

Report of the Auditor General on Head 179 – Ministry of Wildlife Resources Conservation and the Department under the Ministry – year 2014

Paragraphs 1 and 2 of this Report contain the general information on the Accounts of the Ministry and the Department under the Ministry and the Audit Observations on each Head appear in paragraph 3 to 4.

1. Department under the Ministry

Head	Department
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284	Department of Wildlife Conservation

1.1 Scope of Audit

The audit of the Appropriation Account, the Revenue Account and the Reconciliation Statements including the financial records, books, registers and other records of the Ministry of Wildlife Resources, Conservation and the Department of Wildlife Conservation appearing in paragraph 1 above for the year ended 31 December 2014, was carried out in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Chief Accounting Officer and the Accounting Officer of the Ministry, Department on the under mentioned dates. The audit observations, comments and findings on the accounts and reconciliation statements were based on a review of the Accounts and Reconciliation Statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other recourses and time available to me.

Head	Ministry / Department	Date of Issue of the Management Audit Report
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179	Ministry of Wildlife Resources Conservation	29 July 2015
284	Department of Wildlife Conservation	16 July 2015

1.2 Responsibility of the Chief Accounting Officer and the Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer and the Accounting Officer are responsible for the maintenance, preparation and fair presentation of the Appropriation Account, Revenue Account and the Reconciliation Statements in accordance with the provisions in Article 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other Statutory Provisions and Public Finance and Administrative Regulations. The responsibility includes : designing implementing, maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

2. Accounts

2.1 Appropriation Accounts

Total Provision and Expenditure

The total net provision made for the Ministry and the Department under the Ministry amounted to Rs.1,569.3 million and out of that Rs.1,343.7 million had been utilized by the end of the year under review. Accordingly the savings out of the net provisions of the Ministry and the Department amounted to Rs.5.5 million and Rs.220.1 million and represented 5 per cent and 15 per cent of the net provisions respectively. Details appear below.

Head	As at 31 December 2014			Savings as a Percentage of Net Provisions
	Net Provision	Utilization	Savings	
	Rs.Millions	Rs.Millions	Rs.Millions	
179	105.7	100.2	5.5	5.20
284	1,463.6	1,243.5	220.1	15.04
Total	1,569.3	1,343.7	225.6	14.38

2.2 Revenue Account

Estimated and Actual Revenue

The Department of Wildlife Conservation had prepared a Revenue Estimates totalling Rs.17 million under the Revenue Code 20.03.02.06 for the year 2014 and Revenue totalling Rs.17.03 million had been collected. Accordingly revenue amounting to 100.0 per cent of the estimated Revenue had been collected.

2.3 Advance Accounts

2.3.1 Advances to Public Officers Accounts

Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers Accounts of the Ministry and the Department under the Ministry and the actual amounts are given below.

Item Number	Expenditure		Receipts		Debit Balance	
	Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
	Rs.Millions	Rs.Millions	Rs.Millions	Rs.Millions	Rs.Millions	Rs.Millions
17901	4.0	3.4	1.8	3.2	30.0	9.0
28401	40.0	36.5	28.0	32.4	135.0	132.1

2.4 Imprest Accounts

The Imprest balances of the Ministry and the Department under the Ministry as at 31 December 2014 totalled Rs.674,418. Details appear below.

Ministry / Department	Imprest Account Number	Balance as at 31 December 2014
		Rs.
Ministry of Wild life Resources Conservation	7002/0000/00/0418/0014/000	29,000
Department of Wild life Conservation	7002/0000/00/0145/0014/000	645,418
Total		674,418

2.5 General Deposit Accounts

The balances of the Deposit Accounts of the Ministry and the Department under the Ministry as at 31 December 2014 totalled Rs.171,271,425. Details appear below.

Ministry / Department	Imprest Account Number	Balance as at 31 December 2014
		Rs.
Ministry of Wildlife Resource Conservation	6000/0000/00/0015/0188/000	613,270
Department of Wild life Conservation	6000/0000/00/0015/0139/000	170,658,155
Total		171,271,425

2.6 Audit Observation

According to the Financial records and Books for the year ended 31 December 2014, it was observed that subject to the audit observations appearing in the Management Audit Report, referred in paragraph 1.1, the Appropriation Accounts, Revenue Account and the Reconciliation Statements of the Ministry and the Department have been prepared Satisfactorily. The material and important observations out of the observations included in those Management Audit Reports appear in paragraph 3 to 4 herein.

3. Head – 179 Ministry of Wildlife Recourses Conservation

3.1 Non – maintenance of Registers and Books

It was observed during audit test checks that the Ministry had not maintained the following registers while certain other registers had not been maintained in the proper and updated manner.

Type of Register	Relevant Regulation	Observations
(i) Security Register	Financial Regulation 891 (1)	Not furnished to audit
(ii) Register of Losses	Financial Regulation 110	Not updated
(iii) Register of Counterfoil Books	Financial Regulation 341	Not maintained
(iv) Register of Inviting for Bids	Guideline 5.2.1 of the Government Procurement Guidelines	Not maintained

3.2 Excess Expenditure

Expenditure totalling Rs.1,288,869 had been spent exceeding the provisions of 12 Objects without a proper approval.

3.3 Appropriation Account

Budgetary Variance

The following observations are made.

- (a) The entire net provision amounting to Rs.350,000 made for 2 Objects had been saved.
- (b) Excess provisions had been made for 04 Objects and as such the savings after the utilization of provisions ranged between 21 per cent to 43 per cent of the net provisions relating to the respective Objects.

3.4 Imprest Account

The balance of the Imprest Account remained since 31 December 2013 amounting to Rs.29,000 had not been settled by the Ministry even by 31 December 2014.

3.5 Good Governance and Accountability

3.5.1 Internal Audit

An Internal Audit Unit had not been established.

3.5.2 Audit and Management Committee

Only 3 Audit and Management Committee meetings had been held in the year 2014.

3.6 Assets Management

The following deficiencies were observed during the course of audit test checks of the assets of the Ministry.

(a) Conducting Annual Boards of Survey

Action on the excesses and shortages pointed out and the other recommendations made in the Reports of the Board of Survey for the year 2014 had not been taken in terms of the Financial Regulation 760.

(b) Assets given to External Parties

Forty six items of goods including 03 double beds, 02 almirahs, dinning table with 06 chairs, 01 sofa set, 01 LCD television, 03 air conditioners, 02 lap tops, 01 printer, 02 pedestal fans, 01 computer set, provided for former Minister of Wildlife Resources Conservation in the year 2014 had not been handed over by the Minister to the Ministry even by 20 August 2015.

(c) Irregular use of Assets belonging to other Institutions

One motor vehicle belonging to the Ministry of Water Resources Management, 04 motor vehicles belonging to the Ministry of Education and 02 motor vehicles belonging to the Ministry of Education and Higher Education of which value had not been furnished to audit had been utilized by the Ministry from 28 January 2013 and 12 March 2013 respectively even up to 31 December 2014.

3.7 Non – compliances

Non – compliance with Laws, Rules and Regulations

Instances of non – compliances 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	Value	Non- compliance
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	Rs.	
(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka		

(i) Financial Regulation 104 and 110	-	Original value of 04 motor vehicles, the approximate value at time of loss and cost of repairs had not been shown in the Register of Losses and Damages.
(ii) Financial Regulation 105(1) and (2)	-	The determination of amount to be recovered and the maximum recoverable value of loss had not been shown in the Register of Losses
(b) Public Finance Circulars		

Circular No.353(5) of 31 August 2014	750,000	Even though the maximum monthly rent could be paid to a motor vehicle had been Rs.40,000 , a sum of Rs.750,000 had been paid for 03 months at a rate of Rs.250,000 per month.

3.8 Performance

The Performance Report for the year 2014 had not been furnished to audit even by 31 August 2015. According to the information in the annual report, the following observations are made on the performance of the Ministry.

- (a) Even though it was shown the number of programmes as the indicator for the expected targets under the Staff Training of the Administration Section of the Ministry of Wildlife Conservation, the number of programmes had not been shown in reviewing the progress.
- (b) Even though a sum of Rs.920,358 had been incurred up to 31 December 2014 for training programmes and workshops of the officers of the Ministry, the details of the officers participated for workshops were not made available for audit.
- (c) As it was not shown the financial and physical targets by 01 to 11 in the Action plan on the activities of the Development Section, the physical performance of it could not be compared with the expenditure of Rs.2,437,042.
- (d) The physical targets for development works carrying out in the National Parks, construction of Electric Fences, construction of wild Elephant Detention Centers, co- ordination and supervision of the activities for Habitat Enrichment had not been included in the Action Plan.
- (e) According to the Action Plan of the Wildlife Trust 2014, the physical targets shown under 06 activities had not been achieved.
- (f) According to the Revenue Collection Plan of the Wildlife Trust for the year 2014, revenue amounting to Rs.13,900,000 had been estimated. However, the collected revenue of Rs.11,224,554 in the year under review had been credited to the Wildlife Trust without crediting the Consolidated Fund.

3.9 Human Resources Management

Approved Cadre and Actual Cadre

The position of the cadre as at 31 December 2014 had been as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies	Excess
(i) Senior Level	11	10	01	-
(ii) Tertiary Level	03	02	01	-
(iii) Secondary Level	42	37	09	04
(iv) Other (Casual/ Temporary/ Contract Basis)	25	24	01	-
Total	81	73	12	04

The following observations are made.

- (i) Action had not been taken by the Ministry to fill 12 vacancies by the end of the year under review.
- (ii) Action had not been taken to obtain a proper approval from the Department of Management Services for 04 excess employees who were in the Posts of Secondary Level as at 31 December 2014.

4. Head 284 – Department of Wildlife Conservation

4.1 Presentation of Accounts

Even though the Reconciliation Statement of the Advances to Public Officers Account, Item No.28401, should have been presented for audit by 31 March 2015, the Reconciliation Statement had been presented to audit on 02 July 2015 with a delay of over 03 months.

4.2 Non – maintenance of Registers and Books

It was observed during audit test checks that the Department had not maintained the following registers while certain other registers had not been maintained in the proper and updated manner.

Type of Register	Relevant Regulation	Observation
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(i) Register of Fixed Assets on Computers, Accessories and Software	Treasury Circular No IAI/2002/02 dated 28 November 2002	Not updated
(ii) Register of Electric Equipment	Financial Regulation 454(2)	Not maintained
(iii) Attendance Register of Procurement Committee and Technical Evaluation Committee	Guideline 2.11.2 of the Government Procurement Guidelines	Not maintained
(iv) Minutes of the Committee Meetings	Guideline 2.11.3 (a) of the Government Procurement Guidelines	Records not maintained
(v) Register of Inviting Bids	Guideline 5.2.1 of the Government Procurement Guidelines	Not maintained

4.3 Imprest Account

The Imprest Account balance not settled by the Department as at 31 December 2014 amounted to Rs.49,559.

4.4 General Deposit Account

Action in terms of Financial Regulation 571 had not been taken on 61 deposits older than 2 years (except Land Deposits) totalling Rs.31,286,218.

4.5 Revenue Accounts

The fee collected from transportation of animals was not an income of this Department according to the Animal Act. No.29 of 1958 and the Extra Ordinary Gazette No 1629/17 dated 26 November 2009. However, the fees collected amounting to Rs.139,858 in the year under review had been treated as income of the Department and brought to account.

4.6 Reconciliation Statement of the Advances to Public Officers Account

The following deficiencies were observed during the course of test checks of the Reconciliation Statement as at 31 December 2014 relating to the Advances to Public Officers Account Item No.28401.

- (a) According to the Reconciliation Statement presented to audit the balances that remained outstanding as at that date totalled Rs.3,791,586. Even though those outstanding balances remained over periods ranging from 01 year to 5 years, the follow-up action on the recovery of the outstanding balances had been at a weak level.
- (b) Even though the loan balances of 05 officers totalling Rs.559,120 had been included in the Schedule of the Reconciliation Statement, those loan balances had not been included in the C.C. 10 Register.

4.7 Assets Management

Idle Assets

It was observed during audit test checks carried out relating to the assets of the Department, that twenty one vehicles had been idle throughout the period for over 10 years.

4.8 Non – compliances

Non – compliance with Laws, Rules and Regulations etc

Instances of non- compliances 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	Value	Non- compliance
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	Rs.	
(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka		

(i) Financial Regulation 134(3)	-	Internal Audit Reports for the year 2014 had not been furnished to the Auditor General even by 31 August 2015.
(ii) Financial Regulation 104(3) and 04	-	There were 11 instances that action had not been taken to conduct preliminary inquiries and to determine the value of the loss in respect of the losses caused during the period from the year 2011 up to 31 December 2014.

(b) Circulars of the Presidential Secretariat

----- Circular No.CA/1/17 dated 14 May 2010	100,000	When write-off the losses the cost should be assessed to the highest value either at assessed value or cost of those properties by including the relevant expenditure of the Department thereon. Nevertheless, action had been taken to recover the loss on assessed value of Rs.80,000 without considering the said cost of Rs.100,000
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(c) Circulars of the Ministry of Finance and Planning

----- Paragraph 2.1.3 of the Circular No.BD/EBP/4/1/14/2014 dated 01 January 2014	6,863,450	Even though the expenditure for the fuel, electricity, water and transport should be managed without exceeding the limit of the annual provisions, it had been exceeded that limit for above expenses in the year 2014.
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4.9 Performance

The following deficiencies were observed relating to the performance according to the Annual Budget Estimate and Action Plan of the Department.

(a) Action not taken in accordance with the Annual Action Plan

The instances of actions not taken in accordance with Annual Action Plan are given below.

- (i) According to the Action Plan of the Department, 166 activities in which the total estimated value amounting to Rs.216.887 million had not been carried out.

- (ii) A sum of Rs.556.957 million had been incurred for 41 activities exceeding the Annual Action Plan.

(b) Key Functions not Executed Adequately

The following observations are made.

- (i) Agreements had been entered into between the Project Engineer of the National Machinery Authority and the Director General of Wildlife to execute the contract for Constructions of Electric Fence, Horowpathana to the value of Rs.189,538,263 on 06 June 2012. Even though it should have been completed on 30 October 2012 according to the agreement, it had not been completed even by January 2015.

- (ii) In constructing Wild Elephant Detention Centre at Horowpathana by the Department of Wildlife Conservation it had to be cut and removed 09 kilometers of thick forest and 7 km of medium density forest. But, no information had been furnished to audit relating to the actions taken by the Department in connection with the trees felled and removed when cut the forest. Action had been taken to make an overpayment of Rs.72,817,562 to a State Corporation in construction of above electric fence.

- (iii) In terms of the Section 5 of the above agreement, the constructions of the electric fence need to be made under the supervision of a qualified Engineer/ a Technical officer. However, it was revealed at the site inspection carried out by audit on 23 April 2015, that the constructions had not been executed under the supervision of above officers. Similarly, the quality of the concrete posts used thereon were not upto the standard.
- (iv) A sum of Rs.8,417,314 had been overpaid to the contractor deviating from the Government Procurement Guidelines in reconstructions of 03 tanks on the basis of the estimate amounting to Rs.11,364,945 prepared by the Department of Agrarian Services for the constructions of 03 tanks in that Elephant Detention Centre.
- (v) At the audit test check carried out relating to the constructions of the causeways on the roads around the electric fence, it was observed that a sum of Rs.1,666,509 had been paid for the works completed deviating the standards. Similarly, a sum of Rs.783,887, that should be recovered as liquidated damages for the delay of 240 days as mentioned in the agreement had also been paid to the contractor. Even though a sum of Rs.14,318,712 had been paid to the contractor for completion the work of 44 causeways out of the 77 causeways to be completed and handed over, it was revealed that 33 causeways had not been completed at the date of physical examination carried out by audit on 23 April 2015.
- (vi) It was expected the protection of animals by the Cap 469 of the Fauna and Flora Protection Ordinance and the Fauna and Flora Protection (amendment) Act No. 22 of 2009. It was observed that elephants are wounded as iron spikes had been used for both sides of the specially designed posts and 3 iron barbed wire lines had been used to join the posts to avoid the breaking of electric fence by elephants when constructing above Elephant Detention Centre.

4.10 Losses and Damage

Action had not been taken to obtain an order of waiver through an authorized officer in terms of the Financial Regulation 108 relating to the losses totalling Rs.3,541,961 remained brought forward for over a period of 10 years in respect of 29 instances which could not be recovered in terms of Financial Regulation 109 revealed during the course of audit test checks.

4.11 Unresolved Audit Paragraphs

The deficiencies pointed out by the following audit paragraphs referred to the attention of the Director General of the Department had not been resolved even by 31 May 2015.

- (a) According to the Sections 10 and 22(9) of the Fauna and Flora Protection (Amendment) Act No. 22 of 2009 relating to the pregnancy of a domestic female elephant, the birth of the child elephants had not been documented. In terms of the provisions of those Acts, it had not been reported to the Director General in respect of the information of the dead elephants by the owners.
- (b) Elephants had been caught and kept in custody irregularly and action had been taken to register them and to obtain licenses subsequently.
- (c) According to the instructions of the Department of Attorney General (Rit Case 625/09) and the Ordinance, legal actions should be taken against the persons who kept unregistered elephants in their custody and the Guidelines should be prepared to take actions relating to the tame elephants as well. The internal audit process implemented by the Department in respect of Registration of Elephants, specially the actions taken relating to the security of the Registers had been at a very weak level. As a result one Register had been displaced from the year 2012 out of 06 Registers maintained for recording the registration of elephants.
- (d) Weaknesses were observed in the methodology of the Registration of Elephants and there had been an absence of system in issuing a certificate at the renewal of licenses.

- (e) The encroachment of lands reported from the Hakgala thick natural Reservation of the Nuwaraeliya District and from the Badulla District had been 116 and 103 respectively. Legal actions had not been taken relating to unauthorized occupancy of those environmental sensitive areas even by 31 August 2015.
- (f) The Director General of the Department of Wildlife Conservation had not taken action relating to a case filed by the Environmental Foundation Limited at the Appeal Courts to implement the directives such as stoppage of the unauthorized occupants from the Hakgala thick Reservation, producing unauthorized occupants to the courts and removing, demarcation of the Hakgala thick Reservation, non – supply of electric facilities to the unauthorized occupants, suspension of issuing licenses, or extend further or renewal for unauthorized cultivation in the thick Reservation.

4.12 Human Resources Management

Approved and Actual Cadre

The position of the cadre as at 31 December 2014 had been as follows.

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
(i)	Senior Level	56	23	33
(ii)	Tertiary Level	32	26	06
(iii)	Secondary Level	1,419	896	523
(iv)	Primary Level	468	427	41
	Total	1,975	1,372	603
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The Department had not taken action to fill 603 vacancies by the end of the year under review.