

Head 284- Department of Wildlife Conservation

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 2022 comprising of the statement of financial position as at 31 December 2022, statement of financial performance and cash flow statement for the year 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. The summary report containing my comments and observations on the financial statements of the Department of Wildlife Conservation in terms of Section 11(1) of the National Audit Act, No. 19 of 2018 was issued to the Accounting Officer on 10 July 2023. Annual Detailed Management Audit Report related to the department, was issued to the Accounting Officer on 28 July 2023 in terms of section 11(2) of the Audit Act. This report is presented to the parliament in terms of section 10 of the National Audit Act No. 19 of 2018, which should be read in conjunction with the article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

In my opinion except for the effects of the matters described in Paragraph 1.6 of this report the financial statements give a true and faire view of the financial position of the Department of Wildlife Conservation as at 31 of December 2022 and its financial performance and its cash flow year ended in accordance with Generally Accepted Accounting Principles.

1.2 Basis for the Qualified Opinion

My opinion is qualified based on the matters described in paragraph 1.6 of this report.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibility for the financial statements are further described in the Auditor's Responsibilities Section. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Responsibilities 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 provisions in Section 38 of the National Audit Act, No.19 of 2018 and for the determination of the internal control that is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As per 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 the preparation of annual and periodic financial statements.

In terms of Sub-section 38(1)(c) of the National Audit Act, 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 systems and accordingly make any alterations as required for such systems to be effectively carried out.

1.4 Auditor's Responsibilities for the Audit on 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 and error, and to issue an Auditor General's report that includes my opinion. Reasonable assurance is 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. Misstatement can arise from fraud and error are considered material if individually or aggregate, it is materiality depend on the influence on economic decision made by the user base on these financial statements.

As a part of the audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional skepticism 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 / Department's / District Secretariat'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

I express the following matters in accordance with the section 6(1) (c) of the National Audit Act No. 19 of 2018.

- a. The financial statements are consistent with the preceding year.
- b. The recommendations made by me on the financial statements of the preceding year had been implemented.

1.6 Comments on Financial Statements

1.6.1 Presentation of Accounts

Audit Observation	Comments of the Accounting Officer	Recommendation
Even though the financial statements should be submitted to the audit on or before 28 February 2023, according to No. 2022/05 and the 13 December 2022, dated State Accounts Guideline, the financial statements that had been presented on 27 February 2023, had been withdrawn by the Department due to material misstatements in the financial statements, and revised financial statements had been presented to the audit on 24 May 2023. Accordingly delayed period was 2 month and 24 days.	Even though relevant financial statements were submitted on 27 February 2023, financial statements were withdrawn on 19 April 2023 to correct weaknesses pointed out by an audit query dated 03 April 2023.	Financial statement should be prepared correctly and submitted by the date prescribed by the State Accounts Guidelines.

1.6.2 Accounting Deficiencies

(a) Imprest Balance

The following observation was made when accounting for imprest balances.

Audit Observation	Comments of the Accounting Officer	Recommendation
A difference of Rs. 24,522 was observed in payments from deposits and total net expenditure when compared department books with accounts of the treasury. It was not adjusted to the imprest reconciliation statement.	It will be informed to the treasury and being corrected.	Expenditure relevant to the department should be identified correctly and relevant changes should be adjusted to the imprest reconciliation statement.

(b) Advance account balances

The following weaknesses were revealed with regard to closing the balances of the advance accounts.

Audit Observation	Comments of the Accounting Officer	Recommendation
The department had not been taken action to recover the debt balance of Rs.3,992,636 was outstanding from 59 officers who died, retired, left form service and were suspended according to the paragraphs 4.5 and 4.6 of Chapter XXIV of the Establishment Code of the Democratic Socialist Republic of Sri Lanka, and Out of which, the loan balance belonging to more than 05 years was Rs.906,516, and the loan balance belonging to the period between 01 and 05 years was Rs.924,805.	Steps should be taken to promptly recover outstanding loan balances by following suitable measures.	Proceeds should be taken to recover the outstanding loan balances.

2 Financial Review

2.1 Certifications to be made by the Accounting Officer

According to the provisions of Section 38 of the National Audit Act No. 19 of 2018, the accounting officer should have made assurances regarding the following matters, but had not done so.

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>The accounting officer shall ensure that the department prepare and maintains an effective internal control system for financial control and shall review the effectiveness of the system from time to time and make necessary changes accordingly to make the system effective, and such reviews shall be in writing. Even though a copy of the same should be submitted to the Auditor General, but statements that such reviews were carried out were not submitted to the audit.</p>	<p>Comments not available.</p>	<p>The provisions of Section 38 of the National Audit Act No. 19 of 2018 should be followed.</p>

2.2 Non-compliance with Laws, Rules and Regulations

Occasions of non-compliance with the provisions of laws, rules and regulations observed during sample audits are analyzed below.

Reference for Laws, Rules and Regulations	Observation for Non Compliance	Comments of the Accounting Officer	Recommendation
<p>(a) Finance Regulations of the Democratic Socialist Republic of Sri Lanka</p>	<p>Despite the fact that a full report should be provided within three</p>	<p>Information has been called again about</p>	<p>As per the Financial Regulations, the some investigations</p>

- (4) months of the date of the vehicle accidents, the investigation of a vehicle involved in the accident in 2019 belonging to the park entrance office at Lunugamwehera, which is regulated by the southern zone office, had not been completed. deficiencies in the final report on F.R. 104(4) related to this accident received on July 15, 2020, and after receiving it, the report can be completed according to F.R. 104(4). should be completed promptly.
- (ii) Finance Regulation 395(d), (f) and Internal Circular of 28 December 2017 dated, Number bearing 04/2017 Despite the fact that the bank reconciliation statement for the current month should be prepared before the 15th of the following month, the Southern Provincial Regional Office has been delayed for more than four months in preparing the monthly bank reconciliation statements for the year 2022. Arrangements have been made so far to avoid delays and forward bank reconciliation reports. Bank reconciliation statements should be duly prepared and submitted on due date as per the Financial Regulations.
- (b) Section 31 of the Public Administration Circular Number 30/2016 and dated 29 December 2016 The majority of the vehicles in the department had not been tested for required fuel checks. After obtaining the necessary provisions, arrangements will be made to conduct fuel checks in the future. Fuel checks should be carried out as per circular provisions.
- (c) Paragraph 02(a) of Asset Management Circular No. 05/2020 dated 02 October 2020 Despite the fact that vehicles that are no longer operational and repairs that are no longer effective should be disposed of by 31 December 2020, five motorcycles and an elephant lorry A special survey committee has been appointed under the chairmanship of the Deputy Director (Administration) to identify the vehicles suitable for embezzlement and The necessary actions should be taken to dispose of vehicles that are not in running condition and whose repairs are not effective as per the circular provisions.

belonging to the the embezzlement Southern Zonal Office activities have that were removed from started. service between 2014 and 2018 had not been disposed of.

3 Operating Review

3.1 Foreign Funded Project Eco System Conservation and Management Project (ESCAMP)

Following observations are made.

Audit Observation	Comments of the	Recommendation
	Accounting Officer	
<p>(a) During the year under review, five activities to improve the living conditions of 105 family units in the Ratugala area of Monaragala district, which were planned to be implemented under the allocation of Rs. 0.72 million through the Department of Wildlife Conservation, were abandoned, and another 9 tasks planned to be completed under the allocation of Rs.232.93 million had not been completed. Furthermore, under the program to facilitate betel cultivation of 80 perches for one family through the Udawalawa National Park, the betel plants that were given to 14 family units at a cost of Rs.0.770 million were affected by a disease and destroyed before harvesting.</p>	<p>These programs could not be implemented due to the economic crisis and the corona epidemic prevailed in the country. These betel plants have been destroyed when they were young due to a disease that affected the plants planted under the program of providing facilities for betel cultivation. These plants cannot be cared for properly, due to the shortage of fertilizers and chemical medicines in the country along with the imposition of import restrictions due to the economic crisis in the country.</p>	<p>The tasks planned to be implemented under the foreign aid projects should be completed in that way and carried forward effectively.</p>

- (b) Although the course fee charged for the 2017/2018 batch of the Sri Lanka Qualification Guidelines (SLQF) Tier 3 Diploma Course in Wildlife Management conducted by the University of Colombo for 30 officers of the Department of Wildlife Conservation was Rs.3,300,000, it was more than that for the 2019/2020 batch. A fee of Rs.15,000,000 was charged in addition to Rs.11,700,000 and the total amount spent for this course was Rs.38,819,579 and the amount spent for one officer was Rs.1,293,333. The fee per student of the SLQF Level 8 Postgraduate Diploma course conducted by the said university was Rs.250,000 and the World Bank's operational guidelines had not been followed while selecting the University of Colombo, the original copies of the invoices related to Rs.21,590,108 paid to the university and original copies of the vouchers related to Rs.12,785,500 were not submitted for audit.
- Due to the nature of the officers' duties, the field studies had to be carried out in various protected areas spread across the country, due to the high cost and the residential training had to be done away from the training center in Giritala, the financial input for one officer was high. As these situations occurred during the height of the Covid threat, the ESCAMP project was informed and the relevant payment was made based on the agreement and anonymous understanding with the two institutions.
- Such works carried out under foreign loan assistance should be carried out in an economical and effective manner.

3.2 Procurement

Following observations are made.

Audit Observation	Comment of the Accounting Officer	Recommendation
<p>(a) Procurement made for Rs.1,752,100 value of reformation of Demodara Ayakapolla and Anapallama Handapanagala Elephant Trenches had been done without written agreement and evaluation of the technical evaluation committee, as well as taking approvals from Procurement committee. Accordingly, it was observed that instructions given in the Government Procurement Guidelines 2006 had not been followed.</p>	<p>contract had been awarded to Dehilandaya Village Development Society by signing the agreement after taking approval for procurement from the committee along with the Divisional Secretary.</p>	<p>Procurement should be done in accordance with the provisions of the Government Procurement Guidelines.</p>
<p>(b) Although the Divisional Secretary of Wellawaya had selected the Dehilandaya Society to construct 1.5 km as the second phase of the Anapallama Handapanagala elephant trench, the department had signed the agreement with that society for a contract value of Rs. 1,587,217 two days before the approval of the committee.</p>	<p>A contract was entered into with the relevant society with the oral approval of the committee before their written recommendation was received by post, as the contract was required to be executed expeditiously.</p>	<p>Proceedings should be done on prior approval as per procurement guidelines.</p>

3.3 Asset management

Audit Observation	Comments of the Accounting Officer	Recommendation
The total value of Rs.20,755,328 of assets given by the GIZ project during the period from 2019 to 2022 had not recorded in the stock books in the department's warehouse and had not been accounted for in the department. Even though the audit reports of the previous years pointed out the facts in this regard, no attention was paid to them.	There are documents that have been provided by the project, but the items that have not been recorded in the departmental recipe books as received are being physically checked and included in the relevant documents according to the recommendations of the committee appointed in this regard.	All goods received by the department should be recorded in the inventory books and audit recommendations should be implemented.

3.4 Management Weaknesses

The following observations are made

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Even though a plot of 1285 hectares of the Muthurajawela Ecosystem was gazette as a sanctuary through Gazette No. 947/13 of 1996, the department had failed to demarcate the boundaries of the sanctuary at the end of the year under review too.	The boundaries of a part of the concerned area have been marked and as provisions have been set aside in the 2023 Action Plan for the planting of boundary posts in the Muthurajawela Sanctuary, discussions will be held with the relevant agencies to carry out measurement work in sensitive areas with the support of the police.	The boundaries should be clearly marked and efforts should be made to protect the sanctuary.

- (b) In the year 2022, the South Zone Office had assigned 04 procurement works worth Rs. 5,337,814 to 03 community-based organizations without checking their qualifications in accordance with the State Finance Circular No. 01/2021 dated 29 September 2021, for the removal of undergrowth on both sides of the roads. Further the agreements had not been signed by the department.
- Instructions were given to the relevant officers to prevent such mistakes in the future.
- Appropriate contractors should be selected as per the procurement guidelines and the works should be assigned on written contracts.
- (c) Rs. 1,251,067,129 and Rs. 1,031,741,420 had been spent respectively during the year 2021 and 2022 for the construction and maintenance of the electric fence, the total length of the electric fence was 4,756 kilometers. However, considering the elephant deaths, human deaths and property damage that occurred in the last 5 years, it was observed that no reduction in elephant-human conflict, despite the construction of electric fences and considerable growth was observed in such instances during the year 2022.
- In order to reduce this problem that has arisen due to the loss of habitats of elephants due to development activities, electric fences are built and maintained by spending a lot of money. About 50 percent of the human deaths caused by attacks by wild elephants are due to land use in the areas where wild elephants hang out and in the surrounding villages. Property damage and bodily harm have increased due to factors such as the attraction of elephants to plantations near protected areas and the storage of paddy in homes.
- Appropriate measures should be introduced to reduce human-elephant conflict.
- (d) According to the Cabinet Decision, an agreement had been signed on 15 March 2021 with REDECO at a cost of
- As the contract has already been canceled and sufficient supply has been made to recover the advance bond by now, once all the supplied
- The installation of the supplied goods should be completed and the desired objectives achieved.

Rs.87,308,715 to supply 194 precast power houses, 385 precast toilets, 3,080 concrete cubes for the construction of 1,500 km long electric fence and 6,000 wild elephant movement barrier discs laying for 500 meters in Udawalawa area within 90 days and Rs. 17,461,743 had been given as mobilization advance. However the contract was canceled on 30 December 2022 after a delay of more than one year and 06 months due to the supply of only part of the ordered quantity worth Rs.20,607,554. The parts supplied were also not completed.

goods have been installed and completed the work can be finalized.

4 Human Resource Management

Audit Observation

As on 31 December 2022, out of the approved cadre of 2,851 employees in the department, the actual number of employees was 1,941 and the number of vacancies was 946, of which 27 were senior level posts. No action has been taken to make recruitments or review the approved cadre to carry out the relevant activities on the basis of the existing number of employees.

Comments of the Accounting Officer

After the approval for recruitment, the recruitment process for the vacant posts can be done immediately. A letter has now been sent to the Ministry of Public Administration and Home Affairs to appoint officers for the posts of Assistant Director of Scientific Service.

Recommendation

Arrangements should be made to fill vacancies or revise the number of employees.