**Head 284 - Department of Wildlife Conservation**

## 1. Financial Statements

### 1.1 Qualified Opinion

Head 284 - The audit of the financial statements of the Department of Wildlife Conservation for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024 and the statement 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. The summary report containing my comments and observations on the financial statements of the Department of Wildlife Conservation was issued to the Accounting Officer on 30 May 2025 in terms of Section 11(1) of the National Audit Act, No.19 of 2018. The Annual Detailed Management Audit Report was issued to the Accounting Officer on 09 July 2025 in terms of Section 11(2) of the National Audit Act. This report will be tabled in Parliament in pursuance of provisions in Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka to be read in conjunction with 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 of the Department of Wildlife Conservation as at 31 December 2024 give a true and fair view on the financial position and its financial performance and cash flows and on all the material respects in compliance with the basis of preparation of the financial statements set out in Note 01 related to the financial statements.

### 1.2 Basis for 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 is 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 Emphasis of Matter - Basis of Preparation of Financial Statements

I draw attention to Note 1 to the financial statements which describes the basis of preparation of these financial statements. The financial statements have been prepared for the use of the Department of Wildlife Conservation, General Treasury and Parliament in accordance with the Financial Regulations 150 and 151 and Public Accounts Guideline No. 06/2024 dated 16 December 2024 as amended on 21 February 2025. Therefore, these financial statements may not be suitable for other purposes. My report is intended only for the use of the Department of Wildlife Conservation, General Treasury and Parliament of Sri Lanka. My opinion on this matter is not modified.

## 1.4 Responsibility of the Chief Accounting Officer and the Accounting Officer for the Financial Statements

The Accounting Officer is responsible for preparing financial statements that give a true and fair view in all material respects in accordance with Financial Regulations 150 and 151 and Public Accounts Guidelines No. 06/2024 dated 16 December 2024 as amended on 21 February 2025, and for determining such internal control as 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.

## 1.5 Auditor's Responsibilities for the Audit of 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 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:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 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.

## 1.6 Comment on the Financial Statements

### 1.6.1 Accounting Deficiencies

| | Audit Observation | Comments of the Management | Recommendation |
|---|---|---|---|
| (a) | The items related to the fixed assets, totaling Rs. 2,296,821,546, assigned to the Department at the end of the Ecosystem Conservation and Management Project in 2023, had not been correctly identified and accounted for as fixed assets through the CIGAS program. | Although the value of the assets stated in the final report provided by the Escam project is Rs.2,296,821,546, formal acceptances should be made in order to include it in the ESCAM program. Action will be taken to separate and account the handed over assets in the future. | Officials should be responsible for maintaining accurate accounts. |
| (b) | It was decided to write off losses of Rs.2,358,410 related to thefts of electric fence equipment and damage to that equipment from the books in the year 2024 and write them off from the register of losses. However, since those values were not removed from the electric fence equipment in the non-current assets, the non-current assets were overstated by Rs. 2,358,410. | Although the value of assets that have occured losses and damages from non-current assets in the CIGAS program should be removed, the balance is overstated due to not removing that value. Action will be taken to correct this in the year 2025. | Officials should be responsible for maintaining accurate accounts. |

## 2. Report on Other Legal Requirements

I express the following matters in terms of Section 6 (1) (d) of the National Audit Act, No. 19 of 2018.

(a) The financial statements are consistent with the preceding year,

(b) The following recommendations made by me on the financial statements of the preceding year had been implemented.

## 3. Financial Review

### 3.1 Expenditure Management

| Audit Observation | Comment of the Accounting Officer | Recommendation |
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| In accordance with Financial Regulations 50(ii) of the Democratic Socialist Republic of Sri Lanka, the annual expenditure estimates should be prepared as completely and accurately as possible. However, there were savings of Rs.1,194,901,394 or in the range of 58 percent to 73 percent of the total net provision for 04 expenditure items in the year under review. | The reasons for the savings in provisions were the non-grant of appointments despite the allocation of provisions for the recruitment of multi-tasking assistants, the control of foreign travel and restrictions on foreign travel expenses, failure to provide proper supplies related to the year 2024 for obtaining uniforms, and not arising the expected expenses. | Estimates should be prepared in accordance with Financial Regulation 50(11), taking practical considerations into account. |

### 3.2 Non-compliance with Laws, Rules and Regulations

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 | Observation Value Rs. | Non-compliance | Comments of the Accounting Officer | Recommendation |
|---|---|---|---|---|---|
| (a) | Section 38(2) of the National Audit Act, No. 19 of | - | Although the Chief Accounting Officer was required to conduct a written | My letter No. ME/WFRCD/FIN/ F1/Final.St 2024 and dated | In accordance with the provisions of Section 38 of the National Audit Act, |

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| | 2018 | | review of the internal control system of his institution and provide a copy thereof to the Auditor General, this had not been done. | 2025.04.24, stating that the review of the internal control system was conducted and submitted to the Auditor General. | No. 19 of 2018, the review of the internal control system should be conducted in writing and a copy of that should be submitted to the Auditor General. |
| (b) | Paragraph 4.5 and 4.6 of Chapter xxiv of the Establishment Code of the Democratic Socialist Republic of Sri Lanka | 506,059 | The Department had failed to recover the outstanding debt of Rs.506,059, which was due for more than 5 years, from 6 dead, termination of employment and suspended officers. | The widow has been informed in writing to take steps to pay the relevant loan amount since the dead employee's service period is less than 10 years and he is not entitled to a death gratuity.<br><br>The Attorney General's Department has been referred for legal advice regarding the debt balance of one person who was suspended and one who left the service.<br><br>A case has been filed at the Kaduwela Magistrate's Court to recover the loan of another employee who left the service, and since he is abroad, actions are being made to obtain his current address. | Should act in accordance with paragraphs 4.5 and 4.6 of Chapter XXIV of the Establishments Code and promptly recover the money due to the government. |

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| | | | | When obtaining proof of assets to recover the loan of another employee who had left the service, the relevant Divisional Secretary informed that he did not have any assets. | |
| (c) | Financial Regulations 570 and 571(2) of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka | 1,579,802 | Although all deposits that have exceeded 02 years from the date of deposit should be considered as lapsed deposits and credited to the state revenue, such action had not been taken in respect of deposits of Rs.1,543,326 that had exceeded 2 years and Rs.36,476 that had exceeded 04 years. | If requests are not made by the institution that has deposited Rs.1,543,326.95 for more than 02 years, action will be taken to transfer the amount to the government revenue. Action will be taken to credit the amount of Rs. 36,476.11 to the government revenue. | Should act in accordance with the Financial Regulations. |
| (d) | Section 2(iv) of the Public Administratio n Circular No.09/2009 dated 16 April 2009 | 45,885,481 | Overtime and holiday payments amounting to Rs.13,506,093, Rs.11,971,448, Rs.1,845,650, Rs.2,940,239 and Rs.15,622,051 totaling Rs.45,885,481, had been paid during the year under review without verification of attendance and departure through fingerprint machines in the Anuradhapura, | Payments were made based on the time recorded in the entry and exit registers for offices without fingerprint machines. | Action should be taken in accordance with the Public Administration Circular dated 16 April 2009. |

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| | | Eastern, Vavuniya, Trincomalee and Central regional Offices respectively. | | |
| (e) | Paragraph 06 of the State Accounts Guideline No. 06/2024 dated 16 December 2024 | 09 vehicle accidents where the value of the loss was not stated were included in the loss register. However, it was not stated in the statement of losses and waivers in the financial statements (Annexure 01). | Since a vehicle accident has been reported,damages and losses were included in the register. Once information regarding the loss is received from the relevant reports,the financial value will be recorded. | Should comply with the Guideline. |

## 3.3 Fraudulent transactions

Details of the fraudulent transactions observed during the sample audit are shown below.

| | Audit Observation | Comment of the Accounting Officer | Recommendation |
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| (a) | As at the audit date of 23 December 2024, the milometer reading of the motor grader machine in Wilpattu National Park was 1494 machine hours. However, the daily running chart had been changed to 2010 hours, 516 hours in excess and Rs.1,475,760 had been misused for 5160 liters of fuel. | The Assistant Director in charge of the Anuradhapura region has informed that the changes in the milometer indicated by the audit were observed and that a formal investigation will be conducted in the future regarding this and fuel usage. | Steps should be taken to establish a formal internal control system. |
| (b) | According to the running charts, it was observed that the above machine had been operated for 100 hours, 50 machine hours each, on September 08 and 13, 2024, and 1000 liters of fuel had been obtained for that. Accordingly, when the number of machine hours worked per day was converted to normal hours, an abnormal value of 37.5 hours per day was taken, indicating that fuel or machine misuse had been committed by writing the running charts incorrectly. | The Assistant Director in charge of the Anuradhapura Region has informed that the changes in the milometer indicated by the audit were observed and that a formal investigation will be conducted in the future regarding this and fuel usage. | Steps should be taken to establish a formal internal control system. |

## 4. Operational Review

### 4.1 Non- performance of Functions

| Audit Observation | Comments of the Accounting Officer | Recommendation |
|---|---|---|
| Physical progress had not been achieved in relation to 63 tasks with an estimated value of Rs.54.05 million included in the Department's 2024 Action Plan. | The financial progress of the Consolidated Fund for the year 2024 was Rs.253.9 million. It is 86.9% of the allocated amount of Rs. 292 million as a percentage. Therefore, the financial progress that has not been achieved is only Rs.38.1 million. Some of the planned tasks have been canceled due to the problematic conditions in the field, and other tasks have been carried out instead. | Steps should be taken to accomplish the tasks as planned. |

### 4.2 Non-achievement of expected Output Level

| Audit Observation | Comments of the Accounting Officer | Recommendation |
|---|---|---|
| The physical progress of 62 tasks with an estimated value of Rs. 23.71 million planned to be completed during the year remained at a minimal level of 3 percent - 30 percent. | The financial progress of the Consolidated Fund in the year 2024 is Rs.253.9 million. It is 86.9% of the allocated amount of Rs.292 million as a percentage. Therefore, the amount that has not achieved financial progress is only Rs.38.1 million. Some planned activities have been canceled due to problematic conditions in the field, and other activities have been carried out instead. | Steps should be taken to accomplish the tasks as planned. |

## 4.3 Non-achievement of expected Outcome

The following observations are made.

| | Audit Observation | Comments of the Accounting Officer | Recommendation |
|---|---|---|---|
| (a) | The museum built at the entrance to the park with the aim of providing tourists with an understanding of the Minneriya National Park and its ecosystem and animals had not been properly maintained and renovated, and was therefore not in a suitable condition for exhibition due to its contamination. | Due to the dilapidated condition of the roof of the tourist information center, the equipment had been moved to a safe place during rainy days for protection. The roof repair of this building had been included in the 2025 Action Plan. | Steps should be taken to carry out renovations and increase tourist attraction. |
| (b) | Although the renovation work of the Meniksorowwa Tourist Bungalow located in the Kaudulla National Park was completed in April 2024 at a cost of Rs. 3,555,313, it was not opened to tourists until 04 April 2025. | Due to the fact that the tourist house has been closed for a long time, the bungalow keeper had been transferred to another tourist house and it is planned to open the tourist house after a bungalow keeper r is found through annual transfers. | Action should be taken to utilize the assets. |
| (c) | Only 05 training sessions were held in the year 2024 at the Ritigala Training Center, which was built with the primary objective of conducting training sessions for the staff of the Department. | Due to problems in providing accommodation and internet facilities for resource persons, some training programs planned for 2024 had to be held at other locations, and several training programs are planned to be held in 2025. | Action should be taken to utilize assets efficiently. |

## 4.4 Delays in the Execution of Projects

| Audit Observation | Comments of the Accounting Officer | Recommendation |
|---|---|---|
| The management plan prepared in 2005 for Horton Plains National Park included the relocation of the National Park's head office and ticket counter to a lower location of Pattipola, the establishment of rest areas to provide better quality tourist facilities for visiting tourists, the establishment of suitable sanitary facilities for both local and foreign tourists, the establishment of a restaurant for tourists, and the establishment of facilities for tourists to rest at suitable places along the routes they travel, but it had not been implemented. | • Ii is intent to take steps in the future to move the Pattipola ticket counter to a location closer to Pattipola town.<br><br>• All public sanitation facilities, except for the one near the restaurant in Horton Plains National Park, were established in accordance with the recommendations in the management plan.<br><br>• Sanitary facilities were established on the natural trail where tourists travel, but only seating was not provided for them. | Action should be taken to create necessary facilities for local and foreign tourists. |

## 4.5 Procurements

| Audit Observation | Comments of the Accounting Officer | Recommendation |
|---|---|---|
| Although the total cost estimate, including all related costs, should be prepared by the procurement entity in accordance with paragraphs 4.3.1 and 4.3.2 of the Government Procurement Guidelines, 2006, the Department had not prepared a cost estimate for the purchase of uniform accessories in the year 2024. | Although cost estimates had not been prepared for the purchase of official uniforms and accessories, this had been included as an estimated value in the annual action plan and procurement plan and approved. Instructions have been given to correct this in the future. | Should comply with the Government Procurement Guideline. |

### 4.6 Assets Management

| Audit Observation | Comments of the Accounting Officer | Recommendation |
|---|---|---|
| Items related to fixed assets, totaling Rs.2,296,821,546, assigned to the Department through the Ecosystem Conservation and Management Project, had not been correctly identified and included in the fixed assets register. | In order to include the assets provided by the Escam project as fixed assets, handovers and acceptances should be made in a formal and specific document. It is kindly inform you that this will be corrected in the future. | Action should be taken to correctly identify the relevant assets and include that in the fixed assets register. |

### 4.7 Management Weaknesses

The following observations are made.

| Audit Observation | Comments of the Accounting Officer | Recommendation |
|---|---|---|
| (a) Although the objectives of the Department included the need to conserve ecosystems in protected areas and to create facilities to utilize the opportunities for eco-tourism, those objectives had not been achieved due to the following shortcomings in the national parks owned by the Department: | | . |
| **I. Horton Plains National Park**<br>The ‘Wana Niwahana’ tourist lodge in the park is in a very dilapidated and unclean condition and lacks sanitary facilities, resulting in the occupancy of this tourist lodge being at a very low level of 1 to 12 days per month in 2023 and 2024. Also, the staff quarters in the park have not been properly renovated for many years, making it difficult for wildlife officers to carry out their duties satisfactorily. | There are 13 toilets at the park headquarters, and a cleaning service is provided on a contract basis. Furthermore, the prompt repair of toilet facilities damaged by disasters is also considered a priority. The procurement process had been completed and the contract has been awarded, with the expectation of undergoing a major renovation of the tourist house. | Action should be taken to provide necessary facilities for tourists. |

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| **II. Horagolla National Park** | | |
| Although the Department of Wildlife Conservation rescues and treats animals based on information received on the 1992 emergency hotline regarding animal accidents, the offices did not have the necessary equipment to rescue and treat tigers in danger due to the ongoing tiger-human conflict in the areas under the jurisdiction of the Horagolla National Park. | As requested by the Horagolla National Park warden, action will be taken in the future to provide the necessary equipment for managing the tiger-human conflict. | Necessary facilities should be provided to rescue and treat animals in danger. |
| **III. Minneriya and Kaudulla National Park** | | |
| Although it had been about 27 years since the Minneriya Forest Park was opened, the Department had failed to provide clean drinking water, a basic need of tourists, and the sanitation facilities were also not of good quality. | Minneriya National Park is supplied with water through a tube well. Since the 1000 liter capacity of the technology is not sufficient, it has been proposed to include in the plan the installation of a high-capacity RO water purification plant in the year 2025. | Action should be taken to provide necessary facilities for tourists. |
| **IV. Pigeon Islands National Park** | | |
| The existing “A” gate to access the Pigeon Islands National Park had been destroyed by sea erosion and the “B” gate, which was installed in a temporary container box section, was also deteriorating due to lack of proper maintenance. The roof of the ticket counter was also broken and in a dangerous condition and there were no sanitary facilities. Also, although an entrance fee was charged from tourists visiting the park, no tourist facilities were provided. | Since the land on which these two ticket counters are located belongs to the Coastal Conservation Department, it is not possible to develop them as per the needs of the Department. Due to the land where the old ticket counter was located being eroded by the sea, it has been planned to acquire a 4 perches land owned by the Kuchchaveli Local Council nearby on lease basis and construct it according to a new plan. Estimates have been prepared for the renovation of the "B" ticket counter and plans have | Measures should be implemented to provide the minimum necessary facilities for tourists. |

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| | | been made for the construction of a new ticket counter. | |
| (b) | Although the Department had decided to enter into a Memorandum of Understanding with the parties involved in the water management of the Minneriya and Kaudulla reservoirs in order to prevent the escalation of human-elephant conflict due to the invasion of wild elephants and the inadequacy of food for elephants that come to graze in the tank fields due to the constant filling of the Minneriya and Kaudulla reservoirs due to the Moragahakanda Reservoir Project and to protect the tourism industry, such a Memorandum of Understanding had not been entered into as of 31 October 2024. | Due to changes in the water management of the Moragahakanda Reservoir Project, the Minneriya and Kaudulla reservoirs have been filled with water throughout the year, hindering the growth of grass. As a result, the gathering of wild elephants has decreased and to overcome this situation, action had been taken to maintain the water level in the reservoirs optimally for wild elephants in collaboration with other responsible institutions. As a long-term and permanent solution to this problem, the Department of Wildlife Conservation, the Sri Lanka Mahaweli Authority, the Department of Irrigation, and the District Secretaries of Polonnaruwa and Trincomalee districts, acting as parties, decided to enter into a Memorandum of Understanding on water management. Although the aforementioned Memorandum of Understanding has not yet been reached due to protests, since 2023, the water levels in the Minneriya and Kaudulla reservoirs have been controlled and the necessary grasslands for wild elephants have been maintained successfully. | Action should be taken to establish legitimacy with the relevant parties. |

## 5. Achievement of Sustainable Development Goals

| Audit Observation | Comments of the Accounting Officer | Recommendation |
|---|---|---|
| As an institution that identifies and works towards achieving the Sustainable Development Goals and targets, it should work towards creating equality for all in accordance with its goals 10 and 11, but facilities inside and outside the parks had not been provided in a way that was accessible to people with disabilities. | The Wildlife Conservation Department has taken steps to provide necessary facilities to persons with disabilities in its office premises. However, since the provision of facilities for wildlife national parks should be done in a manner that protects the natural environment, further actions have been taken to provide maximum facilities to persons with disabilities while avoiding the problematic situations that arise. | Sustainable development goals and targets should be identified and action should be taken to achieve them. |

## 6. Human Resource Management

| Audit Observation | Comments of the Accounting Officer | Recommendation |
|---|---|---|
| As at 31 December 2024, there were 1377 vacancies in the total staff of the Department, including 41 vacancies at the senior level. As a revenue generating department and with a network of offices spread across the island, the existing vacancies in senior and tertiary level positions could have had an adverse effect on the efficient running of the Department and the taking of management decisions. | The recruitment procedure for the posts of Additional Director General has been forwarded to the Public Service Commission for approval. The request for the posts of Assistant Director and Engineer has been forwarded to the Ministry of Public Administration, Provincial Councils and Local Government.<br>The Department of Animal Production and Health has been informed regarding vacancies for 16 veterinary posts.<br>The promotion procedure for 07 Assistant Director posts has been forwarded to the Public Service Commission for approval. | Action should be taken to fill essential vacancies to increase the effectiveness of the institution. |