

## Head 284 – Department of Wildlife Conservation

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### 1. Financial Statements

#### 1.1 Qualified Opinion

The audit of the financial statements of the Department of Wildlife Conservation for the year ended 31 December 2019 comprising the statements of financial position as at 31 December 2019 and statements 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. In terms of Sub-section 11(1) of the National Audit Act, No. 19 of 2018, the summary report including my comments and observations on the financial statements of the Department of Wildlife Conservation was issued to the Accounting Officer on 01 June 2020. In terms of Sub-section 11(2) of the National Audit Act, the Annual Detailed Management Audit Report relating to the Department was issued on 03 June 2020 to the Accounting Officer. This report which should be read in conjunction with Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka is submitted to Parliament in terms of Section 10 of the National Audit Act, No. 19 of 2018.

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

#### 1.2 Basis for Qualified Opinion

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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 qualified opinion.

### **1.3 Responsibility of the Chief Accounting Officer and the Accounting Officer for the Financial Statements**

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The Chief Accounting Officer and the Accounting Officer are responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and in terms of Section 38 of the National Audit Act, No.19 of 2018 and for such internal control as the Chief Accounting Officer and the Accounting Officer determine 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 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 Chief Accounting Officer and the Accounting Officer shall ensure that an effective internal control system for the financial control exists in the Department and carry out periodic reviews to monitor the effectiveness of such system and accordingly make any alterations as required for such systems to be effectively carry out.

### **1.4 Auditor's Responsibility for 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 skepticism throughout the audit. I also furthermore;

- Appropriate audit procedures were designed and implemented to identify and assess the risk of possibility of quantitative misrepresentations occurred in financial statements due to fraud or errors in providing a basis for the expressed audit opinion. More than the impact of quantitative misrepresentations due to misrepresentation, the effect of fraud is strong because of malpractice, forgery, intentional evasion, misrepresentation, or evasion of internal controls can lead to fraud.

- Although it is not intended to express an opinion on the effectiveness of internal control of the Department, obtained an understanding of internal control in order to plan appropriate audit procedures occasionally.
- Evaluated the appropriateness of the accounting policies followed, fairness of accounting estimates and related disclosures made by Management.
- Evaluated whether the transactions and events underlying the structure and content of the financial statements are appropriately and fairly consisted in and presentation of financial statements including disclosures as a whole.

The Accounting Officer was made aware of important audit findings, key internal control deficiencies and other matters identified in my audit.

### 1.5 Report on Other Legal Requirements

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As required by Sub-section 6(I)(C) of the National Audit Act, No.19 of 2018, I state the followings.

- (a) The financial statements correspond to the previous year.
- (b) The recommendation pointed out in my report on the financial statements submitted previous year had been implemented.

### 1.6 Comments on Financial Statements

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#### 1.6.1 Submission of Accounts

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Audit Observation	Recommendation	Comments of the Accounting Officer
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Although the Annual financial statements in according to the Government Accounts circular No.271/2019 dated 03 December 2019 should be submitted to the Auditor General before 28 February 2020, but Tamil and English copies of the financial statements had been submitted for audit on 24 June 2020.	Should be complied with the Annual circular issued by the Department of Public Accounts.	Answers had not been submitted.

## 1.6.2 Statements of Financial Performance

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The following observations are made.

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of Accounting Officer</b>
(a) According to the financial performance statement, the non - tax revenue and other receipt were Rs.24,627,933, however, according to Treasury (Notes) records, non – tax revenue and other receipts were observed Rs.25,166,632.	When preparing the financial performance statement, the income should be shown according to the Treasury (Notes) Records.	The total income received by the Department for the year 2019 as at Revenue Head No.2003-02-06 is Rs.24,644,545 and the repayment from the income is Rs.16,612. According the net non – tax revenue is Rs.24,627,633.
(b) According to the Financial Performance Statement, the imprest of the Treasury were Rs.734,659,232, but according to the monthly accounts summaries and other information submitted to the audit, it was observed that the imp rest of Treasury received of Rs.772,500,000.	The books of the Department should be compares monthly with the Account summary of the Treasury Notes.	The revenue collected for other Departments as per the circular instructions amounting to Rs.62,159,232 has been added to the amount received from the Treasury and shown in the account. Accordingly the amount is Rs.734,659,232.
(c) According to the financial performance statement the Advance income was Rs.46,598,697, but according to the treasury records. It was observed that the advance income was Rs.49,238,854.	Advance incomes should be shown according to the Treasury records in preparing the financial performance statement.	Other Department items are credited to the Advance B Account and this is adjusted to the imprest adjustment account.

- (d) The advance payment was Rs.72,542,998 but, according to the Treasury records it was observed that the advance payment was Rs.72,825,105. Advance payments should be shown according to the Treasury records in preparing the financial performance statement. This is the sum of the items debited to the other department advance B Account, this is adjusted to the imprest adjustment accounts.

### 1.6.3 Non- availability of Documents and Books

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of Accounting Officer</b>
<b>Record of liabilities</b>		
There was no record of liability under Financial Regulation 214.	Liabilities should be recorded in a liability Register so that liabilities can be checked regularly in accordance with financial Regulation 214.	Will maintain a liability record.

### 1.6.4 Responsibility of the Accounting Officer

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of Accounting Officer</b>
According to the provisions of section 38 of the National Audit Act No. 19 of 2018, the chief Accounting officer shall ensure that an effective internal central system for the financial control exists in the Department and carry out periodic reviews of such system and make alterations as required for such	Action should be taken in accordance with the provision of section 38 of the National Audit Act. No. 19 of 2018	Regularly review the internal control system, initiated by the Internal Audit Division and through the Audit and Management Committee.

system to be effectively carried out, eventhough copies of the reviews shall be submitted to the Auditor General in written, statements for having been done such a review had not been presented.

**1.6.5 Non – compliance with Laws, Rules and Regulations**  
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Instance of non-compliance with Laws, Rules and Regulations were observed during the course of audit test checks are analyzed below.

<b>Observation</b>  -----		<b>Recommendation</b>	<b>Views of the Accounting Officer</b>
<b>Reference to Laws, Rules, Regulations etc.</b> -----	<b>Non-compliance</b>  -----		
(a) Paragraph 9(3)(m)(n) of the Fauna and Flora Protection (Amendmend) Ordinance No.22 of 2009	A large amount of garbage has been dumped at the Giritale sanctuary near the Damanayaya court and it was observed that wild elephant and other animals eat the garbage. The department had not been taken any legal action in this regard.	Necessary steps should be taken to plant the 600 plants obtained on the relevant Land.	With the intervention of the Department of Wildlife Conservation, tree has been planted at this location with the villagers. Therefore, there was no need to take Legal action.

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

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| (i) Financial<br>Regulation<br>396(d)   | 127 cheques for Rs.2,794,263 issued but not submitted to the Bank for more than 6 month, was kept in the General Deposit Account without complying with the Financial Regulations.  | Should be take actions in accordance with the Financial Regulation 396(d) | Action Take in accordance with the Financial Regulation 396(d).  |
| (ii) Financial<br>Regulation<br>103(1)  | Theft of a Rs.17,918 water motor parked at the Galwesterland Camp in 2017 and burning and destruction of 688 electrical fence posts, 30 support posts and 30 corner posts stocks stiered in the premises of the Baduluwela Range Office had not been acted upon in accordance with Financial Regulation 103(1). | Should be take actions in accordance with the Financial Regulation 103(1) | Answers had not been submitted.  |
| (c) President<br>Secretariat Office<br>circular No.<br>PS/SP/PC/MO/14/<br>2018 dated 17<br>October 2018 | The head office of the department had not resolved the issue with the Urban Development Authority regarding the ownership of Land belonging to the building   | Action should be taken in accordance with circular                        | The Ministry has paid attention to the ownership of the land belonging to the Head Office Building and will take action to resolve the issue in consultation with the Urban Development Authority with the intervention of the Ministry. |

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| (d) | Department of Wildlife Conservation Circular No. 10/2018 dated 26 December 2018. | of | Although it was stated that all the pool vehicle and vehicle attached to the officers in the department should be inspected by a committee consisting of a staff officer appointed by the Director General once a month, it was observed that no such inspection was carried out | The circular should be followed. | A team including Director Administration, Director Engineer has been randomly inspecting the vehicle every month since January 2019. I will again advise the committee to carry out such investigations in a proper manner. |
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**2. Financial Review**

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**2.1 Management of Income**

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The following observations are made.

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of the Accounting Officer</b>
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(a) It was observed that 5 circuit bungalows had been closed for repairs for about 2 years and the revenue of those circuit bungalows had been lost.	Circuit Bungalows should be repaired and used as soon as possible.	Answers had not been submitted.
(b) The arrears of building rent for the restaurants run by the Wildlife Trust Fund in Hortanplace and Yala National Park from 2014 to 2018 were Rs.9,300,000 and the amount could not be recovered.	It was observed that the revenue had to be recovered in a timely manner and action had to be taken to recover the arrears.	Answers had not been submitted.



## 2.2 Management of Expenditure

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### Audit Observation

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### Recommendation

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### Comments of the Accounting Officer

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Although the Expenditure Estimates for the year 2019 had to be prepared in accordance with the Financial Regulations 50 of the Democratic Socialist Republic of Sri Lanka, the expenditure Estimates prepared by the Department for the year 2019 were observed savings ranging from 50 per cent to 100 per cent.

Estimates must be prepared accurately in accordance with the Financial Regulation 50

Inability to complete the construction work due to land issues and heavy rain and delays in rehabilitation the tank by relevant contractor and blocking access roads due to heavy rains.

## 2.3 Statement of Comparison of Advance Accounts of Public Officers

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### Audit Observation

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### Recommendation

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### Comments of the Accounting Officer

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Although it shows how to recover money due to the government out of 58 officers who died, retired, left the service and were vacated post Rs.3,524,852 was due to end of the year under review. According to the paragraphs 4.5 and 4.6 of chapter 24 of Establishment Code, action had not been taken to recover the amount and the balance for more than 5 years was Rs.1,098,447.

Action should be taken in accordance with paragraph 4.5 and 4.6 Establishment Code.

Work is underway to recover the debt.

## 2.4 Deposit Balances

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### Audit Observation

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### Recommendation

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### Comments of the Accounting Officer

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A balance of Rs.47,313,910 of retention relating to the construction contract of year 2011 to year 2017 had not been settled.

Action should be taken to settle the relevant balances.

Answers had not been submitted.

## 3 Operational Review

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### 3.1 Activities not Executed

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#### Audit Observation

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#### Recommendation

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#### Comments of the Accounting Officer

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It was observed that Rs.27,525,000 had been allocated for 18 projects as per the action plan for the year 2019 but they had not been implemented.

Activities should be performed according to the Action Plan.

Answers had not been submitted.

### 3.2 Failure to obtain the expected output Level

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#### Audit Observation

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#### Recommendation

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#### Comments of the Accounting Officer

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It was observed that the physical progress of 22 projects implemented in 2019 was less than 50 per cent.

Initiated Projects should be completed within the stipulated time frame.

Answers had not been submitted.

### 3.3 Absent of Projects without completion

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#### Audit Observation

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Reconstruction of Uluketangoda Wewa and Hewanmegala Wewa in Maduruoya National park was constructed with Shine Construction Company on 31 October 2017 as a without tax amount of Rs.2,955,970 and Rs.4,000,038 respectively. However, it was observed that the contract was terminated without completion of the work.

#### Recommendation

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Legal action should be taken against the relevant parties.

#### Views of the Accounting Officer

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Reconstruction work on the two tanks has not been completed and it has been more than year since the reconstruction work was stopped.

### 3.4 Assets Management

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The following observations are made.

#### Audit Observation

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(a) The hot water bubble camp ground building constructed at a cost of Rs.1,343,049 at Maduruoya National Park remained idle till 31 December 2019.

#### Recommendation

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Efforts should be made attraction tourists for these constructions.

#### Comments of Accounting Officer

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A report with suggestions on the effective use of the camp ground in the future has been called from the park range (Maduruoya)

(b) Constructed in 2016 and 2017 at a cost of Rs.4,020,610 the two electric fence from Ambakolaara to Kudaoya (km 10.5) and from Kadanwawa to Miegaswewa (km 10) had not been handed over to the Civil Defence Force for maintenance.

Arrangments should be made to maintain the electric fence.

Answers had not been submitted.

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| (b) | Camp site of Galwestland National Park constructed in 2015 at a cost of Rs.2,129,335, it was observed that there was a underutilized without an opening for tourists, until February 2020.  | Action should be taken open the relevant area to tourists.  | Will expedite the use.   |
| (c) | Prior to the determination of the procurement entity to repair a cab at a cost of Rs1,261,286, factor , such as driving condition year of purchase, market value and future maintenance cost were not assessed. Also, the Procurement Guidelines on Economic Benefits of Repair 1.2.1 as noted in, as such there was no focus on value for money. | Action should be taken in according to the National Procurement Guidelines 1.2.1 and repairs should be made expeditely. | The Procurement Objective has maximized the value for money while focusing only on the garbage disposal work done using this cab. The main reason for the delay in making repairs is that United Motors has been slow to make repairs. |
| (e) | Two Ticket Vending Machine, Mini PC 3 and 19” Mini PC Tray 2 in 1 were purchased for Rs.2,205,526 for Yala National Park inj the year 2016 but they remained idle till September 2020.  | Action should be made to use machinery.   | Answers had not been submitted.  |
| (f) | The Horowpathana holding ground was provided to be applied parallel to the electric fence to minimize the breakage of the elephant fence, 43 rolls of Concertina Razor Barbed Wire value of Rs.321,301 had not been used till September 2020.   | Needs should to be identified and purchases made  | The use of wire rollers for electric fences has been discontinued due to the realization that the use of wire rolls, may course harm to wild animal and remaining amount of wire rolls has been stored in the office premises.         |

### 3.5 Losses and Damages

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The following observations are made.

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of Accounting Officer</b>
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(a) Although 1,546,000 value of electrical equipment had been stolen from seven electric fences constructed in Eastern Province, action had not been taken in accordance with Financial Regulation 104 in this regards.	Actions should be taken in accordance with Financial Regulation 104.	Would you like to state that further action will be taken after a preliminary investigation in this regard.
(b) Although had been included in the Register of losses and Damages 7 losses had not been included in the financial statements and the value of the loss is Rs.2,857,000.	Values should be included in the annual financial statements.	Answers had not been submitted.

### 3.6 Management Weaknesses

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The following observations are made.

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of Accounting Officer</b>
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(a) A sum of Rs.2,925,600 had been paid to the Ampara Senior Survey Superintendent on 25 July 2017 as boundary measurement of Lahugala National Park and preparation of statutory plan. But the date of the audit , the work had not been done. However, an agreement was signed with the Panama Women's Rural Development Society on 31 October 2019 for the installation of boundary poles at a cost of Rs.363,291.	Boundary surveying should be done and necessary boundary posts should be set up.	Surveys were completed by the Survey Department during the period from 5 February 2020 to 7 February 2020.

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| (b) | Although it has been decided to commence work from 2013 to remove 10,000 teak trees in the Iddapola Padawalayaya area of the Maduruoya National Park, the final Environment Assrssment Report pertaining to the Project had not been prepared as of the date of audit. | An Environment Assrssment Report should be prepared and immediate action should be taken to remove teak trees. | The Survey completed in January 2020 and the report was prepared Accordingly, I will take action remove the trees belonging to the Timber Corporation. |
| (c) | 407 Elephants deaths were reported during the year under review, of these 79 were shot and 117 were electric shock and hakkapatas accidents deaths. Necessary action had not been taken to prevent such situations.  | Action must be taken immediately to control the death of wild elephants from human activities.                 | Answers had not been submitted.  |

#### 4 Approaching the Sustainable Development Goals

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<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of Accounting Officer</b>
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Even though the Sustainable Development Goals had been identified by the Department. The action plan had not been prepared as per able to those be achieved.	Should be identified objectives and goals prepare the Action plan.	Answers had not been submitted.

#### 5 Human Resources Management

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<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of Accounting Officer</b>
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There had been remain 867 vacancies in the total staff including 14 vacancies in the senior level.	Action should be taken to fill essential vacancies.	Answers had not been submitted.