

Head- 424 State Ministry of Wildlife Protection, Adoption of Safety Measures Including the Construction of Electrical Fences and Trenches and Reforestation and Forest Resources Development

1. Financial Statement

1.1 Qualified Opinion

The audit of the financial statements of the State Ministry of Wildlife Protection, Adoption of Safety Measures Including the Construction of Electrical Fences and Trenches and Reforestation and Forest Resources Development for the year ended 31 December 2020 comprising the statements of financial position as at 31 December 2020 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 State Ministry of Wildlife Protection, Adoption of Safety Measures Including the Construction of Electrical Fences and Trenches and Reforestation and Forest Resources Development was issued to the Accounting Officer on 17 June 2021. In terms of Sub-section 11(2) of the National Audit Act, the Annual Detailed Management Audit Report relating to the Ministry was issued on 17th June 2021 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, the financial statements prepared give a true and fair view of the financial position of the State Ministry of Wildlife Protection, Adoption of Safety Measures Including the Construction of Electrical Fences and Trenches and Reforestation and Forest Resources Development as at 31 December 2020 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

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 Accounting Officer for the Financial Statements

The Accounting Officer is 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 Ministry 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 Ministry.

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 Ministry 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

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 summary 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 and its materiality depends on the influence on economic decisions taken by users on the basis of these financial statements.

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

- Appropriate audit procedures were designed and performed to identify and assess the risk of material misstatement in financial statements whether due to fraud or errors in providing a basis for the expressed audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- An understanding of internal control relevant to the audit was obtained in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.
- Evaluate the structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Evaluate the overall presentation, structure and content of the financial statements including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

1.5 Report on Other Legal Requirements

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

Since this ministry has been established in the year under review it was not necessary to prepare financial statements for pervious year Because of that if can't be stated that financial statement for the year under review correspond to the previous year.

2. Financial Review

2.1 Expenditure Management

Audit Observation

Although the annual expenditure estimates had to be prepared in accordance with the Financial Regulations 50 of the Democratic Socialist Republic of Sri Lanka, savings ranging from 26 percent to 100 percent has been observed in 35 expenditure items prepared by the Ministry for the year 2020.

Comments of the Accounting Officer

Informed that these savings had taken place due to the planned activities not being carried out properly due to the COVID epidemic.

Recommendation

Steps should be taken to prepare estimates with proper planning in accordance with 50 Financial Regulations.

2.2 Responsibilities of the Accounting Officer

Audit Observation

According to the provisions of section 38 of the National Audit Act No. 19 of 2018, 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 make alterations as required for such system to be effectively carried out, even though copies of the review shall be submitted to the Auditor General in written, statements for having been done such a review had not been presented to Audit.

Comments of the Accounting Officer

Inform you that the existing issues had been discussed in the staff meetings and action had been taken to implement the internal control system as appropriate and that action will be taken to review and report on the financial control in the future

Recommendation

Action should be taken in accordance with the provision of Section 38 of the National Audit Act No.19 of 2018.

3. Human Resources Management

Audit Observation

There had 30 vacancies in the Ministry and out of which vacancies at there were 10 the senior level, 04 the tertiary level, 07 the secondary level and 09 the primary level

**Comments of the
Accounting Officer**

Inform that the Ministry of Public Services, Provincial Councils and Local Government had been informed that there are not enough officers to perform the duties of the Ministry.

Recommendation

Recruitment for vacancies should be done taking into consideration the requirements.