

Head 118 – Ministry of Agriculture

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Head 118 – Ministry of Agriculture for the year ended 31 December 2022 comprising the statement of financial position as at 31 December 2022 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 containing my comments and observations on the financial statements of the Ministry of Agriculture was issued to the Chief Accounting Officer on 26 May 2023 in terms of Section 11(1) of the National Audit Act, No.19 of 2018. The annual detailed Management Audit Report relevant to the Ministry was issued to the Chief Accounting Officer on 15 June 2023 in terms of Section 11(2) of the Audit Act. 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 Ministry of Agriculture as at 31 December 2022, 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 Chief Accounting Officer are 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 Ministry 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 Chief Accounting Officer shall ensure that an effective internal control system for the financial control exists in the Ministry 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 judgment 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 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 Chief 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 the Financial Statements

1.6.1 Receipts of Revenue

The following observations are made.

Audit Observation	Comment of the Chief Accounting Officer	Chief Recommendation
(a) Although there was a possibility of revising the revenue estimate mentioned in the basic budget by submitting a revised budget estimate from 01 October of the year under review, it had not been done. Accordingly, the Ministry estimated basic revenue of Rs.310,000,000 remained unchanged while actual revenue of Rs.219,000,000 had been collected. Accordingly, There was a difference of Rs.91,000,000 between the revised revenue estimate and the actual revenue. Due to the fact that it was 29 percent of the revised revenue estimate, it was observed in the audit that the efficiency and effectiveness of preparation of the Ministry's budget estimates and revenue collection is at a weak level.	The arrears of Rs.347,000,000 which should have been charged at the beginning of the year was to be recovered, and therefore there was no need to revise the relevant revenue estimates. However, this difference is shown due to the expected revenue was not collected.	More accurate estimates should be prepared.
(b) The Ministry had failed to recover the total of Rs.437,085,714 revenue arrears as at the end of the year under review as Rs.12,827,927 in relation to the year 2020, Rs.124,965,567 in relation to the year 2021 and Rs.299,292,219 in relation to the year under review in revenue Code No.2003.07.00 - Government Paddy Purchase Program. The total revenue	In the year under review, the paddy purchase program was implemented in relation to 3 seasons and the district secretariats have been constantly informed about the arrears of revenue in all seasons. The instructions for this have been informed by the letter of the	The arrears of revenue should be recovered immediately.

collected during the year under review was Rs.219,195,185 and 199 percent of the total arrears of revenue still to be recovered. Accordingly, it was observed that the efficiency of the Ministry in collecting revenue arrears is at a weak level.

Director General of the Development Finance Department bearing the No.DFD/GPPP/MAHA/2022-2023 dated 20.02.2023.

- (c) Only Rs.9,676,732 out of Rs.308,968,951 amount to be collected in relation to the year under review under the Revenue Code No.2003.07.00 Government Paddy purchase Program had been recovered. Accordingly, it was observed that the efficiency of revenue collection in the year under review is at a very weak level due to the fact that the revenue collected in the year under review in relation to the year under review was a small percentage of 3 percent.
- In relation to the 2021 Yala season, the paddy purchase program (according to the circular No.DFD/paddy/2021/4) was implemented in 4 district secretariats and that amount is to be collected from the 2 districts of Polonnaruwa and Puttalam. Further instructions for this have been informed by the letter of Director General of Development Finance Department DFD/GPPP/MAHA/2022-2023 dated 20.02.2023 to the District Secretariats.
- The revenue related to the year should be recovered within the same year.

1.6.2 Property, Plant and Equipment

The following observations are made.

Audit Observation	Comment of the Chief Accounting Officer	Recommendation
(a) It was observed that the vehicles worth Rs.69,900,000 included in the financial statements were not physically present in the Ministry.	The financial statements have been prepared as a single Ministry following the merger of the former State Ministries into the Agriculture Cabinet Ministry. Therefore, it is correct to include assets which are under other divisions as well. It is kindly informed that the vehicles attached to the District Agriculture Directors are included under the Ministry also correct. However, further action is being taken on the vehicles that need to be identifying the ownership.	The vehicle should be found and handed over for use within the Ministry or to the existing entity.

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| (b) | <p>The assessed value of the vehicle No.KS-6781 in use by the Ministry had not been submitted to the audit. The 16 vehicles with the total assessed value amounting to Rs.179,272,000 including the said vehicle and the motorcycle bearing TP-4769 had not been included in the financial statements. However, the registered ownership of 12 of those vehicles does not exist in the name of the Ministry of Agriculture and the said vehicles had not been registered in the name of the Ministry or returned to the relevant Ministry in accordance with the Asset Management Circular dated 21 December 2017 and No.2/2017 of the Deputy Secretary to Treasury.</p> | <p>Actions are being taken to take over the 06 vehicles out of the 15 vehicles to the Ministry. As 04 vehicles belong to the livestock division, no taking over should be done. The 04 vehicles are owned by the Ministry of Agriculture by now. One vehicle out of these vehicles does not have with the Ministry.</p> | <p>The ownership of the vehicles should be taken over and included in the financial statements or the vehicles should be re-delivered to the existing entities.</p> |
| (c) | <p>The 07 vehicles amounting to Rs.24,700,000 which the Ministry does not have legal ownership had been included in the financial statements as non-current assets.</p> | <p>Letters have been sent to the relevant entities to take over the 07 vehicles.</p> | <p>Ownership of vehicles should be taken over.</p> |
| (d) | <p>The Ministry had not taken actions to take over the ownership of the vehicle No.PG-1773 worth Rs.6,390,000, which had been obtained from the Ministry of Urban Development and Housing by a previous state Ministry.</p> | <p>The relevant transfer papers have been completed to formally transfer the registered ownership of PG-1773 to this Ministry and addressed to the Secretary of the Ministry of Urban Development and Housing which currently falls under the scope of the Ministry of Housing and Samurdhi by my letter No.SML/2/ඉ/2/Ve.Tr/02 and dated 27.03.2023.</p> | <p>Ownership should be taken over.</p> |
| (e) | <p>The basis and approvals for releasing 08 vehicles owned by the Ministry to external entities were not submitted for audit.</p> | <p>Two official vehicles and a pool vehicle that used by two staff officers assigned to Ministry of Trade, Food Security and Consumer welfare have been brought to the new Ministry. By my letter No.SML/2/ඉ/2/Ve.Assign/III and dated 27.04.2023, the Secretary of the Ministry of Trade, Food Security and Consumer welfare has been</p> | <p>Vehicles owned by the Ministry should not be released to external entities.</p> |

informed to carry out the necessary activities to hand over the 02 vehicles back to this Ministry and to take over the registered ownership of the car bearing No.KO – 4865 in the name of the Secretary of the Ministry of Industry and Commerce by asking from the Ministry of Industry.

KX – 7664 - The vehicle has been handed over to Department of Animal Production and Health.

KX – 8136 - The Secretary, Ministry of Urban Development and Housing has been informed through my letter No.SML/02/ᄡ/Ve.Assign-Minister and dated 18.10.2022 to arrange for the vehicle to be returned to this division.

KO – 0024 - The Chairman of the National Livestock Development Board has been notified through my letter No.SML/2/ᄡ/2/Ve.Tr/03-1 and dated 10.04.2023 to inform about, whether the action will be taken under the former Ministry of Rural Economy to hand over this vehicle to this division through the letter No. MREA/2/ᄡ/2/Ve.Tr/03-1 dated 09.01.2018 of the Secretary of that Ministry or otherwise, the appraised value of the vehicle will be paid to this Ministry and registered ownership of the vehicle will be transferred to the National Livestock Development Board by proceeding according to the provisions under Section 8 of P.F.C 01/2020.

CAA-0024 – My letter No.SML/2/ᄡ/2/Assign/05 and dated 22.09.2022 was informed to the Ministry of Women, Child Affairs and Social Empowerment to return this vehicle to this division. This Jeep was brought to the said Ministry and later this vehicle has been returned to the Ministry of Finance. Accordingly, It has been informed the Secretary of the Ministry of Finance, Economic

Stabilization and National Policies through my letters No.SML/2/3/2/Assign/05 and dated 22.11.2022 and 06.04.2022 to arrange for the delivery of this jeep back to this division.

CAH – 1634 - Jeep has been temporarily attached to the Paddy Marketing Board.

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| (f) | The aggregate value amounting Rs.139,800,000 of 08 vehicles that ownership is in the livestock division included in the financial statements are not physically exist in that division or in any other division of the Ministry and they have not been returned. | Since the jeep bearing No.KX 8136 under the Lowland and Coast Conservation Division of Ministry of Urban Development and Housings and the jeep CAA-0024 under the Ministry of Finance, Economic Stabilization and National Policy as an official vehicle of the Honorable State Minister of Finance are being used, although it has been notified to return its, actions has not been taken to re-deliver until now. | Arrangements should be made to bring vehicles back to the Ministry. |
| (g) | Although the Rural Economy Division of the Ministry has been using the vehicle No.KK-5865 belonging to the Ministry of Industries since 10 January 2019, action had not been taken to taken over it until 25 April 2023. | Although a request has been made from the Ministry of Industry to provide agreement to transfer the vehicle to the State Ministry of Backward Rural Areas Development and Promotion of Domestic Animal Husbandry and Minor Economic Crop Cultivation by the letter dated 24.03.2021, the agreement has not been expressed until now. | Steps should be taken to taken over the vehicle or transfer the ownership to the entity. |

2. Financial Review

2.1 Revenue Management

Audit Observation

Although the semi-annual arrears of revenue reports under the revenue code No.2003.07.00 should be submitted to the Auditor General with a copy to the Director of Fiscal Policy within one month of the expiry of said period F.R.128(2)(d),

Comment of the Chief Accounting Officer

As the Revenue Accounting Officer of the Ministry, it is kindly informed that the action will be taken to submit the semi-annual reports of Revenue Head 07.00.2003.

Reccommendation

Arrears of revenue reports should be prepared semi-annually and submitted to the Auditor General.

F.R.176(1) and paragraph 08 of the fiscal policy circular No.01/2015 dated 20 July 2015, the reports related to the year 2022 had not been prepared and submitted for audit.

2.2 Management of Expenditure

The following observations are made.

Audit Observation	Comment of the Chief Accounting Officer	Recommendation
(a) Although the affairs of the 03 State Ministries which have been revocation since 01 October 2022 are operating under the Ministry of Agriculture as Rural Economy division, Fertilizer division, and Livestock division, evidence was not presented to the audit that the Secretary of the Ministry of Agriculture had delegated authority in accordance with Financial Regulation 135.	It is kindly informed that since the period from 01 October to 31 December 2022 in these 2 sectors is a short period of 03 months, the activities were carried out as per the transfer of financial authorities of the existed Ministry.	A delegation of financial authorities should be made as per the Financial Regulations.
(b) According to paragraph 3.4 of Public Accounts Guideline No.2022/05 dated 13 December 2022, the difference between the total net provision and the actual expenditure and the reasons for the difference should be indicated in the form SA-2(ii) for every expenditure object under each expenditure object code. Nevertheless, the total net provision, the actual expenditure and the difference had been mentioned by adding two expenditure object codes for every expenditure object under each expenditure object code in the Ministry's SA-2(ii) form without act accordingly.	According to the Public Accounts Guideline No.2022/5, the information requested in the format provided for the ACA2(ii) Expenditure Statement is not the Project-wise Expenditure Statement but the Program-wise Expenditure Statement. Therefore, It is informed that the statement of expenditure has been submitted as per the relevant format.	Public Accounts Guidelines should be followed.

2.3 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	Reference to Non-Compliance Laws, Rules and Regulations	Comment of the Chief Accounting Officer	Reccommendation
(a)	F.R. 891(i)	A Security Register containing the details of officers and employees to be given Security had not been prepared.	The Register containing the information of the officers who deposited the Security has been prepared by now.	A Security Register should be prepared.
(b)	F.R.1646	Although the original copies of the monthly summaries of vehicle journeys and running charts should be sent to the Auditor General before the 15 of the following month, the running charts and monthly summary reports of official and pool vehicles related to the year 2022 had not been submitted to the Auditor General.	Due to the Corona pandemic situation in the year 2021, the running charts related to that year were to be checked and submitted to the audit in the year 2022 and it is acknowledged that there was a delay in providing the 2022 pool vehicle running charts for audit on due date.	The running charts and summary reports of the vehicles should be submitted to the Auditor General on the due date.
(c)	Section 770 (4) introduced by Public Finance Circular No.01/2020 dated 28 August 2020 and Section 02 (a) of Asset Management Circular No.05/2020 dated 02 October 2020	Although it has been stated that vehicles that are not in running condition in the Livestock Division of the Ministry should be disposed before 31.12.2020 and institutions using budget allocations or provincial council funds should credit the money earned by disposing those vehicles to the relevant	Vehicle No.65-6120 that was under the Ministry of Rural Economic Affairs prior to September 2015 and this vehicle came under the Ministry of Rural Economy after its merger with the predecessor Ministry of Rural Economy established in September 2015 (since the Ministry of Rural Economic Affairs was revocation). The vehicle was not in running condition at that time also and the previous Ministry of	Arrangements should be made to dispose of vehicles.

fund, disposal had not been carried out until 01 March 2022 despite recommended for disposal by the disposal committee. Rural Economic Affairs did not hand over the documents related to this vehicle. As the vehicle was not in running condition, file was not maintained in relation to this vehicle under subsequent ministries.

2.4 Incurring of Liabilities and Commitments

The following observations are made.

Audit Observation	Comment of the Chief Accounting Officer	Recommendation
(a) According to F.R. 94(1), although it cannot be bound to liabilities exceeding savings, the agriculture division of the Ministry has bound to Rs.2,312,760,277 of liabilities exceeding the savings of 18 expenditure objects.	Provisions were not made by transfer of provisions for bills due in the coming year and provisions were made only to the extent of utilization as much as possible.	Commitments and liabilities should not be created in excess of the provisions as per the Financial Regulations.
(b) The liabilities of Rs.3,585,762 related to the agriculture division for the year had not been included under note No (iii) of the statement of liabilities and commitments in the financial statements.	It was not possible to enter those liabilities because the relevant bills are presented later. However, It is informed that the relevant officers have been instructed to include the liabilities correctly in the financial statement in the future.	All commitments and liabilities should be included in the financial statements.
(c) All commitments and liabilities related to the Ministry had not been included in the statement of commitments and liabilities to be prepared according to Annexure (iii) mentioned in paragraph 6 of the Public Accounts Guideline No.2022/05 dated 13 December 2022.	The relevant officers have been instructed to enter the liabilities correctly in the financial statement in future.	All commitments and liabilities should be included in the financial statements.

2.5 Issuance and Settlement of Advances

Audit Observation	Comment of the Chief Accounting Officer	Reccommendation
According to F.R.371(2), although the advance received should be settled immediately after the completion of the work, the total Sub-Imprest of Rs.228,080 received by 06 officers of the agriculture division had been taken time between 30 days to 116 days and the total Sub-Imprest of Rs.156,024 received by 09 officers of the livestock division had been taken time between 50 days to 240 days to settle the Sub-Imprest.	During the issuance of “ad hoc” Sub-Imprest, constant awareness has been given to settle immediately after the completion of the relevant work, and the settlement of some of them has been delayed due to occasional difficulties. Instructions will be given to settle the respective advances immediately and action will be taken accordingly.	The “ad hoc” Sub-Imprest should be settled immediately after completion of the relevant work.

2.6 Deposit Balances

Audit Observation	Comment of the Chief Accounting Officer	Reccommendation
In relation to maintaining Deposit Accounts, action had not been taken as per the F.R.571 regarding a deposit of Rs.126,000 over 02 years in the fertilizer division and 02 deposits of Rs.440,439 over 02 years in the livestock division on 31 December 2022.	Bills have not been presented until now for the payment of this amount, which was retained as the retention money during the payment to Kinwes Private Limited in December 2020 for the renovation of the Cabinet Office. It is kindly informed that action will be taken to pay the bills as soon as they are presented and proceed according to F.R.571. Action will be taken to settle the amount of Rs.440,439.00 which has not been credited to the Government revenue until now.	Arrangements should be made to settle the deposits or if not claimed, credit them to the state revenue.

2.7 Operation of Bank Accounts

Audit Observation	Comment of the Chief Accounting Officer	Reccommendation
The Chief Financial Officer/ Chief Accountant who served in the revocation Ministries was responsible for the closure of the inactive official bank accounts and approved imprest accounts related to the revocation heads of expenditure as per	The previous State Ministries were merged under the Ministry of Agriculture and the Treasury instructed to implement the said State Ministries under the Ministry of Agriculture as divisions.	Bank accounts of revocation Ministries should be closed.

Section 18 of the Budget Circular No.BDKBP/01/01/03-2023 dated 21 December 2022 of the Secretary to Treasury. Nevertheless, 03 official bank accounts containing balances of Rs.50,917,244 related to the revocation expenditure heads 407,426 and 427 in the year under review had not been closed until the date of this report.

Accordingly, It is informed that it will be implemented in separate divisions under one imprest account.

2.8 Losses and Waivers

The following observations are made.

Audit Observation	Comment of the Chief Accounting Officer	Recommendation
(a) Rural Economic Division of the Ministry had not recovered Rs.114,343 to be charged from the two responsible drivers for vehicle accidents according to the Financial Regulations. Although those drivers had left the ministerial staff, further action had not been taken regarding the recovery of the amount to be recovered.	The total amount to be collected from two drivers in related to the vehicle accidents is Rs.282,371. As of 30.04.2022, an amount of Rs.168,028 had been collected from that amount and after 17 April 2022, the two drivers left their positions along with the former Honorable Minister and therefore collection of the amount of Rs.114,343 to be collected became a problematic situation. Although 02 letters have been sent to the two drivers to pay the loss immediately, there has been no response until now. It has been get to know from sources that these two drivers are currently not in Sri Lanka and information is being sought through the Divisional Secretary and Grama Niladhari Officer in this regard and other actions are being taken in the future.	Loss should be recovered immediately.
(b) The loss of Rs.7,982,290 incurred due to the accidents of 02 vehicles with registration No.KY-5535 and CAV-5064 had not been included in the statement for losses which existing to further recover or write off or neglect.	KY 5535 - Rs.303,971 in this vehicle has been write off in the year 2021 and included in the value list. CAV 5064 – It is informed that this value will be included in the document to be recovered. CAV 5064 - Investigations are still going on in this regard. The values missed due to omission will be including in the future.	It should be act as per the Financial Regulation.

3. Operational Review

3.1 Management Weaknesses

3.1.1 Termination of the Rental Agreement

The following observations are made.

Audit Observation	Comment of the Chief Accounting Officer	Recommendation
(a) From 08 April 2016 to 07 April 2021, the Ministry of Agriculture leased the building premises named DPJ Towers from a private company for a period of 05 years and handed it over to the lessor on 31 January 2020. The refundable deposits of Rs.63 million paid to the lessee by the Ministry had not been recovered until now. It is also observed that period of 02 years of illegal retention of this deposit amount has been passed.	According to the agreement, the deposit should to be returned to the lessee after handing over the freehold of the property on 31 January 2020. Nevertheless, DPJ did not pay the deposit amount of Rs.63 million as agreed, and on several occasions DPJ was informed in writing and they also responded. Nevertheless, since the facts presented by the said parties are not acceptable, the Ministry has to take legal action to recover the deposit amount. Accordingly, the Attorney General's Department has sent letter of demand to DPJ. In response to that notice, they have agreed to pay an amount of Rs.300 lakhs by letter dated 21.11.2022. The Attorney General's Department has been informed to recover the agreed amount and file a case for the remaining amount and the instructions of the Attorney General's Department are awaited.	The deposit amount should be recovered.
(b) Due to the absence of a condition in the relevant lease agreement that a report on damages should be called with the agreement of both parties at the end of the lease agreement, the damage caused to the leased property was assessed by the Ministry as Rs.12,710,236 and the damage was assessed by the lessor company as Rs.28,250,056. It has been delayed in getting a report from the Government Valuation Department by calculating the damage done to the relevant building until now.	Before the end of the lease agreement and the handing over of the building, although the DPJ was informed to participate in the inspection together with the Ministry in order to identify the damage that has been done to the building and to carry out the necessary activities to hand it over to a suitable agency to calculate the damage, that institute did not participate in that event and the engineering division of the Ministry identified the damage and prepared a draft estimate for it. Since the DPJ had also calculated the damage and submitted a report, after that there was a conflict between the two reports. Therefore, this was forwarded to the Government Valuation Department to calculate the damage done to this building and provide a report.	The damage to the building should be independently assessed by the valuation department.

Accordingly, as payments are made for the damage to the building according to the report provided by the Valuation Department, it is not possible to conclude on the risk of overpayment based on the reports provided by the Ministry or DPJ.

3.1.2 Outstanding Balances in Advances to Public Officers Account

The following observations are made.

Audit Observation	Comment of the Chief Accounting Officer	Recommendation
(a) According to the F.R.485(4) and F.R.113(6)(a), although the loan balance of the transferred officers should be settled within three months, the value of that loan balance was Rs.229,350 on 31 December 2022 even though transferred.	In relation to that balance, an amount of Rs.12,150 out of Rs.229,350 that should be recovered from an officer of the Agriculture division has been settled in May 2023 and the remaining amount will be settled in the future.	It should be act as per the Financial Regulations.
(b) Rs.140,557 loan balance that should be charged from 03 officers who left the service was more than 05 years old and an outstanding loan balance of Rs.427,933 between 3-4 years of 04 officers was also observed during the audit.	The total loan balance for those who have left the service for more than 05 years is Rs.140,557. The loan balance of the officer related to the agriculture division has been referred to the legal division for taking legal action. Applications have been forwarded to the Treasury to write off the loan balances of officers related to Livestock division. Arrangements will be made to settle these loan balances from the accounts in the future. Sum of the loan balances of the officers belonging to the period between 3-4 years after leaving the service is Rs.443,148.	Arrangements should be made to recover outstanding loan balances.
(c) The outstanding loan balance of Rs.537,149 from 04 suspended officers had failed to be recovered from those creditors or guarantors even on 31 December 2022.	In order to recover a loan balance of Rs.175,714 of one officer in this loan balance, although letters were sent to the address in his personal file, as it was confirmed that the address was not there, the letters were sent to the divisional secretariats. This has also been referred to the Attorney General's Department for taking legal action and efforts are being made to recover the loan balance. The remaining loan balance is Rs 361,435 for 03 officers related to the	Arrangements should be made to recover outstanding loan balances.

fertilizer division and those officers have also been informed through letters to recover the loan. Arrangements are being made to recover the loan balance.

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| (d) | The value of outstanding loan balances from 05 retired officers is Rs.603,099 and it was observed that those loan balances belong to a period from 03 months to 03 years. | Outstanding loan balance from retired officers is Rs.603,099. The retirement gratuity has not been paid until now and after the payment of the retirement gratuity, the loan balance will be settled through accounts summary of loan balances. | Arrangements should be made to recover outstanding loan balances. |
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3.2 Planning

Audit Observation

The information regarding the updated organizational structure, approved cadre, information of the actual staff, imprest requirement plan and annual procurement plan had not been included to the action plan of the livestock division as per the paragraph 03 of the Public Finance Circular No.01/2014 dated 17 February 2014.

Comment of the Accounting Officer

The quarterly financial requirement for each activity under the project of the Development Program of the Annual Action Plan was included in the action plan itself. Therefore, there is no need to prepare a separate imprest requirement plan. From this year, arrangement had been made to include the annual procurement plan in the action plan.

Recommendation

All required information to be included in the action plan as per the Public Finance Circular should be included.

3.3 Non-achievement of Expected Output Level

Audit Observation

- (a) According to the Cabinet decision No.CP/20/1626/323/014 dated 16 November 20, the 2021 and 2022 budgets had been allocated a total of 39 million as 19 million and 20 million respectively to upgrade and take over the laboratory owned by Lanka Fertilizer Company to the National Fertilizer Secretariat. However, it was observed that the provision of Rs.39 million not been utilized due to the failure of the Ministry of Agriculture to take over or develop the said laboratory as per

Comment of the Accounting Officer

A committee chaired by the Additional Secretary (Administration) of the State Ministry of Agriculture had been appointed by representing the following institutions with the approval of the Secretary of the State Ministry of Agriculture to implement the recommendations given by the Minister of Finance including the economic benefits and the taking over cost arising from the taken over the laboratory owned by Lanka Fertilizer Company to the National Fertilizer Secretariat.

According to the decision taken in a

Recommendation

The laboratory owned by the Ceylon Fertilizer Company should be taken over to the National Fertilizer Secretariat and upgraded.

the Cabinet decision, and the laboratory tests to be carried out by the National Fertilizer Secretariat in the years 2021 and 2022 have to be directed to private laboratories.

meeting held at the State Ministry of Agriculture on 2021.09.22 to look after alternative ways after it was decided that the National Fertilizer Secretariat is not appropriate to take over the laboratory belong to Ceylon Fertilizer Company, Although before submitting for cabinet approval, the draft of the agreement had been forwarded to inspect the possibility of maintaining a collaborative laboratory with the Nano Technology Institute and the Bio technology Institute, to conduct the feasibility test and to investigate the legal requirements for maintaining a laboratory to the Secretary, Ministry of Skill Development by the Secretary of the State Ministry of Agriculture.

A notification was made again by the Secretary of the former State Ministry of Digital Technology and Enterprise Development with the copies to the secretary, Ministry of technology since it was informed that the above mentioned institutions do not belong to the that ministry, nevertheless the process was not successful with the changes that taken place in the Ministries.

(b) The total number of beneficiaries was 16,222 with 808 beneficiaries under the animal husbandry project and 15,414 beneficiaries under the crop cultivation project as per the performance report of the year 2022. Although the progress of the project had been identified only on the basis of the beneficiary lists without verifying whether the benefits reached the specific beneficiaries identified under the project.

The allocations had been released after giving approval to the documents of the beneficiary certified by the officials of the respective districts who are working for each field. While disbursing the allocation to the beneficiaries, copies of the confirmation documents obtained were not brought by considering the contemporary shortage of stationery and the said documents were remained at the concerned regional offices.

It should be ascertained whether the benefits reached the specific beneficiaries.

(c) Although the Circular No.02/2022 dated 10 June 2022 of the Additional Secretary of the Rural Economic Division had been stated that the beneficiary

Instructions regarding the implementation of the development programs at the regional level had been informed in writing and written notices had been given by the District Secretaries belonging to

Families should be selected as beneficiaries who have not received subsidy for Black

- should be a family that has not received subsidy for the cultivation of Black gram and Green gram within 02 years close to the proposed year from the government or private institution, 11 cases were observed that some beneficiaries selected in the year 2021 were also selected in the year 2022.
- (d) As per the revised action plan on 31 August 2021 of Rural Economic Division, the construction of 3,400 sanitation units with an estimated value of Rs.2,000,000,000 under the aids of the government of India was planned, nevertheless, the project activities was not started until 25 April 2023. The activities related to the amendment of the aforesaid project were included in the performance report of the year 2022 and also the objective of this division was mentioned as “taking actions to create a healthy population by improving sanitation facilities”. Nevertheless, the activities related to revising the aforesaid project had not been included in the action plan of the year 2022.
- the Regional Secretariats to had given written notices to the regional offices that there has been a deviation from it.
- gram or Green gram cultivation from a government or private institution in the two years close to the proposed year.
- A Memorandum of Understanding (MoU) between the Government of India and the Ministry of Fisheries and Aquatic Resources Development had been signed to be valid from 2018.07.19 to 2021.07.18. Although evaluations had been done for the bids which made by the previous ministry after take over to the new ministry, the decision had been made to re-estimate considering the current prices due to the fact that organization has not come forward as per the change in the current prices under the estimated prices set for the construction of one sanitation unit. It was taken more time to obtained recommendations from the Ministry of Finance and the Ministry of Foreign Affairs for that and due to this the period of the initial Memorandum of Understanding was overdue. Due to these facts, it was not possible to implement this project in the year 2022.
- The expected tasks to be performed under the project should be included in the action plan.
- Also, this task had not been included in the action plan of the year 2022 due to the fact that the budget allocation for the year 2022 was not allocated funds for the improvement of sanitation facilities.
- (e) Although the Rs.15,900,000 and Rs.6,250,000 were allocated for the construction of 09 Government Breeding farms and 25 private breeding farms in the year 2022 respectively under the Breeding Farms Construction
- 02 out of the 09 Government Breeding farms planned to be completed by the end of year 2022 had been completed and payments had been made. Total of 30 breeding farms which are 28 private breeding farms and 02 government breeding farms (North and North West
- Actions should be taken to achieve the expected level of performance.

Project of the Livestock Division, by the end of the year, 28 private breeding farms had been built and only 02 government breeding farms had been built.

Provinces) had been completed and payments had been made. During the first quarter of the year 2022, the basic activities such as planning the project implementation methods, planning the main activities of the project, organizing, informing officials at the provincial level and selection of beneficiaries etc. are being done and this project had been temporarily suspended according to National Budget Circular No.03/2022 which issued 2022.04.26. The implementation of the re-development projects was started in the fourth quarter by spending the allocation of the entire year. Therefore, by the Southern, Sabaragamuwa, Central, Western, Uva and Eastern Provincial Directors of Animal Production and Health had been informed that it is not possible to implement the government breeding farm project as there is not enough time to carry out the procurement activities

- (f) A financial allocation Rs.32,000,000 had been given as per the revised budget under the Development of Small and medium Scale Dairy Farmers and Dairy Cluster Village Development Project of the Livestock Division and although 93 percent financial progress had been achieved, The physical progress was at a low level of 2 to 3 percent in regarding the 05 planned activities. This project was not completed as per the National Budget Circular No.03/2022 dated 2022.04.06 related to controlling public expenditure and it was observed that the cost incurred was an idle cost.
- The development of small and medium scale dairy farmers and the cluster dairy village development project had been planned to be implemented all over the island covering all provinces based on the allocation of Rs.1000,000,000 for the development of livestock according to the budget of the year 2022. There, targets related to 05 main activities had been divided into 04 quarters and done. According to National Budget Circular No. 03/2022 dated 2022.04.26 related to control of the government expenditure, the activities of the project had been completely stopped. During the first quarter, planning of the implementation methods of this project , informing the officials at the provincial level, planning the main activities of the project etc. Had been done.
- The project should be completed.
- (g) Although the provision of Rs.21,210,000 was allocated for the reconstruction of the
- An allocation of Rs.25,600,000 has been allocated for this construction under the medium-term livestock development
- Action should be taken to achieve the expected level of

- Peduruthuduwa veterinary office building in the year 2022 under the Livestock Development Medium-term Program and out of which Rs.6,810,000 of payment had been made, on the basis of the request of the contractor citing the shortage of building materials and rising prices, the contractor had been stopped without completion by an undated letter signed by the two parties of the contract and the engineer of the Jaffna Division of the Irrigation Department.
- program in the year 2022, and Rs.4,878,090 as initial advance (with VAT) and Rs.1,941,984 as the first bill (with VAT) had been given to the Northern Provincial Director. Accordingly, in the first quarter of 2022, Rs. 6,820,000 i.e. 32 percent financial progress had been achieved. Although the revised budget estimate of 2022 had been allocated Rs.21,210,000 for this construction in relation to the fourth quarter, at that time related activities were being carried out for the completion of this construction contract. A new estimate of Rs.52,980,000 has been prepared for the construction of the remaining part of this building as per the letter dated 2023.04.28 of the Provincial Director of the Northern Province Animal Production and Health Department. Accordingly, Rs. 25,000,000 for the second phase and Rs.27,980,000 for the third phase of the construction of this building had been estimated.
- performance.
- (h) The provision of Rs.510,000 had been allocated for the development of 29 farms under the Duck Farm Development Project activity under the Small and Medium Scale Poultry Development Project of the Livestock Division, nevertheless these farms had not been constructed even at the end of the year under review.
- The amount of Rs.510,000 had been allocated to implement the Duck Development Project as per the request of the North Central Province of the Small and Medium Scale Poultry Development Project – Duck Farm Development Project. In relation to that, an advance had been requested to purchase of chicks by the Director of Animal Production and Health of the North Central Province, nevertheless the project could not be implemented due to the non-availability of the allocations.
- 29 farms should be developed.
- (i) Although the 110 farms were targeted to be established under the activity of construction of environmentally friendly pig farms under the Pig Industry Development Project of the Livestock Division, only 49 farms were built and the physical progress of the project was 37
- This development project had been established as per National Budget Circular No.03/2022 dated 2022.04.26. This project had been restarted in the fourth quarter through the revised budget estimate of 2022. The construction works (pig pen, sewage systems, bio gas generators, etc.) are being carried out under this project, the construction works
- 61 non-constructed eco-friendly pig farms should be constructed.

percent. And the progress was stated as 10 percent without mentioning the number of target program for the training under the project.

could be completed only in 49 farms due to the problems raised due to the economic crisis in the island. Out of the Rs.8,100,000 in related to that Rs.4,720,000 had been settled by cheques and payment had been made for Rs.3,420,000 cheques in year 2023.

- (j) Although the number of 576 farms were targeted to be established under the project to established small and medium scale dairy farms through breeding management under the program to promote small and medium scale dairy farms through productivity improvement of the Livestock Division, only 100 farms i.e. 17 percent had been completed.

At the beginning of the year 2022 that is during the first quarter, the project was planned and the provincial directors were informed. National Budget Circular No. 03/2022 dated 2022.04.26 related to government expenditure control had been issued. Accordingly, the activities of the aforesaid project had been temporarily suspended and the project activities had been started again in October 2022.

The remaining 476 farms should to be completed.

At that time, most of the provincial directors had been expressed their reluctance due to insufficient time to implement the projects in the year 2022 and the government contribution had been given only to the beneficiaries who had already beard the beneficiary contribution and completed the projects. Due to these facts, it was difficult to achieve the goals of the project and by the end of the first quarter of the year 2023, payments for Rs.16,800,000 of the commitments made under the project in the year 2022 are still to be made.

3.4 Other Observations

Audit Observation	Comment of the Accounting Officer	Recommendation
(a) 03 Former Government Ministries were revoked in the year under review and included in the Ministry of Agriculture and their transactions had been stated in the financial statements. The information of those 03 government ministries had been excluded and only the financial information under this	The workshop conducted by the Public Accounts Department on how to settle the accounts on behalf of the revoked State Ministry was given instructions to disclose the financial information of the year prior to the year under review only in relation to the relevant expenditure head.	The information should be presented so as to be comparable with the previous year.

ministry had been entered. Accordingly, it was observed that the information mentioned in the statement of financial performance, statement of financial position and cash flow statement for the year under review could not be compared with the previous year.

- (b) The letter No.4/5/6 Quality dated 26 June 2009 which included the methodology to be followed in importing chemical fertilizers had been issued by the Director of the National Fertilizer Secretariat with the agreement of all parties including the Ministry of Finance, Ministry of Agriculture and the Department of Agriculture. However, marketing approval was given for the sale of chemical fertilizers by changing methodology included in the above letter 4/5/6 Quality dated 19 March 2020 and the method by which chemical fertilizers were tested and approved until then. The following facts were revealed during the audit conducted in the fertilizer division of the Ministry regarding the cases where trade approval was grant.

- (i) The letter No. 7/1/2/3/4 NFP dated 20 March 2020 had been issued to all the fertilizer imported companies by the Director of the National Fertilizer Secretariat by stating that the approval will be given to distribute imported fertilizers in Sri Lanka as per the approval

The director of National Fertilizer Secretariat had been stated that the country does not have the required amount of fertilizer for paddy cultivation in that Yala season at the Meeting held on 2020.03.03 with the President and the facts had been reported on 2020.03.05 through the letter No.7/1/3/1 addressed to the President by the Secretary of the Ministry of Mahaweli,

An inquiry should be conducted against the officials who acted without obtaining the laboratory analytical reports required to take samples of fertilizer before releasing fertilizer as

of the Secretary of Ministry of Agriculture to release fertilizers to the market based on the laboratory analytical reports obtained at the time of shipment of fertilizers during the Corona pandemic period without the laboratory analysis required to carry out by taking samples of imported fertilizers in accordance with Sections 12(1)(c) and 12(2)(1) of the Fertilizer Regularization Act No. 68 of 1988.

Agriculture, Irrigation and Rural Affairs per the Act. titled “Remedies to overcome fertilizer shortage”.

Also, the discussion had been made about taking necessary actions for food security in the face of Covid 19 epidemic situation working on the accepted standards of the United Kingdom/European Union for 17,000 metric tons of direct fertilizers which imported into the country and which were not given marketing approval through the letter No.7/1/2/3/4/NFP dated 2020.03.11 by the Secretary of the Ministry of Agriculture, Irrigation and Rural Affairs to the Chairman of the Sri Lanka Standards Institute.

Steps had been taken according to the Act by the director, as the head of the institution for the continuous distribution of fertilizers in order to maintain food security in the country in situation where the laboratories which samples are analyzed at the National Fertilizer Secretariat were closed during the Covid 19 pandemic situation and it was difficult and risky to go to the warehouses of the related companies to get the samples. That is, the system for the distribution of fertilizers was prepared and implemented for distribution of fertilizers based on analytical reports obtained by internationally accredited laboratories after granting marketing approval with the approval by the letter No.7/1/2/3/4/ NFP dated 2020.03.20 of the Secretary of the Ministry of Mahaweli, Agriculture, Irrigation and Rural Affairs according to the above mentioned circular published by the President's Secretary on 19.03.2020 to all companies importing chemical fertilizers as subsidies.

- (ii) Although the fertilizer samples should be analyzed in accordance with those standards when there are standards recommended by the Sri Lanka Standards Institute according to the Section 20 of the Fertilizer Regularization Act No.68 of 1988, the letter No.7/1/2/3/4/NFP dated 20 March 2020 titled “Approval for TSP fertilizer” and had been issued by the Director of the National Fertilizer Secretariat to all fertilizer companies stating that Sri Lanka Standards Institute considers TSP fertilizers that do not conform to the standards recommended by the European standards as fertilizers that can be released to the market and that such wholesales are approved for release to the market.
- All importing and distributing chemical fertilizer companies had been informed regarding to follow the standards of United Kingdom/European Union for testing heavy metal parameters of Triple Super Phosphate (TSP) fertilizers and to distribute fertilizers prepared as mixers to reduce the amount of heavy metals contained through the letter No.7/1/2/3/4/ NFP dated 2020/03/20.
- An inquiry should be conducted against the officials who acted without obtaining the laboratory analytical reports required to take samples of fertilizer as per the Act.
- (iii) Based on the letter No. 7/1/2/3/4/NFP dated 20 March 2020 issued by the Director of the National Fertilizer Secretariat, 245,448 metric tons of chemical fertilizers had been approved to use in Sri Lanka without verifying compliance with the standards introduced by the Sri Lanka Standards Institute through the sample test after the import of fertilizer stock into Sri Lanka by considering only the analytical report obtained during the shipment of chemical fertilizer.
- All importing and distributing chemical fertilizer companies had been informed regarding to follow the standards of United Kingdom/European Union for testing heavy metal parameters of Triple Super Phosphate (TSP) fertilizers and to distribute fertilizers prepared as mixers to reduce the amount of heavy metals contained through the letter No. 7/1/2/3/4/ NFP dated 2020/03/20.
- However, At a time when many divisions belonging to the Ministry of Agriculture were closed due to the Covid 19 epidemic, the National Fertilizer Secretariat was made strong efforts to ensure the food security of the country through maintaining the service continuously, by taking necessary measures to distribute the required fertilizers to the farmers.
- An inquiry should be conducted against the officials who acted without obtaining the laboratory analytical reports required to take samples of fertilizer as per the Act.

4. Internal Audit

Audit Observation

Although there is a post of internal auditor in the cadre approved by the Department of Management Service of the Treasury, An Internal Auditor had not been appointed to the Rural Economic Division of the Ministry within a period not exceeding 02 years from the date of implementation of the Act according to the sub-section 40(2)(1) of the National Audit Act No.19 of 2018.

Comment of the Accounting Officer

A request had been made to Secretary of the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government by the former Secretary of the State Ministry of Backward Rural Areas Development Promotion of Domestic Animal Husbandry and Minor Economic Crops Cultivation to fill the vacancy of post of the Chief Internal Auditor through the letter No.RDAH&EC/Ad/02/024 dated 2021.11.30 & 2022.01.11. Action had not been taken to fill the vacancy due to insufficient space to provide an office room in the premises of the State Ministry of Backward Rural Areas Development Promotion of Domestic Animal Husbandry and Minor Economic Crops Cultivation for the post of Internal Auditor which was approved without the request of the Ministry.

Recommendation

Action should be taken to fill the vacancies.

5. Human Resource Management

Audit Observation

- (a) There is a deficit of 12 posts at the senior level, 06 posts at the tertiary level, 20 posts at the primary level and surplus of 80 posts at the secondary level in the agriculture division.

Comment of the Accounting Officer

The concerned administrative authorities had been informed about all the vacancies. Also, recruitment for vacant departmental posts could not be done as per National Budget Circular 03/2022.

Since the letter No. PS/GT/2020 (Volume III) dated 2022.01.03 titled Program to provide employment opportunities to unemployed graduates – 2020 of the Director General of Combined Service had informed to arrange for placement of fresher development officers irrespective of the surplus of officers, so all those officers were assigned to the service stations. Accordingly, there is a surplus of secondary level posts.

Recommendation

Action should be taken to fill the vacancies or to revise the cadre duly to current requirement.

- (b) There is a deficit of 19 posts at the senior level, 03 posts at the tertiary level, 16 posts at the primary level and surplus of 269 posts at the secondary level in the Fertilizer Division.
- The posts for Fertilizer Division of the Ministry (Previous State Ministry of organic fertilizer product promotion and supply regulation and cultivation of paddy and grains, organic food, vegetables, fruits, chilies, onions and potatoes Promotion, Seed Production and High Technology Agriculture) had been approved through the letter No.DMS/SM/47 dated 2021.10.04 of the Director General of Management Services Department. Accordingly, 31 senior level posts, 03 tertiary level posts, 31 primary level posts and 548 secondary level posts had been approved by the letter No.DMS/SM/47 and letter dated 04.10.2021 of the Director General of Department of Management Services.
- Action should be taken to fill the vacancies or to revise the cadre duly to current requirement.
- (c) Some key posts such as the post of Director (Planning), the posts of Assistant/Deputy Director, Director (Engineering) and Assistant Secretary among the 30 senior level approved posts in the ministry had not been recruited by the end of the year under review. Also, the post of Administrative Officer which is the tertiary level position in the Livestock Division required for the proper performance of the administrative work had been vacant. There was also a deficit of 21 employees at the secondary level.
- Director (Planning) - Sri Lanka Planning Service Grade I officer had been appointed as Special Grade Director General of Sri Lanka Planning Service in the Ministry of Education on after the service 2022.12.28.
- Action should be taken to fill the vacancies or to revise the cadre duly to current requirement.
- It had been requested by the letter dated 2022.12.23 that the Assistant/Deputy Director - Grade III/II in Sri Lanka Agriculture Service is no longer required for this division and to be attached to the Ministry.
- Although the human resource plan should be prepared to include every member of the staff as per the Annexure 02 format mentioned in Public Administration Circular No. 2/2018 dated 24 January 2018, the human resource plan was not prepared giving the training period and at least 12 hours of training opportunity.
- An officer had not been appointed for the post of Director (Engineer) Grade I in the Sri Lanka Engineering Service so far. This is due to the fact that the subject area of this section was not included a significant level of work related to that position. This had been reported to the Department of Management Services by letter No. MREA/2/2/9/1-1 and dated 2020.09.18 of the Secretary of the Ministry of Agriculture. It was proposed to suppress this position in future.

It was previously reported that the post of Assistant Secretary (Sri Lanka Administrative Service - Grade III/II) is vacant to the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government by my letter No.MREA/2/2/9/25(II) dated 2020.06.25 and Ministry of Public Services, Provincial Councils and Local Government by letter No.SML/2/2/ SLAS (General) dated 2020.09.30

Ministry of Public Services, Provincial Councils and Local Government had been reported that the position is vacant through the letter MREA/2/2/9/25(II) dated 2020.06.25 due to the fact that non-appointment of an officer to the post of tertiary administrative officer due to the obstruction in regularization of administrative work, nevertheless officer had not been appointed for that position so far.

The staff information related to secondary level in the submitted audit query should be correct as on 31.12.2021 as below. Accordingly, the number of secondary level vacancies in the year 2021 is 21.

- (d) Although the approved number of employees was 83 as at 31 December 2022 in the Rural Economic, Crops Cultivation Promotion Division, the actual number of employees was 188. Accordingly, recruitment had been done by exceeding the approved cadre.
- The letter dated 2021.10.12 and No.RDAH/DP/05/006 of the Additional Secretary of the Development and Planning Division of this Ministry had been informed that 375 graduates are required based on the of the Hadabima Authority of Sri Lanka being under this State Ministry and the expansion of the scope of the State Ministry due to the letter No.RDAH&EC/Ad/02/014 dated 2021.10.14 of the Secretary of the State Ministry of Backward Rural Areas Development Promotion of Domestic Animal Husbandry and Minor Economic Crops Cultivation had been informed that 484 graduates are required. Accordingly, 116 officers had been assigned to this
- Action should be taken to revise the cadre duly to current requirement.

ministry with effect from 2022.01.03. The number of development officers in the rural economic division is 157 as at 2022.12.31 including the Development Officers who worked in the division till then, who were recruited in the year 2020 according to the requirement of the graduate employees and who work in the economic centers.

- (e) There were vacancies in senior level posts including Chief Financial Officer, Chief Accountant, Chief Internal Auditor and Director as at 31 December 2022 in the Rural Economic Division.
- The Chief Financial Officer of the Rural Economy Division of the Ministry of Agriculture was retired from 2022.12.31 on completion of 60 years and as per the provisions of Public Administration Circular 19/2022.
- Action should be taken to fill the vacancies or to revise the cadre duly to current requirement.

An accountant had been appointed subject to the covering approval of the Public Service Commission to perform the duties of the post of Chief Accountant on a full-time basis. The Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government had been informed to fill the position of Chief Internal Auditor by the letters No.RDAH&EC/Ad/02/023 dated 2022.01.11 and 2022.01.11 of the former Secretary of the State Ministry of Backward Rural Areas Development Promotion of Domestic Animal Husbandry and Minor Economic Crops Cultivation.

Due the State Ministry was revoked and functioned as a division under the Ministry of Agriculture, the Ministry of Agriculture had been informed to suppress the 11 posts including the posts of Director (Development) for the Rural Economic Division while continuing the staff.

- (f) Although the approved number of employees for the post of secondary level Development Officers in the Rural Economic
- At that time, State Ministry of Backward Rural Areas Development Promotion of Domestic Animal Husbandry and Minor Economic Crops Cultivation had been
- Action should be taken to revise the cadre duly to current

Division was 28, the actual number of employees as at 31 December 2022 was 157. Accordingly, 129 Development Officers had been recruited by exceeding the approved cadre. currently functioning as the Rural Economy Division under the Ministry of Agriculture. Out of the Development Officers who approved in excess of the above approved cadre, the Development Officers who are currently working under the division had been submitted for the approval of the Department of Management Services to be included in the approved cadre. requirement.