

Head 283 - Department of Forest Conservation

1. Financial Statements

1.1 Qualified Opinion

Head 283-The audit of the financial statements of the Department of Forest Conservation for the year ended 31 December 2023 comprising the statement of financial position as at 31 December 2023 and the statement of financial performance and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information 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, The summary report containing my comments and observations on the financial statements of the Department was issued to the Accounting Officer on 25 June 2024 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 12 July 2024 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 give a true and fair view of the financial position of the Department of Forest Conservation as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

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 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 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 summary report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate and its materiality depends on the influence on economic decisions taken by users on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgement and maintain professional 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 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 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 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 not been implemented.

| <u>Reference to paragraphs of the report relating to the preceding year</u> | <u>Recommendation had not been implemented</u> | <u>Paragraph reference in this report</u> |
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| 1.6.2(a)(ii) | Although the arrears revenue for the previous years was Rs. 555,018,063 in accordance to schedule 05 of the government forest revenue account of the year 2021, since it had stated as Rs. 488,264,949 in the revenue account related to the year 2022 and in the related arrears revenue statement, the arrears revenue of the financial statements of the year 2022 was understated by Rs. 66,753,114. | 1.6.1(a)(i) |
| 1.6.2(a)(iii) | The arrears revenue collected for the previous years in the year 2022 was Rs.1,000,524,732 since the arrears of revenue was Rs.59,920,642 as at 31 December 2022 which was the arrears revenue at the amount of Rs. 1,060,445,374 as at 01 January 2022 according to the arrears of revenue statement related to the revenue account from the government forests in the year 2021. Nevertheless, it was stated a difference of Rs.98,744,838 since the revenue account stated that arrears income as Rs.901,779,894 as at 31 December 2022. | 1.6.1(a)(ii) |

1.6 Comments on Financial Statements

1.6.1 Accounting Deficiencies

(a) Receipts of Revenue

| Audit Observation | Comment of the Accounting Officers | Recommendation |
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| (i) According to the arrears income report, it is shown of an excess recovery of income over Rs. 203,737,051 of the outstanding income at the end of the year, after adjusting the amount of Rs.1,106,450,075 stated as the recovery during the year and arrears income of Rs.455,286,391 for the year under review to the arrear's income of Rs.447,426,633 at the beginning of the year under review and it was not confirmed the accuracy of it and the accuracy of Rs. 2,095,359,351 which has been stated as arrears income at the end of the year. | Action will be taken to analyze the arrears income of the department and also submit it to the audit and will correct the calculation. | Action should be taken to correct in a way that affects the previous years as well. |

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| (ii) | Although the revenue collected by other institutes under the head of revenue 2002.01.02 from government forests was Rs.862,957,755, a difference of Rs.145,624,920 was observed in the financial statements as it stated as Rs.717,332,835. | The accurate value is Rs.862,957,755. Action will be taken to correct the erroneous information. | Action should be taken to include the accurate revenue collected in the financial statements. |
| (iii) | Even though the actual revenue received from Government Forests during the year under review was Rs.1,739,394,572, but the statement of explanation of variances between the revised revenue estimate and the actual revenue (ACA-1(III)) had shown as Rs.179,394,752 by understated as of Rs.1,559,999,820. | The accurate figure is Rs.1,739,394,572. Accordingly, Action will be taken to correct the erroneous statements. | Action should be taken to include the correct revenue collected in the financial statements. |

(b) Recurrent Expenditure

| Audit Observation | Comments of the Accounting Officer | Recommendation |
|---|---|---|
| The recurring expenses amounting of Rs.3,454,665 which was incurred for vehicle repairs had not debited to the related expenditure vote No. 1301 and had debited to the capital expenditure vote No. 2003 contrary to Financial Regulation No. 66. The surplus expenditure was Rs. 3,126,138 which exceeded savings when adjusting the above expenditure to the balance of Rs.328,527 as at 31 December 2023 in the recurrent expenditure vote. | Comments were not submitted. | Action should be taken to account the expenditure under the accurate expenditure votes. |

(c) Reconciliation Statement on the Advances to Public Officers Account

| Audit Observation | Comments of the Accounting Officer | Recommendation |
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| Although the credit balance was Rs.210,989,434 as at 31 December 2023 according to the statement of Advance Accounts (ACA 05), the debtor balance was Rs.210,857,676 as per Departmental Control Account. It was caused due to an incorrect adjustment of Rs.131,761 to the opening balance of the departmental control account. | Actions will be taken to do the corrections . | Actions should be taken to correct the control account balance. |

(d) Property Plant and Equipment

| Audit Observation | Comments of the Accounting Officer | Recommendation |
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| (i) Although the increase in capital assets in the year under review was Rs.873,251,625 by being the capital asset rehabilitation and improvement amounted to Rs.31,792,853 and acquisition of capital assets amounted to Rs.841,458,772, according to the financial performance statement, but it was understated by 223,745,275 in the non-financial asset report (SA 82) as the same figure was stated as Rs.649,506,350. | Comments were not submitted. | Action should be taken to include the capital assets properly in the financial statements. |
| (ii) Even though the balance of 05 categories of non-financial assets at the end of last year was Rs.4,202,503,643 according to the treasury printed SA 82, but the balance had been understated as Rs.157,178,766 by being that balance stated as Rs.4,045,324,877 as at 01 of January of the year under review. | Comments were not submitted. | Action should be taken to correct the adjustments. |
| (iii) The value of the library books of the department had not been included in the financial statements. | Instructions were given to disclose in financial statements. | Actions should be taken to include in the financial statements. |

(e) Non maintenance of Registers and books

| Audit Observation | Comments of the Accounting Officer | Recommendation |
|---|--|---|
| (i) Liability Register A liability register had not been maintained as per Finance Regulation No. 214. | Actions have been taken to maintain a register of liability so that the liabilities can be examine properly. | Actions should be taken to maintain the register of liability as per the Finance Regulations. |
| (ii) Accession Register The Accession Register containing information about library books numbered 01 to 24,020 was not | Agreed. The instructions were given to make necessary corrections. | Documents should be updated and maintained, and |

submitted for audit and the submitted Accession Register had not updated and maintained properly in accordance with the Circular No. 2004/Lib/1 (2006 - Revised) of the National Library and Documentation Services Board dated 22 December 2016.

action should be taken to submit the misplaced register for the audit.

2. Financial Review

2.1 Revenue Management

| Audit Observation | Comments of Accounting Officer | Recommendation |
|---|---|--|
| (a) It had utilized extra 72 perches more than the land given to a private company to conduct a small-scale hydro power plant in Nuwaraeliya since 2016 and the company had ceased the paying annual license fees since 2019. The receivable amount of Rs. 5,435,860 (including VAT) could not be collected for 72 perches from 2016 to 2019 and for 174 perches from 2019 to 2023 due to the failure of the department to confirm the ownership of the land even by 24 August of 2023. | The license will be canceled if the relevant fees are not paid, and necessary action has been taken against them as per the Ordinance. | Actions should be taken to examine the performance of the project and collect the relevant fees. |
| (b) Necessary actions had not taken to recover the total arrears amount of Rs.46,940,316 in relating to Rs.5,188,707, Rs.34,147,382 and Rs.7,604,227 respectively which had been defaulted by the quarry owners in Badulla, Ampara and Monaragala Districts. | The licenses of these granite mining licensees are not valid at present. The arrears have not been paid even though notices have been given for arrears payments. | Appropriate actions should be taken promptly to recover the arrears. |

2.2 Certification of Accounting Officer

| Observation | Comments of the Accounting Officer | Recommendation |
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| (a) The Chief Accounting Officer and the Accounting Officer shall ensure that an effective internal control system is developed and maintained for the financial control of the Department and the effectiveness of the system should be reviewed from time to time and necessary changes should be made | Monitoring the operational process of the department timely and giving instructions continuously to correct the identified deficiencies. | Ensure that effective internal control is maintained over financial control as per the provisions of the Audit Act. |

accordingly to make the system effective and even though the those reviews should have been conducted in writing and a copy should have been submitted to the Auditor General, but statements that such reviews were done, had not been submitted to the audit.

- (b) The Chief Accounting Officer and the Accounting Officer shall ensure that annual and other financial statements are prepared within the required time and in addition, although the Chief Accounting Officer should ensure that the annual reports related to the entity being audited are presented to Parliament, but those requirements were not met due to the audit observation mentioned in paragraph 3.4 of the report.
- Action will be taken to submit the annual performance report on the scheduled date in the future.
- An annual performance reports must be tabled in the Parliament on the due date according to the provisions of the Audit Act.

2.3 Non-compliance with Laws, Rules and Regulations

| Reference to Laws, Rules and Regulations | Observation Value | Non compliance | Comments of the Accounting Officer | Recommendation |
|---|-------------------|--|---|---|
| Public Finance Circular No.01/2020 dated 28 August 2020 and Finance Regulation 756(6) | - | Although the Borad of Survey reports related to the year under review should be forwarded to the Auditor General before 15 June 2024, but the reports had not been submitted by August 31. | All actions have been taken to complete the Board of Survey in the year 2023 on the scheduled date. | The Board of Survey should be completed and reports should be submitted within the specified dates according to the circular. |

2.4 Irregular Transactions

| Audit Observation | Comments of the Accounting Officer | Recommendation |
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| The 1059 check roll workers were registered and employed on the basis of daily payment since 2021 in plant nurseries belonging to the Walasmulla Site Forest Office and the names and National Identity Card numbers of 200 workers who were paid a salary of Rs.1,825,165 for the period of January 2021 to October 2023 were not accurate when examined with the voter list of the office of Election, therefore it could not be confirmed that those workers were actually employed in nurseries. | Comments were not submitted. | Action should be taken to establish proper internal controls for the appointment of check roll workers, employment and payment of wages and confirm to the audit that the workers employed were actually employed. |

2.5 Deposit Balances

| Audit Observation | Comments of the Accounting Officer | Recommendation |
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| (a) Action had not been taken according to the Finance Regulation No 571 to credit to the state revenue which the deposit balance total of Rs.17,378,163 as at 31 December 2023 in 03 deposit accounts of the Monaragala and Nuwaraeliya district offices which exceeding two years. | Actions are being taken to deposits all the security deposits that can be credited to the state revenue are recorded to be credited to the state revenue. | Actions should be taken to settle the deposit balances as per existing rules and regulations. |
| (b) The amount of Rs.16,802,150 had been retained in the various deposit account without being spent on the related activities out of the allocation of Rs.27,508,259 which had been given by the Zonal Deputy Conservator of Forests to the Monaragala District Forest Office for specific tasks since 2019 to 2022. | Comments were not submitted. | The relevant activities should be completed efficiently and action should be taken to obtain the remaining money into the government revenue and the remaining money of the zonal offices should be brought to the head office and actions should be taken to settle the imprest correctly to the treasury at the end of the year. |

2.6 Operation of Bank Accounts

| Audit Observation | Comments of the Accounting Officer | Recommendation |
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| The unrecognized receipts of Rs.3,779,168 included in the bank statements as at 31 December 2023 related to 13 bank accounts had not recognized and taken into the cash book on time. | Agreed. Actions are being taken to correct it. | Action should be taken to recognized correctly and adjusted to the cash book and reported to the treasury. |

3. Operating Review

3.1 Planing

| Audit Observation | Comments of the Accounting Officer | Recommendation |
|---|---|--|
| The approval of the Secretary of the Ministry had obtained On 8 February 2023 for the action plan of the year under review, which was prepared contrary to the new model introduced by the State Finance Circular No. 02/2020 dated 28 August 2020 and The action plan was revised on 19 September 2023 and on 03 June 2024 after the end of the financial year. Accordingly, the action plan of the department had not utilized as a proper management tool. | Comments were not submitted. | The action plan should be prepared according to the prescribed format and used as a management tool. |

3.2 Non performance of functions

| Audit Observation | Comments of the Accounting Officer | Recommendation |
|---|---|---|
| (a) The illegal land encroaches have taken place in the area of the reserved forests due to the delay in gazette and publicizing a large number of forests under the control of the Department of Forest and it was observed that the percentage of natural forest population gradually decreased, which could have negative effects on sustainable development objectives due to the fact that those forests had to be exempted from protection. There were 147 forests of 25,892 hectares that were not gazetted after the year | Comments were not submitted. | Action should be taken to avoid the deforestation by expediting the process of confirming the ownership through survey of reserves and gazette. |

2021 in Monaragala district and 64 forests of 22,657.78 hectares that were not gazetted after the year 2019 in Ampara district. It had to be discarded from the administration of the department which had been under unauthorized cultivation for a long period of nearly 25,000 acres of the Kabaliththa reserve due to this situation.

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| (b) | Although a cost estimate and project proposal of Rs.9,100,000 has been submitted to improve Mandaramnuwara tourist area and prepare permanent covers for camp sites, since one of the main tasks of the department is to maintain the eco-tourism activities in a way that does not hinder the conservation process in order to raise the standard of living of the rural communities but the department had not taken actions to implement it. | Comments were not submitted. | Action should be taken to implement the plans prepared to improve the eco-tourism industry which is one of the main activities of the department and to promote more tourism areas. |
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3.3 Annual Performance Report

| Audit Observation | Comments of the Accounting Officer | Recommendation |
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| The annual performance report should be prepared in three languages and submitted to the Parliament for tabling before 150 days after the end of the financial year according to paragraph 12.1 of the State Finance Circular No. 2/2020 dated 28 August 2020, but the annual performance report was submitted to the Parliament on 03 January 2024 for the year 2022 after delay of 07 months. | This delay is due to the arrangement to call quotation from the government printing department for printing of the 2022 performance report dated 16th August 2023. It is assured that delays will not be happen in the future. | The annual performance report should be submitted to the Parliament within the specified dates according to the circular. |

3.4 Asset Management

| Audit Observation | Comment of the Accounting Officer | Recommendation |
|---|---|--|
| (a) The physical fleet of vehicles in the department was confirmed to be 423 in 2022 and 676 in 2023 and there were discrepancies between the information reported by regional offices to headquarters and the Comptroller General. The internal control related to vehicles was not satisfactory due to the facts that, there are 167 vehicles recommended for disposal also since | The total number of vehicles were 676 as per the document prepared by calling all the details of the vehicle from the regional offices. However, since there are some differences between the vehicle information entered by the regional offices and the vehicle information brought to the head office according to the online non-financial asset management | Action should be taken to conduct the physical survey of the vehicles and compared with the information available in the department and the vehicles should be |

- about a year and 20 vehicles recommended for dispose whose ownership has not been transferred to the department and it was not being identified the number of vehicles owned by other organizations which has not transferred to the department and government emblems had not been applied to the vehicles of the department also.
- (b) There were 09 vehicles parked without repair regarding the districts of Nuwaraeliya, Trincomalee, Ampara and Badulla before 2022 and the TATA single type cab which was not transferred the ownership received from the Trincomalee District Secretariat in 2014 and attached to the Gomarankadawala site office had been allowed to decay without use.
- (c) Although it has been passed more than 02 years since that was heavily damaged a cab by an attack from an armed gang was involved in an accident on 27 January 2022 which assigned for official work in the Kantale site office and it was observed that further repairs may be incurred by idle parking without taking action to finalize the pending cases.
- (d) The 05 buildings, 20 quarters and one office building in the districts of Nuwaraeliya, Trincomalee, Ampara, Badulla and Monaragala were in a dilapidated and dangerous condition due to the lack of a work plan related to the proper repair and maintenance of the buildings of the department.
- system introduced by the office of the Comptroller General, therefore action will be taken to correct those and provide the total number of vehicles promptly.
- Either a request for obtaining provision for repair of TATA single type cab or that it is out of use, was not informed to the Transport Division of Head Office. Similar, action will be taken to transfer the ownership.
- A case is pending in the Muthur Magistrate's Court regarding the cab accident. The Trincomalee District Forest Officer has informed in writing that an inquiry will be made from the Seruvila Police, who is handling the complaint in the case and a report will be made for further proceedings and it has been directed to submit the initial investigation report , report of F.R 104(3) , the estimate of a Motor Vehicle Inspector and the recommendation and approval of the Procurement Committee to speed up further work.
- Repair and maintenance work is being conducted as a matter of priority based, because the existing provisions are limited during the year.
- correctly identified which owned to the department and reported to the Comptroller General.
- A proper control system should be established related to vehicles and action should be taken to the maintenance and use of vehicles efficient.
- Necessary actions should be taken to complete the legal proceedings, and the vehicle should be repaired and make it into utilize.
- Buildings repairs and maintenance should be conducted according to a proper schedule.

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| (e) | Because of the closure of forest crime cases and slowness of the follow-up of completed cases, 45 tractors and hand tractors seized between the year 2017 and 2023 which are the assets of the court cases and many mobile sawmills and many forest crime timbers that were not taken to be effectively disposed, were decaying and destroyed in the Mahiyangana site forest office premises. | The tractors and hand tractors parked in Mahianganaya sites are not relevant to the transport division as they are seized due to crimes. | Actions should be taken to complete the legal cases promptly and the assets should be utilized in an effective manner. |
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3.5 Losses and damages

| Audit Observation | Comments of the Accounting Officer | Recommendation |
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| The accidents that happened to 03 vehicles in Monaragala District Office in the years 2021 and 2022 had not included in the Losses and Damages register of the head office. The initial report had not submitted to audit according to financial regulation 104(3) of the jeep which had an accident on 25 November 2022 and estimated Rs.324,000 for repairs. | Comments were not submitted. | Damages should be accurately assessed and entered in to the registers. |

3.6 Uneconomical Transactions

| Audit Observation | Comment of the Accounting Officer | Recommendation |
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| Because of the damage of 861,921 different types of plants produced in the main plant nurseries in the last few years under various programs and most of the 160,000 plants that were planted in the year 2021 for replanting in the 42-hectare Naria Kanda pine forest plantation area associated with the Diyatalawa military camp and 210,759 plants which are 65 percent of 325,500 plants planted in 04 nurseries belonging to Walasmulla Site Forest Office that the amount of Rs. 10,145,508 which had been spent for that had also become idle expenses due to the lack of a planned program for the distribution of planted plants which included in the action plan. | Comments were not submitted. | A planned program should be followed to planting as per the requirement and to plant the produced plants efficiently. |

3.7 Management Weaknesses

| Audit Observation | Comment of the Accounting Officer | Recommendation |
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| (a) It was found during field inspections conducted in Ampara, Trincomalee and Monaragala districts, that the banks of the river had been washed away due to illegal excavations, unsafely discarded plastic, polythene etc. had been released into the environment, several roads had been constructed instead of one access road by damage to the reserve, entering to the forest for mining without obtaining "C" permits, trucks entering the sand bar to load sand without obtaining permits, quarrying and removal of granite by contractors without obtaining permits, lack of attention to environmental conservation by Geological Survey and Mines Bureau and there was not efficient and satisfactory internal control system in the department regarding the issuance, control, supervision and follow-up of mining permits by observing the fact that an unsafe environment has been created in the large pits created with filled of water after breaking the granite in violation of the terms of the agreement and garbage has been disposed of filled up those pits and the department had also lost revenue due to various irregularities, forest crimes and environmental damage had occurred in extensively and removal of wild materials. | Comments were not submitted. | There should be formal regulation of the process of removal of wild materials. |
| (b) The revenue lost to the Department of Forest Conservation was Rs.22,778,372 due to the non-renewal of licenses for 06 telephone transmission towers built within the jurisdiction of the Nuwaraeliya District Office. | Comments were not submitted. | A formal follow-up process should be established to collect revenue in a timely manner to avoid revenue arrears. |
| (c) A television service company had reserved a plot of 35 perches from the Kikiliyamana Proposed Reserve in Nuwaraeliya for the construction of a TV transmission tower in the year 2006 through various permits and only the period of the license was extended for almost 06 years by paying tax money for 35 perches by paying Rs.2,500 for 01 perches, without constructing the transmission tower until the year 2011 and the Department of Forest Conservation has lost other non-chargeable income of Rs.1,050,000 due to non-payment of taxes from the year 2012 without canceling the permit. | Comments were not submitted. | A formal follow-up process should be established to collect revenue in a timely manner to avoid revenue arrears. |

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| (d) | Although fees were charged for sand mining in the forests under the control of the Forest Department, the government had lost a considerable amount of revenue as the sand mining contractors were not charged on the recommendations of the Divisional Secretary. This was happened as a result of not following up a consistent policy when leasing government-owned resources while maintaining inter-relationship between related institutions. | Comments were not submitted. | The government should be taken an action to minimize the possible losses by maintaining good coordination between the relevant institutions. |
| (e) | Although the Geological Survey and Mines Bureau should be informed to the holding Company of the government land management, the Explosives Control Authority and the excavator once every 06 months in relation to extent of excavation conducted of each mining site, contour lines calculated according to maps and according to Cabinet Decision No.: 20/1852/317/012 dated 22 December 2020 but the arrears charges had not be able collected timely and properly from the quarry owners who is being conducted excavations beyond the limits as because not obtaining those reports with in the scheduled times. | Comments were not submitted. | Appropriate procedures should be followed to concern with existing rules and regulations. |
| (f) | It had not been possible to conduct reforestation activities according to the action plan of the department as because of the fact that full felling had not been arranged to be felling within the stipulated time which 05 plantations handed over to the State Timber Corporation by the Monaragala District Forest Office in the year 2021. Therefore, the necessary actions had not been taken to prevent the loss due to damage to the plants which were planted in the nurseries and incurring high costs for maintenance activities. | Comments were not submitted. | Actions should be taken to conduct the felling activities efficiently by maintaining good coordination between the two institutions. |
| (g) | Even though the 240 acres were given to 72 people from the Kuruduoya reserve at the Halgranoya range in the year of 1971, which a place of water capacity area at an altitude of more than 5,000 feet above sea level, but the licenses had been canceled in 1978 as a result of not establishment of apple cultivation and not payment of relevant taxes since 1977. But the licensees had occupied about 1,000 acres of land without permission and engaged in farming by the year 1990. It was also observed that many people have built permanent settlements and temporary settlements and settled down at present. | This area is a water catchment area and there are no records of the forest condition at the time of handover of these lands to the farmers and it informs that there is no damage to existing natural forests or forestry. | A resilient system should be established and implemented to protect reserve forests. |

4. Achievement of Sustainable Development Goals

| Audit Observation | Comments of the Accounting Officer | Recommendation |
|---|---|---|
| <p>The main sustainable goals identified by the department for the year 2020 are “Protecting and restoring forests” and “Protecting, restoring and promoting sustainable use of terrestrial ecosystems and sustainably managed forests, combating desertification, preventing biodiversity loss” and it had targeted to increase the forest cover to 32 percent by the year 2030 under 5 development objectives. However, there was a tendency to face tough challenges to achievement of sustainable development goals as because of the inability to control unauthorized land encroaches due to delays in establishing forests as reserves, issuance of permits for mining in areas of high ecological value, existing staff vacancies and failure to provide adequate infrastructure.</p> | <p>Comments were not submitted.</p> | <p>Necessary remedies/measures should be established to successfully achieve the Sustainable Development Goals.</p> |

5. Human Resource Management

| Audit Observation | Comment of the Accounting Officer | Recommendation |
|--|---|---|
| <p>The approved staff of the department were 3,229 and 617 were vacant as at 31 December 2023 and there were 49 Deputy and Assistant Conservator of Forests officers of the senior level, 26 Forest Controller (Special) and Divisional Forest Officers of the tertiary level, 291 Range Officers and 251 Beat Forest Officers of the secondary level among them. It was observed that the vacancy has affected the efficient performance of the work of the regional offices and the prevention of forest crimes and the achievement of objectives and targets.</p> | <p>The recruitment has not been conducted since 2019 as all recruitments have been suspended. It has been decided to recruit the required staff for Primary Service Category (PL) posts through the Management Services Circular No. 02/2020, by the Department of Multipurpose Development Task Force. The new recruitment has been done for 20 Posts of Forest Field Assistant (Limited) (PL- 2).</p> | <p>Operations should be made efficient by filling up the vacancies that adversely affect the performance of the department.</p> |