

## **Appropriation Head 179**

### **Report of the Auditor General on the activities of the Ministry of Agrarian Services and Wildlife and Departments Coming under that Ministry**

This report consists of 2 parts.

Part 1 - Summary reports on the accounts of the Ministry and Departments under the Ministry

Part 1 - Detailed report in respect of each Appropriation Head

#### **Part I**

Summary report on the accounts of the Ministry of Agrarian Services and wildlife and the Departments under this Ministry.

#### **1. Departments coming under this Ministry**

<b>Expenditure Head</b>	<b>Name of Department</b>
281	Department of Agrarian Development
284	Department of Conservation of wildlife

#### **2. Accounts**

##### **2.1 Appropriation Account**

###### **(a) Total Provision and Expenditure**

The total net provision for the Ministry and two Departments under that made amounted to Rs.42,032,334,200 and a sum of Rs.41,389,728,747 had been utilized from it as at the end of the year under review. Accordingly the savings in the Ministry and each Department ranged from Rs.59,831,316 to Rs.315,585,601 representing 0.16% to 25.8% of the total net provision. Particulars are given below.

Appropriation Head	Ministry / Department	Net Provision As at 31 Dec.2012		Utilization As at 31 Dec.2012		Savings As at 31 Dec.2012	
		Recurrent	Capital	Recurrent	Capital	Recurrent	Capital
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
179	Ministry of Agrarian Services and Wildlife	36,576,704,200	146,030,000	36,575,583,279	87,319,605	1,120,971	58,710,395
281	Department of Agrarian Development	3,260,080,000	829,100,000	3,259,933,493	562,057,971	146,507	267,042,029
284	Department of Conservation of Wildlife	483,070,000	737,350,000	480,680,671	424,153,728	2,389,329	313,196,272
	<b>Total</b>	40,319,854,200	1,712,480,000	40,316,197,443	1,073,531,304	3,656,757	638,948,696

**(b) Utilization of Provisions Received from other Ministries and Departments**

Provisions totaling Rs.237,636,310 had been given by the other Ministries, Departments and District Secretariats to the Department of Conservation of wildlife and Department of Agrarian Development for various purposes and the details of utilization of those provisions are given below.

Ministry by which provisions given	Ministry / Department/ District Secretariat to which provisions received	Amount of provision received	Expenditure	Savings (as at 31 December 2012)
		Rs.	Rs.	Rs.
Ministry of Agrarian Services and wildlife	Ministry of Economic Development	138,000,000	120,315,444	17,684,556
Do	Department of Pensions	1,226,626	1,226,626	-
Do	District Secretariat Colombo	473,162	473,162	-
Do	District Secretariat Gampaha	540,000	335,479	204,521
Do	Ministry of Agriculture	213,540	197,146	16,394
Department of Agrarian Development	Ministry of Economic Development	178,299,972	70,497,275	107,802,697
Do	Ministry of Agriculture	18,883,010	16,055,115	2,827,895
<b>Total</b>		<b>337,636,310</b>	<b>209,100,247</b>	<b>128,536,063</b>

## 2.2 Revenue Accounts

### Estimated Revenue and Actual Revenue

A Department had estimated a revenue of Rs.17 million in the year 2012 for a revenue code and the revenue of Rs.17.27 million had been collected out of it as actual revenue. Accordingly, 101.6 per cent of the estimated revenue had been collected. Particulars are as follows.

Revenue Officer	Accounting	Revenue Code	Estimated	Actual	Over Collection	Percentage
			Rs.	Rs.	Rs.	%
Director	General					
Wildlife Conservation		20.03.02.06	17,000,000	17,268,785	268,785	101.6

## 2.3 Advance Accounts

-----

### 2.3.1 Advances to Public Officers Account

-----

#### Limits Authorized by Parliament

-----

The following limits authorized by the Parliament for advances to Public Officers Accounts in the Ministry and two Departments under the Ministry had been complied. Particulars are as follows.

Head	Item No.	Expenditure		Receipts		Debit balance	
		Maximum Limits	Actual	Minimum Limit	Actual	Maximum Limits	Actual
-----	-----	-----	-----	-----	-----	-----	-----
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
179	17901	3,500,000	3,465,427	3,000,000	4,475,012	30,000,000	16,291,392
281	28101	232,500,000	118,663,861	140,000,000	177,023,373	830,000,000	384,727,859
284	28401	40,000,000	36,746,640	27,000,000	33,101,943	127,000,000	117,544,304

## 2.4 Imprest and General Deposit Accounts

-----

### (a) Imprest Accounts

-----

There was a debit balance of Rs.29,000 as at 31 December 2012 in the Ministry of Agrarian Services and Wildlife.

### (b) General Deposit Accounts

-----

Balances in the general deposits accounts of the Ministry and two Departments under the Ministry as at 31 December 2012 totaled Rs.1,626,096,710 Details shown below.

Ministry / Department	Account No.	Balance as at 31 December 2012
-----	-----	-----
		Rs.
Ministry of Agrarian Services and Wildlife	6000/0000/00/0015/0188/000	345,824
Department of Agrarian Development	6000/0000/00/0001/0010/000	15,700
	6000/0000/00/0002/0010/000	247,600
	6000/0000/00/0006/0051/000	262,330,182
	6000/0000/00/0015/0136/000	147,243,707
Department of Conservation of Wildlife	6000/0000/00/0015/0139/000	102,096,520
	6000/0000/00/0006/0020/000	1,113,817,177
		-----
<b>Total</b>		<b>1,626,096,710</b>
		=====

## **Part II**

-----

### **Detailed Report relating to each Appropriation Head**

-----

#### **1. Appropriation Head 179 – Ministry of Agrarian Services and Wildlife**

-----

##### **1.1 Scope of Audit**

-----

The audit of the appropriation account of the Ministry of Agrarian Services and Wildlife for the year ended 31 December 2012 comprising the financial reports, reconciliation statements books and other records was carried out in pursuance of provision in Article 154(1) of the constitution of the Democratic Socialist Republic of Sri Lanka. The management audit report for the year under review had been issued to the Secretary to the Ministry on 30 July 2013. Audit observations, Comments and findings on accounts and reconciliation statements are based on review of accounts and reconciliation statements presented to audit and substantive tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

##### **1.2 Chief Accounting Officer`s Responsibility for the Accounts and Reconciliation Statements**

-----

Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Accounts and reconciliation statements in accordance with Article 148, 149, 150 and 152 of the Democratic Socialist Republic of Sri Lanka other Statutory Provisions Public Finance and Administration Regulations this responsibility includes designing implementing and maintaining internal control relevant to the preparation and fair presentation of accounts and reconciliation statements that are free from material misstatements, whether due to fraud or error.

### **1.3 Audit Observation**

-----

According to the Financial Records and Books for the year ended 31 December 2012, it was observed that except for the effects of the general observation appearing at (a) to (e) and other major observation appearing in paragraph 1.4 to 1.10 herein, the Appropriation Accounts and reconciliation Statements of the Ministry of Agrarian Service and Wildlife had been prepared satisfactorily.

#### **(a) Non-maintenance of Books and Registers**

-----

An overtime register for the year under review had not been maintained as per Public Administration Circular No 19/89 dated 23 March 1989

#### **(b) Budget Variance**

- 
- i. Total net provision of Rs. 4,675,000 and Rs. 25,000 allocated for 03 capital Objects and a recurrent Object respectively had been saved.
  - ii. As over provisions had been made for 05 capital Objects , an amount totaling Rs. 50,339,315 equivalent to 40 % - 98 % of the net provision had been saved.

#### **(c) Management of Public Expenses**

-----

Out of the recurrent provisions allocated for the year 2012 through the budget estimates in terms of National Budget Circular No 155 dated 30 December 2011, provisions equivalent to 2 % had not been retained by the Ministry.

**(d) Imprest Account**

-----

There was a credit balance of Rs. 29,000 that had been outstanding since 2011 in an Imprest account as at 31 December 2012 and the balance had not been settled even as at 30 April 2013.

**(e) Advances to Public Officers Account**

-----

As per the reconciliation statement as at 31 December 2012 on the Advances to Public Officers Account under Object 17901, the total of the balances that remained outstanding amounted to Rs. 235,468.

**1.4 Good Governance and Accountability.**

-----

**1.4.1 Corporate Plan**

-----

Following observations are made.

The Corporate Plan for 2011-2015 had been prepared by the Ministry on 23 May 2012 though, it had not been prepared in a way covering the duties of the Ministry. The Plan was incomplete as it consisted only of duties of institutes under the Ministry. As per the letter No PF/R/2/2/3/5/(4) of Director General of Public Finance dated 10 March 2010, a Corporate Plan updated at the beginning of each year had not been prepared.

**1.4.2 Action Plan**

-----

Following observations are made.

- (a) Although expenses had incurred on the provisions amounting to Rs. 2,656,439,200 for the fertilizer subsidy program, it had not been included in the Action Plan.



- (b) An amount of Rs. 74,168,780 had been utilized on the program for production and distribution of organic fertilizer though, that program too had not been included in the Action Plan.

## **1.5 Assets Management**

-----

### **Irregular Utilization of Assets belonging to other Institutions**

-----

Ministry had used 2 vehicles owned by 2 other institutes without taking over properly as per the provisions of Circulars.

## **1.6 Delays in the Implementation of Projects**

-----

Following observations are made.

Following observations were made in examination of the project for the production and promotion of organic fertilizer.

- (a) Under the program to encourage the production of organic fertilizer in Anuradhapura and Polonnaruwa districts, farmers had been paid Rs. 8 per kilo. Despite an amount of Rs. 19,239,600 had been paid for the production of 2,404,950 Kg of fertilizer in Anuradhapura district, no evidence had been presented in the sample that was checked to verify the amount of fertilizer produced. An amount of Rs. 594,872 had been paid to two villages for the production of 74,359 Kg of fertilizer though, only 6,884 Kg of fertilizer worth of Rs. 55,072 had been produced.
- (b) Many idle units had been observed as equipment and materials had not been granted to most suitable persons keen on the program for the production of organic fertilizer.

- (c) Contrary to the Cabinet decision dated 29 February 2012, the progress of the program had not been reported to the Cabinet. Though it was informed that a methodology for the encouragement of those who produced organic fertilizer be prepared within a month and presented to the Cabinet, that call was unheeded.

## **1.7 Irregular Transactions**

-----

Following observations are made.

- (a) Although bidding process should be followed in projects funded by the Government as per 3.2.1 of Procurement Guidelines , limited quotations had been called in May 2012 to purchase 750 metal sheet covers on the basis of an emergency requirement. Only 135 such sheets had been supplied in 3 instances even by 12 January 2012. An agreement , in terms of Procurement Guidelines , had not properly been entered into with the supplier for this purchase.
- (b) As the Committee to decide on fertilizer prices had set a price higher than the cost incurred by the private fertilizer importers when fertilizer was imported for other crops except paddy, those companies had to pay an amount of Rs. 330 million in excess during the year under review.

## **1.8 Losses and Damages**

-----

A vehicle had met with an accident on 11 April 2011 incurring a loss of Rs. 147,312. It was decided in the basic investigation on the accident that the loss be recovered from the Media Secretary responsible for the loss though, the loss had not been recovered even by 31 August 2013.

## 1.9 Management Inefficiencies

Following observations are made.

- (a) Equipment and material worth of Rs. 68,328,235 had been purchased for distributing among the farmers who produced organic fertilizer in 2 districts though, sample test in 6 agrarian services centers , revealed that 581 sets, out of 3,465 sets of equipment, 5 grass cutters out of 82, eleven huts out of 22 and 973 Kg of polythene out of 1,638 Kg had not been distributed among the farmers even by the end of July 2013.
- (b) Although equipment had been distributed to 40 agrarian services centers, farmers of 19 such centers had not produced fertilizer.

## 1.10 Human Resources Management

### (a) Approved and Actual No of Employees

Cadre position as at 31 December 2012 was as follows.

Category	Approved No	Actual No	Vacant
Senior level	19	16	3
Tertiary level	3	2	1
Secondary level	110	79	31
Primary level	35	35	-
Other (Casual/Temporary/Contract)	3	3	-
<b>Total</b>	<b>170</b>	<b>135</b>	<b>35</b>

Thirty five vacancies had not been filled even by the end of the year under review.

**(b) Human Resources Obtained from Other Parties Irregularly**

-----  
The No of employees obtained by the Ministry in an irregular manner from other institutes was 06 and particulars are as follows.

<b>Category</b>	<b>No of Employees</b>	<b>Human Resources Obtained from</b>	<b>Duration</b>
-----	-----	-----	-----
Secondary level	2	Department of Agrarian Development	From 2010.11.26 to 2013.8.31
Secondary level	1	Colombo Commercial Fertilizer Co.	From 2010.11.26 to 2013.8.31
Secondary level	2	Lanka Fertilizer Co.	From 2010.11.26 to 2012.12.31
Primary level	1	Janatha Fertilizer Enterprise Ltd.	From 2011.12.20 to 2013.8.31

## **Appropriation Head 281 – Department of Agrarian Development**

-----

### **2.1 Scope of Audit**

-----

The audit of the appropriation account of the Department of Agrarian Development for the year ended 31 December 2012, comprising the financial records, reconciliation statements, books and other records was carried out in pursuance of provisions in Article 154(1) of the Democratic Socialist Republic of Sri Lanka. The management audit report for the year under review had been issued to the Head of the Department on 6 September 2013. Audit Observations, comments and findings on accounts and reconciliation statements were based on a review of the account and reconciliation presented to audit and substantive tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible as possible within the Limitations of staff, other recourses and time available to me.

### **2.2 Responsibility for the accounts and reconciliation statements of the Chief Accounting Officer and the Accounting Officer**

-----

Chief Accounting Officer and the Accounting Officer are responsible for the maintenance preparation and fair presentation of the Appropriation Account and reconciliation statement in accordance with Article 148, 149, 150 and 152 of the Democratic Socialist Republic of Sri Lanka other statutory provisions. Public Finance and Administrative Regulations. This responsibility includes designing implementing and maintaining internal control relevant to the preparation and fair presentation of accounts and reconciliation statements that are free from material misstatements whether due to fraud or error.

## 2.3 Audit Observations

-----

According to the Financial Records and Books for the year ended 31 December 2012 it was observed that except for the effects of the general observation appearing at (a) to (f) and other major observations appearing in paragraph 2.4 to 2.11 herein, the Appropriation Account and Reconciliation Statement of the Department of Agrarian Development had been prepared satisfactorily.

### (a) Presentation of accounts

-----

The reconciliation statement for the Advances to Government Officers bearing item No 28101 had been presented to the audit on 07 May 2013 by the Department of Agrarian Development after a delay of more than a month. Financial statements of the Agrarian Development Committees had not been presented to the audit since 2006 in the following manner.

<b>Accounting Year</b>	<b>No of Accounts not Presented</b>
-----	-----
2006	87
2007	112
2008	87
2009	78
2010	95
2011	126
2012	284

### (b) Management of Government Expenditure

-----

Out of the provisions allocated by the annual budget estimate approved by the Parliament for the year 2012, two per cent of the recurrent provisions had not been retained in terms of National Budget Circular No 155 dated 30 December 2011.

**(c) General Deposit Account**

-----

Following observations are made.

- (i) A difference of Rs. 651,797 between the department books and the Treasury books of the deposit account No. 6000/0000/00//0006/0051/000 had been remaining for more than 3 years and it had not been settled even by the end of the year under review.
- (ii) A difference of Rs. 49,811,908 between the department books and the Treasury books of the deposit account No. 6000/0000/00//0015/0136/000 had been observed at the end of the year under review and it had not been reconciled as per Financial Regulation 427.

**(d) Reconciliation Statements of the Advances to Public Officers Account**

-----

- (i) As per the reconciliation statement as at 31 December 2012 on the Advances to Public Officers Account under Item No 28101 , the total of the outstanding balances amounted to Rs. 26,330,303 and the follow up actions for the recovery of those balances were at a weaker level. The following balances totaling Rs. 931,411 were observed in the aforesaid outstanding balance and an effective methodology to recover such balances had not been implemented.

<b>Loan Type</b>	<b>Balance</b>
-----	-----
	<b>Rs.</b>
Officers who went abroad in the year 2006 on no pay leave	102,980
Members appointed to the Provincial Councils and Pradeshiya Sabha in 2006	55,110
Agrarian Services Officers absorbed as Provincial Council Officers, Cultivation Officers absorbed as Grama Niladhari	773,321

A loan balance amounting to Rs. 593,000 pertaining to Provincial Council Officers of North Western Province absorbed into the Department had been outstanding for more than 5 years. No action had been taken to settle those balances.

- (ii) A difference of Rs. 2,674,352 between Control Account and the total of individual balances had been observed. Action had not been taken to correct the accounts by reconciling the difference.

## **2.4 Good Governance and Accountability**

-----

### **2.4.1 Annual Performance Reports**

-----

According to the Public Finance Circular 402 and 402 (1) dated 12 September 2002 and 20 February 2004 the annual performance report to be prepared by the Department within 150 days after the closure of financial year should be tabled in Parliament with a copy to the Auditor General. Nevertheless, the performance report for the year under review had not been tabled in Parliament even by 31 August 2013.

## **2.5 Assets Management**

-----

### **(a) Idle and Underutilized Assets**

-----

Following Idle and Underutilized Assets were available in the Department

<b>Type of Assets</b>	<b>No. of units</b>	<b>Period of Idle or Underutilization</b>
-----	-----	-----
Office Quarters	100	Exceeding 1 year
Machinery	12	From 1 to 3 years
Vehicles	21	From 1 to 5 years



**(b) Annual Board of survey**  
-----

Office equipment totaled Rs. 29,637,925 provided to 06 districts during the year under review had not been included in the report of the Board of Survey furnished to audit.

**2.6 Non-compliances**  
-----

**Non-compliance with Laws, Rules, Regulations etc.**  
-----

Instances of non-compliance with Laws, rules and regulations observed at audit test checks are analyzed below.

<b>Reference to Laws, Rules, Regulations etc.</b>	<b>Value</b>	<b>Non-compliance</b>
-----	-----	-----
(a) Public Finance Circular ----- Circular No.438 dated 13 November 2009	Rs.	- (i) Action had not been taken to dispose 09 vehicles which had to be disposed.  (ii) Even though the Board of Survey had decided to dispose 443 agricultural implements distributed to 143 agrarian services centres, action had not been taken accordingly.
(b) Treasury Circulars ----- Circular No.842 dated 19 December 1978		Register of Fixed Assets had not been maintained.

(c) Departmental Circular

-----

Section 4.3 of the Circular

No. 014/2012 dated 29 September

2012

393,262 It had been noted that the maximum amount that could be kept as cash in hand at an Agrarian bank is Rs. 10,000. Nevertheless, an amount aggregating to Rs 393,262 had been kept in 08 banks as cash in hand exceeding the said limit.

**2.7 Weaknesses in the Implementation of Projects**

-----

Instances of the abandonment of projects without being commenced, abandonment of projects without being completed and delays in projects observed at audit test checks are given below.

**(a) Abandonment of Projects without being Commenced**

-----

Department had not commenced the following project.

<b>Project</b>	<b>Estimated cost</b>	<b>Scheduled date for the commencement</b>	<b>Reasons in brief for not initiating the project</b>
-----	-----	-----	-----
	<b>Rs.</b>		
Ellanga tanks renovation Project - Giridevi tank ,Thanamalwila.	6,966,242	January 2012	Delay in the settlement of the ownership of the tank

**(b) Delay in the execution of projects**  
-----

Delay in the execution of projects by the Department was observed.

<b>Project</b>	<b>Date of Commencement</b>	<b>Scheduled date for the completion</b>	<b>Estimated cost</b>	<b>Expenditure as at 31 December 2012</b>
-----	-----	-----	-----	-----
			<b>Rs.</b>	<b>Rs.</b>
Construction of Thalalla Agrarian Services Centre Stage I	29.12.2010	29.06.2011	4,163,261	2,712,417
Stage II	12.12.2011	26.03.2012	4,125,430	1,635,099
Renovation of Parngiwadiya Agrarian Services Centre.	28.01.2012	08.01.2012	1,984,336	706,834

**2.8 Performance**  
-----

In terms of the Annual Budget, 2012 and Annual Action Plans, observations on the progress of the Department are as follows.

**Key functions not executed adequately**  
-----

- (a) It had been failed to recover the outstanding loan installments amounting to Rs.552,689,784 and Rs.5,692,602 respectively applicable for tractors and water pumps granted under the 2KR project as per the Action Plan and action had not been taken to dispose tractors which had been removed from the utilization.
- (b) As per the Action Plan,2012, it had been targeted to deepen 86 tanks in 11 districts, whereas only 18 tanks in 10 districts had been deepened.
- (c) In terms of Action Plan,2012, ten fertilizer stores had been targeted to be constructed and provisions amounting to Rs.20 million had been made thereon. Nevertheless, only 3 fertilizer stores had been constructed as at 31 December 2012 incurring a sum of Rs.2.6 million out of that sum.

## 2.9 Uneconomic Transactions

Even though a sum of Rs.1,639,180 had been incurred to repair 3 bulldozers, they had not been utilized in the service and 3 other bulldozers had been repaired at a cost of Rs. 2,176,231 but they had been utilized only for 252 hours.

## 2.10 Management Inefficiencies

Following observations are made.

Followings are the relevant paragraphs on which follow up action had not been finalized after the examination of audit paragraphs relating to the Department in included in the Auditor General's Report by the Committee On Public Accounts.

Reference to the Auditor General's Report	Referred Subject	Date of the COPA	Recommendation of the COPA
Year Paragraphs No.			
2005 06	Defunct tractor	05.10.2010	Disposal of two- wheeler and four- wheeler tractors granted by the Japan Yen Assistance Programme which had been later condemned.
2005 07	Recovery of arrears in installments for tractors	05.10.2010	Implementation of an effective programme for the recovery of installments.

## 2.11 Human Resources Management

### Approved and Actual Cadre

Particulars of the Cadre position of the Department as at 31 December 2011 is given below.

Staff Category	Approved Cadre	Actual Cadre	No of Vacancies
Senior Level	95	58	37
Tertiary Level	737	541	196
Secondary Level	10872	9762	1073*
Primary Level	322	231	82*

\* In the calculation of vacancies 47 approved Stenographers/Typists, 06 approved Field Assistants and 17 approved unskilled labourers had been added to the approved cadre, whereas it had not been taken in to account in the calculation since such services are being subject to suppressing.

## **Appropriation Head 284 – Department of Wildlife Conservation**

-----

### **3.1 Scope of Audit**

-----

The audit of the Appropriation Account and the Revenue Account of the Department of Wildlife Conservation for the year ended 31 December 2012, comprising the financial records, reconciliation statements, books and other records was carried out in pursuance of provisions in Article 154(1) of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review had been issued to the Secretary to the Ministry on 16 September 2013. Audit observations, comments and findings on accounts and reconciliation statements are based on a review of accounts and reconciliation statements presented to audit and substantive tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other recourses and time available to me.

### **3.2 Responsibility for the Accounts and Reconciliation Statements of the Chief Accounting Officer and the Accounting Officer**

-----

The Chief Accounting Officer and the Accounting Officer are responsible for the maintenance, preparation and fair presentation of the Appropriation Account, Revenue Account and the Reconciliation Statements in accordance with Article 148, 149, 150 and 152 of the Democratic Socialist Republic of Sri Lanka, other Statutory Provisions, Public Finance and implementation of such internal control necessary to enable the preparation and fair presentation of accounts and reconciliation statements that are free from material misstatements whether due to fraud or error.

### **3.3 Audit observation on the accounts and reconciliation statements**

-----

According to the Financial records and Books for the year ended 31 December 2012, it was observed that except for the effects of the general observations appearing at (a) to (c) and other major observations appearing in paragraph 3.4 to 3.11 herein, the

Appropriation Account, Revenue Account and Reconciliation Statements of the Department of Wildlife Conservation have been prepared satisfactorily.

**(a) Non-maintenance of Books and Records**

-----

- (i) Test checks observed that the following registers had not been maintained by the Department of Wildlife Conservation.

Type of Register	Relevant Regulation
-----	-----
Register of issuing Elephant Cartridge	Department of Wildlife Conservation Circular No. 15/2003 dated 16 October 2003.
Register of issuing fire arms Register of issuing ammunition	} Department of Wildlife Conservation Circular No. 5/2009 dated 08 November 2009.

**(b) General Deposit Account**

-----

- (i) Action had not been taken in compliance with the Financial Regulation 571 with regard to 46 deposits aggregating to Rs.11,406,008 which had elapsed over a period of two years.
- (ii) A sum of Rs.1,259,831 granted by some another Ministry had been retained in the Deposit Account without fulfilling the purpose concerned.

**(c) Reconciliation Statement on the Advances to Public Officers Account**

-----

According to the Reconciliation Statement of the Advance to Public Officer Account bearing item No.28401 as at 31 December 2012 the outstanding balances as at that date totalled Rs. 3,784,313 and the follow up action on the recovery of those outstanding balances had been at a weak level.

### **3.4 Accountability and Good governance**

-----

#### **3.4.1 Corporate Plan**

-----

According to the letter No. PF/R/2/2/3/5(4) dated 10 March 2010 of the Director General of Public Finance, a Corporate Plan for the period of at least 3 years from the year 2010 and onwards should be prepared at the beginning of the year by the Department. Nevertheless, it had not been prepared even as at 31 December 2012.

#### **3.4.2 Annual Performance Reports**

-----

According to the Public Finance Circular No. 402 and 402(1) dated 12 September 2002 and 20 February 2004, the annual performance report to be prepared by the Department within 150 days after the closure of the financial year should be tabled in Parliament with a copy to the Auditor General. Nevertheless, the performance report for the year under review had not been tabled in Parliament even by 10 July 2013.

#### **3.4.3 Internal Audit**

-----

- (a) An Internal Auditor had been appointed during the year 2012, whereas internal audit reports had not been furnished to the Auditor General in accordance with the internal audit programme pertaining to the year.
  
- (b) An Internal Audit unit had been established, whereas no supporting staff or a sufficient staff in keeping with the scope of the Department had been attached to the relevant unit.

### **3.5 Assets Management**

-----

#### **(a) Idle and Underutilized Assets**

-----

It was observed at the audit that 25 vehicles owned by the Department had remained idle.



**(b) Annual Board of Survey**  
-----

In terms of the Public Finance Circular No.441 Dated 09 December 2009 as amended by the Director General of Public Finance letter No. PF/ Board of Survey/01 dated 17 December 2010, the annual board of survey should be conducted prior to 31 March 2013 and the report thereof should be furnished to the Auditor General. Nevertheless, such reports had not been furnished to audit even by 31 May 2013.

**(c) Assets given to external parties**  
-----

The Department had irregularly released a double cab to the Ministry of Environment and Renewable Energy.

**(d) Improper utilization of assets owned by other institutions**  
-----

It was observed at the sample audit tests that Department had utilized 26 vehicles belonging to the other institutions without authorization.

**3.6 Non-compliances**  
-----

**Non-compliance with Laws, Rules, Regulations etc.**  
-----

Instances of non-compliance with laws, rules, regulations observed at audit test checks are given below.

<b>Reference to Laws, Rules, Regulations etc.</b>	<b>Value</b>	<b>Non-compliance</b>
-----	-----	-----
	<b>Rs.</b>	
(a) Acts -----		
(i) Section 70 (1) of the Fauna and Flora Protection Ordinance (Chapter 469)	-	Consultation Committees had not been appointed up to 31 December 2013.

- (ii) Section 4.2 a (2) of the Fauna and Flora Protection (Amendment) Act, No.22 of 2009.
- Management plan had not been prepared for National reserves and sanctuaries.
- (b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka
- 
- Financial Regulation 104
- Preliminary inquiries pertaining to 16 instances had not been conducted and the amount and the persons responsible had not been determined from the year 2008 up to the year under review.
- (c) Treasury Circular
- 
- Circular No.1A/1/2002/2 dated 08 November 2002.
- An assets register had not been maintained for computers and accessories.
- (d) Public Enterprises Circulars 289,964
- 
- Schedule 3 in paragraph 05 of Circular No. 96 dated 10 August 1994
- A debtors sub register on Advances to Public Officers Accounts had not been forwarded.

### 3.7 Weaknesses in the Implementation of Projects

#### (a) Delays in the Implementation of Projects

The following delays in the implementation of projects by the Department were observed.

Project	Estimated Cost	Date of commencement	Date to be Completed	Expenditure as at 31 December 2012	Reasons for the Delay
	Rs.			Rs.	
Construction of Kirioya road within Wasgamuwa National Park	9,402,250	19.11.2001	19.03.2002	1,283,767	Making complaints to the Public Petition Committee in the Parliament

#### (b) Projects not executed despite the release of financial provisions

The Department had released a sum of Rs.14,294,311 to 07 District Secretariats in order to erect electric fences in the year 2012, whereas it had not been carried out even by 31 December 2012.

### 3.8 Performance

Observations on the progress of the Department in terms of the Action Plans,2012 are given below.

#### (a) Key activities not carried out adequately

- (i) Construction of new road network at Kumana National Park.
- (ii) Construction of Maravila Beat office at Vilpattu National Park.

- (iii) Construction of Thummulla circuit bungalow and the quarters for the bungalow keeper at Kumana National Park.
- (iv) Construction Range office quarter and labourer office quarter in Mannar.

**(b) Gajamithuro Project**

-----

For the purpose of implementing 05 objectives including the prevention of human- elephant conflict within 58 Divisional Secretary's Divisions in 15 districts affected by the human- elephant conflict, the Gajamithuro project had been planned and implemented. Despite the provisions amounting to Rs.200 million had been made during the year 2012 following activities had not been carried out.

- (i) Provisions amounting to Rs.143.36 million had been made to district offices in 31 instances for erecting an electric fence of 420 K.m in length, whereas no relevant construction had been carried out.
- (ii) An action plan on the construction of electric fence had been prepared and 14 districts in 08 provinces had been identified as human- elephant conflict intense areas. Nevertheless, attention had not been focused on the Divisional Secretary's Divisions in these districts.
- (iii) Equipment for the electric fence purchased at a cost of Rs.88.6 million by the head office in 2012 had been directly delivered to the warehouse at Lunugamwehera through the Assistant Director's Office. However, proper internal control and stock control procedure had not been adopted in issuing this equipment from that warehouse for the relevant construction. Further, follow up action on the erection of electric fence had not been carried out.
- (iv) With the objective of minimizing damages caused to lives, properties and cultivations due to human elephant conflict in order to rehabilitate aggressive male elephants 1050 concrete posts had been purchased at a

cost of Rs.96.74 million for the erection of an electric fence of 16 K.m for the establishment of Horowpathana elephant Karl. Nevertheless, it had not been carried out. Major activities of the Department such as identification of strategies for the minimization of human-wild beasts conflict, implementation and preparation of timely wildlife management plans had not been carried out.

- (v) Conservation of indigenous animals, vegetation and their natural environment had been a prime objective of the Department. A sum of Rs.34,863,405 had been incurred for the purchase of elephant cartridges for brutally drive away the elephants. Accordingly, it was observed that measures had not been taken to conserve indigenous animals and their natural environment.
- (vi) Measures adopted and plans drawn for the minimization of elephant-human conflict had proved no results.

### **3.9 Management inefficiencies**

-----  
Following observations are made.

- (a) It was observed at the sample test of the Research and Training Division in 2012 that the research of the Girithale training centre had not been carried out. Even though approval for the projects submitted by the external parties to the Research Committee had been granted, reports had not been furnished. Weaknesses such as functioning of the Research Committee for 12 years without being unchanged, non-availability of any copy of the project reports for the reference at the library, non maintenance of research project register and non-submission of proposals for the conservation of wild beasts based on the research projects by the Department were observed.

- (b) In order to set up the elephant Karl within Angammedilla National Park a sum of Rs.4.57 million had been incurred in the year 2008. Even though a platform for loading and unloading elephants had been constructed at a cost of Rs.193,393 it had remained idle overgrown with weeds.
- (c) Registers such as Register of Issuing Elephant Cartridge, Register on Elephant Deaths, Register of Issuing Ammunitions, Register for Reporting Offences, and Vehicle Register had not been properly maintained.
- (d) In terms of Section 6(i) (e) of the Fauna and Flora Protection Ordinance (Chapter 469) no person shall, within a forbidden area, national park, natural reserve, forest entry, secured place, marine reserve or jungle corridor, mine or clear or dig any land for any other purpose. Contrary to that illegal drug cultivation over a land area of 222.5 acres had been maintained within this zone. Despite 11 Range offices, 12 Beat Offices and a Raiding unit had been established, the maladministration of the Department and constant weaknesses in inspections had given room to maintain illegal cannabis chenas. Even though 222.5 acres of cannabis chenas had been raided and 1,125,582 ganja plants had been found in 336 instances by the Department of Excise from 2010 to 2013, the Director General had been unaware of it.

In terms of section (2) (a) of the Act the Director-General shall administer, control and manage the facilities and services which are to be provided within any National Reserve, whereas owing to illegal deforestation administration had not been properly taken place and as a result implementation of the Fauna and Flora Protection Ordinance which is a prime objective of the Department meant for the protection of fauna and flora had not been properly carried out. Consequently, the deprive of habitats of the wildlife had given rise to intensify the elephant-human conflict.

### 3.10 Human Resources Management

#### Approved and Actual cadre

The position of the actual and approved cadre as at 31 December 2012 is as follows.

Staff Category	Approved Cadre	Actual Cadre	No. of vacancies
(i) Senior Level	70	32	38
(ii) Tertiary Level	18	18	-
(iii) Secondary Level	1401	881	520
(iv) Primary Level	418	294	124
<b>Total</b>	<b>1,907</b>	<b>1,225</b>	<b>682</b>

Action had not been taken to fill 682 vacancies by the end of the year under review.