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வருடாந்த செயலாற்றுகை அறிக்கை

Annual Performance Report

2021

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கால்நடை உற்பத்தி சுகாதாரம் திணைக்களம்

Department of Animal Production and Health

වාර්ෂික කාර්යසාධන වාර්තාව

வருடாந்திர செயலாற்றுகை அறிக்கை

ANNUAL PERFORMANCE REPORT

2021

සත්ත්ව නිෂ්පාදන හා සෞඛ්‍ය දෙපාර්තමේන්තුව

கால்நடை உற்பத்தி சுகாதாரத் திணைக்களம

Department of Animal Production and Health

Peradeniya

SriLanka

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Content

Annual Performance Report for the year – 2021

Department of Animal Production and Health
Expenditure Head No: – 292

1. Institutional Profile/Executive Summery

1.1. Introduction

The Department of Animal Production and Health (DAPH), which was established in 1978, is the main state organization responsible for livestock development in Sri Lanka. At present Department of Animal Production and Health is functioning under the State Ministry of Livestock, Farm Promotion and Dairy and Egg Related Industries, Ministry of Agriculture. DAPH is the national institution that is legally empowered for management of livestock diseases in the country. Main functions of the DAPH include research and development, provision of technical leadership, expertise and back-up services and human resource development pertaining to livestock development. Designing of projects and program for the development of the livestock industry, economic evaluation and policy recommendations on livestock industry and coordination of special development programs covering the whole island are the main livestock industry development responsibilities of the DAPH. The Department implements a range of statutes as well to facilitate growth of the livestock sector.

With the establishment of provincial councils most of DAPH field level functions have been devolved to nine (09) Provincial Departments of Animal Production and Health (PDAPH).

The National DAPH provides technical leadership, expertise and back-up services to provincial DAPH and to the livestock industry. Divisional Veterinary Offices managed by Veterinarians are the main functional units of the DAPH. Total of 337 divisional veterinary offices scattered throughout the country which are functioned under PDAPH implement all the livestock development programs at grass root level.

1.2. Vision, Mission and Objectives of the Institution

1.2.1. Vision

Be the premier organization leading the livestock sector towards socio-economic development of Sri Lanka.

1.2.2. Mission

Provide technical guidance and support to achieve sustainable development in the livestock sector by maintaining a healthy animal population and enhanced productivity ensuring food safety and contributing to food security.

1.2.3. Objectives

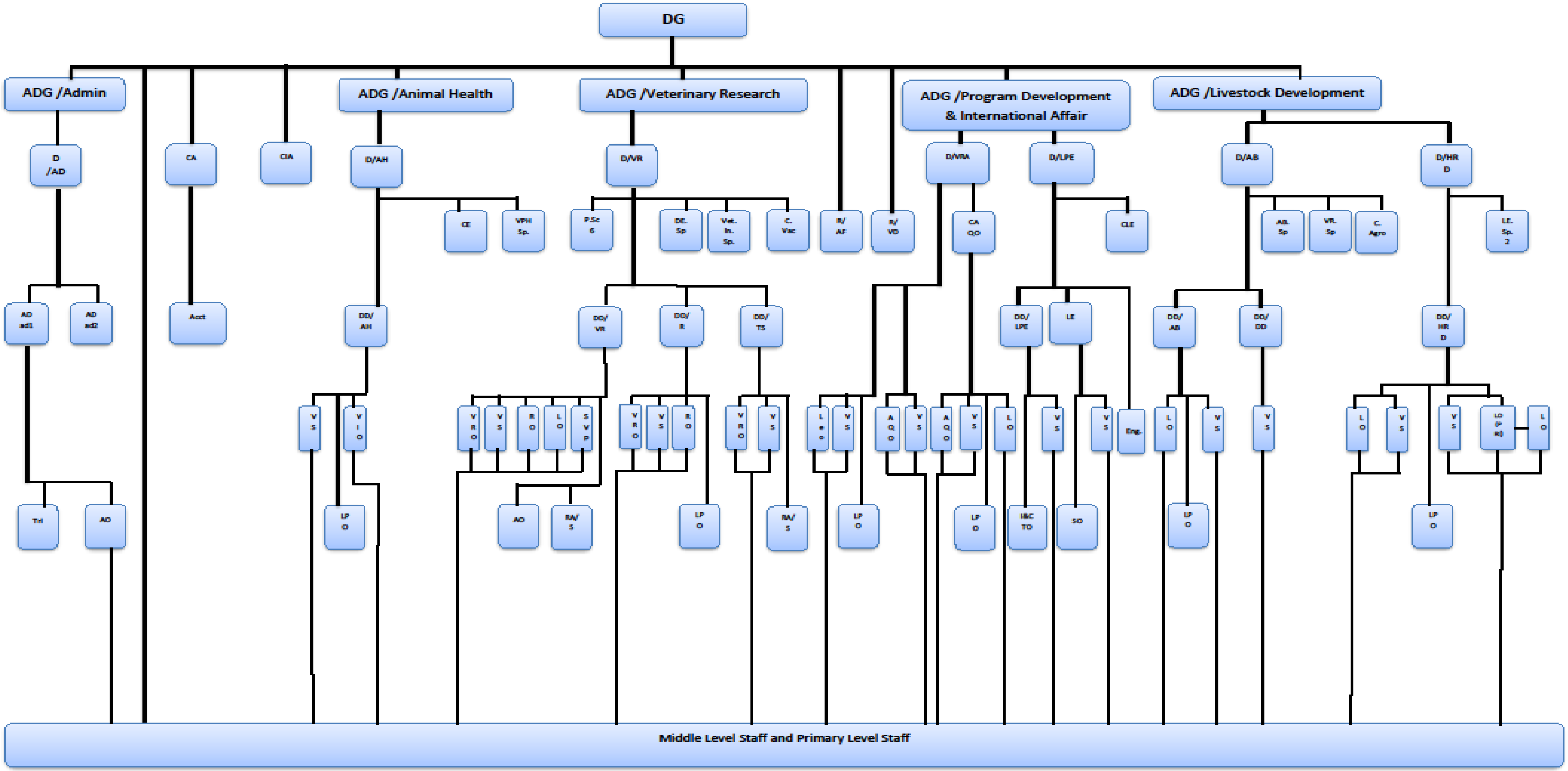
- To assure an efficient preventive and curative animal health service.
- To promote optimal utilization of animal genetic resources.
- To enhance utilization of quality animal feeds and feed resources.
- To promote growth and development of the animal feed industry.
- To conduct research and development towards a sustainable livestock industry.
- To produce veterinary vaccines and other biologicals
- To provide referral laboratory and diagnostic services for the livestock industry
- Guidance, monitoring and amendments of the acts and regulations pertaining to livestock and poultry industry.
- To develop technically competent human resources.
- To ensure efficient and effective information dissemination and technology transfer.
- To formulate, monitor and evaluate livestock development projects and programs.
- To assure safety of products of animal origin.
- To promote and facilitate good animal husbandry practices.
- To ensure welfare and wellbeing of animals
- To ensure efficient management of departmental activities.

1.3. Key Functions

- Conduct National Artificial Insemination (AI) service and production of high-quality semen from high productive cattle and goats.
- Implement Pedigree & Performance Recording Scheme (PPRS)
- Conservation of livestock genetic resources.
- Upgrade goat population.
- Implementation of Heifer Calves Rearing (HCR) program.
- Improve availability of hybrid pasture and silage
- Implementation of National preventive vaccination program in Livestock.
- Production of vaccines and biologicals against contagious diseases locally (Foot and Mouth
- Disease, Black Quarter, Hemorrhagic Septicemia and Newcastle Disease)
- Prevention and control for mastitis and production of udder infusions
- Control Salmonellosis and Newcastle diseases.
- Ensuring efficient early warning system against HPAI.
- Improve the facilities of Veterinary Investigation Centers to improve disease diagnosis activities.
- Improve the health status of dairy farms.
- Improve infrastructure facilities at Dairy Technology laboratory
- Provide advisory services for livestock industry.
- Implementation of Animal Identification program
- Increase the availability of animal feed at the local market.

- Regulation of manufacture, sale, importation for sale and use of livestock products and biologicals
- Regulation of poultry sector activities.
- Implementation of animal quarantine and surveillance activities.
- Facilitation of International Trade
- Improve laboratory and infrastructure facilities of Animal Quarantine Stations.
- Formulation and implementation of livestock research projects.
- Capacity development of Animal Husbandry Diploma Holders through Animal Husbandry Schools at Karandagolla and Seeppukulama.
- Conduct educational and skill development programs at Institute of Continuing Education.
- Dissemination of livestock programs. (TV/Radio/Exhibitions)
- Establishment and maintenance of model farm units.
- Development and maintenance of Animal Technology Park.
- Conduct surveys and studies on socio economic impact of livestock sector.
- Preparation and publication of livestock information and statistics.
- Establishment of new veterinary offices to ensure efficient veterinary service delivery system

1.4. Organizational Chart



Other Staff: BA , DO, DA, Le.Ass, Pro.Ass., Pro.Ass.Com, TO, Drftm, RA, PMA, LIB, LDO, WR
Dri, Tra.Ope., LA, Mech, BO, Car, Elec, Ban.Kee, Watc, CatC, MM, GtC, AnC, Grs, O.E.S, Liv.Ass, GL, SL, FA

DG	-Director General – Dept. of Animal Production & Health
ADG	-Additional Director General
D/AD	-Director, Administration
D/VRA	-Director, Veterinary Regulatory Affairs
D/LPE	-Director, Livestock Planning and Economics
D/HRD	-Director, Human Resource Development
D/AB	-Director, Animal Breeding
D/VR	-Director, Veterinary Research
D/AH	-Director, Animal Health
CA	-Chief Accountant
CLE	-Chief Livestock Economist
CE	-Chief Epidemiologist
VPH.Sp.	-Veterinary Public Health Specialist
P.Sc	-Principal Scientist
DE.Sp.	-Dairy Engineering Specialist
Vet.In.Sp.	-Veterinary Investigation Specialist
C.Vac	-Chief Vaccinologist
R/AF	-Registrar/ Animal Feeds
R/VD	-Registrar/ Veterinary Drugs
CAQO	-Chief Animal Quarantine Officer
AB.Sp.	-Animal Breeding Specialist
VR.Sp.	-Veterinary Reproduction Specialist
LE.Sp.	- Livestock Extension Specialist
C.Agro.	-Chief Agronomist
CIA	-Chief Internal Auditor
Acct.	-Accountant

DD/AH	-Deputy Director, Animal Health
DD/VR	-Deputy Director, Veterinary Research
DD/R	- Deputy Director, Research
DD/TS	-Deputy Director, Technical Service
DD/LPE	-Deputy Director, Livestock Planning and Economics
DD/HRD	-Deputy Director, Human resource Development
DD/AB	-Deputy Director, Animal Breeding
DD/DD	-Deputy Director, Dairy Development
LE	-Livestock Economist
AD. Ad	-Assistant Director/ Administration
SVP	-Superintendent of Vaccine Production
AQO	-Animal Quarantine Officer
VRO	-Veterinary Research Officer
VIO	-Veterinary Investigation Officer
VS	-Veterinary Surgeon
LO	-Livestock Officer
RO	-Research Officer
Leo	-Legal Officer
Eng.	-Engineer
AO	-Administrative Officer
RA/S	-Research Assistant/Special
LPO	-Livestock Promotion Officer
Trl	-Translator
I & CTO	-Information & Communication Technical Officer
SO	-Statistical Officer

Other Staff	
BA	-Budget Assistant
DO	-Development Officer
DA	-Development Assistant
Le.Ass	-Legal assistant
Pro.Ass.	-Programming Assistant
Pro.Ass.Com	-Programming Assistant (Communication)
TO	-Technical Officer
Drftm	-Draftman
RA	-Research Assistant
PMA	-Public Management Assistant
LIB	-Librarian
LDO	-Livestock Development Officer
WR	-Warden
Dri	-Driver
Tra.Ope.	-Tractor Operator
LA	-Laboratory Assistant
Mech	-Mechanic
BO	-Boiler Operator
Car	-Carpenter
Elec	-Electrician
Ban.Kee.	-Bungalow Keeper
Watc	-Watcher
CatC	-Cattle Caretaker
MM	-Milk Man
GtC	-Goat Caretaker

Grs	-Grass Cutter
O.E.S.	-Office Employment Service
Liv.Ass	- Livestock Assistant
GL	-Garden Laborer
SL	-Sanitary Laborer
FA	-Field Assistant

1.5. Main Divisions under the Department of Animal Production and Health

- Animal Breeding Division
- Animal Health Division
- Veterinary Regulatory Affairs Division
- Livestock Planning and Economics Division
- Human Resource Development Division
- Veterinary Research Institute
- Finance Division
- Administration Division

1.6. Institutions under the Main Divisions of Department

- Animal Breeding Division
  Artificial Insemination Centers - Kundasale, Polonnaruwa
  Goat Breeding Centers - Thelahera, Imbulandanda

- Animal Health Division
  Veterinary Investigation Centers (25)

- Veterinary Regulatory Affairs Division
  Animal Quarantine Stations - Colombo, Katunayake, Mattala, Jaffna

- Human Resource Development Division
  Animal Husbandry Schools - Karandagolla, Seeppukulama
  Institute of Continuing Education - Gannoruwa
  Livestock Technology Park - Gannoruwa

- Veterinary Research Institute
  Central Poultry Investigation Centre - Karandagolla
  Animal Virology Lab - Polgolla
  Dairy Technology Lab - Gannoruwa

1.7. Details of the Foreign Funded Projects

Foreign funded projects were not implemented during the year 2021.

2. Progress and Future Outlook

Progress of Development Programmes and Projects implemented by the Department of Animal Production and Health during the year 2021 (as at 31st December)

#	*Programme/Project*	*Budgetary provision 2021 (Rs.Mn.)*	*Physical Progress (%)*	*Financial Progress (Rs.Mn.)*	*Remarks*
1.	Control of Contagious Diseases	28.00	44	14.91	Limited allocation for vaccine importation, disruption of field vaccination activities due to the prevailing Covid-19 pandemic situation.
2.	Livestock Research Programme	50.00	90	44.72	
3.	Livestock Breeding Project	135.00	77.2	125.72	
4.	Increase the Availability of High-Quality Heifer Calves	50.00	76	44.59	
5.	Improvement of Service Delivery System of Field Veterinary Offices	22.00	85	10.79	
6.	Production of Vaccine against Foot and Mouth Disease locally	20.00	94	10.37	
7.	Animal Identification and Traceability System	5.00	60	3.37	
8.	Expansion and Modernization of Animal Quarantine Units	4.00	50	2.99	Construction is postponed to 2022 due to the prevailing Covid-19 pandemic situation.
9.	Export Facilitation of Chicken Meat and Eggs through Poultry Health Management	7.00	83	3.93	
10.	Comprehensive Mastitis Control Programme for Increased Milk Production and Productivity Improvement in Milking Herds	15.00	49	8.28	Production could not be carried out due to non-availability of raw material for vaccine production due to the prevailing Covid-19 pandemic situation.
11	Production of Compatible and High-Quality Animal Vaccine Locally for Substitution of Vaccines Imported	70.00	72	26.95	
12.	Minimization of Risk of Disease to Humans and Livestock through Wildlife Disease Surveillance	10.00	67	3.67	
13.	Upgrading Poultry and Fish Disease Diagnosis and Surveillance Facilities at Veterinary Investigation Centers	15.00	56	1.67	
14.	Quality Assurance of Animal Origin Feed for Food Safety and Export Facilitation	23.00	62.3	20.6	
15.	Strengthening Capacity of Production of Animal Husbandry Diploma Holders	35.00	62	19.38	
16.	Socio Economic Development Programme	5.00	80	4.85	
17.	Quality Assurance Programme		83	0.63	
18.	Livestock Promotion		100	1.75	
19.	Books and Periodicals		100	0	
Total		***494***		***346.79***	

2.1. Physical and Financial Progress of Projects implemented in 2021

2.1.1 Livestock Sector Development
2.1.1.1 Dairy Sector

a. Genetic Improvement of Cattle and Buffalo

Artificial Insemination (AI) using quality frozen semen is the main programme implemented to upgrade the local cattle and buffalo population, in order to increase milk production in the country. Production and distribution of cryo-preserved semen, training of AI technicians, development/introduction of pasture and fodder varieties and trainings on pasture and fodder cultivation is the main components of this programme. During the year 213,481 doses of semen were produced by the Artificial Insemination Stations at Kundasale and Polonnaruwa. A total of 200,795 AIs were carried out by divisional veterinary offices. A total of 63,607 pregnancy diagnoses were carried out on inseminated cows/heifers by field Veterinary Surgeons 59, 601 calving have been reported during the period under review.

b. Heifer Calf Rearing Programme

Poor management of AI born female calves is one of the main constraints at farm level, in achieving real benefits of the AI services. Therefore, an incentive payment scheme was implemented to enroll AI born female calves and provide technical advisory services and inputs in order to improve nutritional status of heifer calves thereby to increase breedable cow population and the domestic milk production in the country. During the period under review, a total of 13,804 heifer calves have been registered.

2.1.1.2 Goat Sector

The DAPH maintains two (02) Jamunapari goat breeding farms at Imbulandanda and Thelahera to meet the demand for high quality breeding goats. During the period, 110 Jamunapari goats (105 males and 5 females) were issued to farmers with the purpose of upgrading the goat population. Furthermore, 14 number of Boer male goats were issued to farmers for rearing as a sperm doners. 4,431 artificial inseminations were also carried out at field level to upgrade the goat population.

2.1.1.3 Poultry Sector

Poultry industry in the country at present is predominantly in the hands of the private sector and, the state sector role is confined to that of regulatory services and quality assurance aspects. Due to the outbreaks of the Highly Pathogenic Avian Influenza (HPAI) disease in certain countries, restrictions have been imposed on import of parent and grandparent birds and strict preventive measures are adopted by the animal quarantine office at ports of entries.

Around 82.47 % of broiler parent requirements of the country are being locally produced by three (03) Grand Parent farms (GP farms). By the end of the year 1,246,995 broiler parents have been produced locally by these grandparents' farms. In addition, 30,052 broiler grandparents, 264,914 broiler parents and 91,829 layer parents have been imported into the country.

It has been estimated a total of 175.22 million broiler chicks and 10.05-million-layer chicks have been produced by poultry breeder farms during the period.

Newcastle disease vaccine was produced by the VRI to be issued to small-scale poultry farmers free of charge. During the period under review, 7,420,400 doses of Newcastle Disease (ND) vaccines were produced by the DAPH. 2,746,589 birds have been immunized against Newcastle disease by the end of 2021.

2.1.2. Livestock Health Improvement

a. Control of Contagious Diseases of Livestock

Department of Animal Production and Health (DAPH) implements island wide efficient preventive and curative animal health management service in collaboration with the Provincial Departments of Animal Production and Health (PDAPH). Such programs are very important to maintain a healthy animal population, in order to achieve optimum production and productivity from animals. Immunization against notifiable animal diseases is the main programme carried out under this by the DAPH in collaboration with PDAPH.

Required vaccines for the immunization programme are manufactured by the Veterinary Research Institute (VRI) of the DAPH namely vaccines against Hemorrhagic Septicemia (HS), Black Quarter (BQ) and Brucellosis.

During the period under review, 249,320 doses of FMD, 166,320 doses of HS, 150,645 doses of BQ and 6,050 doses of Brucella vaccines were produced by the VRI, DAPH. 536,030 animals have been immunized against FMD, 130,585 animals have been immunized against HS, 96,428 animals have been immunized against BQ and 3,298 animals have been immunized against Brucellosis by end of the year 2021.

b. Prevention of Introduction of Highly Pathogenic Avian Influenza

Sri Lanka is still remains free from Highly Pathogenic Avian Influenza (HPAI), a disease which has caused devastating effects in several countries world-wide. The DAPH has prepared a comprehensive plan to control and eradicate this disease if it gains entry into the country. Strict surveillance programs and awareness programs are being carried out.

Diagnostic capabilities of the Veterinary Research Institute (VRI) have been strengthened and several officers in the national and provincial DAPH were trained/exposed to training/seminars on HPAI prevention and control.

Under the HPAI surveillance program a total of 21,082 field samples were tested during the period and found to be negative.

c. Strengthening of Animal Quarantine and Inspection Service

Animal quarantine service is the front-line defense system against entry of any exotic (foreign) animal disease into the country. The objectives of this project are strengthening post-import quarantine surveillance program on breeder poultry and quality (health) improvement in the ornamental fish industry for the export market.

Under this program 50 batches of imported day-old chicks have been inspected during the period under review. Further 39 Aquariums have also been inspected.

d. Production of Compatible and High-Quality Animal Vaccine Locally

This project initiated in 2018 to expand the production of high-quality vaccines locally. It is expected to improve the quality of the currently producing vaccines and produce new vaccines. Under this project facilities improved for produce Foot and Mouth Disease (FMD), Hemorrhagic Septicemia (HS), Black Quarter (BQ), Brucellosis and Newcastle Disease (ND) vaccines locally.

e. Upgrading Poultry and Fish Disease Diagnosis and Surveillance Facilities at Veterinary Investigation Centers

Under this project laboratories in identified VICs will be modernized to diagnose and surveillance of poultry and fish diseases regionally. In addition to that, supplementation of laboratory instruments, chemicals and capacity development of the laboratory staff were done under this project.

2.1.3. Human Resources Development

a. Capacity Building, Education and Training

DAPH undertakes capacity building programs for technical officers and farmers on modern, practical animal husbandry activities. Five (05) training programs on liquid milk production were conducted at Animal Husbandry School, Seeppukulama and 93 farmers were participated to the program.

One day training program and five-day training program on basics of animal husbandry were conducted for the students of the Nursing School, Anuradhapura and the students of the Uva Wellassa University respectively. Another training program on animal husbandry practices was also conducted for 150 trainees of the National Labor Force.

Currently, 34 students (for the academic year 2019-2022) are studying for the two-year Diploma Course at Sri Lanka School of Animal Husbandry, Karandagolla. This batch is scheduled to complete the course next year.

117 students (2017-2019 batch) of Animal Husbandry School, Seeppukulama and Karadagolla were successfully completed Diploma in Animal Husbandry and Diploma Ceremony was held in March 2021.

Diploma Ceremony – 2021, Animal Husbandry School, Seeppukulama and Karadagolla

b. Dissemination of Information

Through these, the DAPH was able to educate and provide information on new technologies to small and medium scale entrepreneurs already engaged in livestock activities and those who are anticipated in commencing new ventures, school children and general public. A total of 50,431 booklets were issued during this period. 54 TV and radio publicity programs were also conducted.

In order to improve the Livelihood of farmers who engaged in small scale animal production, A Handbook on Small Scale Animal Production and Entrepreneurship was compiled and distributed to all the provinces.

2.1.4. Regulatory Functions and Services

a. Registration of Poultry Farms

Registration of poultry farms with divisional veterinary offices was continued in 2021. Through a system of registration of poultry farms, control of contagious diseases, technical support programs and quality control of poultry products can easily be carried out. Through this project, a total of 101,253 backyard poultry farms and 23,426 commercial poultry farms had been registered by the divisional veterinary offices by end of the year 2021. Accordingly, electronic database was established.

b. Establishment of an Animal Identification and Traceability System and a Central Livestock Farm Data Base

Under this project each registered farm would be visited by the field extension staff and animals in that farm would be ear tagged. During the year 103,221 animals have been identified. The remaining population and their off-springs have to be identified in coming years. This would help to maintain bona-fide data on cattle population, prevent illicit transport and slaughter, forecast the future milk production and eliminate unproductive animals.

2.1.5. Veterinary Public Health Services

a. Quality Assurance of Animal Origin Feed for Food Safety and Export Facilitation

This project was initiated in 2018 to assure quality of animal origin feed for food safety and export facilitation. Animal Nutrition laboratory at VRI was improved under this project during the year 2021. Furthermore, 3,309 number of animal feed and animal product samples were analysed under the year of review.

2.2. Programmes and Projects to be implemented by the Department of Animal Production and Health in 2022

The main programmes implemented in the year 2021 will continue in the year 2022 as well.

2.2.1. Livestock Sector Development

a. Heifer Calf Rearing Programme

During the year 2022, a total of 5,220 heifer calves will be registered under this project.

2.2.2. Livestock Health Improvement

a. Control of Contagious Diseases of Livestock

Number of animals which will be vaccinated during the year 2022 against contagious diseases as follows.

Name of the vaccine	No of animals to be vaccinated
Foot and Mouth Disease	800,000
Black Quarter	136,000
Haemorrhagic Septicemia	190,000

b. Production of Compatible and High-Quality Animal Vaccine Locally

The Veterinary Research Institute expects to produce following vaccines for the year 2022 to prevent the spread of contagious diseases in animals.

Type of Vaccine	Number of animals to be vaccinated in 2022
FMD	1,125,581
HS	385,000
BQ	200,000
Brucella	7,500
Raniket	8,980,000

c. Minimization of risk of disease to humans and livestock through wildlife disease surveillance

Coordinating Unit will be improved to carry out wildlife disease diagnosis and surveillance activities Island wide. National and regional veterinary laboratories will be refurbished during the year 2022. Furthermore, wildlife research will be implemented and training programs will be carried out for capacity development of veterinarians and other stakeholders.

2.2.3. Human Resource Development

a. Capacity Development, Education and Training

The School of Animal Husbandry, Seeppukulama was re-started and 64 students were enrolled for the two-year Diploma on Animal Husbandry.

Fifty-nine (59) new students were enrolled for the Diploma on Animal Husbandry at Animal Husbandry School Karadagolla for the year 2022.

Recruitment of New Students for Animal Husbandry School, Seeppukulama

Re-opening Ceremony of Animal Husbandry School, Seeppukulama

2.2.4. Regulatory Functions and Services

a. Establishment of an Animal Identification and Traceability System and a Central Livestock Farm Data Base

This project is continuing since 2010 which is aimed to establish central livestock farm data base. Under this project each registered farm would be visited by the field extension staff and animals in that farm would be ear tagged. This would help to maintain bona-fide data on cattle population, prevent illicit transport and slaughter, forecast the future milk production and eliminate unproductive animals. It is expected to ear tagged 150,000 animals during the year 2022.

b. Registration of Poultry Farms

Registration of poultry farms with divisional veterinary offices was continued in 2021 and it will be continued to the year 2022. Electronic database will be established through a system of registration of poultry farms.

2.2.5. Veterinary Public Health Services

a. Quality Assurance of Animal Origin Feed for Food Safety and Export Facilitation

This project is aimed to assure quality of animal origin feed through laboratory investigations. Animal Nutrition laboratory at VRI will be further improved to deliver efficient analysis service to the country and conducts research to promote animal feed production using locally available raw materials

2.3. Projects and Programs which are submitted to Department of National Planning and State Ministry for the year 2022

In addition to the above-mentioned continuation projects, eight (08) new development project proposals for the year 2022 were submitted to the Ministry during the mid of year 2021. The details are given below.

No.	*Project*	*Duration*	*Total estimated cost (Rs.Mn)*	*Objectives and Benefits*
01	*Establishment of Total Mixed Ration formulating (TMR) centers to enhance cattle feeding efficiency to increase milk production and to decrease production cost*	*03 years*	*208.00*	*- Supply a nutritionally balanced feed ration to dairy cattle - Enhance utility of low-cost natural feed resources by providing it to their doorstep*
02	*Strengthening the capacity of day-old village chicken production in Central Poultry Research Station – Karadagolla*	*05 years*	*123.00*	*-To increase day olds chick production and issues to cater the demand of special rural development projects in livestock sector. -To introduce a guideline for backyard poultry farming in Sri Lanka*
03	*Strengthening the good quality semen production capacity by assuring the comfort of stud bulls*	*03 years*	*40.00*	*- Improve the efficacy of national AI service by producing good quality - Improve the comfort of stud bulls*
04	*Strengthening the current diagnostic facilities and biosafety levels at Central Veterinary Investigation Center (CVIC) in Veterinary Research Institute (VRI) to facilitate aquaculture exportation*	*05 years*	*230.00*	*- To improve the current services provided by the CVIC. - To facilitate quarantine requirements for exportation of aquatic and animal resources. -To enhance the quality standards of the laboratory. -To making a favorable and safe working environment for the employees.*
05	*Control of economically important diseases*	*05 years*	*75.00*	*- To establish good bio security and improve animal health status in medium and large-scale breeder and commercial livestock farms - To reduce production losses due to sub clinical and clinical infections and mortalities*

No.	***Project***	***Duration***	***Total estimated cost (Rs.Mn)***	***Objectives and Benefits***
06	*Systems Up gradation of the SLSAH-Seeppukulama to an Enhanced Utility as a Resource Centre.*	*03 years*	*48.10*	*- Upgradation of the SLSAH-Seeppukulama to a state of an Enhanced Utility as a Resource Centre focusing National /Vocational Qualifications [Livestock] sector.*
07	*Strengthening Competency of Day 1 Veterinary Surgeons*	*03 years*	*63.00*	*- To fulfill the requirement to obtain the registration from Sri Lanka Veterinary Council to practice in Sri Lanka as a Veterinarian as stipulated in the Veterinary Surgeons and Practitioners Act no 46 of 1956*
08	*Assure sustainability and productivity by upgrading livestock farms in Sri Lanka. (Good Animal Husbandry Practice-GAHP)*	*05 years*	*67.90*	*-To establish good bio security and improve animal health status in medium and large-scale breeder and commercial livestock farms -To reduce production losses due to sub clinical and clinical infections*

Hemal. Abey

Dr. (Mrs.) K.A.C.H.A. Kothalawala
Director General
Dept. of Animal Production & Health
P. O. Box 13, Gatambe
Peradeniya

3. Overall Financial Performance for the year ended 31 December 2021

3.1. Statement of Financial Performance

25 FEB 2022

ACA -F

Statement of Financial Performance
for the period ended 31st December 2021

Budget 2021 Rs.		Note	Actual 2021 Rs.	Restated 2020 Rs.	
-	**Revenue Receipts**			-	
-	Income Tax	1	-	-	ACA-1
-	Taxes on Domestic Goods & Services	2	-	-	
-	Taxes on International Trade	3	-	-	
-	Non Tax Revenue & Others	4	-	-	
-	**Total Revenue Receipts (A)**		-	-	
-	**Non Revenue Receipts**			-	
-	Treasury Imprests		894,670,000	1,030,373,000	ACA-3
-	Deposits		21,744,615	8,582,698	ACA-4
-	Advance Accounts		31,153,251	28,178,027	ACA-5
-	Other Main Ledger Receipts		-	-	
-	**Total Non Revenue Receipts (B)**		947,567,866	1,067,133,725	
	Total Revenue Receipts & Non Revenue Receipts C = (A)+(B)		947,567,866	1,067,133,725	
	Remittance to the Treasury (D)		-	-	
-	**Net Revenue Receipts & Non Revenue Receipts E = (C)-(D)**		947,567,866	1,067,133,725	
	Less: Expenditure				
-	**Recurrent Expenditure**				
525,500,000.00	Wages, Salaries & Other Employment Benefits	5	492,111,160	509,619,694	ACA-2(ii)
97,800,000.00	Other Goods & Services	6	101,269,213	91,095,819	
26,500,000.00	Subsidies, Grants and Transfers	7	19,092,885	15,455,154	
-	Interest Payments	8	-	-	
-	Other Recurrent Expenditure	9	-	-	
649,800,000.00	**Total Recurrent Expenditure (F)**		612,473,258	616,170,667	
	Capital Expenditure				
16,000,000.00	Rehabilitation & Improvement of Capital Assets	10	8,969,916	21,289,840	ACA-2(ii)
11,000,000.00	Acquisition of Capital Assets	11	10,070,128	2,947,881	
-	Capital Transfers	12	-	-	
-	Acquisition of Financial Assets	13	-	-	
35,000,000.00	Capacity Building	14	25,740,815	23,588,023	
724,000,000.00	Other Capital Expenditure	15	346,772,848	433,532,093	
786,000,000.00	**Total Capital Expenditure (G)**		391,553,707	481,357,837	
	Deposit Payments		12,815,133	18,130,124	ACA-4
	Advance Payments		22,039,466	28,241,706	ACA-5
	Other Main Ledger Payments		-	-	
	Total Main Ledger Expenditure (H)		34,854,599	46,371,830	
	Total Expenditure I = (F+G+H)		1,038,881,564	1,143,900,333.99	
	Balance as at 31st December J = (E-I)		(91,313,698)	(76,766,609)	
	Balance as per the Imprest Reconciliation Statement		(91,313,698)	(76,766,609)	ACA-7
	Imprest Balance as at 31st December		-	-	ACA-3
			(91,313,698)	(76,766,609)	

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3.2. Statement of Financial Position

ACA-P

Statement of Financial Position
As at 31st December 2021

	Note	Actual 2021 Rs	Actual 2020 Rs
Non Financial Assets			
Property, Plant & Equipment	ACA-6	2,631,975,358	2,592,330,789
Financial Assets			
Advance Accounts	ACA-5/5(a)	95,267,925	104,381,710
Cash & Cash Equivalents	ACA-3	-	-
Total Assets		**2,727,243,283**	**2,696,712,499**
Net Assets / Equity			
Net Worth to Treasury		70,780,069	88,823,336
Property, Plant & Equipment Reserve		2,631,975,358	2,592,330,789
Rent and Work Advance Reserve	ACA-5(b)		
Current Liabilities			
Deposits Accounts	ACA-4	24,487,856	15,558,374
Unsettled Imprest Balance	ACA-3		-
Total Liabilities		**2,727,243,283**	**2,696,712,499**

Detail Accounting Statements in ACA format Nos. 1 to 7 presented in pages from ..01..... to..37. and Notes to accounts presented in pages from 38... to ..191..... form an integral part of these Financial Statements. The Financial Statements have been prepared in complying with the Generally Accepted Accounting Principles whereas most appropriate Accounting Policies are used as disclosed in the Notes to the Financial Statements and hereby certify that figures in these Finacial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found in agreement.

We hereby certify that an effective internal control system for the financial control exists in the Reporting Entity and carried out periodic reviews to monitor the effectiveness of internal control system for the financial control and accordingly make alterations as required for such systems to be effectively carried out.

Chief Accounting Officer	Accounting Officer	Chief Financial Officer/Chief Accountant/ Director (Finance)/ Commissioner (Finance)
Name :	Name :	Name :
Designation :	Designation :	
Date 24.02.2022	Date : 22.02.2022	Date : 22.02.2022

R.M.W.S. Samaradiwakara
Secretary
State Ministry of Livestock, Farm Promotion and Dairy and Egg Related Industries
No 80/5, Ground Floor "Govijana Mandiraya"
Rajamalwatta Avenue
Battaramulla.

Dr. (Mrs.) K.A.C.H.A. Kothalawala
Director General
Dept. of Animal Production & Health
P. O. Box 13, Gatambe
Peradeniya

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3.3. Statement of Cash Flows

ACA-C

Statement of Cash Flows
for the Period ended 31st December 2021

	Actual 2021 Rs.	Restated 2020 Rs.
Cash Flows from Operating Activities		
Total Tax Receipts		-
Fees, Fines, Penalties and Licenses		-
Profit		-
Non Revenue Receipts		-
Revenue Collected on behalf of Other Revenue Heads	93,003,618	81,415,039.74
Imprest Received	894,670,000	1,030,373,000.00
Recoveries from Advance	29,994,616	26,811,055.64
Deposit Received	21,744,615	8,582,698.31
Total Cash generated from Operations (A)	**1,039,412,849**	**1,147,181,794**
Less - Cash disbursed for:		
Personal Emoluments & Operating Payments	593,380,373	600,715,513.10
Subsidies & Transfer Payments	19,092,885	15,455,154.24
Expenditure incurred on behalf of Other Heads	5,785,567	5,510,019.70
Imprest Settlement to Treasury		2,083,898.93
Advance Payments	22,041,220	28,110,505.52
Deposit Payments	12,815,133	18,130,124.13
Total Cash disbursed for Operations (B)	**653,115,178**	**670,005,216**
NET CASH FLOW FROM OPERATING ACTIVITIES(C)=(A)-(B)	**386,297,671**	**477,176,578.07**
Cash Flows from Investing Activities		
Interest		-
Dividends		-
Divestiture Proceeds & Sale of Physical Assets		-
Recoveries from On Lending		-
Total Cash generated from Investing Activities (D)		-
Less - Cash disbursed for:		
Purchase or Construction of Physical Assets & Acquisition of Other Investment	386,297,671	479,260,477
Total Cash disbursed for Investing Activities (E)	**386,297,671**	**479,260,477**
NET CASH FLOW FROM INVESTING ACTIVITIES(F)=(D)-(E)	**(386,297,671)**	**(479,260,477)**
NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (G)=(C) + (F)		**(2,083,899)**
Cash Flows from Fianacing Activities		
Local Borrowings		-
Foreign Borrowings		-
Grants Received		-
Total Cash generated from Financing Activities (H)		-
Less - Cash disbursed for:		
Repayment of Local Borrowings		-
Repayment of Foreign Borrowings		-
Total Cash disbursed for Financing Activities (I)		-
NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(H)-(I)		-
Net Movement in Cash (K) = (G) + (J)		(2,083,899)
Opening Cash Balance as at 01st January		2,083,899
Closing Cash Balance as at 31st December		0.00

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3.4. Notes to the Financial Statements

Basis of Reporting

1) Reporting Period

The reporting period for these Financial Statements is from 01st January to 31st December 2021.

2) Basis of Measurement

The Financial Statements have been prepared on historical cost modified by the revaluation of certain assets and accounted on a modified cash basis, unless otherwise specified.

The figures of the Financial Statements are presented in Sri Lankan rupees rounded to the nearest rupee.

3) Recognition of Revenue

Exchange and non exchange revenues are recognised on the cash receipts during the accounting period irrespective of relevant revenue period.

4) Recognition and Measurement of Property, Plant and Equipment (PP&E)

An item of Property, Plant and Equipment is recognized when it is probable that future economic benefit associated with the assets will flow to the entity and the cost of the assets can be reliably measured.

PP&E are measured at a cost and revaluation model is applied when cost model is not applicable.

5) Property, Plant and Equipment Reserve

This reserve account is the corresponding account of Property Plant and Equipment.

6) Cash and Cash Equivalents

Cash & cash equivalents include local currency notes and coins in hand as at 31st December 2021.

7) Changes in Formats of Financial Statements & Adjustment of Comparative Figures

Relevant adjustments have been made to the comparative figures for the year 2020 in line with the changes made in the financial statements for the year 2021.

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3.5. Performance of the Utilization of Allocation

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Summary of Expenditure by Programme for the period ended 31st December 2021

Expenditure Head No : 292 Ministry / Department / District Secretariat :

Rs.

Programme Number given in Annual Estimates	Title of the Expenditure	Annual Budgetory Provision (1)	Supplementary Estimate Provision (2)	FR 66/69 Transfers (3)	Total Net Provision (4)=(1)+(2)+(3)	Total Expenditure (5)	Net Effect Savings / (Excesses) (6)=(4)-(5)
Programme (1)	(1) Recurrent	649,800,000		(6,000,000)	643,800,000	612,473,258	31,326,741.72
	(2) Capital	67,000,000		(5,000,000)	62,000,000	49,627,827	12,372,173.00
	Sub Total	716,800,000	-	(11,000,000)	705,800,000	662,101,085	43,698,915
Programme (2)	(1) Recurrent						
	(2) Capital	719,000,000		(230,000,000)	489,000,000	341,925,880	147,074,120.38
	Sub Total	719,000,000	-	(230,000,000)	489,000,000	341,925,880	147,074,120
	Grand Total	1,435,800,000	-	(241,000,000)	1,194,800,000	1,004,026,965	190,773,035

Note-Details Of assigned permissions as per the Cabbinet decision No021/1596/304/134 and dated 03.09.2021 are given in page no.20

....
Chief Financial Officer /Chief Accountant/Director (Finance)/
Commissioner (Finance)
Date :2022.02.22

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3.6. Performance of the Reporting of Non-Financial Assets

Assets Code	***Code Description***	***Balance as per Board of Survey Report as at 31.12.2019***	***Balance as per Financial Position Report as at 31.12.2019***	***Yet to be Accounted***	***Reporting Progress as a %***
9151	*Building and Structures*	-	912,811,813.56	-	-
9152	*Machinery and Equipment*	-	421,091,557.96	-	-
9153	*Land*	-	1,298,071,986.95	-	-

3.7. Auditor General's Report

My No. KDA/C/DAPH/A/2021/81 Date: 31st May 2022

Accounting Officer
Department of Animal Production & Health.

<u>Annual Detailed Management Audit Report of the Auditor General in terms of Section 11(1) of Auditor General's Act No. 19 of 2018 on Financial Statements of the Dept. of Animal Production for the year ended as at 31st December 2021</u>

The audit of the financial statements of the Department of Animal Production and Health for the year ended 31 December 2021 comprising the statement of financial positions at 31 December 2021 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 of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with the provisions of the National Audit Act No. 19 of 2018. The report contains my comments and observation on the financial statement submitted to the Department of Animal Production & Health in terms of Section 11 (1) of the National Audit Act, No. 19 of 2018 . This report is issued in terms of 11(2) of the National Audit Act No. 19 of 2018 and the Accounting Officer should act according to the Section 39 of the National Audit Act and report to me within 03 months from the date of this report about the proposed remedial measures or measures taken into account. Reasons that cannot be implemented or the inability, if any, to take action in respect of any of the matters pointed out in this report should also be informed to me.

1.2 <u>Comments on Financial Statements</u>
1.2.1 <u>Accounting Deficiencies</u>
(a) <u>Capital Expenditure</u>

Following observations are made.

<u>Audit Observation</u>	<u>Recommendation</u>	<u>Comments of the Accounting Officer</u>
Expenditure summary of 8 object codes did not match by Rs. 241,000,000 as savings as per the format SA – 10 given as at 31st December 2021 was Rs. 291,725,501 even though it was Rs. 50,725,501 as per the Vote ledger of the department. (Reference:- KDA/C/DAPH/A/2021/81)	correct values should be entered into to the financial statement	As per the decision of Cabinet of Ministers it has been informed that it was assigned provisions.

(b) <u>Audit Observation</u>	<u>Recommendation</u>	<u>Comments of the Accounting Officer</u>
Even though savings balance was Rs. 50,136,000 in format ACA 2(ii) of statement of	That correct values should be entered into to the financial statement	It has been informed that the difference has been occurred when it was computerizing and

reasons for allocation savings in Head 292-2 development programme , savings balance given in expenditure summary in format SA -10 of treasury print outs was Rs. 262,623,000 which made a mismatch by Rs. 212,487,000. (Reference:- KDA/C/DAPH/A/2021/81)		that action would be taken to minimize such mistakes in the future.

(c) Property, Plants and Equipment

Audit Observation	Recommendation	Comments of the Accounting Officer
A difference of Rs.84, 999,530 was observed as the total balance of Rs. 1,305,751,333 relevant to 6 Assets object codes included in format SA-82 of statement of non-financial assets of the previous year had been given as Rs. 1,390, 750,863 when it was brought forward as the commencing balance of the year under review and reasons also had not been given for the difference occurred when the commencing balance was brought forward. (Reference:- KDA/C/DAPH/A/2022/93)	That Department books should be updated accurately.	It has been informed that there was an error in the relevant input system and the same was corrected by the Treasury Accounts Department as at 01st January 2021 which led to this difference.

(d) Advance Account of Government Officers

Audit Observation	Recommendation	Comments of the Accounting Officer
Without settling the difference of Rs. 100,125 which exists between the balance as per the department ledgers and the balance as per treasury ledgers from the year 2015 in the government officers' advance account bearing the object code 29201 as at 31st December of the year under review, it had been	That action should be taken to compare the department books as per the treasury books.	It has been informed that this balance had to continued further as sufficient details were not available and that advice is sought from the Public Accounts Department to write off this balance from books.

given in the financial statement

(Reference:-
KDA/C/DAPH/A/2021/81)

(e)Non-Maintenance of Documents and Books

Audit Observation	Recommendation	Comments of the Accounting Officer
(i) Even though liabilities should be recorded in a record of liabilities so as to enable to be examined regularly in terms of FR 214 it has not been maintained a record of liabilities in respect of liabilities value Rs. 51,382,223 for the year under review (Reference:- KDA/C/DAPH/A/2021/81)	That liabilities should be recorded in a record of liabilities so as t enable to be examined regularly in terms of FR 214.I	It has been informed that appropriation ledger would be balanced taking down the savings of provisions and expenditure relevant to the object codes.
(ii) Even though separate waiting lists in respect of each grade of residence should be maintained in terms of para 4.3.4 of Chapter XIX in the Establishment Code of the Democratic Socialist Republic of Sri Lanka it had not been done so.	That waiting lists should be maintained in terms of para 4.3.4. of the Establishment Code.	It has been informed that action would be taken to prepare in the future.

(f) Assurance that should be made by the Accounting Officer

Even though assurance in respect of the following matters should have been made by the Accounting Officer in terms of Section 38 of the National Audit Act No. 19 of 2018, it had not been done so.

Audit Observation	Recommendation	Comments of the Accounting Officer
Even though the Accounting Officer should ensure that an effective internal control system for the financial control exists in the department and carry out periodic reviews to monitor the effectiveness of such systems and accordingly make any alterations as required for such systems to be effectively carried out, and should submit a copy of which made in writing about such	Should act in terms of section 38 of the National Audit Act No. 19 of 2018.	It has been informed that it would be discussed at the Audit Management Committed regarding the periodic review on the differences required to maintain internal control system effectively.

reviews to the Auditor General, it had not been presented such statements on reviews to the audit

(g) Noncompliance with the rules and regulations

Cases not complied with rules and regulations which were observed at sample auditing are described below.

Reference to the rules and regulations	Value Rs.	Observation Non-compliance	Recommendation	Comments of the Accounting Officer
(I) Establishment Code of the Democratic Socialist Republic of Sri Lanka				
Paragraph 4 of Section XL	17,299,301	Monies that should be recovered as penalties for breaching of agreements entered into to serve a compulsory period had not been recovered from 09 officers those who had gone abroad for education, training or for official duties. (Reference :- KDA/C/DAPH/B/2021/82)	It should be act according to the provisions of the Establishment Code	It has been informed that action has been taken to recover the monies and that the effort for the same is continued further.
(II) Financial Regulation of the Democratic Socialist Republic of Sri Lanka	5,871,344	Even though action should be taken to keep accounts identifying direct payments to the department account by the customers, action had not been taken to settle accounts by identifying the unidentified receipts up to December 31st from 01st July, 2021. (Reference :- KDA/C/DAPH/A/2021/81)	Should act in terms of the provisions of the Financial Regulation.	That it is accepted and it has been informed that action would be taken to settle identifying all receipts.
(III) Rule 193 of Section xviii of Procedural Rules of Public Service		Even though every Govt. officer is subject to transfers on completion of 5 years of service it was	Should act in terms of Procedural Rules	Answers had not been given

Commission published in the Extra Ordinary Gazette No. 1589/30 dated 20th February 2009		observed that there were 105 officers those who have not been transferred even after serving in the same place for 15 years and among them there were 33 officers who were serving for more than 25 years in the same place. (Reference :- KDA/C/DAPH/AB/2021/57)		
(IV) Public Administration Circular No. 30/2016 dated 29th December, 2016		Even though a fuel test should be get done again in an occasion which happens first ; either after running 25,000 km or after a repair connected to the engine after a period of 12 months of fuel test, 15 vehicles had not been tested so. (Reference :- KDA/C/DAPH/AB/2021/56)		
(V)Public Finance Circular No. 02/2015 dated 10th July, 2015		Even though prompt action should be taken to remove obsolete vehicles available in institutions in order to prevent disadvantage that may occur to the government due to the fall of scrap value or the value of the cost of vehicles; such measures had been delayed for 5 years in respect of 9 vehicles. (Reference :- KDA/C/DAPH/AB/2021/56)	Should act in terms of the circular.	That it is accepted and that disposal activities would be done in the future without delaying.
(VI) Public Finance Department letter no. PFD/04/08/01/59 dated 11th December, 2015	33,072,921	Even though price revision subject to a maximum of 15 percent should be made in every 03 years in respect of the services rendered from the government to the		

	public; quarantine charges had been made from2016 to 2020 without any price revision as the department had made the last price revision for quarantine services in the year 2010. (Reference :-KDA/C/DAPH/AB/2022/86)	

2. Financial Review

2.1 Management of Expenditure

Audit Observation	Recommendation	Comments of the Department Officer
Rs. 62,962,00 from the net allocations set aside for 9 object codes was remaining saved without utilizing which was in the range between 7 to 89 percent of the net allocation. Reference :-KDA/C/DAPH/AB/2021/81)	Should prepare estimates accurately and analytically.	It had been informed that it was accepted.

2.2 Liabilities & Commitments

Following observations are made.

Audit Observation	Recommendation	Comments of the Department Officer
(a)Even though that it is given in financial statements that the value of bills in hand was Rs. 51,382,223 as at 31 December of the year under review; Rs. 3,713,753 of liabilities had been shown in less as per the sample test.	Should prepare financial statements accurately.	It has been informed that all vouchers received to the finance division are shown as liabilities.
(b) Even though the sum of the balance of 2 object codes was Rs. 407,757; it had been entered into liabilities exceeding Rs. 1,497,989 under the same object codes as the liabilities entered into under those object codes was Rs. 1,905,746. Reference :-KDA/C/DAPH/AB/2021/81)	Should act as per the existing allocations	It has been informed that it had not been entered into liabilities exceeding the allocations.

2.3 Deposits Audit Observation It has been detained in the ledger a sum of Rs. 4,054,297 from the deposited money after the deduction of bills relevant to constructions which were carried out during the period from the year 2016 to 31 December 2019 and action had not been taken to release the same getting completed the constructions by the contractor, if the constructions have not been completed. Reference :-KDA/C/DAPH/AB/2021/81)	Recommendation If the constructions are incomplete action should be taken to get them completed by the contractor and to release the remaining deposit money.	Comments of the Accounting Officer It has been informed that the balance which cannot be settled would be credited to the government revenue in the future.
3. **Monitoring Review** **3.1 Planning** Audit Observation Even though 67 students had been registered to follow level NVQ 5, 6 of Higher National Diploma in Livestock Production Technology for the Academic Year 2019/2021 in the School of Animal Husbandry, Karandagolla ; 34 students i.e. 51% have abandoned the course during the academic year. Accordingly it was observed that it would affect unfavorably towards the development of the field of animal husbandry as leaving the course on the way hampers another one's opportunity to follow the course, and also it becomes a useless expenditure that incurred on the education of students those who abandoned the course. (Reference :-KDA/C/DAPH/AB/2021/46)	Recommendation Action should be taken to get the maximum usage of the existing resources.	Comments of the Accounting Officer It has been informed that it is accepted.
3.2 Negligence to perform duties Audit Observation Even though it has been informed by the letter No. PSC/EST/7/4/2/2012 and dated 28th June 2017 of the Secretary (Administration & Finance) to the Public Service Commission that it should be prepared a separate transfer procedure for Research Assistance Officers in the Special grade and approval should be obtained by the Public Service Commission according to the decision of the said commission, it had not been done so even till 31st December 2021. Reference :-KDA/C/DAPH/AB/2021/57)	Recommendation Action should be taken to achieve the targets given in the annual actin plan.	Comments of the Accounting Officer It has not been answered.
3.3 Non- Achievement of Anticipated Output Audit Observation Even though the annual target of cattle semen production for the last 3 years in the Artificial Insemination Center was 325000	Recommendation Action should be taken to achieve the targets given in the annual action plan	Comments of the Accounting Officer It has been informed that it is accepted.

doses; it had not been able to achieve the anticipated target as production in the years 2018,2019 and 2020 was 279536,188118 and 200255 respectively. Reference :-KDA/C/DAPH/AB/2021/45)		
3.4 Abandonment of Projects without Completing Audit Observation A selected contractor had been awarded the contract to the value of Rs. 3,273,873 on 24th August 2018 entering into agreement to complete the work of improvement and repairing of the Animal Virology laboratory, Polgolla before 29th December 2018. The contract agreement had been cancelled on 11th August 2020 while the contractor has had abandoned the contract without completing repairings. However it was observed that it was unable to carry out sterilizing activities properly while laboratory research activities as well as production activities of vaccines are doing amidst very difficulties as repairing of the laboratory has not been done properly. Yet, repairings had not been started again even in the year under review. (Reference :-KDA/C/DAPH/AB/2021/47)	Recommendation Action should be taken to finalize the projects as planned.	Comments of the Accounting Officer It has been informed that it is accepted and that action would be taken to start repairing in the future.
3.5 Annual Performance Report Audit Observation The Annual Performance Report should have been prepared according to the guideline 14 issued by the Public Finance Department in terms of Paragraph 10.2 of the Public Finance Circular No. 2/2020 dated 28th August 2020. Though the Annual Performance Report should have to be forwarded with financial statements for auditing in terms of section 16(2) of the National Audit Report it had not been submitted the Annual Performance Report along with the financial statement for the year under review. (Reference :-KDA/C/DAPH/A/2021/81)	Recommendation Should act according to circular instructions and statutory provisions.	Comments of the Accounting Officer It has been informed that instructions were given to relevant divisions to produce in the due date.
3.6 Procurements Audit Observation It had been paid Rs. 3,281,175 to purchase 27 computers and 27 nos. of UPS by voucher no. 924 dated 30th December 2020 and voucher no. 367 dated 21st April and		

following facts were revealed in that regard. (i)As the requirement of 27 computers and UPS had been identified earlier and the value to purchase 27 computers and UPS at once was Rs. 3,281,175; according to the guideline 2.14.1 of the Government Procurement Guidelines, purchasing of those 27 computers and UPS had been made in 02 occasions under the recommendations of Department Small Procurement Committee of which the procurement committee authority limit is less than Rs. 03 million without making purchases under Department Procurement Committee of major contract goods and services of which the procurement committee authority limit is less than Rs. 25 million.	Should follow procurement guidelines	It has been informed that purchasing of computers were made on the request of each division.
(ii) Even though it should be executed formal contract agreements in respect of goods or services that exceed Rs. 500,000 according to 8.9.3(b) in the government procurement guidelines; it had not been entered into written agreements in respect of purchasing of computers and UPS those value Rs. 3,281,175. (Reference :-KDA/C/DAPH/B/2021/42)	Should follow procurement guidelines	It has been informed that relevant officers were instructed in respect of entering into agreements for future procurement activities.
(b) It had been imported 100 goats from Australia in April, 2019 for breeding and a total of 21 goats including 05 male goats and 16 female goats have died as at 31st December 2021. The value of the deceased goats was Rs. 8,036,275 i.e. 23% out of the initial investment. As such, it was observed that the expenditure for importation and maintenance incurred on these animals is not fruitful due to death of the goats that happened before achieving the anticipated objectives. Further, even though approval had been granted by the procurement board in the year 2017 to import goats, importation had been made on 2019. As such an additional amount of Rs. 2,311,760 has had to be paid due to the change in the foreign exchange. (Reference :-KDA/C/DAPH/AB/2022/91)		
3.7 <u>Assets Management</u> <u>Audit Observation</u> (b) Following facts were observed relevant to the School of Animal Husbandry, Karandagolla. (a) Under the needed requirements to upgrade the diploma course up to NVQ 5, 6	<u>Recommendation</u> Should utilize assets productively.	<u>Comments of the Accounting Officer</u> It has been informed that it has been planned to fix them in the year 2022

levels; fire extinguishers to the value of Rs. 675,800 had been purchased on 16th October 2020. But Rs. 213,500 valuable 7 complete hose reels; 30 meter (100 feet); those belong to the system which are needed to fix the fire extinguishers had been left idling in the stores without taking action to establish.		
(a) Even though 20 computers and 20 UPS have been purchased in January and March, 2021 for the computer lab of the School of Animal Husbandry spending Rs. 2,430,500; those computers have not been taken to use even as at 01st December 2021.Further, there were 12 computer chairs and 12 tables which have been purchased on 26th December 2018 spending Rs. 139,228; but they were also had not been taken for usage.	Action should be taken to maximum usage of the existing recourses.	
(b) There are 16 government quarters which belong to the Artificial Insemination Centre and out of them 4 idling quarters without usage were in the condition that needed repairs due to the existence of staff vacancies. (Reference :-KDA/C/DAPH/AB/2021/45)	Should utilize assets productively.	Informed that it is accepted and it has been planned to start repairings in the future.
(c)15 acres from 37 acre land in which the Goat Breeding Centre, Imbulanda is established has not been utilized. (Reference :-KDA/C/DAPH/AB/2022/85)	Should utilize assets productively.	Informed that it has been planned to plant Jack trees for fodder.
(d) 6 acres from 25 acre land in which Poultry Research Centre, Karandagolla is established has not been utilized.	Action should be taken to get the maximum usage from the assets belonged to the Research Centre.	Informed that it has been planned to implement a project on pasture cultivation
(e) Even though the then duck pen had been transformed into a cattle shed spending Rs. 1,562,000 in the year 2015, it had been existed without using even by about June 2021. (Reference :-KDA/C/DAPH/AB/2021/48)		Informed that attention has been given to use this unit productively in the future.
3.8 Government Officers' Security Deposit Audit Observation Even though in terms of 880 of financial regulations officers who are administratively responsible for, or who under delegation are entrusted with, the receipt or custody of public money, revenue stamps or stores, or the disbursement of public money or the issue of stamps or stores and those who certify vouchers or sign cheques on Government Account will	Recommendation Should act according to financial regulation 880	Comments of the Accounting Officer It has been informed that action would be taken to recover the money in 10 installments from the monthly salary.

be required to give security in accordance with the Public Officers (Security) Ordinance (Cap. 612) for the faithful discharge of their duties; Security monies to the amount of Rs. 1,380,528 from 95 officers of the department had not been deposited. (Reference :-CLPL/KD/H/DAPH/B/2021/26)		
3.9 Losses and Waivers Audit Observations There were losses relevant to 3 occasions to the amount of Rs. 518,776 to be recovered further or written off or abandoned and a loss of Rs. 430,000 relevant to one occasion has had happened 10 years earlier. (Reference :-KDA/C/DAPH/A/2021/81)	Recommendation Should act according to the financial regulations	Comments of the Accounting Officer It has been informed that required activities are being underway in terms of financial regulations.
3. 10 **Weaknesses in Management** Following facts were observed. Audit Observation (a) In the year 1998, it had been imported 1,500,000 fowl pox vaccine doses and out of that stock only 637,300 doses had been used in the field. Accordingly, 862,700 doses of those the value is Rs. 948,970 have expired in the year 2000 as they have not been used. This loss had been written off from books in the year 2021. (Reference :-KDA/C/DAPH/AB/2021/58)	Recommendation Based on the requirement procurements should be planned more realistically.	Comments of the Accounting Officer It has been informed that it is accepted and that the remaining doses expired while they were in the stores as demand for them decreased and that action would be taken to work identifying field requirements in the future.
(b)A scheduled residence had been allocated for a female officer in the Public Management Assistant Service to reside from June, 2019 and the rental has been charged in less by an amount of Rs. 201,305 for the said residence as at 31st December 2021. (Reference :-KDA/C/DAPH/B/2021/40(i))	Should act according to the establishment code.	It has been informed that necessary actions are underway to recover the outstanding from the relevant officer.
4. Achieving Sustainable Development Goals Following facts were observed. Audit Observation (a) Even though the department was aware of the UN Sustainable Goals 2030 “Agenda” and had identified sustainable goals and targets relevant to the activities of the department as well as the indicators to measure the achievement of those targets; a suitable data base had not been planned to measure the achievement of the targets of sustainable development.	Recommendation Should be aware of the goals and targets of the sustainable development and it should be planned to achieve those targets.	Comments of the Accounting Officer It has been informed that if it has not reached towards the activities relevant to the action plan on due time measures would be taken to correct the same.
5. Human Resource Management Following facts were observed. Audit Observation	Recommendation Actions should be taken to fill vacancies based on the requirements of the department.	It has not been answered.

(a) There have been 61 vacancies for 28 posts in the senior management of the department and among those vacancies there was one vacancy for the post of Additional Director General, 6 vacancies for the post of Director, 6 vacancies for the post of Chief Scientist and 7 vacancies for the post of Veterinary Research Officer. .	Should act within the approved cadre.	It has not been answered.
(b) Even though it has been approved 61 vacancies for the post of Veterinary Surgeon for department 66 Veterinary Surgeons have been attached. Accordingly, 5 Veterinary Surgeons have been employed without obtaining approval. (c)As there were 103 vacancies in primary level there had been difficulties to carry out field activities.	Vacancies should be filled based on the requirements of the department	It has not been answered.

S.M.Wijeratne
Senior Asst. Auditor General
For Auditor General

cc. 1. Minister In Charge of Finance - Ministry of Finance, Economic and Policy Development
2. Minister In Charge - State Ministry of Livestock, Farm Promotion and Dairy and Egg Related Industries.

4. Performance Indicators

4.1. Performance Indicators of the Institute (Based on the Action Plan)

#	Specific Indicators	Actual output as a percentage (%) of the expected output		
		100%-90%	*75%-89%*	*50%-74%*
01	Increased amount of local milk production (million liters/year)	√		
02	Increased amount of annual per capita egg consumption (No. of eggs/year)	√		
03	Increased amount of annual per capita chicken meat consumption (kilogram/year)	√		
04	Increase of growth rate of the GDP (percentage)		√	

**This calculation has been done based on the information obtained from the samples of the beneficiaries of the relevant projects*

5. Performance of the achieving Sustainable Development Goals (SDGs)

5.1. Indicate the Identified respective Sustainable Development Goals

Goal/Objective	Targets	Indicators of the achievement	Progress of the achievement to date		
			0%-49	**50%-74%**	**75%-100 %**
(i)End poverty in all its forms everywhere	Increase local milk production up to 493 million liters by year 2021	Increased amount of local milk production (million liter/ year)			√
ii)End hunger, achieve food security and improved nutrition and promote sustainable agriculture	Increase annual per capita egg consumption up to 130 by year 2021	Increased amount of annual per-capita egg consumption (No. of eggs/ year)			√
	Increase annual per capita chicken meat consumption up to 10 kilograms by year 2021	Increased amount of annual per capita chicken meat consumption (kilogram/year)			√
(iii)Increase of economic growth rate	Increase the growth rate of livestock sub sector (in agriculture sector) by 5%	Percentage increase of growth rate of the GDP (1% - 5%)		√	

**This calculation has been done based on the information obtained from the samples of the beneficiaries of the relevant projects*

5.2. Achievements and challenges in accomplishing the targets of the Sustainable Development Goals

Achieving the Sustainable Development Goals (SDGs) is hampered by the systematic inadequacy of funding for development projects and the lack of adequate staff.

6. Human Resource Profile

6.1. Cadre Management

	Approved Cadre	*Existing Cadre*	*Vacancies*
Senior	195	139	56
Tertiary	22	13	09
Secondary	342	303	39
Primary	395	292	103

6.2. Briefly state how the shortage or excess in human resources has been affected to the performance of the institute.

The Department of Animal Production and Health is a leading government agency responsible for livestock development in Sri Lanka. At present Department of Animal Production and Health is functioning under the State Ministry of Livestock, Farm Promotion and Dairy and Egg Related Industries, Ministry of Agriculture. Main functions of the DAPH include control and prevention of livestock diseases in the country, implementation of livestock research and development activities, dissemination of technical knowledge related to animal husbandry, provision of expertise knowledge in animal breeding, designing of projects and program for the development of the livestock industry and economic evaluation.

Divisional Veterinary office managed by Veterinarians are the main functional units if DAPH. Total of 337 divisional veterinary offices scattered throughout the country which are functioned under PDAPH implement all the livestock development programs at grass root level.

Human resource shortage badly affects on the performance of the department. It causes negative impact to the livestock development activities hence difficult to ensure healthy animal population and high productivity status. Therefore, interruptions may arise while achieving departmental goals and sustainable developmental goals.

6.3. Human Resource Development

Name of the Programme	*No. of staff trained*	*Duration of the Programme*	*Total Investment (Rs.000')*		*Nature of the Programme (Local/ Foreign)*	*Output/ Knowledge Gained**
			Local	*Foreign*		
General Administration & Financial Regulation	35	03 days	27,091.00		Local	Overall performance of the department will be enhanced by personal skill development
Webinar on Lumpy Skin Disease	200	01 day	3,540.00		Local & Foreign	do
Animal Health	50	03 days	36,395.00		Local	do
Leadership, Problem solving & Decision making	21	02 days	21,752.00		Local	do
Environment Friendly livestock farming	25	01 day	18,202.00		Local	do
Induction Training for laboratory Sub Assistants	11	01 day	12,660.00		Local	do
Public Relations and Discipline	34	01 day	29,250.00		Local	do
Institutional Management	28	03 days	31,896.00		Local	do
Public Health	32	03 days	30,158.00		Local	do
Preparation of poultry feed	29	02 days	56,931.00		Local	do
Store Management	30	01 day	25,964.00			
Induction training for Development Officers	22	02 days	37,447.00		Local	do
Hygienic milk production & milk testing	13	02 days	27,474.00		Local	do
Functions of VRA division	40	03 days	19,453.00		Local	do
General Administration & Financial Regulation	15	03 days	20,400.00		Local	do
Training for Head Office's Officers to Use SLT Application	19	01 day	2,400.00		Local	do
New technology for dairy farms	82	03 days	2,400.00		Local & Foreign	do
Animal nutrition & management	41	03 days	2,400.00		Local	do

Name of the Programme	*No. of staff trained*	*Duration of the Programme*	*Total Investment (Rs.000')*		*Nature of the Programme (Local/ Foreign)*	*Output/ Knowledge Gained**
			Local	*Foreign*		
Internship program for newly recruited Veterinary Surgeons	35	39 days	255,344.00		Local	do
Seminar on Cattle Parasitic Diseases	32	01 day	2,400.00		Local & Foreign	do
Animal Breeding	62	03 days	2,400.00		Local	do
Veterinary Economic and Statistic	57	03 days	13,800.00		Local	do
Office/Institute Management	25	01 day	8,955.00		Local	do
Provisions and Rules of the Establishments Code	32	01 day	25,856.00		Local	do
Office management systems	40	01 day	15,299.00		Local	do

7. Compliance Report

No.	Applicable Requirement	Compliance status (complied/Not complied)	Brief explanation for Non-Compliance	Corrective actions proposed to avoid non-compliance in future
1	**The following financial statements /accounts have been submitted on due date**			
1.1	Annual financial statements	complied		
1.2	Advance to public officers account	complied		
1.3	Trading and Manufacturing Advance Accounts (Commercial Advance Accounts)	not complied	No need to prepare according to Financial Regulations	No need to prepare according to Financial Regulations
1.4	Stores Advance Accounts	not complied	No need to prepare according to Financial Regulations	No need to prepare according to Financial Regulations
1.5	Special Advance Accounts	complied		
1.6	Others			
02	Maintenance of books and registers (FR445)			
2.1	Fixed assets register has been maintained and update in terms of Public Administration Circular 267/2018	complied		
2.2	Personal emoluments register/Personal emoluments cards have been maintained and update	complied		
2.3	Register of Audit queries has been maintained and update	complied		
2.4	Register of internal Audit reports has been maintained and update	complied		
2.5	All the monthly account summaries (CIGAS)are prepared and submitted to the Treasury on due date	complied		
2.6	Register for cheques and money orders has been maintained and update	complied		
2.7	Inventory register has been maintained and update	complied		
2.8	Stocks Register has been maintained and update	complied		
2.9	Register of Losses has been maintained and update	complied		
2.10	Commitment Register has been maintained and update	complied		

No.	Applicable Requirement	Compliance status (complied/Not complied)	Brief explanation for Non-Compliance	Corrective actions proposed to avoid non-compliance in future
2.11	Register of Counterfoil Books (GA-N20) has been maintained and update	complied		
03	**Delegation of functions for financial Control (FR 135)**			
3.1	The financial authority has been delegated within the institute	complied		
3.2	The delegation of financial authority has been communicated within the institute	complied		
3.3	The authority has been delegated in such manner so as to pass each transaction through two or more officers	complied		
3.4	The controls have been adhered to by the accountants in terms of State Account Circular 171/2004 dated 11.05.2014 in using the Government Payroll Software package	complied		
04	**Preparation of Annual Plans**			
4.1	The annual action plan has been prepared	complied		
4.2	The annual procurement plan has been prepared	complied		
4.3	The annual Internal Audit plan has been prepared	complied		
4.4	The annual estimate has been prepared and submitted to the NBD on due date	complied		
4.5	The annual cash flow has been submitted to the Treasury Operations Department on time	complied		
05	**Audit queries**	complied		
5.1	All the audit queries have been replied within the specified time by the Auditor General	complied		
06	**Internal Audit**			
6.1	The internal audit plan has been prepared at the beginning of the year after consulting the Auditor General in terms of Financial Regulation 134(2) DMA/1-2019	complied		
6.2	All the internal audit reports have been replied within one month	not complied	Take time to respond from divisions	Follow up by sending reminders

No.	Applicable Requirement	Compliance status (complied/Not complied)	Brief explanation for Non-Compliance	Corrective actions proposed to avoid non-compliance in future
6.3	Copies of all the internal audit reports has been submitted to the Management Audit Department in terms of Sub-section 40(4) of the National Audit Act No.19 of 2018	complied		
6.4	All the copies of internal audit reports have been submitted to the Auditor General in terms of Financial Regulation (134(3)	complied		
07	**Audit and Management Committee**			
7.1	Minimum 04 meetings of the Audit and Management Committee has been held during the year as per the DMA Circular 1-2019	complied		
08	**Asset Management**			
8.1	The information about purchases of assets and disposals was submitted to the Comptroller General’s office in terms of Paragraph 07 of the Asset Management Circular No.01/2017	complied		
8.2	A suitable liaison officer was appointed to coordinate the implementation of the provisions of the circular and the details of the nominated officer was sent to the Comptroller General’s Office in terms of Paragraph 13 of the aforesaid circular	complied		
8.3	The boards of survey was conducted and the relevant reports submitted to the Auditor General on due date in terms of Public Finance Circular No.05/2016	complied		
8.4	The excesses and deficits that were disclosed through the board of survey and other relating recommendations, actions were carried out during the period specified in the circular	complied		
8.5	The disposal of condemn articles had been carried out in terms of FR 772	complied		
09	**Vehicle Management**			
9.1	The daily running charts and monthly summaries of the pool vehicles had been prepared and submitted to the Auditor General on due date	complied		

No.	Applicable Requirement	Compliance status (complied/Not complied)	Brief explanation for Non-Compliance	Corrective actions proposed to avoid non-compliance in future
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning	complied		
9.3	The vehicle logbooks had been maintained and update	complied		
9.4	The action has been taken in terms of FR 103,104,109 and 110 with regard to every vehicle accident	complied		
9.5	The fuel consumption of vehicles has been re-tested in terms of the provisions of Paragraph 3.1 of the Public Administration Circular No.30/2016 of 29.12.2016	complied		
9.6	The absolute ownership of the leased vehicle log books has been transferred after the lease term	complied		
10	**Management of Bank Accounts**			
10.1	The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date	complied		
10.2	The dormant accounts that had existed in the year under review or since previous years settled	complied		
10.3	The action had been taken in terms of financial Regulations regarding balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made, and had those balances been settled within one month	complied		
11	**Utilization of Provisions**			
11.1	The provisions allocated had been spent without exceeding the limit	complied		
11.2	The liabilities not exceeding the provisions that remained at the end of the year as per the FR 94(1)	complied		
12	**Advances to Public Officers Account**			
12.1	The limits had been complied with	complied		
12.2	A time analysis had been carried out on the loans in arrears	complied		
12.3	The loan balances in arrears for over one year had been settled	complied		

No.	Applicable Requirement	Compliance status (complied/Not complied)	Brief explanation for Non-Compliance	Corrective actions proposed to avoid non-compliance in future
13	**General Deposit Account**			
13.1	The action had been taken as per FR571 in relation to disposal of lapsed deposits	complied		
13.2	The control register for general deposits had been updated and maintained	complied		
14	**Imprest Account**			
14.1	The balance in the cash book at the end of the year under review remitted to TOD	complied		
14.2	The ad-hoc sub imprests issued as per FR 371 settled within one month from the completion of the task	complied		
14.3	The ad-hoc sub imprests had not been issued exceeding the limit approved as per FR 371	complied		
14.4	The balance of the imprest account had been reconciled with the Treasury books monthly	complied		
15	**Revenue Account**			
15.1	The refunds from the revenue had been made in terms of the regulations	complied		
15.2	The revenue collection had been directly credited to the revenue account without credited to the deposit account	complied		
15.3	Returns of arrears of revenue forward to the Auditor General in terms of FR 176	complied		
16	**Human Resource Management**			
16.1	The staff had been paid within the approved cadre	not complied	Overstaffing has occurred during transfers and temporary attachments due to special reasons	In the future, it will be corrected by adhering to proper transfer procedures
16.2	All members of the staff have been issued a duty list in writing	complied		
16.3	All reports have been submitted to MSD in terms of their circular No.04/2017 dated 20.09.2017	complied		
17	**Provision of information to the public**			

No.	Applicable Requirement	Compliance status (complied/Not complied)	Brief explanation for Non-Compliance	Corrective actions proposed to avoid non-compliance in future
17.1	An information officer has been appointed and a proper register of information is maintained and updated in terms of Right to Information Act and Regulation	complied		
17.2	Information about the institution to the public have been provided by website or alternative measures and has it been facilitated to appreciate/allegation to public against the public authority by this website or alternative measures	complied		
17.3	Bi-Annual and Annual reports have been submitted as per section 08 and 10 of the RTI Act	complied		
18	**Implementing citizens charter**			
18.1	A citizens charter /Citizens client's charter has been formulated and implemented by the Institution in terms of the circular number 05/2008 and 05/2008(1) of Ministry of Public Administration and Management	not complied	Preparation of Citizens charter/ Citizens client's charter is continuing	Further actions will be taken to avoid delays
18.2	A methodology has been devised by the Institution in order to monitor and assess the formulation and the implementation of Citizens Charter / Citizens client's Charter as per paragraph 2.3 of the circular	not complied	Work in progress	Further actions will be taken to avoid delays
19	**Preparation of the human Resource Plan**			
19.1	A human resource plan has been prepared in terms of the format in Annexure 02 of Public Administration Circular No.02/2018 dated 24.01.2018	not complied	Preparation of HRD plan is continuing	Preparation of HRD plan will be completed as soon as possible
19.2	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan	not complied	do	do
19.3	Annual performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid Circular	not complied	do	do

No.	Applicable Requirement	Compliance status (complied/Not complied)	Brief explanation for Non-Compliance	Corrective actions proposed to avoid non-compliance in future
19.4	A senior officer was appointed and assigned the responsibility of preparing the human resource development plan, organizing capacity building programs and conducting skill development programs as per paragraph No.6.5 of the aforesaid Circular	not complied	do	do
20	**Responses Audit Paras**			
20.1	The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified	complied		