

Head 283 - Department of Forest Conservation - 2024

1. Financial Statements

1.1 Qualified Opinion

Head 283 - Department of Forest 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 summery report containing my comments and observations on the financial statements of the Department of Forest 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 relevant to the Department was issued to the Accounting Officer on 13 June 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 Forest Conservation for the year ended 31 December 2024 give a true and fair view of the financial position, financial performance and cash flows, all materialities consistent with the basis for preparing financial statements mentioned in note 1 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

Attention is drawn 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 needs of the Department of Forest Conservation, General Treasury and Parliament in accordance with Financial Regulations 150, 151 and the State 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 solely for the use of the Department of Forest Conservation, General Treasury and Parliament of Sri Lanka. My opinion on this matter is not modified.

1.4 Responsibilities of the Chief Accounting Officer and 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 Financial Regulations 150 and 151 and, Public Accounts Guideline No.06/2024 dated 16 December 2024 as amended on 21 February 2025 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.

1.5 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 judgment 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 Department'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 informed the Accounting Officer on the significant audit findings, main deficiencies in internal control and other matters that I identified during my audit.

1.6 Comments on Financial Statements

1.6.1 Accounting Deficiencies

(a) Receipts of Revenue

The following deficiencies were observed in accounting receipts of revenue relating to the Department.

	Audit Observation	Comments of the Accounting Officer	Recommendation
(i)	Although the revenue collected by the Department from state forests (Revenue Code – 2002-01-02) amounted to Rs. 853,449,591 as per the trial balance, revenue collected by the Department had been overstated by Rs. 82,000,000, since the revenue was reported as Rs. 935,449,591 in format ACA 01 of the financial statements for the year under review. Furthermore, although the revenue collected by other Ministries/Departments under the same revenue code, as per the SA 21 computer printout, was Rs. 120,274,588, it had been reported as Rs. 38,274,588 in format ACA 01, thereby understating the revenue by Rs.82,000,000.	Although the revenue collected by the Department and revenue collected under other heads on behalf of the Department were correctly distinguished, the error pointed out by the audit occurred in the inclusion of that information in the financial statements.	Action should be taken to include accurate figures in the financial statements according to the trial balance and treasury printed notes.
(ii)	Although the opening balance of the year in the ACA 01(i) Statement of Arrears of Revenue should only include the opening balances of the outstanding amounts of the previous year and the years before last year, the total opening balance of outstanding amounts was overstated by Rs.2,069,474,187 due to the closing balance of each year being shown in the opening balance column as the opening balance of the following year. Furthermore, in that	Officials have been informed to include information in the financial statements accurately in future financial years.	Action should be taken to accurately report the outstanding income balances for previous years in accordance with the format of the Statement of Arrears of Revenue.

statement, although the column for outstanding amounts relating to the reporting year should only show the outstanding amounts relating to the year under review, the total outstanding amounts relating to the reporting year were overstated by Rs. 218,637,752 due to the fact that the outstanding balances of the previous year and the years before last year were also shown in that column.

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| (iii) | Although the outstanding amount relating to the year under review was not recovered in the year under review, the recovery of outstanding amount relating to the year under review was misstated in ACA 1(i) as Rs. 3,882,476. | Officials have been informed to include information in the financial statements accurately in future financial years. | Recovery of arrears revenue should be accurately stated in the Statement of Arrears of Revenue. |
| (iv) | Although there were no arrears of revenue collections in the Statement of Revenue (ACA-1) for the year under review, the total arrears of revenue collections in the Statement of Arrears of Revenue (ACA-1(i)) was shown as Rs. 1,750,652,632. | Officials have been informed to include information in the financial statements accurately in future financial years. | Recovery of arrears revenue should be accurately stated in the Statement of Arrears of Revenue. |
| (v) | Although the revenue of Rs. 317,624,265 due for the maintenance of transmission towers and forest materials from the years 2009 to 2019 had not been collected by 31 December 2024, it had not been included in the ACA-01(i) Statement of Arrears of Revenue. | Officials have been informed to include information in the financial statements accurately in future financial years. | All arrears of revenue should be disclosed in the financial statements and action should be taken to recover them. |

(b) Recurrent Expenditure

The following deficiencies were observed in accounting recurrent expenditure relating to the financial statements.

	Audit Observation	Comments of the Accounting Officer	Recommendation
(i)	Although Rs. 8,830,000 was shown as transfers under financial regulation 66 from the provision of expenditure code 1101 - Local Travel Expenses in format ACA 2(i) of the financial statements for the year under review, no such transfer had been made during the year. Furthermore,	Officials have been informed to include information in the financial statements accurately in future financial years.	Transfers under financial regulation 66 should be accurately stated, and accordingly, the net provision of expenditure codes

although Rs. 9,200,000 was shown as financial regulation 66 transfers from the provision of expenditure code 1409 - other services expenditure, in reality, financial regulation 66 transfers under that expenditure code were Rs. 3,800,000.

should be accurately stated.

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| (ii) | Although the total expenditure incurred by other institutions on behalf of the reporting institution as per the Statement of Imprest Adjustment was Rs. 4,996,735, It was not included in the statement of expenditure under each expenditure code in the column of expenditure incurred by other Ministries/Departments under Section 208 of the ACA 2(ii), but was added to the column of expenditure as per the cash book. | Due to a delay, the amount has not been included. Officers have been instructed to prepare the accounts correctly in the future. | The relevant information should be recorded accurately in financial statements. |
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(c) Property, Plant and Equipment

Audit Observation	Comment of the Accounting Officer	Recommendation
According to the treasury printout of the Statement of Cumulative Non-Financial Assets (SA 82), although the total balance of 06 asset items amounted to Rs.4,714,970,273 as at 31 December 2023, it had been shown as Rs. 9,159,853,958 as at 01 January of the year under review. Consequently, there was an overstatement of Rs. 4,444,883,685 in the opening balance of non-financial assets for the year under review.	Although difficulties which could not be resolved by the Department had arisen in including assets into the CIGAS programme, and the matter had been informed to the State Accounts Department. Accordingly, necessary action will be taken to reconcile the assets in compliance with the instructions issued by them.	Action should be taken to accurately include non-financial assets in the financial statements.

(d) Imprest Balance

Audit Observation	Comment of the Accounting Officer	Recommendation
According to the Treasury Printout SA 52, the total of credit made to Advance "B" Account by other entities amounted to Rs.10,297,208 as at 31 December of the year under review, whereas in the Statement of Imprest Adjustment it had been adjusted	According to SA 52, the total value of all credit made to the Advance "B" Account amounted to Rs. 10,297,208. The value of credit made to Advance "B" Account by	Action should be taken to state the balances that should be included in the Statement of Imprest

as Rs.10,130,804, thus understating a sum of Rs.166,404.	other entities was Rs.10,120,829. Although it should have been disclosed in the Statement of Imprest Adjustment, due to a mistake, it had been reconciled in the Statement of Imprest Reconciliation as Rs.10,130,804.	Reconciliation accurately.
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(e) Lack of Audit Evidence

Audit Observation	Comment of the Accounting Officer	Recommendation
Although the total of Rs. 4,711,937 stated as additions to the opening balance related to 03 asset items in the Statement of Cumulative Non-Financial Assets (SA 82), sufficient evidence was not submitted to the audit to verify them.	The adjustment of assets will be formalized in accordance with the instructions given by the officers of the State Accounts Department.	Evidence should be submitted to verify the items added to non-financial assets and their respective values.

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 submitted for audit were not consistent with the financial statements of the previous year as per the following audit observations.

Audit Observation	Reference to the Paragraph in this report
As at 01 January of the year under review, the opening balance of 06 non-financial asset items was overstated by Rs. 4,444,883,685.	1.6.1 (c)

- (b) The following recommendations made by me on the financial statements of the preceding year had not been implemented.

Reference to the Paragraph in preceding year	Audit Observation	Reference to the Paragraph in this report
1.6.1 (a) (i)	The arrears revenue balance that existed at the beginning of the year and the arrears revenue recoveries should be adjusted correctly as per affect previous years in the Statement of Arrears of Revenue.	1.6.1 (a) (ii)
1.6.1 (a) (ii)	Action should be taken to accurately state the revenue collected from crown forests as per code (2002.01.02) and revenue collected from other institutions in the financial statements as appropriate.	1.6.1 (a) (i)

3. Financial Review

3.1 Revenue Management

Audit Observation	Comments of the Accounting Officer	Recommendation
Although the revenue received from crown forests under the revenue code 2002-01-02 of the Department of Forest Conservation was initially estimated at Rs.1,600,000,000 for the year under review, Due to the only Rs.973,578,228 was collected during the year, the revenue limit could not be reached by Rs. 626,421,772 or 39 percent.	The revenue received from crown forests under revenue code number 2002.01.02 was Rs.973,578,228. Arrears revenue in that year was Rs.515,646,000, and the total of revenue and arrears revenue was Rs. 1,489,224,228. When compared to the estimated income the variance was Rs.110,775,772. The reasons attributed to the non-receipt of the estimated revenue were the non-arrival of tourists as expected, difficulties in accessing land plots, the failure of certain companies to engage in resin tapping due to the insufficient number of trees per hectare, the decline in the purchase of plants by farmers for commercial cultivation as a	Action should be made to maximize recoverable revenue and prepare accurate revenue estimates.

result of rising inflation in the country, the increase in substitute products in the market and the consequent rise in the prices of timber products, which reduced consumer demand for timber products, and thereby, the expected level of registration of timber enterprises had not materialized.

3.2 Management of Expenditure

	Audit Observation	Comments of the Accounting Officer	Recommendation
(a)	Due to the preparation of estimates without proper forecasting, savings of Rs.4,303,552, representing 28 percent and 74 percent, out of the total net provision of Rs. 13,800,000 made under 02 recurrent expenditure codes, and savings of Rs.4,020,767, representing 58 per cent, out of the net provision of Rs. 6,900,000 made under a capital expenditure codes, had occurred during the year under review.	Officials were informed to prepare expenditure estimates accurately according to the actual needs of the Department in the coming financial years.	Expenditure estimates should be prepared as accurately as possible and expenses should be managed in accordance with the F.R. 50.
(b)	Due to overestimates being prepared in the preparation of the initial estimates, Rs.39,894,300 out of the estimated provision of Rs. 1,198,000,000 for 07 recurrent expenditure codes was transferred to other expenditure codes it under financial regulation 66 during the year under review, Further savings of Rs. 106,381,625, ranging between 5 percent and 58 percent of those expenditure codes, had existed as at 31 December 2024.	It had been noted that estimates will be prepared to minimize the transfer of provisions in future financial years.	Accurate expenditure estimates should be prepared and expenditure should be managed in accordance with the F.R. 50.

3.3 Incurring of Liabilities and Commitments

Audit Observation	Comments of the Accounting Officer	Recommendation
Expenses of Rs. 1,709,272 were settled in 68 cases for the year under review during the first 02 months of 2025, and these expenses were not included as liabilities in the statement of commitment and liabilities in Annexure (iii) of the financial statements.	The identified commitments have been included as at 31 December 2024. Payments were made under the approval of the vouchers submitted thereafter, in accordance with F.R. 115.	Action should be taken to identify liabilities related to the year and present them in the financial statements.

3.4 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		Comments of the Accounting Officer	Recommendation
	Value	Non-compliance		
	Rs.			
(a) Section 224 of the State Lands Ordinance No. 08 of 1947	-	Although the surveyed and formally acquire the lands belonging to government departments, action had not been taken even by the end of the year under review, To transfer the ownership of lands in extent of 79.38 hectares belonging to the Department of Forest Conservation.	Out of the 81.28 hectares of land that had not been transferred to the Department of Forest Conservation, only 1.9 hectares have been transferred to the department up to now.	Action should be taken to acquire lands belonging to the Department of Forest Conservation in accordance with the State Lands Ordinance.

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

(i)	Financial Regulation 396	974,058	Action had not been taken regarding cheques issued related to 11 bank accounts, which had expired for 6 months as at 31st December 2024.	Officers were informed to act in accordance with F.R.396 regarding the relevant cheques when preparing bank reconciliation statements in May 2025.	Action should be taken in accordance with Financial Regulations regarding the cheques older than 06 months.
(ii)	Financial Regulation 571(3)	327,280,296	Deposits that were exceeded 2 years had not been credited to the state revenue even by the end of the year under review.	Officials were instructed to regulate overdue deposits in accordance with the provisions of the Financial Regulations.	Action should be taken in accordance with financial regulations regarding the deposits that are more than 2 years old.

3.5 Operation of Bank Accounts

Deficiencies revealed at the audit test checks carried out on operation of bank accounts, appear below.

	Audit Observation	Comments of the Accounting Officer	Recommendation
(a)	Although 33 official bank accounts remained inactive related to Ecosystem Conservation & Management Project that were completed in 2023, they had not been disclosed in the financial statements as at 31 December 2024, and action had not been taken to close those accounts.	15 bank accounts out of these bank accounts have been submitted to the Treasury for obtaining approval to close on 28 December 2024. I will submit another 10 accounts of the proceedings being over to the Treasury for approval in May 2025. The remaining 08 accounts will be closed during this year.	Action should be taken to close inactive bank accounts after the completion of projects.

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| <p>(b) As at 31 December 2024, directly credited amounts had not been recorded in the cash book due to the failure to timely reconcile with books and registers and identify the direct credited amounts of Rs. 34,610,497 to one bank current account on 36 occasions.</p> | <p>Corrections will be made when preparing bank reconciliations in May 2025.</p> | <p>Action should be taken to identify the funds that have been directly credited to the current account and account for them in a timely and accurate manner.</p> |
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4. Operating Review

4.1 Planning

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Although management plans had been prepared for 512 reserved and conserved forests by the end of the year under review in accordance with order 3(2) of the forest conservation ordinance, 459 as those plans had not been approved and therefore those plans could not be implemented in accordance with order 3(3) of the ordinance.	Although the preparation of forest management plans began in 2021, it was limited to 50 forest management plans per year due to limited funding. However, although the target for preparing annual forest management plans was 50 management plans, the target has been exceeded due to the dedication of officers in the field and the instructions provided by the head office. Also, the legal framework for approving plans is set after the provisions of the Conservation ordinance approved on 21 August 2023.	Action should be taken to prepare, approve and implement forest management plans without delay as specified in the ordinance.
(b) Although the primary objectives of preparing management plans for protected and conserved forests are to conserve biodiversity, soil and water conservation, protection of genetic resources and the rare and endangered species of flora and fauna, a long period of time ranging from 01 to 19 years had passed since 897 forests were declared protected and conserved through the gazette, the above objectives of declaring them as protected and conserved forests through the gazette had not been achieved due to the non-approval of the management plan.	Although the Conservator General of Forests is required to prepare forest management plans for reserved forests in terms of Section 3(2)(1) of the forest conservation ordinance and for conserved forests in terms of Section 3A(3), according to section 1 thereof, the Minister must publish regulations through the gazette. Accordingly, guidance was received for the preparation of forest	Action should be taken to prepare, approve and implement forest management plans without delay as specified in the ordinance.

management plans after the gazette of the regulations in 2021. Accordingly, the preparation of forest management plans commenced since the year 2021.

4.2 Non- performances of Functions

Audit Observation	Comments of the Accounting Officer	Recommendation
Although 13 forests in the Gampaha range and 19 forests in the Mirigama range belonging to the Gampaha division have been surveyed using GPS technology and by the Survey Department, even by the audit date of 24 January 2025, action had not been taken to declare them as reserved and conserved through the gazette.	Once the "Resolving Land Issues through Sustainable Forest Management" program is completed in the districts of the Northern and Eastern provinces, it is planned to gazette non-gazetted forests as reserves in other districts of the island through this program, and a review of problematic forest boundaries is also scheduled.	Action should be taken to accelerate the process for gazette reserved and conserved forests.

4.3 Procurements

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Although the Procurement Committee had approved the purchase of 05 drone cameras at a price of Rs. 502,000 (excluding VAT) each on the recommendation of the Technical Evaluation Committee dated 18 December 2023, 06 drone cameras had been purchased at a price of Rs. 3,463,800, exceeding that limit. In the said purchase, the bid security required in terms of 5.3.11 of the procurement guidelines 2006 had not been obtained.	Considering the cost of the 05 drone cameras decided to be purchased from the prices submitted, since it is possible to purchase one more drone camera within the total allocated allocation, a request has been made to the Chairman of the Procurement Committee by letter No. DFC/PLE/2/2/9 2023 and undated 2023.12 to purchase and provide one more drone camera using that allocation. Accordingly, this purchase has	Before initiating procurement activities, the department's needs must be accurately identified and procurement activities must be carried out in accordance with procurement guidelines.

been made with the approval of the Procurement Committee.

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| (b) | A drone camera that was received by the head office on 27 December 2023, took 6 months to be delivered to the Trincomalee division forest office, meaning that this camera, which was purchased with a one year warranty period, was not used until half of the warranty period had elapsed. | A drone camera was issued to the Trincomalee division on 18 June 2024, after training was provided to relevant officials in the Trincomalee division on the use and operation of drone cameras. | Action should be taken to identify department requirements, purchase goods, and promptly deliver them to the required division forest offices. |
| (c) | The Technical Evaluation Committee had not paid attention to providing formal training to officers on the use of drone cameras and their maintenance and servicing, and provisions in this regard had not been included in the bid documents. | The specifications for the purchase of drone equipment were prepared with the preliminary agreement of the Technical Evaluation Committee, which consisted of not only officers from the Department of Forest Conservation but also an officer from the Civil Aviation Research (Unmanned Aircraft Systems) Division of the Civil Aviation Authority of Sri Lanka, the authorized body in Sri Lanka that regulates all matters related to drone equipment; a communications consultant from the Technology Division of the Ministry of Defense; and an accountant. They all decided that including training on the use of drones in the specifications could be problematic. | When planning procurement activities, bid documents should be prepared with attention paid to the maintenance and servicing of the equipment being purchased. |

4.4 Assets Management

Audit Observation	Comments of the Accounting Officer	Recommendation
There had been 143 vehicles belonging to the Department, valued at Rs. 14,035,000, that had not been used for more than three years without being repaired for use or dispose.	Action is being taken to transfer 10 vehicles belonging to other institutions under the name of the Conservator	Action should be taken to repair vehicles that can be used for driving and to

General. Out of the 99 vehicles to be scrapped, 65 have been referred to the Department of Motor Traffic for cancellation of registration. From that the registration of 29 vehicles has been cancelled. Accordingly, those 29 vehicles are to be scrapped as scrap materials immediately.

dispose of vehicles that cannot be repaired and driven.

4.5 Losses and Damage

The following observations are made.

	Audit Observation	Comments of the Accounting Officer	Recommendation
(a)	Action had not been taken even by 11 April 2025 to submit preliminary reports in terms of F.R. 104 (3) in respect of 10 incidents of damages and losses amounting to Rs.1,037,314 that had occurred during the period from 2017 to 2023, and to submit full reports in terms of F.R. 104 (4) in respect of 15 incidents of damages and losses amounting to Rs. 5,493,264 that had occurred during the 11 year period from 2013 to 2024.	Urgent action will be taken to obtain preliminary and full reports in accordance with F.R. 104 regarding 10 damages and losses incidents, and further action will be updated on those files.	Action should be taken to immediately submit both preliminary and full reports on the damages.
(b)	The losses of 03 loss and damage incidents that occurred in the years 2022 and 2024 had not been assessed as at 11 April 2025.	The relevant officials have been informed to conduct assessments regarding the losses and damage incidents and submit reports without delay.	Losses and damages should be accurately and promptly assessed and recorded to books.

4.6 Uneconomic Transactions

	Audit Observation	Comments of the Accounting Officer	Recommendation
	As at 23 January 2025, there were 160 root bolt plants worth Rs. 800,000 produced in the year 2022 in the Horakelle plant nursery, which had been planted in the nursery due to not being released for the production requirement. Furthermore, 1577 plants worth	It is normal for plants that have been maintained for about 2-3 years to overgrow. Since the project development work was not completed until the end of the year, planting	Action should be taken to produce plants as needed and to release overgrown plants immediately.

Rs. 294,050 produced in the years 2019, 2020 and 2022 had overgrown in those pots.

had been suspended. As a result, these plants were overgrown in the nursery. However, the projects are currently being completed, and by the next World Environment Day, these plants will be used for tree planting in several locations related to those projects.

4.7 Management Weaknesses

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Although the department's activity is to promote timber production and thereby ensure the conservation of soil and water resources, during the physical audit of the Alawala conserved forest in the Gampaha division on 24 January 2025, plastic, polythene, and other non-biodegradable waste that had been illegally removed had been dumped into the reserve and the associated canals. The incident had disrupted the functioning of natural ecosystems and threatened the sustainability of the reserve.	I have informed the Officer-in-Charge of the Attanagalla Pradeshiya Sabha to draw their attention to the waste disposal issue in the future, and Alumex company has agreed to provide several more containers in addition to the few garbage containers at this location. Furthermore, 10 notice boards have been installed at this location with the participation of IUCN (International Union of Conservation & Nature), and awareness programs have been conducted under the social forest and forest project program to minimize the activities carried out by the people visiting this location.	Action should be taken to protect forest resources, which is one of the objectives of the department.
(b) 10 hectares of forest plantations had been planted in 2018 in the Horakelle reserve forest, which has an area of 15.15 hectares. This forest plantation was on fire for 03 hectares and 60 perches on 23 and 24 February 2020 and 04 hectares on 5 March 2022, and fire belt maintenance had not been carried out after 2023.	Allocations have also been received during the year under review, and the opening of fire belts has been commenced. In addition, as in the year 2023, awareness programs for the community and the preparation of officers for fire	Action should be taken to minimize the damage caused by forest fires and to protect the forest.

prevention activities during the dry season have been carried out in the usual manner.

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| <p>(c) Although the Mithirigala reserve, belonging to the Gampaha division, had been declared as a reserved forest on 22 May 1895, due to the unauthorized encroachment of 76 land plots, ejectment notices were issued during the period 2018–2021. Instead of taking further action regarding these ejectment notices and removing the unauthorized occupants, action was taken to exclude those disputed lands from the reserved area and re-gazette it on 08 April 2021. As a result, 44.9 hectares, or 112 acres of forest area were lost from the Mithirigala reserve.</p> | <p>Although the legal cases had been filed and presented before court regarding forest offenses related to lands released to the Seda farm belonging to the former reserve and other unauthorized cultivation lands, as those lands had been excluded from the new reserve boundary, the Attorney General advised that such cases could not be continued. Accordingly, the cases pending in court were withdrawn, although ejectment orders had been requested in relation to those forest offenses; such orders had not been received.</p> | <p>Ejectment orders should be obtained in respect of the forest offences and those matters should be concluded, and the reserve should be protected.</p> |
| <p>(d) A sum of Rs. 7,545,736 remained recoverable under the Department's staff loan balances for over one year, comprising Rs. 1,166,806 from 13 deceased officers, Rs.2,537,628 from 30 retired officers, Rs.2,331,959 from 19 interdicted officers, and Rs. 1,509,343 from 13 officers who had left the service.</p> | <p>Although the approval of the Secretary to the Ministry had been obtained on 28 March 2025 to write off the staff loan balances in arrears from the books under the Public Finance Circular No. 01/2024(I) dated 24 January 2025, for this purpose, an expenditure code relating to the year 2025 has been requested from the National Budget Department. Action will be taken to recover the outstanding loan balances from the death gratuity, pension gratuity, or guarantors of the respective officers. Necessary legal action will be taken to recover such loan balances in cases where recovery is not possible.</p> | <p>Immediate action should be taken to recover the outstanding loan balances from officers who are deceased, retired, interdicted, or have left the service.</p> |

5. Sustainable Development Goals Achievement

Audit Observation	Comments of the Accounting Officer	Recommendation
Although the coverage of important reserved areas/lands for mountain biodiversity had been identified under the Sustainable Development Goals, any function had not been carried out to achieve this Sustainable Development Goals by 2024.	Under sustainable management, in order to prevent forest destruction, 150 forests covering an area of 74,461,603 hectares have been gazetted as reserves after 2020. These include freshwater ecosystems and other environmental systems, which are also part of the reserved land. By declaring these areas as forest reserves, their protection has been ensured.	Action should be taken to achieve the Sustainable Development Goals, particularly in relation to the protection of mountainous biodiversity reserves.

6. Human Resource Management

Audit Observation	Comments of the Accounting Officer	Recommendation
As at 31 December 2024, out of the approved staff of 3,259 in the Department, 564 positions were vacant, and these included 25 Deputy and Assistant Conservators at the senior level, 26 Forest Officers (Special) and Divisional Forest Officers at the tertiary level, 113 Range Forest Officers at the secondary level, and 166 Beat Forest Officers. The existence of these vacancies had a direct impact on the efficient functioning of regional offices, the prevention of forest offenses, and the achievement of the department's objectives and targets.	The Department has informed the Director General of Combined Services to assign officers to fill the vacancies of Management Service Officers, Office Assistants, and Drivers. Furthermore, in order to obtain approval for filling all the mentioned vacancies, the matter has been referred to the officer committee appointed by the Cabinet and to the Department of Management Services to review the recruitment process of the public service.	Action should be taken to fill the human resource vacancies necessary to achieve the department's objectives.