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வருடாந்த செயலாற்றுகை அறிக்கை
Annual Performance Report





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கால்நடை உற்பத்தி சுகாதாரத் திணைக்களம்
Department of Animal Production and Health

වාර්ෂික කාර්යසාධන වාර්තාව

வருடாந்த செயலாற்றுகை அறிக்கை

ANNUAL PERFORMANCE REPORT

2019

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காால்நடை உற்பத்தி சுகாதாரத் திணைக்களம்
Department of Animal Production and Health
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Web Site: www.daph.gov.lk

Content

Annual Performance Report for the year – 2019

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 Ministry of Mahaweli, Agriculture, Irrigation and Rural Development. 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's 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

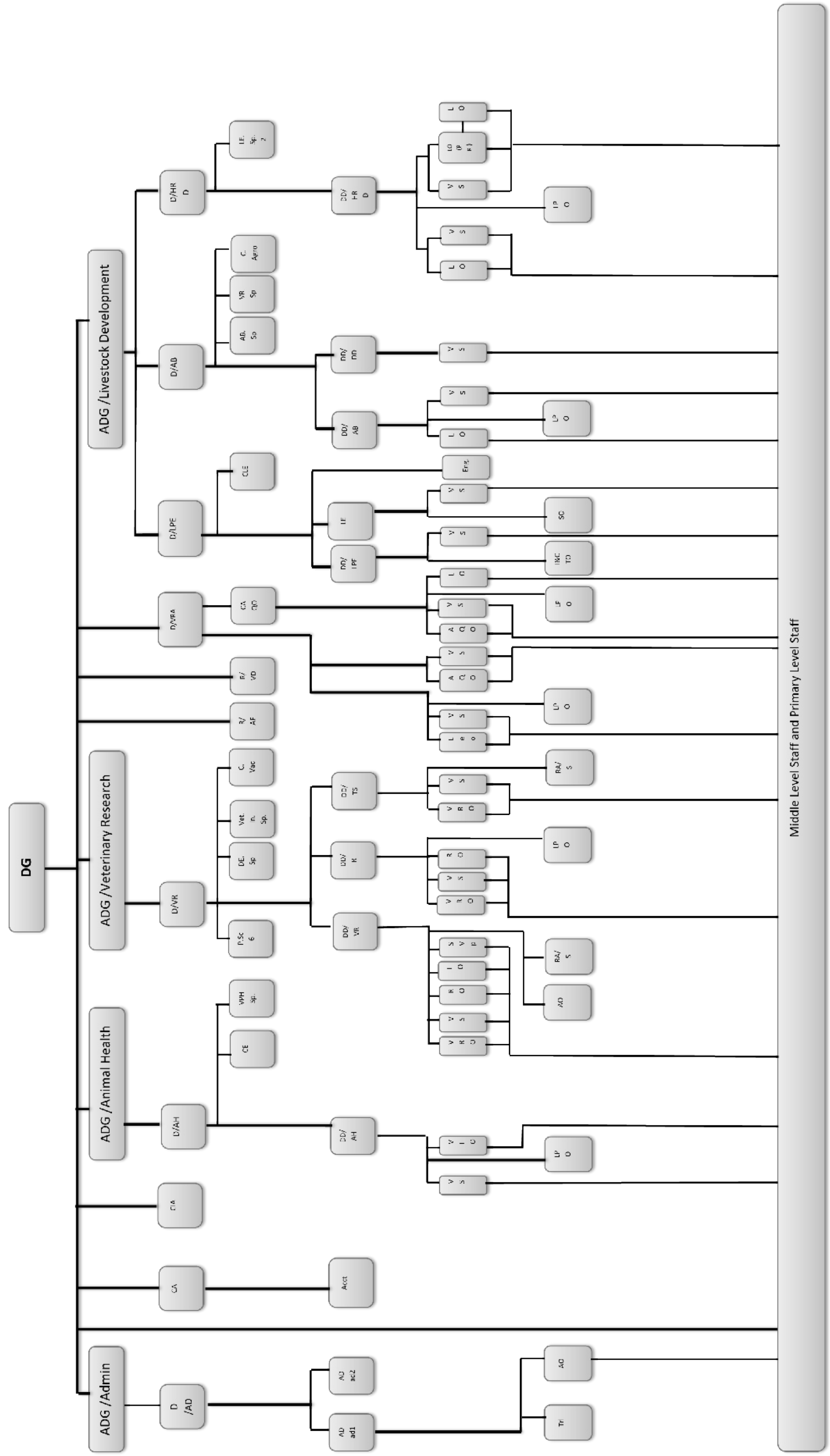
- ➢ To assure an efficient preventive and curative animal health service.
- ➢ To promote optimal utilization of animal genetic resources.
- ➢ To enhance utilization of quality animal feeds and feed resources.
- ➢ To promote growth and development of the animal feed industry.
- ➢ To conduct research and development towards a sustainable livestock industry.
- ➢ To 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
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
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
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 Ma
GtC	-Goat Caretaker
AnC	-Animal 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 project were not implemented during the year 2019.

2. Progress and Future Outlook

Progress of Development Programs and Projects implemented by the Department of Animal Production and Health during the year 2019 (as at 31st December)

#	Programme/Project	Budgetary provision 2019 (Rs.mn.)	Physical Progress (%)	Financial Progress (Rs.mn.)	Remarks
1.	Socio Economic Development Programme	2.00	100	2.00	
2.	Quality Assurance Programme	1.00	89	1.00	
3.	Control of Contagious Diseases	43.00	95	38.70	
4.	Livestock Research Programme	30.00	91	25.98	
5.	Livestock Breeding Project	160.00	98	159.99	
6.	Livestock Promotion	4.70	85	4.70	
7.	Increase the Availability of High Quality Heifer Calves	50.00	94	47.75	
8.	Improvement of Service Delivery System of Field Veterinary Offices	141.00	84	128.36	
9.	Production of Vaccine against Foot and Mouth Disease locally	13.50	78	11.27	
10.	Animal Identification and Traceability System	14.00	58	13.15	
11.	Expansion and Modernization of Animal Quarantine Units	5.00	-	4.99	Continuation work of 2018
12.	Books and Periodicals	0.30	100	0.30	
13.	Expansion of Animal Health Surveillance	20.00	100	20.00	
14.	Export Facilitation of Chicken Meat and Eggs through Poultry Health Management	4.00	78	3.80	
15.	Comprehensive Mastitis Control Programme for Increased Milk Production and Productivity Improvement in Milking Herds	5.00	96	4.75	
16.	Production of Compatible and High Quality Animal Vaccine Locally for Substitution of Vaccines Imported	26.50	97	26.14	
17.	Island wide Rabies Control and Elimination Programme	132.00	-	132.00	In order to cabinet decision on 18.01.2019 the total program activities shifted to Ministry of Health.
18.	Minimization of Risk of Disease to Humans and Livestock through Wildlife Disease Surveillance	47.00	75	17.59	
19.	Upgrading Poultry and Fish Disease Diagnosis and Surveillance Facilities at Veterinary Investigation Centers	47.00	86	44.28	
20.	Quality Assurance of Animal Origin Feed for Food Safety and Export Facilitation	11.00	100	10.45	
21.	Strengthening Capacity of Production of Animal Husbandry Diploma Holders	10.00	80	9.13	
	Total	**767.00**		**706.33**	

2.1 Physical and Financial Progress of Programs and Projects in 2019

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 training in pasture and fodder cultivation is the main components of this programme. During the year 337,834 doses of semen were produced by the Artificial Insemination Stations at Kundasale and Polonnaruwa. A total of 211,356 AI's were carried out by divisional veterinary offices. A total of 72,447 pregnancy diagnoses were carried out on inseminated cows/heifers by field Veterinary Surgeons. 66,157 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 16,042 heifer calves have been registered.

b. Mastitis Control Programme

This programme was started in year 2014 with the objective of reducing prevalence of mastitis from 30% to less than 1%, hence improving productivity by 25%. Under this programme 52,992 udder infusions have been produced during the period under review.

2.1.1.2 Goat Sector

The DAPH maintains two (02) Jamnapari goat breeding farms at Imbulandanda and Thelahera to meet the demand for high quality breeding goats. During the period 98 Jamnapari goats were issued to goat farmers to upgrade their stocks. 2,712 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 80.2 % 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 1,161,334 broiler parents have been produced locally by these grandparents' farms. In addition, 37,116 broiler grandparents, 286,707 broiler parents and 94,811 layer parents have been imported into the country.

It has been estimated a total of 167.99 million broiler chicks and 7.73 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, 4,104,400 doses of Newcastle Disease (ND) vaccines were produced by the DAPH. 4,052,769 birds have been immunized against Newcastle disease by the end of 2019.

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 Foot and Mouth Disease (FMD), Hemorrhagic Septicemia (HS), Black Quarter (BQ) and Brucellosis.

During the period under review, 113,160 doses of FMD, 388,872 doses of HS, 263,505 doses of BQ and 18,000 doses of Brucella vaccines were produced by the VRI, DAPH. At the same time, 775,000 doses of FMD vaccines were imported from India. 852,635 animals have been immunized against FMD, 227,635 animals have been immunized against HS, 124,452 animals have been immunized against BQ and 6,931 animals have been immunized against Brucellosis by end of the year 2019.

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 19,873 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 programme 57 batches of imported day old chicks have been inspected during the period under review. Further 120 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. By the end of the year 2019, 67% of the modernization works were completed.

2.1.3 Human Resources Development

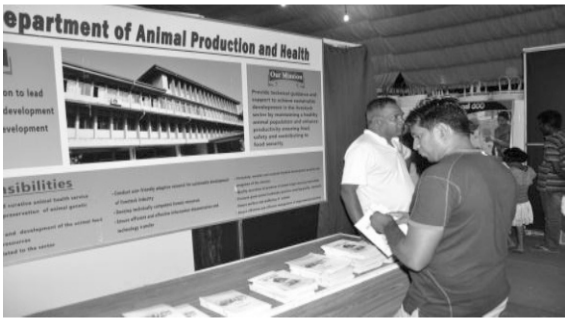
a. Capacity Building, Education and Training

DAPH undertakes capacity building programs for technical officers and farmers on modern, practical animal husbandry activities. A total of 15 training programs conducted and 361 stakeholders participated in these during the period under review.

b. Dissemination of Information

The department participated in seven (07) national level exhibitions as follows.

Name of Exhibition	Location
“Yowun Puraya” - 2019“	Weeravila
“Vet Expo - 2019” Exhibition	BMICH, Colombo
“ShilpaSena” Technical Exhibition	BMICH, Colombo
“Vision 2025 – Enterprise Sri Lanka” Exhibition	Anuradhapura
“Krushi Mela - 2019” Agriculture Exhibition	University of Rajarata, Mihintale
“Vision 2025 – Enterprise Sri Lanka” Exhibition	Jaffna
“Shilpa Sena” Technical Exhibition	Polonnaruwa



"Yowun Puraya" - 2019

"Vision 2025 – Enterprise Sri Lanka" - Jaffna

"Vision 2025 – Enterprise Sri Lanka" - Anuradhapura

"Krushi Mela 2019" - Agriculture Exhibition

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 26,691 booklets were issued during this period. 93 TV and radio publicity programs were also conducted.

2.1.4 Regulatory Functions and Services

a. Registration of Poultry Farms

Registration of poultry farms with divisional veterinary offices was continued in 2019. 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 29,621 backyard poultry farms and 2,172 commercial poultry farms had been registered by the divisional veterinary offices by end of year 2019. Accordingly, electronic database will be 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 105,900 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.

c. Improvement of Service Delivery System of Government Veterinary Offices

Government Veterinary Offices are the key functional units of this department at field level to cater to the needs of rural livestock community. Service delivery to the grass root level is highly dependent on the facilities available at these offices. These offices should be equipped with minimum diagnostic, extension, communication and transport facilities.

During the period under review, construction works of veterinary offices were completed at Trincomalee, Lunugamwehera, Aralaganvila, Ayagama, Kaluwanchikudy, Pasgoda and Pundaluoya in Trincomalee, Hambantota, Polonnaruwa, Ratnapura, Batticaloa, Matara and Nuwara Eliya districts respectively. Construction of Haliela veterinary office in Badulla district was started during 2019 and it is continued to the year 2020.

Veterinary Surgeon's office – Pasgoda

Construction at Haliela Veterinary Surgeon's office

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. Furthermore, 6,211 number of animal feed and animal product samples were analyzed under the year of review.

2.2. Programmes and Projects to be implemented by the Department of Animal Production and Health in 2020

The main programmes implemented in the year 2019 will continue in the year 2020 as well.

2.2.1. Livestock Sector Development

a. Heifer Calf Rearing Programme

During the year 2020, a total of 17,000 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 2020 against contagious diseases as follows.

Name of the vaccine	No of animals to be vaccinated
Foot and Mouth Disease	720,000
Black Quarter	220,000
Haemorrhagic Septicemia	100,000

b. Production of Compatible and High Quality Animal Vaccine Locally

Vaccine production laboratory will be renovated to facilitate efficient vaccine production.

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

Coordinating Unit for zoonotic diseases will be improved to carry out wildlife disease surveillance activities Island wide. National and regional veterinary laboratories will be refurbished during the year 2020. Furthermore, training programs will be carried out for capacity development of veterinarians and other stakeholders.

2.2.3. 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 will be visited by the field extension staff and animals in that farm will be identified by an ear tagging. This will 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 14,000 animals during the year 2020.

b. Registration of Poultry Farms

Registration of poultry farms with divisional veterinary offices will be continued to the year 2020.Electronic database will be established through a system of registration of poultry farms.

2.2.4. 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.

In addition; new development projects are to be implemented in the year 2020 will be funded by the consolidated fund. The details are given below.

Project	*Duration*	*Total estimated cost (Rs.mn)*	*Objectives and Benefits*
Develop Economically Efficient Model (EEM) Dairies together with SME Dairy Clusters to Attract Youth	*05 years*	*78.00*	*To increase economic efficiency (profitability) of dairy production systems* *-To provide attractive medium scale dairy farming model for potential youth* *-To develop criteria to establish Good Animal Husbandry Practices for the dairy sector* *-To popularize incentives rather to subsidies among dairy farmers in Sri Lanka*
Enhance the productivity of dairy industry though establishment of Cattle Reproductive Parameters in different Agro-climatic zones in Sri Lanka	*05 years*	*18.00*	*To enhance the productivity of small scale dairy farms* *-To establish baseline information pertaining to reproductive parameters of dairy cattle in different agro-climatic zones in Sri Lanka*
Enhancing public health by combating antimicrobial resistance (AMR) in animals	*05 years*	*152.00*	*Reduction of incidences of AMR in Sri Lanka*
Improvement teaching, training facilities to achieve National Vocational Qualification (NVQ 5/6 level) for the diploma course on livestock production technology	*05 years*	*75.00*	*-Obtain NVQ level 5/6 for two years Animal Husbandry Diploma Program before the end of 2020.* *-To develop skillful future farm managers, extension personnel to cater the demand of the livestock sector.*

Project	*Duration*	*Total estimated cost (Rs.mn)*	*Objectives and Benefits*
Facilitation and enhancement of Entrepreneurial Ventures and Small Businesses in livestock sector	*05 years*	*18.00*	*-To provide an opportunity for the youth who have already engaged in the livestock sector to acquire new technical knowledge and practical skills* *-To provide an opportunity for young school leavers who are willing to choose livestock sector as their employment*
Expansion and Modification of the Central Veterinary Investigation Center (CVIC) in (Veterinary Research Institute) VRI in order to upgrade current diagnostic facilities and Biosafety levels.	*05 years*	*200.00*	*-Improve the current services rendered by the CVIC.* *-Enhance the quality standards of the laboratory.* *-Making a favorable and safe working environment*
Improvement of Livestock Health	*05 years*	*60.00*	*-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*

Dr. (Mrs.) R. Hettiarachchi
Director General
Dept. of Animal Production & Health
P. O. Box 13, Gatambe
Peradeniya

3. Overall Financial Performance for the year ended 31 December 2019

3.1. Statement of Financial Performance

ACA -F

Statement of Financial Performance

for the period ended 31st December 2019

Rs.

Budget 2019		Note	Actual 2019	Actual 2018	
-	**Revenue Receipts**		84,973,991	-	
-	Income Tax	1	-	-	ACA-1
-	Taxes on Domestic Goods & Services	2	-	-	ACA-1
-	Taxes on International Trade	3	-	-	ACA-1
-	Non Tax Revenue & Others	4	84,973,991	-	ACA-1
-	**Total Revenue Receipts (A)**		**84,973,991**	-	
-	**Non-Revenue Receipts**			-	
-	Treasury Imp rests		1,303,570,000	1,059,834,000	ACA-3
-	Deposits		17,096,397	21,583,962	ACA-4
-	Advance Accounts		31,253,172	32,459,492	ACA-5/5(a)/5(b)
-	Other Receipts		-	73,029,474	
-	**Total Non-Revenue Receipts (B)**		**1,351,919,570**	**1,186,906,928**	
-	**Total Revenue Receipts & Non Revenue Receipts C = (A)+(B)**		**1,436,893,561**	**1,186,906,928**	
	Less: Expenditure				
-	**Recurrent Expenditure**		**-**	-	ACA-2(ii)
466,000,000	Wages, Salaries & Other Employment Benefits	5	463,208,230	424,633,218	ACA-2(ii)
565,275,000	Other Goods & Services	6	96,251,756	90,715,376	ACA-2(ii)
21,491,000	Subsidies, Grants and Transfers	7	21,248,032	10,907,937	ACA-2(ii)
-	Interest Payments	8	-	-	ACA-2(ii)
-	Other Recurrent Expenditure	9	-	-	ACA-2(ii)
1,052,766,000	**Total Recurrent Expenditure (D)**		**580,708,017**	**526,256,531**	
	Capital Expenditure				
47,000,000	Rehabilitation & Improvement of Capital Assets	10	42,777,576	31,147,462	
41,000,000	Acquisition of Capital Assets	11	11,855,517	21,964,322	

-	Capital Transfers	**12**	-	-	**ACA-2(ii)**
-	Acquisition of Financial Assets	**13**	-	-	
33,000,000	Capacity Building	**14**	32,669,051	25,120,126	
792,000,000	Other Capital Expenditure	**15**	706,155,928	457,137,262	
913,000,000	**Total Capital Expenditure (E)**		**793,458,071**	**535,369,172**	
	Main Ledger Expenditure (F)		**55,809,844**	**62,312,893**	
	Deposit Payments		13,584,269	18,480,252	**ACA-4**
	Advance Payments		42,225,575	43,832,641	**ACA-5/5(a)/5(b)**
	Total Expenditure G = (D+E+F)		**1,429,975,932**	**1,123,938,596**	
7,460,550,000	**Imprest Balance as at 31st December…….. H = (C-G)**		**6,917,629**	**62,968,332**	

3.2. Statement of Financial Position

Statement of Financial Position **ACA-P**
As at 31st December- 2019

	Note	Actual 2019 Rs.	2018 Rs.
Non Financial Assets			
Property, Plant & Equipment	**ACA-6**	2,380,948,039	2,173,615,163
Financial Assets			
Advance Accounts	**ACA-5/5(a)**	103,499,959.49	92,527,557
Cash & Cash Equivalents	**ACA-3**	2,083,898.93	-
Total Assets		**2,486,531,897**	**2,266,142,720**
Net Assets / Equity			
Net Worth to Treasury		78,394,185	70,933,911
Property, Plant & Equipment Reserve		2,380,948,039	2,173,615,163
Rent and Work Advance Reserve	**ACA-5(b)**		
Current Liabilities			
Deposits Accounts	**ACA-4**	25,105,774.36	21,593,646.00
Impresst Balance	**ACA-3**	2,083,899	-
Total Liabilities		**2,486,531,897**	**2,266,142,720**

Detail Accounting Statements in above ACA format Nos. 1 to 6 presented in pages from …02…….to 48 and Notes to accounts presented in pages from …54A…. to101 form and integral parts 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 Financial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found to in agreement.

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

3.3. Statement of Cash Flows

ACA-C

Statement of Cash Flows

for the Period ended 31st December 2019

	Actual	
	2019 Rs.	**2018 Rs.**
Cash Flows from Operating Activities		-
Total Tax Receipts	-	-
Fees, Fines, Penalties and Licenses	-	-
Profit	-	-
Non-Revenue Receipts	51,154,589	1,131,409,970
Revenue Collected for the Other Heads	-	-
Imprest Received	1,303,570,000	-
Total Cash generated from Operations (a)	**1,354,724,589**	**1,131,409,970**
Less - Cash disbursed for:		
Personal Emoluments & Operating Payments	407,497,147	515,348,594
Subsidies & Transfer Payments	113,412,980	10,907,937
Expenditure on Other Heads	1,587,591	-
Imprest Settlement to Treasury	-	-
Total Cash disbursed for Operations (b)	**522,497,718**	**526,256,531**
NET CASH FLOW FROM OPERATING ACTIVITIES(C)=(a)-(b)	**832,226,871**	**605,153,439**
Cash Flows from Investing Activities		
Interest	-	-
Dividends	-	-
Divestiture Proceeds & Sale of Physical Assets	-	-
Recoveries from On Lending	-	-
Recoveries from Advance	916,795	-
Total Cash generated from Investing Activities (d)	**916,795**	**-**
Less - Cash disbursed for:		
Purchase or Construction of Physical Assets & Acquisition of Other Investment	784,735,323	535,369.172
Advance Payments	39,595,420	-
Total Cash disbursed for Investing Activities (e)	**824,330,743**	**535,369.172**
NET CASH FLOW FROM INVESTING ACTIVITIES(F)=(d)-(e)	**(823,413,948)**	**(535,369,172)**

NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (g)=(c) + (f)	**8,812,924**	**69,784,267**
Cash Flows from Fianacing Activities		
Local Borrowings	-	-
Foreign Borrowings	-	-
Grants Received	-	-
Deposit Received	6,291,257	-
Total Cash generated from Financing Activities (h)	**6,291,257**	**-**
Less - Cash disbursed for:		
Repayment of Local Borrowings	-	-
Repayment of Foreign Borrowings	-	-
Deposit Payments	13,020,282	69,784,267
Total Cash disbursed for Financing Activities (i)	**13,020,282**	**69,784,267**
NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(h)-(i)	**(6,729,025)**	**(69,784,267)**
Net Movement in Cash (k) = (g) -(j)	**2,083,899**	**-**
Opening Cash Balance as at 01st January	**-**	**-**
Closing Cash Balance as at 31st December	**2,083,899**	**-**

3.4. Notes to the Financial Statements

1. Reporting period

The reoprting period for these Financial Statement is from 01st January to 31st December 2019.

2. Basis of Measurement

The Financial statements have been prepared on historical costs modified by the revaluation of certain assests and accounted on a modified cash basis, unless otherwise specified.
The figure of the Financial Statements are presented in Sri Lankan Rupees rounded to the nearest Rupee.

3. Recognition of Revenue

Exchangeable and non- exchange revenues are recognized on the cash receipts during the accounting period irrespective of relevant revenue period.

4. Recognition and Measurement of Properties, Plants and Equipment (PP&E)

An item of property, plant, and equipment are recognized when it is probable that future economic benefit associated with the assets will fiow 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 Plants and Equipment Reserve

This revaluation reseve account is the corresponding account of PP&E.

5. Cash and Cash Equivalents

Cash and Cash Equivalents include local currency notes and coins on hand as at 31st December 2019.

3.5. Performance of Revenue Collection

Rs. ,000

Revenue Code	*Description of the Revenue Code*	*Revenue Estimate*	*Collected Revenue*	*Difference between Revenue Estimate & Collected Revenue*	*As a % of final Revenue Estimate*
2002.01.00	*Home Rent*		*8,918,660*	*8,918,660*	
2002.01.99	*Other Rent*	*500,000*	*-*	*(500,000)*	*(100)*
2002.02.99	*Loan interest*	*3,000,000*	*3,633,916*	*633,916*	*21.13*
2003.01.00	*Departmental Sales*	*45,000,000*	*14,648,661*	*(30,351,339)*	*(67.45)*
2003.02.99	*Other Receipts*		*3,557,462*	*3,557,462*	
2003.04.00	*Public officer's motorcycle premium*		*10,000*	*10,000*	
2003.99.00	*Other Receipts*	*1,200,000*	*34,562,257*	*33,362,257*	*2,780*
2004.01.00	*Social security contributions*		*19,643,035*	*19,643,035*	

3.6. Performance of the Utilization of Allocation

Rs.,000

Project No.	Type of Allocation	Allocation		Total Net Allocation	Total Expenditure	Allocation Utilization as a % of Final Allocation
		Original	Supplementary			
Project 01	1.Recurrent	574,000,000	12,766,000	586,766,000	580,708,017	98.96
	2.Capital	70,000,000	59,000,000	129,000,000	95,112,289	73.73
	Sub Total	**644,000,000**	**71,766,000**	**715,766,000**	**675,820,306**	**94.41**
Project 02	1.Recurrent					
	2.Capital	654,000,000	105,000,000	759,000,000	698,345,782	92.00
	Sub Total	**654,000,000**	**105,000,000**	**759,000,000**	**698,345,782**	**92.00**
	Grand Total	**1,298,000,000**	**176,766,000**	**1,474,766,000**	**1,374,166,088**	**93.17**

3.7. In terms of F.R.208 grant of allocations for expenditure to this Department/District Secretariat/ Provincial council as an agent of the other Ministries/Departments

Rs.,000

#	Allocation Received from Which Ministry/ Department	Purpose of the Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
			Original	Final		
1.	Ministerial Consultative Committee on National Policies, Economic Affairs, Resettlement & Rehabilitation, Northern Province Development, and Youth Affairs		1,020,000	-	1,020,000	100%

3.8. Performance of the Reporting of Non-Financial Assets

Rs.,000

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*	-	*817,625.557*	-	-
9152	*Machinery and Equipment*	-	*303,866.013*	-	-
9153	*Land*	-	*1,259,456.469*	-	-
9154	*Intangible Assets*	-	-	-	-
9155	*Biological Assets*	-	-	-	-
9160	*Work in Progress*	-	-	-	-
9180	*Lease Assets*	-	-	-	-

3.9. Auditor General's Report – Annexure I

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)*			√

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 440 million liters by year 2020	Increased amount of local milk production (million liters / 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 2020	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 2020	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% - 1.5%)		√	

6. Human Resource Profile

6.1. Cadre Management

	Approved Cadre	*Existing Cadre*	*Vacancies*
Senior	**194**	**141**	**53**
Tertiary	**22**	**17**	**05**
Secondary	**340**	**301**	**39**
Primary	**395**	**293**	**102**

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 Ministry of Mahaweli, Agriculture, Irrigation and Rural Development. 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.

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*		
Regional Workshop on Animal Feed Safety	1	03 days			Foreign	Overall performance of the department will be enhanced by personal skill development.
Sri Lanka Nederland Food Safety Cooperation Study	1	07 days			Foreign	do
OIE Previous Regional Orientation Training for SAARC Countries	1	03 days			Foreign	do
PVS Pathway orientation training workshop for south Asia	3	03 days			Foreign	do
"Request nomination to participate at the Regional Workshop on underutilized animal genetic resources and their amelioration	1	02 days			Foreign	do
Importation of Boer Goats Nominees for Animal Selection in Australia	2	08 days			Foreign	do
Laboratory Proficiency testing workshop	1	03 days			Foreign	do
Consultation Meeting on Identification of Best Practices in Livestock Feed & Fodder Production and Management	1	02 days			Foreign	do
OIE Global Conference on Aquatic Animal Health Collaboration, Sustainability: Our Future	1	02 days			Foreign	do
8th Asia- Pacific Workshop on Multi-sect oral Collaboration of the Animal - Human Ecosystems interface	1	02 days			Foreign	do
2019 Seminar on Safety Governance of Agricultural Livestock & Fishery Products for Asian Countries	1	06 days			Foreign	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*		
Hands on Training " Standardized and Harmonized Surveillance Methods for Antimicrobial Resistance in Food in South Asia	**2**	**03 days**			Foreign	do
Regional Training Of trainers (TOT) on management of Agriculture, livestock and Forest Based Water Pollution	**1**	**03 days**			Foreign	do
Regional Seminar for OIE National Focal Point for Veterinary Laboratories	**1**	**07 days**			Foreign	do
Rural Development through Creating Agricultural Value chain	**1**	**27 days**			Foreign	do
The First SAARC Regional Animal Health Laboratory Technical Advisory Group (Lab- TAG) meeting.	**1**	**01 day**			Foreign	do
In-country stepwise approach towards rabies Elimination (SARE) workshop	**3**	**02 days**			Foreign	do
SAARC Regional Training on "Molecular Diagnosis and Laboratory Surveillance of PPR"	**1**	**05 days**			Foreign	do
"The Seventh meeting of the SAARC Chief veterinary Officers' (CVOs) Forum"	**2**	**01 day**			Foreign	do
Regional workshop on Antimicrobial Resistance (AMR) in Asia	**1**	**02 days**			Foreign	do
Breeder Management Training Course	**1**	**11 days**			Foreign	do
The 1st meeting of the AMR Technical Advisory Group (TAG) of South Asia	**2**	**03 days**			Foreign	do
Technical Assistance to the Modernization of Agriculture Program (TAMAP) Stakeholder Tour to Vietnam	**1**	**08 days**			Foreign	do
Public Policy Development and Public Engagement Program - 2019	**1**	**04 days**			Foreign	do
Doctor of Philosophy (PhD)	**1**	**03 years**			Foreign	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***		
System & Species diversification	**1**	**08 days**			Foreign	do
Establishment of international collaborating center for tick - borne protozoan diseases	**1**	**05 days**			Foreign	do
South Asia one Health Disease Surveillance Network workshop	**1**	**01 day**			Foreign	do
OIE Regional Expert Group Meeting for Diseases of Poultry in Asia and the Pacific region	**1**	**01 day**			Foreign	do
Feed Milling Technology Forum	**1**	**01 day**			Foreign	do
Factory Acceptance Test: Supply of the Equipment Steam Sterilizer under "Production of Compatible and high quality Animal Vaccine Locally for Substitution of Vaccine imported" project	**1**	**03 days**			Foreign	do
"Regional training workshop for public private partnership in the Veterinary domain "	**1**	**01 day**			Foreign	do
Invitation for FMD Vaccine - pre shipment inspection and proceeding	**2**	**02 days**			Foreign	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		
Invitation for Nomination: BTSF Training on Sampling & Analysis: Course Residues of VMP - TS03	1	11 days			Foreign	do
OIE Regional Workshop for OIE Focal Points for Animal Welfare in the Region of Asia and the Pacific	1	03 days			Foreign	do
"Regional workshop for supporting analytical capacity in the Livestock sector in Asian countries using LSIPT and GLEAM - "	2	03 days			Foreign	do
Board of Survey	98	01 day	50398.00		Local	do
Information Technology - MS Access	15	03 days	50203.00		Local	do
Office Management Systems	51	01 day	31606.00		Local	do
General Administration & Financial Regulation(Refresher Training)	18	03 days	58073.00		Local	do
General Administration & Finance -1	40	03 days	75387.00		Local	do
Information Technology - MS Excel	14	02 days	24155.00		Local	do
AR & FR	13	01 day	12386.00		Local	do
Bovine Viral Disease (BVD)-1	41	01 day	40686.00		Local	do
Information Technology - MS Excel	11	02 days	29773.00		Local	do
Training on Feeding and Management of Dairy Cattle	30	03 days	75115.00		Local	do
Bovine Viral Disease (BVD)-2	30	01 day	33775.00		Local	do
Livestock Waste Management	29	01 day	26009.00		Local	do
Stress Management	39	01 day	5400.00		Local	do
Swine Management	29	02 days	51608.00		Local	do
Silage Making	32	01 day	28070.00		Local	do
Training on Losses & Damages	76	01 day	39290.00		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*		
Bovine Viral Disease (BVD)-3	49	01 day	71150.00		Local	do
Immerging Economically Important Diseases of Livestock-FMD	34	01 day	53160.00		Local	do
Extension & Commiunication-1	43	03 days	85646.00		Local	do
Stress Management	64	01 day	24763.00		Local	do
Information Technology - MS Excel	13	02 days	21208.00		Local	do
Management of Breeding Disorders of Cattle & Buffalo-	21	03 days	55559.00		Local	do
Stress Management	46	01 day	22190.00		Local	do
Information Technology - MS Excel	14	02 days	23720.00		Local	do
Administrative & Financial Regulations	55	03 days	109945.00		Local	do
Dairy Cattle Feeding	39	01 day	29939.00		Local	do
Training Programme on Establishment of Economically Efficient Dairy Farm	75	04 days	21600.00		Local	do
Training Programme on Establishment of	63	02 days	121504.00		Local	do
Economically Efficient Dairy Farm						
Training Programme on Establishment of Economically Efficient Dairy Farm	60	02 days	10800.00		Local	do
Information Technology - MS Access	12	03 days	31632.00		Local	do
Modern Poultry Management	48	01 day	24055.00		Local	do
Training on Preparation of Silage	35	01 day	26360.00		Local	do
Contagious Diseases (FMD/HS/BQ) Control	46	01 day	30311.00		Local	do
Guidance for Satisfied Professional Life	48	01 day	28968.00		Local	do
Induction Training Programme on for newly recruited	37	21 days	871501.00		Local	do
Veterinary Surgeons						
Aqua Culture & Aquatic Diseases Prevention & control	26	01 day	24105.00		Local	do
Livestock Project Proposal Writing	45	02 days	67230.00		Local	do
Language Training Programme for AP&H Officers	89	18 days	934383.00		Local	do
General Administration & Finance -2	23	03 days	73880.00		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*		
Modern Dairy Management	36	01 day	27134.00		Local	do
Extension & Commiunication-2	51	03 days	122128.00		Local	do
Residential Training/ Learning & Development programme on Mgt - Gr 01	76	04 days	605050.00		Local	do
Residential Training/ Learning & Development programme on Mgt - Gr 02	80	04 days	623579.00		Local	do
Residential Training/ Learning & Development programme on Mgt - Gr 03	76	04 days	620818.00		Local	do
Training Programme on Establishment of Economically Efficient Dairy Farm	54	04 days	144030.00		Local	do
Residential Training/ Learning & Development programme on Mgt - Gr 04	64	04 days	590600.00		Local	do
Rights & Responsibilities of Public Service Commission	46	01 day	28120.00		Local	do
Training Programme on Establishment of Economically Efficient Dairy Farm	45	04 days	487515.00		Local	do
Residential Training/ Learning & Development programme on Mgt - Gr 05	41	04 days	511728.00		Local	do
Training on Procurement	64	01 day	35250.00		Local	do
Duties, Responsibilities and Safety of Government Drivers	34	01 day	23970.00		Local	do
Art of Living – Psychological Program	89	01 day	46251.00		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
1.4	Stores Advance Accounts	not complied		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 has 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 maintain and update	complied		
2.8	Stocks Register has been maintain and update	complied		
2.9	Register of Losses has been maintain and update			
2.10	Commitment Register has been maintain and update	complied		
2.11	Register of Counterfoil Books (GA-N20) has been maintain 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 has 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**			
5.1	All the audit queries has 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 has been replied within one month	not complied	Responses to some audit reports are delayed	Follow up by sending reminders
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 has 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	complied		

	and Management Committee has been held during the year as per the DMA Circular 1-2019			
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		
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning	not complied	Failure to take proper action regarding the condemned vehicles, and failure to take proper action by the relevant boards	Timely inspection of vehicles and repairs as required. Establishment of monitoring system and continuous follow up.
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		
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**			
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	A Citizens charter /Citizens client"s charter has been prepared in the year 2010 as per Public Administration Circular No. 05/2008 and as per the amended	Further action will be taken to avoid delays due to timely action

			Public Administration Circular No. 05/2018 (1), a draft is being prepared by obtaining information from each division	
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	New strategy will be prepared near future.	New strategy will be prepared
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		
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	complied		
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		

8. Annexure I - Auditor General's Report

Summary Report of the Auditor General on the the Financial Statements of the Department of Annimal Production and Health for the year ended 31 December 2019 in terms of Section 11(1) of the National Audit Act, No.19 of 2018.

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1. Financial Statements

1.1 QualifiedOpinion

The audit of the financial statements of the Department of Annimal Production and Health for the year ended 31 December 2019 comprising the statement of financial positionas at 31 December 2019 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. My comments and observations made on these financial statements presented to the Department of Annimal Production and Healthin terms of Section 11 (1) of the National Audit Act No. 19 of 2018 appear in this report. The Auditor General's Report to be tabled in Parliament in pursuance of provisions in Article 154 (6) of the Constitution to be read in conjunction with Section 10 of the National Audit Act, No.19 of 2018 will be presented in due course.

In my opinion, except for the effects of the matters described in the Paragraph 1.6 of this report, the accompanying financial statements prepared in accordance with the provisions in the State Finance Circular No.271/2019 dated 03 December 2019 give a true and fair view of the financial position of the Department of Annimal Production and Healthas at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Qualified Opinion

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

1.3 Responsibilities of Management and Those Charged with Governance for the Financial Statements

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Management is responsible for the preparation of financial statements in terms of provisions in Section 38 of the National Audit Act, No.19 of 2018 that give a true and fair view in accordance with Generally Acccepted Accounting Principles, and for such 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 Sub-section 16(1) of the National Audit Act No. 19 of 2018, the Department of Annimal Production and Health is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Department.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of theinternal control of Department of Annimal Production and Health.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

1.5 Report on Other Legal Requirements

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

(a) When including the closing balance of the audited financial statement of the previous year as the opening balance of the financial statement of the year under review,there was a difference of Rs.1,061,625,704 between the main ledger expenses and the imprest balance as at 31st December 2018 and those differences had not been disclosed in the financial statements.

(b) The following recommendations made by me on financial statements for the previous year had not been implemented.

Reference to Paragraphs	**Audit Observations**	**Recommendation**
02(a)(ii)	Although an imprest adjustment account should be prepared, according to the financial statements submitted, an imprest adjustment account had not been prepared for the balance of Rs.**998,657,372.**	As imprest adjustment account has not been submitted for the imprest balance of Rs. **6,917,625** stated in the financial statement submitted for the year under review, attention should be focused thereon.

1.4.9 (iv)	In terms of Financial Regulation 214, liabilities should be recorded in a liability register to enable regular checking of such liabilities.	According to the answers given in paragraph **1.6.6 (**c) of the Auditor General's Summary Report for the year **2018**, it had been stated that action has been taken to maintain a liability register after pointing out by the audits, whereas no such liability register had been maintained.

1.6 Comments on Financial Statements

1.6.1 Statement of Financial Performance

1.6.1.2 Recurrent Expenditure

There was a difference of Rs.**1,309,072** between the savings of provision stated in 03 Objects of the Expenditure Ledger maintained by the Department and the savings in the Expenditure Statement of ADA **2 (**ii) of the financial statements submitted for the year under review.

1.6.1.3 Capital Expenditure

The following observations are made.

(a) There was a difference of Rs.**135,637** between the savings of provisions in 05 Objects as per the Expenditure Ledger maintained by the Department and the savings in the Expenditure Statement of ADA **2 (**ii) of the financial statements submitted for the year under review.

(b) Although a sum of Rs.**698,345,218** out of the capital provision of Rs.**759,000,000** in Program No. **02** had been spent, without stating details under each Object in the Expenditure Statement (ACA**2** (i)) as per the program in the Financial Statement Report, the total expenditure and total savings only had been stated.

1.6.1.4 Receipt of Advances

The value of the receipt of advances in the consolidated trial balance was Rs.**30**,**271**,**855** and according to Treasury Table SA-**52**,the value was Rs. **31**,**253**,**172**. The reasons for the difference of Rs. **981**,**317** had not been identified.

1.6.1.5 Imprest Adjustment Account

As per the paragraph **7 (**vi) of the Public Accounts Circular No. **271/2019** dated **03** December **2019**, the value to be paid to the Treasury or to be received from the Treasury at the end of the year and the value to be settled to the Treasury according to the cash book will inevitably differ and therefore, an imprest adjustment account should be prepared to compare those balances. Nevertheless, according to the financial statements submitted, an imprest balance adjustment account for the balance of Rs. **6**,**917**,**629** had not been properly prepared.

1.6.2 Statement of Financial Position

Non-financial assets

The following observations are made.

(a) Although the closing balance of the statement of non-financial assets as at **31** December **2018** is Rs. **2**,**173**,**615**,**162**, the opening balance in the statement of non-financial assets submitted as on **31** December **2019** was Rs. **2**,**374**,**193**,**910**. Accordingly,there was a difference of Rs.**200**,**578**,**748** between those balances.

(b) Although the purchases in the statement of non-financial assets in the financial statement totalled Rs. **6**,**231**,**160**, according to Object Nos. **2101**, **2102**, **2103** and **2104**,the purchase value amounted to Rs.**11**,**332**,**548**. Accordingly, there was a difference of **5**,**101**,**388.**

1.6.2.2 Non-maintenance of books and registers

In terms of Financial Regulation 214, liabilities should be recorded in a liability register to ensure regular checking of such liabilities, whereas no records had been maintained with regard to the liabilities worth Rs.**15**,**120**,**242**.

2. Financial Review

2.1 Imprest Management

The following observations are made.

(a) According to the Financial Regulation 04, feasibility studies on recurrent expenditure should be commenced and the expenditure should be forcast before the budget is prepared and the expenditure targets set and objectives should be clearly defined in order to prevent expenditure from improperly expanding. Likely, a detailed estimate should be prepared when the capital projects are properly approved. As action had not been taken accordingly, expenditure had been handled during the year using supplementary allocation of Rs. **176,766,000** and departmental revenue of Rs. **84,933,991** in addition to the budget allocation of Rs. **1,298,000**.

(b) Imprest of Rs.**1,416,656,960** had been requested in excess of the annual imprest requirement for the payment of personal emoluments, other recurrent expenditure, capital expenditure and special project expenditure and advance payments to public officers .

(b) Although the imprest limit on the imprest application had been stated as Rs. **1,288,440,000**, the correct value was Rs.**1,310,040,000**, thus resulting in a difference of Rs.**21,600,000.**

2.2 Revenue Management

The following observations are made.

(a) The Department had not prepared estimates for revenue of Rs.32,129,157 collected relating to 04 revenue heads.

(b) According to the financial statements, the Department had collected revenue of Rs.84,973,991 relating to 08 revenue codes. Nevertheless, an action plan had not been prepared for the year 2019.

2.3 Expenditure Management

The following observations are made.

(a) Out of net provision of Rs.109,500,000 relevant to 07 Objects, a sum of Rs.65,612,613 had been saved without being used and the above savings had ranged from 16 per cent to 90 per cent of the net provisions.

(b) Although provisions at 44 per cent and 56 per cent had been allocated for recurrent expenditure and capital expenditure respectively compared to the total annual expenditure, in taking into account the actual expenditure, 99 per cent had been spent in respect of recurrent expenditure as compared with the total expenditure and the capital expenditure incurred during the year remained at 90 per cent.

(c). According to the National Budget Circulars No.5/2019 dated 24 September 2019 and No.03/2019 dated 08 April 2019 of the Secretary to the Treasury, 25 per cent of the capital expenditure should be saved. Nevertheless, a sum of Rs.94,541,929 or 11 per cent of the net provision of Rs.888,000,000 only had been saved.

2.4 Incurring Liabilities and Commitments

The following observations are made.

(a) According to Paragraph 4.vii of the Circular No.05/2017 dated 30 November 2017 of the Director General of the Department of Treasury Operations and as specified in Budget Circular No.162 dated 06 September 2003, a sum of 194,534,780 had been brought to account as payable bills as at 31 December 2019. Nevertheless, a sum of Rs.15,120,243 had been stated in the financial statements as liabilities. As such, there was a difference of Rs.179,414,537.

(b) Although the balance included in the statement of Commitments and Liabilities in Note (iii) of the financial statements amounted to Rs.15,120,243, the total sum stood as Rs.7,490,782 according to the printouts of the Cigaz programme on the liabilities presented to audit. Accordingly, a difference of Rs.7,629,461 was observed.

(c) Deviating from the provisions in Financial Regulation 94(2), the Department had incurred liabilities of Rs.1,485,258 in excess of the provision in relation to 04 Objects.

(d) The value of bills talling Rs.3,669,130 received, but not certified by the Engineering Division had not been stated as commitments.

2.5 Certifications to be made by the Accounting Officer

In terms of provisions in Section 38 of the National Audit Act No.38 of 2019, the Accounting Officer shall ensure on the following matters, whereas action had not been taken accordingly.

(a) The fact that an effective internal control system forthe financial control exists in 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 that such review makes in writing and submits a copy thereof to the Auditor General. Nevertheless, statements had not been furnished to audit that such reviews had been made.

(b) That the Chief Accounting Officer and the Accounting Officer shall ensure the timely preparation and submission of annual and other financial statements and in addition the Chief Accounting Officer shall be required to submit annual reports to Parliament pertaining to the auditee entity. Nevertheless, the English and Tamil copies of the final financial statements for the year 2019 had been presented on 21 May 2020, after a delay of 2 ½ months and the original copy of the Sinhala report had been submitted on the due date while remaining copies had been presented to the Auditor General on 13 March 2020, after a delay of 13 days.

(c) That Chief Accounting Officer and the Accounting Officer shall ensure that all audit queries be answered within the specified time as required by the Auditor-General, answeres for 07 audit queries had not been given although a period of 03 months had elapsed from the issue of those queries.

2.6 Non-compliance with Laws, Rules and Regulations

The non-compliance with laws, rules and regulations observed during the course of audit test checks are analyzed below.

Reference to laws, rules and regulations	Non-compliance
(a) Establishments Code of the Democratic Socialist Republic of Sri Lanka	
Section iv of Chapter VIII	Having transferred provision of Rs.2,000,000 to the annual budget provision of Rs.8,000,000 from other Objectives under the Financial Regulation 66, overtime allowance and holiday pays of Rs.9,999,987 had been paid contrary to the terms of the Establishments code, .
(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka	
(i) Financial Regulation 11	Although provisions of Rs.2,000,000had been obtained through Financial Regulation 66 citing that the provision of Rs.7,500,000 of the Object of Travelling Expenses was insufficient and incurred traveling expenses of Rs.9,497,927, clear reasons thereon had not been presented.
(ii) Financial Regulation 101	Since it was not possible to find out files relating to the losses and damages caused due to the negligence of the officers, the Administration Division had recommended to write off 5 cases of losses and damages amounting to Rs.42,200 older than 17 years from the books.

(iii) Financial Regulation 104(3) and 104(4)	Although it has been more than 03 months to more than 08 years since the incidents to be further written off in development programmess had taken place, as stated in the Departmental Circular No. 2008/01 dated 27 August 2008 of the Director General's and according to the Financial Regulations, 16 cases totaling Rs.2,807,612 had not been settled.
(iv)	Although relevant committees had been appointed to submit a full report in accordance with Financial Regulation **104 (4)** regarding **21** cases amounting to Rs.**1**,**484**,**684** relating to the period from the year **2011** to **2018**, the full reports had not been submitted within three months.
(v) Financial Regulation 272(3)	Total of **2683** vouchers worth Rs.**222**,**679**,**837** relevant to the months of November and December of the year under review had not been furnished for audit even as at **22** May **2020.**
(vi) Financial Regulation 396(d)	Action in accordance with the financial regulations had not been taken on 08 cheques amounting to Rs. **62**,**520** which had not been submitted for payment,despite lapse of **06** months from their issuance.
(vi) Financial Regulation 427(a)	No action had been taken to identify and settle the difference of Rs. **100**,**125** between the Treasury and Departmental accounts that had continued to exist since yesr **2015** with regard to the Advances to Public Officers Accounts.

	(vii) Financial Regulation 570(c) and 571 (3)	Action had not been taken to credit the **97** lapsed deposits older than 02 years amounting to Rs.**2,302,808** to the Government Revenue.
(c)	Circular of the Deirector General of State Accounts No.271/2019 dated 03 December 2019.	
	(i) Paragraph No.3.1	Treasury printouts relevant to the Department for the year under review had not been included as attachments in the financial statement.
	(ii) Paragraph No. 06	Seven cases of operating programme and **23** cases of development programme to be further recovered or written off had not been shown in the Order of Write-Off under Financial Regulations **109.**
	(iii)	Information on losses and waivers amounting to Rs.**1,936,263** related to **32** cases in the development programme had not been submitted in the form of the Order of Waiver.

(d) Public Finance Circulars

Section 02 (iv) of the Budget Circular No.04/2019 dated 17 June 2019 of the Secretary to the Budget.	Although it had been informed that the expenditure under the Object of Stationery and Office Requisites should be minimized as far as possible, without doing so, a sum of Rs.4,617,087 had been spent out of net provision totalling Rs.5,000,000 made up of Rs.1,000,000 of the supplementary estimates and Rs.500,000 by transferring through the Financial Regulation 66, in addition to the annual provisions.

(e) Departmental Circulars

	Although the measures to be taken regarding the death of animals have been mentioned, due to the failure to take action to rectify those causes, losses and damages of Rs. **8,536,078** had been written off from the books.

2.7 Issuance and settlement of advances

The following matters were observed.

(a) Although advance should be utilized for a specific purpose, the total advance of Rs.122,250 obtained in 05 instances had been settled back without being used after retaining it idle for a period from 08 days to 21 days.

(b) As advance had been obtained without preparing a specific estimate, a sum of Rs.250,211 out of advances amounting to Rs.916,038 granted in 29 instances had been settled without being spent.

(c) According to the State Finance Circular No.03/2015 dated 14 July 2015 of the Secretary to the Treasury and Financial Regulation 371(2)(b), advances of Rs.5,845,296 had been granted in 23 instances.

(d) In terms of Finnancial Regulation 371 (d), a sub-imprest granted should be settled immediately after the completion of the purpose for which it is granted. Nevertheless, advances granted in 11 instances had been settled after being retained in hand from 05 to 27 days.

(e) In terms of State Accounts Circular No.256/2017 dated 05 July 2017, action had not been taken to recover loan balance of Rs.135,369 remained recoverable over a period of 05 years from two officers who had vacated the service.

(f) In terms of Paragraph 04 of the State Accounts Circular No.262/2017 dated 29 December 2017, any loan balance due from the officers who had been garnted pension or death gratuity since the year 2018 should not be included in the Advance B Account. Nevertheless, loan balance of Rs.599,316 remianed recoverable from four officials.

(g) Three officiers who left on transfer had not taken steps to settle loan balance of Rs.433,377 within a period of 3 months in terms of Public Finance Circular No.05/2019 dated 27 June 2019 of the Department of National Budget.

2.8 Deposits

The following observations are made.

(a) Eleven balances of retention money worth Rs.185,593 retained for the contracts during the years 2016 and 2017 had been credited to the revenue and it had been so credited to the revenue after a lapse of 02 years without taking action to rectify defects of the contracts or pay the balcne on completion of follow up actions.

(b) In terms of Paragraph 02 of the State Finance Circular No.243/2015 dated 24 June 2015 of the Secretary to the Treasury and Article 149(1) of the Constitution, all the receipts which are not legally allocated for any specific purpose should be credited to the Government Consolidated Fund. Nevertheless, a sum of Rs.3,698,111 relevant to AFFACI project had not been so credited to the Consolidated Fund and it had been retained in the General Deposit Account from the year 2016 to 31 December 2019. Payments of Rs.1,812,666 had been made from that account and the balance as at 31 December 2019 remained at Rs.1,885,445.

(c) Despite being pointed out by the audit query No.CLPL/KD/H/DAPH/2018/74 dated 15 March 2019, a sum of Rs.123,152 relevant to the construction activities had been inappropriately credited to the Temporary Retention Account without being stated in the Tender Deposit Account.

(d) Although the Director, North Central Province had sent a cheque worth Rs.618,100 on 06 September 2019 to purchase blood testing kits of cows under the Identification of Dairy Production Farm Project, that money had been retained in the Deposit Account up to the end of the year without being made the relevant purchases.

(e) A sum of Rs.428,500 received to the General Deposit Account from 22 October 2018 to 04 October 2019 for the implementation of project as per the Paragraph 5.1 (c) of the State Accounts Circular No.243/2015 dated 24 June 2015 had been retained in the General Deposit Account without being used for the relevant purpose.

(f) According to the Paragraph 5.1(b) of the above circular, for receipts which are constantly being collected but no revenue code has been introduced, should be informed the Department of Fiacal Policy and obtained a revenue code for such receipts. Nevertheless, without being taken action accordingly with regard to the deposit of Rs.2,671,334 credited by the National Science Foundation for veterinary researches of the Institute of Vererinary Research over anumber of years, it had been retained in the General Deposit Account and spent. Accordinly the savings out of Rs. .2,671,334 so credited amounted to Rs.1,181,290 as at 31 December 2019.

(g) The balance of Rs.46,448 deducted from the salaries of the officers in order to remit to other institutions had been retained in the General Deposit Account without being settled.

3. Operating Review and Performance

The audit observations relating to the operating review on income, expenditure, assets and liabilities, sustainable development, good governance and human resource management stated in the financial statements presented will be indicated in the Paragraph 1.1 above and included in the report submitted in terms of Section 10 of the National Audit Act No.19 of 2018.

Y.M. Chandrasekara Banda
Assistant Auditor General
For Auditor General.