

Report of the Auditor General of the Department of National Zoological Gardens - Head 294 – Year 2016

The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records of the Head 294 – Department of National Zoological Gardens for the year ended 31 December 2016 was carried out in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Director General of the Department on 03 October 2017. The audit observations, comments and findings on the accounts and reconciliation statements were based on a review of the Accounts and Reconciliation Statements presented to audit and 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 Responsibility of the Chief Accounting Officer and the Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer and the Accounting Officer are responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the provisions in Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other Statutory Provisions and Public Finance and Administrative Regulations. The 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. Accounts

2.1 Appropriation Account

Total Provision and Expenditure

The total net provision made for the Department amounted to Rs.884.91 million and out of that, Rs.797.61 million had been utilized by the end of the year under review. Accordingly, the savings out of the net provision of the Department amounted to Rs.87.30 million or 9.86 per cent. Details appear below.

Expenditure	As at 31 December 2016			Savings as a Percentage of the Net Provisions
	Net Provision	Utilization	Savings	
	Rs.Millions	Rs.Millions	Rs.Millions	
Recurrent	345.21	344.21	1.00	0.29
Capital	539.70	453.40	86.30	15.99
Total	884.91	797.61	87.30	9.86

2.2 Advances to Public Officers Account

Limits Authorized by Parliament

Limits authorized by Parliament for the Advances to Public Officers Account, Item No.29401 of the Department and the actual amounts are given below.

Expenditure		Receipts		Debit Balance	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
16.00	15.93	11.00	13.94	70.00	46.88

2.3 Imprest Account

The balance of the Imprest Account No. 7002/0000/00/0146/0016/000 of the Department as at 31 December 2016 totalled Rs.6.45 million.

2.4 General Deposit Account

The balances of 03 Deposit Accounts of the Department as at 31 December 2016 totalled Rs.72.30 million. Details appear below.

Deposit Account Number	Balance as at 31 December 2016
	Rs. Millions
6000/0000/00/0002/0125/000	7.23
6000/0000/00/0016/0074/000	63.63
6000/0000/00/0018/0081/000	1.44
Total	72.30

A sum of Rs.34,978,798 retained from the suppliers and contractors relating to 36 contracts by the Zoological Gardens Development and Welfare Fund had not been included in the said balance of the General Deposit Account.

2.5 Audit Observation

The Appropriation Account and the Reconciliation Statements for the year ended 31 December 2016 of the Department of National Zoological Gardens have been prepared satisfactorily subject to the Audit Observations appearing in the Management Audit Report

referred to in paragraph 1.1 above. The material and significant Audit Observations out of the Audit Observations included in the said Management Audit Report appear in paragraph 3.

3. Material and Significant Audit Observations

3.1 Non-maintenance of Registers and Books

It was observed during audit test checks that the Department had not maintained the following Registers.

Type of Register	Relevant Regulation
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(a) Register of Fixed Assets on Computers, Accessories and Software	Treasury Circular No. IAI/2002/02 of 28 November 2002
(b) Register of Electrical Fittings	Financial Regulation 454(2)

3.2 Appropriation Account

Budgetary Variance

The following observations are made.

- (a) Out of the provisions of Rs.539.70 million made for the Development Programme under the Capital Expenditure for the year 2016, only a sum of Rs.453.40 million had been utilized and the savings out of the provisions therefor amounted to Rs.86.30 million or 16 per cent.
- (b) Excess provisions had been made for 03 Objects and as such the savings, after the utilization of provisions amounted to Rs.85,294,303 and it ranged between 35 per cent and 100 per cent of the net provisions relating to the respective Objects.
- (c) In terms of Section (2) of the Budget Circular No.07/2015 of 29 December 2015, a compulsory saving of 15 per cent of Object Code 1202 – Fuel should have been made from the budget estimate for the year 2016. Nevertheless, the Department had only saved 2 per cent under the relevant Object Codes.

3.3 General Deposit Account

Action in terms of Financial Regulation 571 had not been taken on deposits totalling Rs.18,805,522 older than 2 years.

3.4 Reconciliation Statement on the Advances to Public Officers Account

The following deficiencies were observed during the course of audit test checks of the Reconciliation Statement as at 31 December 2016 relating to the Advances to Public Officers Account Item No.29401.

- (a) According to the Reconciliation Statement presented to Audit, the balances that remained outstanding as at that date totalled Rs.3,247,427. Even though those outstanding balances remained over periods ranging from 01 year to 20 years, the follow-up action on the recovery of those outstanding balances had been at a weak level.
- (b) The balance recoverable from officers who had deceased and retired as at 31 December 2016, amounted to Rs.1,504,210 and out of that, balances older than 10 years and 05 years amounted to Rs.407,524 and Rs.95,955 respectively. Action had not been taken even in the year under review for the recovery of those balances.
- (c) The loan balance of advances recoverable from officers who had been interdicted as at 31 December 2016 amounted to Rs.1,097,659 and out of that, balances older than 10 years and 05 years amounted to Rs.250,410 and Rs.402,714 respectively. Action had not been taken even in the year under review for the recovery of those loan balances.
- (d) A balance recoverable from 10 officers who had vacated the service by the end of the year 2016, amounted to Rs.367,550 and out of that, balances older than 10 years and 05 years amounted to Rs.123,095 and Rs.4,350 respectively. Action had not been taken during the year for the recovery of those balances.

3.5 Assets Management

The following deficiencies were observed during the course of audit test checks carried out relating to the Assets of the Department.

(a) Idle and Underutilized Assets

Certain assets categorized below had been either idle or underutilized and the values thereof and the period that remained idle or underutilized had not been presented to Audit.

Category of Assets -----	Number of Units -----
(i) Office Equipment	58
(ii) Furniture and Equipment	33
(iii) Computers and Accessories	15
(iv) Other Assets	310

(b) Conduct of Annual Boards of Survey

Action on the excesses and shortages pointed out and the other recommendations made in the Reports of the Board of Survey for the year 2015, had not been taken in terms of the Financial Regulation 771.

(c) Unsettled Liabilities

Contrary to provisions of the Financial Regulation 94(1), commitments totalling Rs.2.74 million exceeding the net provisions made for 09 Objects, had been incurred in the year under review.

3.6 Non-compliances

Non-compliance with Laws, Rules, Regulations etc.

Instances of non-compliance with the provisions in 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 8.2 of Chapter XIX

Separate inventories had not been maintained for Government Scheduled or General Service Quarters by the officers who are responsible for maintaining the quarters.

(b) Financial Regulations of the Democratic
Socialist Republic of Sri Lanka

(i) Financial Regulation 371(2)(b)

Even though Imprests should be settled immediately after the completion of the purpose for which it is granted, a period ranging from 01 month to 11 months had elapsed for settling the Adhoc-Sub-Imprest of Rs.367,800 granted to 07 officers.

(ii) Financial Regulation 454(1)

Even though the receipt and issue of every article of Government stores should be recorded in the inventory book, it was revealed in audit test check that certain articles had not been recorded in the inventory book.

(iii) Financial Regulation 751	No article whatsoever belonging to the main canteen had been recorded in the inventory book.
(iv) Financial Regulation 754	No information on articles of the Animal Section relating to preceding years, had been recorded in the new inventory book.
(v) Financial Regulation 757(b)	The Form T.&A. 66 had not been completed and submitted to the Board of Survey by the Sample Collection Division.

3.7 Implementation of Projects under Domestic Financing

Instances of projects abandoned without commencing, projects abandoned without completion and the project delays revealed during the course of audit test checks are given below.

(a) Projects abandoned without commencing

The Department had not commenced the following Projects.

Project	Estimated Cost	Due Date of Commencing	Reasons for not commencing (Briefly)
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	Rs.Millions		
Reptiles Park of the Pinnawala Zoological Gardens	51.20	01 April 2016	Not made available.
Aquatic Birds Island of the Pinnawala Zoological Gardens	5.0	01 May 2016	Not made available.

(b) Projects abandoned without completing

Even though the Department had commenced the following Projects, those Projects had been abandoned without being completed.

Project	Estimated Cost	Date of Commencement	Expenditure as at 31 December 2016	Reasons for abandoning
-----	-----	-----	-----	-----
	Rs.Millions		Rs.Millions	
Butterfly Garden and Gabion Wall of the Pinnawala Zoological Gardens	8.00	02.09.2016	1.99	Failure in carrying out construction to the expected level.
Lavatory System of the Pinnawala Zoological Gardens	42.14	23.08.2016	8.43	Failure to complete works by the contractor on due period.

(c) Delays in the execution of Projects

Delays in the execution of the following Project of the Ridiyagama Safari Park, Hambanthota were observed.

Project	Estimated Cost	Date of Commencement	Due Date of Completion	Date of Completion	Expenditure as at 31 December 2016	Reasons for Delay
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	Rs.Millions				Rs.Millions	
Erection of the Chain Link Fence of 16" in height, at the boundary between the Bear Zone and Bengal Tiger Zone.	27.14	15.11.2016	06.12.2016	The Project had not been completed even by 30 July 2017.	4.17	Delay in entering into agreements and inefficiency of the contractor.
Construction of the Gravel road of the Asian Zone with Elephant enclosure	79.60	30.11.2016	16.03.2017	The Project had not been completed even by 30 July 2017.	76.71	Delay in entering into agreements and inefficiency of the contractor.

3.8 Performance

The observations on the progress of the Department according to the Annual Budget Estimate and the Action Plan for the year 2016 are given below.

Key Functions not executed adequately

The key functions of the Department had not been executed adequately and several instances so revealed are given below.

(a) Key Development activities of the Dehiwala Zoological Gardens

- (i) Only 18 per cent of the construction works relating to development of the Road No. 08 and area associated, which had been planned to be completed during the year under review at an estimated cost of Rs.22 million according to the revised Action Plan, had been completed by the end of the year.
- (ii) The progress on the construction of Chimpanzee Enclosure - Stage – 01 and on the renovation of the boundary wall – stage 02 which had been planned to be completed as at 31 December 2016 according to the revised Action Plan, ranged between 25 per cent and 15 per cent respectively.
- (iii) According to the Annual Performance Report, the entire physical progress of the Master Plan of the Dehiwala Zoological Gardens was only 50 per cent.

(b) Key Development activities of the Pinnawala Elephant Orphanage

According to the revised Action Plan for the year under review, plans had been prepared for the rehabilitation of supply routes at an estimated cost of Rs.08 million. However, the Project on Rehabilitation of Supply Routes that should be completed by 30 August 2016, had not been completed even by 31 December 2016 and the progress on constructions as at that date had only been 60 per cent.

(c) Construction activities of the Hambantota, Ridiyagama Safari Park

- (i) Only 20 per cent and 35 per cent had been completed respectively by the end of the year under review in respect of the water supply for the Asian Zone with elephant enclosure and the erection of chain link fence of 8' in height at the zone boundary.
- (ii) Only 20 per cent of constructions relating to official quarters for Staff Officers, which had been estimated to be completed at a cost of Rs.12 million according to the revised Action Plan, had been carried out during the year. **The contract amount** which had been agreed with the Department of Buildings by which the contract on this construction was awarded, amounted to Rs.58,993,620 (excluding the Value Added Tax and contingencies).

- (iii) The contract of the Project on Construction of the Gravel Road of the Asian Zone with Elephant Enclosure which was not included in the revised Action Plan for the year under review had been awarded to the National Institute of Machinery for Rs.70,602,876 (excluding the Value Added Tax and contingencies).
- (iv) Only 75 per cent, 50 per cent, 60 per cent and 65 per cent of the erection of 04 boundary fences at the Bengal Tiger Zone to be completed by 06 December 2016, had been completed as at 31 December 2016.
- (v) Activities of 13 main development projects planned to be completed during the year at an estimated cost of Rs.88.13 million according to the revised Action Plan for the year under review, had not been completed even by 31 December 2016 due to delays in entering into agreements and inefficiency of the contractor.

3.9 Irregular Transactions

Certain transactions entered into by the Department had been devoid of regularity. Several such instances observed are given below.

Deviating from the Government Procurement Procedure

Contrary to Guideline 5.3.4(c) of the Procurement Guidelines 2006, contracts for constructing, planning and consulting services relating to the construction of crocodile enclosure of the Zoological Gardens had been awarded to the same institution and a sum of Rs.68,971,870 had been spent therefor.

3.10 Management Weaknesses

The following weaknesses were observed during the course of audit test checks.

- (i) The vesting of lands of 11 Acres 02 Roods 02 Perches in extent, identified for the Pinnawala, Wagolla New Zoological Gardens at the beginning of the year 2008, had not been completed even by the end of the year under review.
- (ii) The vesting of 08 blocks of lands of 79 Acres 01 Rood 27 Perches in extent, located on the other side of the river and identified for vesting in the stage ii of the Pinnawala Zoological Gardens in the year 2008, had not been completed even up to 31 December 2016. Recommendations of inquiries on objections, conducted under Section 4 of the Land Acquisition Act in respect of 03 blocks of lands of 34 Acres 01 Rood 07 Perches in extent out of the said land, had not been submitted to the Ministry of Land even by the end of the year 2016. It was observed that there was no adequate progress by 31 December 2016 in the acquisition of 05 blocks of lands located on lands such as Thuduwe Hena/Kumbukewatta, Mahalanda Palu Watta, Mahalanda

Watta and Meda Bittara Peela/Kudamadatha of which the acquisition had weakened for a long period.

- (iii) Out of 12 blocks of lands of 07 Acres 02 Roods 15 Perches in extent identified in the year 2008 as lands which should be acquired under the basis of expansion of the land on which the Pinnawala Orphanage is located, only 02 blocks of lands of 01 Acre 03 Roods 08 Perches had been acquired to the Department of National Zoological Gardens as at 31 December 2016. Moreover, 10 blocks of lands of 05 Acres 03 Roods 07 Perches should have been further acquired. However, recommendations in terms of Section 04 of the Land Acquisition Act relating to 03 blocks of lands out of those lands, had not been submitted to the Ministry of Land even by 31 December 2016. Further, compensation had not been paid for 02 blocks of lands of 02 Roods 03 Perches in extent for which compensation had to be paid. Moreover, the Department had failed as at 31 December 2016 to achieve a significant progress on the acquisition of other blocks of lands.

3.11 Human Resources Management

Approved Cadre and Actual Cadre

The position on the cadre as at 31 December 2016 had been as follows.

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
(i)	Senior Level	29	22	07
(ii)	Tertiary Level	02	01	01
(iii)	Secondary Level	185	133	52
(iv)	Primary Level	646	474	172
	Total	862	630	232

The following observations are made.

The Department had not taken action by the end of the year under review to fill 232 vacancies and it was observed that a large number out of those vacancies were directly connected to posts relating to animal care, health and nutrition of animals and animal husbandry.