

Report of the Auditor General on Head 284 – Department of Wildlife Conservation - Year 2016

The audit of the Appropriation Account, Revenue Account and the Reconciliation Statements including the financial records, books, registers and other records of the Head 284 - Department of Wildlife Conservation 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 10 July 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 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 Article 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other statutory provisions and the Public Finance and Administrative Regulations. This responsibility includes: designing, implementing, 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.2,191.85 million and out of that Rs.1,832.06 million had been utilized by the end of the year under review. Accordingly, the savings out of the net provisions of the Department amounted to Rs.359.79 million or 16.41 per cent of the net provisions. Details appear below.

Expenditure	As at 31 December 2016			Savings as a Percentage of Net Provision
	Net Provision	Utilization	Savings	
	Rs.Millions	Rs. Millions	Rs. Millions	
Recurrent	1,054.67	1,041.91	12.76	1.21
Capital	1,137.18	790.15	347.03	30.52
Total	2,191.85	1,832.06	359.79	16.41

2.2 Revenue Account

Estimated and Actual Revenue

The Department had prepared Revenue Estimates totalling Rs20.00 million in respect of one Revenue Code for the year 2016 and revenue totalling Rs. 25.40 million had been collected during the year under review. Accordingly, revenue exceeding 27.00 per cent of the estimated revenue had been collected. Details appear below.

Revenue Code	As at 31 December 2016			Excess as a Percentage of Estimate
	Estimated Revenue	Actual Revenue	Excess	
	Rs. Millions	Rs. Millions	Rs. Millions	
20-03-02-06	20.00	25.40	5.40	27.00

2.3 Advance Accounts

Advances to Public Officers Account

Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers Account of the Department under Item No.28401 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
50.00	49.99	38.00	38.78	147.00	141.10

2.4 General Deposit Account

The balances of the 05 Deposit Accounts of the Department as at 31 December 2016 totalled Rs.269.75 million. Details appear bellow.

Deposit Account Number	Balance as at 31 December 2016
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	Rs.Millions
6000/0000/000/0002/0158/000	10.56
6000/0000/000/0013/0111/000	4.18
6000/0000/000/0016/0101/000	64.74
6000/0000/000/0018/0103/000	10.53
6000/0000/000/0019/0025/000	179.74

Total	269.75
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2.5 Audit Observation

According to the Financial Records and Books for the year ended 31 December 2016, it was observed that subject to the audit observations appearing in paragraph 1.1 of the Management Audit Report, the Appropriation Account and the Reconciliation Statements of the Department of Wildlife Conservation had been satisfactorily prepared. The material and significant observations out of the observations included in this Management Audit Report appear in Paragraph 3 herein.

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 while certain other registers had not been maintained in the proper and updated manner.

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| (i) | Inventory on Electrical Fittings | Financial Regulation 454 (2) | Not maintained |
| (ii) | Leave Register | Section 1.7 of the Chapter XII of the Establishments Code. | Registers had not been maintained in the Kilinochchiya Veterinary Office and the Bakamuna Beat Office |
| (iii) | Register of Thunder Crackers | Account Circular No.15/2003 dated 16.10.2013. | Registers had not been maintained in Mavaru, Maduruoya, Sungavila and Vauniya zones |
| (iv) | Firearms and Bullets Issuing Register | Circular No.05/2009 dated 08.11.2009 | Registers had not been maintained in the Western, Kilinochchiya, Nallathanniya, Mavaru and Vauniya range and Vauniya zonal offices. |

(v) Register of Fixed Assets	Treasury Circular No.842 dated 19 December 1978	Not updated
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3.2 General Deposit Account

The following observations are made

- (a) Action in terms of Financial Regulation 571 had not been taken in connection with the deposits of Rs.81,403,951 older than 2 years.
- (b) Sums totalling Rs.2,403,144 which had been debited to the expenditure account by the Department without obtaining the approval of the Treasury in terms of the Financial Regulation 215 (3) had been transferred to the General Deposit Account.
- (c) A sum of Rs.220,504,859 granted by the Ministry of Mahaweli Development and Environment for the activities of Moragahakanda and Kaluganga Projects had been retained in the Deposit Account without being utilized for the relevant purpose.
- (d) A sum of Rs.1,945,719 received for the Post Tsunami Project had been retained in the General Deposit Account without being spent even by 31 December 2016.

3.3 Revenue Accounts

The duties relating to the preparation of Revenue Estimates, collection of Revenue, Accounting and the presentation of Accounts relating to 20.03.02.06 Revenue Codes had been assigned to the Head of Department as the Revenue Accounting Officer. It was observed during the course of audit test check carried out relating to the above Revenue Code that a considerable revenue had been deprived as the Mahakanadarawa, Weewala and Nilgala circuit bungalows had remained idle and underutilized for more than a period of 06 months.

3.4 Reconciliation Statements on the Advances to Public Officers Account

According to the Reconciliation Statement as at 31 December 2016 relating to the Advances to Public Officers Account Item No.28401, the balances that remained outstanding as at that date totalled Rs. 803,463. Even though those outstanding balances had continued to exist over periods ranging from 02 years to 05 years, the follow-up action on the recovery of the outstanding balances had been at a weak level.

3.5 Accountability and Good Governance

Annual Performance Report

Even though the Performance Report should be tabled in Parliament by the Department within 150 days from the end of the year in terms of the Public Finance Circular No.402 dated 12 September 2002, that report had not been tabled in Parliament even by 30 June 2017.

3.6 Assets Management

The following deficiencies were observed during the course of audit test check carried out on the assets of the Department.

(a) Idle and Underutilized Assets

The following observations are made.

- (i) In order to construct electric fence of 25.5 kilometers in length out of the electric fence of 46 kilometers from Koholankala to Karambawewa, a sum of Rs.2,951,842 had been spent in the year 2014 for the preparation of the required land with the use of a bulldozer. As that fence was not constructed, that expenditure had become fruitless.
- (ii) As 55 motor vehicles of the Department was not roadworthy, those remained either idle or underutilized.
- (iii) A large building (Social Building of 60x45 feet in size) with six rooms and a lecture hall which was used as a training centre under the Maduruoya National Park had remained idle without being used for any purpose.

(b) Conduct of Annual Boards of Survey

According to the Public Finance Circular No. 05/2016 of 31 March 2016, the Board of Survey for the year should be conducted and the reports thereon should be furnished to the Auditor General before 31 March 2017. Nevertheless, the Department had not furnished those reports to audit even by 31 May 2017. The last Board of Survey conducted had been for the year 2015.

(c) Irregular use of Assets belonging to other Institutions

Action had not been taken even by 30 June 2017 to take over the ownership of 10 motor vehicles received by the Department from various institutions despite the lapse of long period.

3.7 Performance

The observations on the progress of the Department in terms of the Annual Budget and the Action Plan, 2016 are given below.

Planning

Out of the provisions made for 16 Objects, a sum of Rs.121,246,566 had been spent during the year under review for the projects which had not been included in the Action Plan. Further, several projects for which provisions amounting to Rs.103,668,000 had been made under 14 Objects had not been implemented.

3.8 Irregular Transactions

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

- (a) For the installation of Kokmote solar powered water pipe system in the Vilpattu National Park, a sum of Rs.5,883,818 had been paid to the Land Reclamation and Land Development Institute. Nevertheless, it was observed in audit that the relevant work had been carried out by an institute situated at Monaragala Hulandawa area.
- (b) In order to erect 18 billboards for making aware on the places of possible wild elephant attacks, the relevant contract valued at Rs.6,855,000 without tax had been awarded to the Sri Lanka Wildlife Trust. An advance of Rs.1,350,000 had been paid therefor. Although the relevant work should have been completed by 31 December 2016, the Technical Evaluation Committee had reported that only 10 boards had been fixed and several boards thus fixed had detached and the boards had not been fixed in accordance with the specifications. Nevertheless, action had not been taken to bring them to normal condition even by 30 June 2017.
- (c) Having initiated the restoration of the Koholankala Tank of the Udamalala Beat area of the Bundala National Park at a cost of Rs.1,229,820 in the year 2015, activities of the bank of the Tank had been completed. The spill had not been constructed even by 15 September 2016. Therefore, the rainwater collecting in the tank spill out during the rainy season and it was observed that the canal in which the water flows at present become widen during the rainy season. It was observed in audit that the objective of restoration of the bank of the tank will be fruitless if the action is not taken to prevent this condition.
- (d) In order to construct Staff Quarters, Range Office and Labour Quarters at Mannar, mobilization advance amounting to Rs.1,933,200 had been paid to the contractor on 13 September 2011. Even though a period of 05 years had elapsed by 30 October 2016, the date of audit, the relevant work had not been commenced. The Department had not taken action to recover that amount before the expiry of the advance security presented by the contractor in respect of the advance or to extend the duration thereof.

3.9 Unresolved Audit Paragraphs

Reference to the audit paragraphs relating to the Department included the Reports of the Auditor General on which corrections for the deficiencies pointed out had not been made by the Ministry is given below.

Reference to Report of Auditor General

Subject under reference

<u>Year</u>	<u>Paragraph Number</u>	<u>Subject under reference</u>
2015	3.6 (c)	Action had not been taken to take over the legal ownership of the building constructed at the new Head Office at Jayanthipura, Battaramulla even by 30 April 2016, the date of audit.

3.10**Management Weaknesses**

The following deficiencies were observed at the audit test checks

- (a) Having constructed out an unauthorized building in Potahna area on Sigiriya Moragaswewa road in the trigger zone at a distance of 150 meters away from the boundary of the Minneriya National Park, a development activity had been carried out. That activity had been carried out contrary to the Section 3(a)(2) of The Fauna and Flora Protection Ordinance, No.22 of 2009 (Chap. 469). Legal action in that respect had not been instituted even by 10 July 2017. The Director General had informed the audit that the legal action was being taken in that connection.
- (b) As the Churchill branded bowser and the Jeep sent for the repairs in the year 1994 had been parked in the garage, that institution had sent a Letter of Demand against the Department on 12 December 2007 claiming Rs.1,500,000 as the ground rent. Recommendations in this connection had been forwarded by a committee consisted of three officers of the Department and the Attorney General had informed by the Letter No.C/131/2004 (Sub) dated 28 august 2013 that there was no legal restrictions to consider those recommendations as final and complete to act as a whole. Although views and the consent of the owner of the institution on those recommendations had been enquired in 03 instances, no legal action whatsoever in this connection had been taken by the institution even by July 2017 and any follow-up action had not been taken even by 12 February 2015.

3.11 Human Resources Management

Approved Cadre and Actual Cadre

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

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
(i)	Senior Level	61	28	33
(ii)	Tertiary Level	32	25	07
(iii)	Secondary Level	1,419	1,029	390
(iv)	Primary Level	830	753	77
	Total	2,342	1,835	507

The following observations are made.

- (a) As the Department had taken action to get the duties required to be fulfilled by 33 officers in the Sri Lanka Scientific Service performed by 06 officers, one officer had to perform duties in several posts. As action had been taken in the above manner despite the necessity of the permanent officers to the posts, it would affect the efficiency of the duties.
- (b) In terms of the Letter No.D.M.S./G2/56/2 dated 21 August 2012, the Department of Management Services had approved 30 Assistant Director/ Deputy Director posts in the Sri Lanka Scientific Service. Department had not taken action to make recruitments to those posts and 18 Range Officers had been deployed to perform duties of the above posts since year 2006.