the overall report on financial performance of the year, performance indicators based on the Action Plan and the performance on achievement of Sustainable Development Goals which should be included therein, had not been submitted.</p>	<p>The performance indicators based on the Action Plan and the performance reports on achievement of identified Sustainable Development Goals relating to the Draft Annual Report are due to be included in the Annual Report for the year 2020.</p>	<p>All information which can be included in the Draft Annual Report as at the date of submission should be included.</p>