

Head 284 - Department of Wildlife Conservation

1. Financial Statements

1.1 Qualified Opinion

Head 284 - The audit of the financial statements of the Department of Wildlife Conservation for the year ended 31 December 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, No.19 of 2018. The summary report containing my comments and observations on the financial statements of the Department of Wildlife Conservation was issued to the Accounting Officer on 31 May 2024 in terms of Section 11(1) of the National Audit Act, No.19 of 2018. The Annual Detailed Management Audit Report was issued to the Accounting Officer on 27 June 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 Wildlife 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 are further described in the Auditor's Responsibilities Section. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Responsibilities of the Accounting Officer for the Financial Statements

The Accounting Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and provisions Section 38 of the National Audit Act, No.19 of 2018 and for the determination of the internal control that 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, 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 judgment and maintain professional skepticism throughout the audit. I also:

- Appropriate audit procedures were designed and performed to identify and assess the risk of material misstatement in financial statements whether due to fraud or errors in providing a basis for the expressed audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- An understanding of internal control relevant to the audit was obtained in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 accordance with the section 6(1)(d) of the National Audit Act No. 19 of 2018.

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

1.6 Comments on Financial Statements

1.6.1 Accounting Deficiencies

(a) Recurrent Expenditure

| Audit Observation | Comment of the Accounting Officer | Recommendation |
|--|---|--|
| Due to non-preparation of financial statements in accordance with 3.5 of the Public Accounts Guideline No. 05/2023 dated 30 November 2023, the salary and other employee benefits of Rs.1,291,439,650 included in the ACA 2(ii) form have been recorded as Rs.1,329,379,609, which is more than Rs.37,939,959. Also, other goods and services expenses amounting to Rs.639,600,165 have been recorded as Rs.601,660,206 which is less than Rs.37,939,959, and they were included in the financial performance statement. | Domestic and foreign travel expenses which should be included in Note No. 06 by omission are given under Note No. 05 and this does not make a difference to the total recurrent expense. Action will be taken to correct this in the preparation of the final accounts of the year 2024 and submit it with the reconciled data. | According to the government accounting guidelines, financial statements should be prepared showing the respective expenses under the correct sections. |

(b) Reconciliation statement of Public Officers' Advance Account

| Audit Observation | Comment of the Accounting Officer | Recommendation |
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| In the Form 03 Single Balance Classification Summary of Public Officers' Advance Accounts, there was an unspecified balance of Rs.268,265, which had existed for many years. | Regarding this unrecognized balance, the Treasury is consulted, and arrangements are being made for future settlement. | The outstanding loan balances should be identified and steps should be taken to recover them promptly in accordance with paragraph 4 of chapter xxiv of the Establishment Code. |

(c) **Non – maintenance of Registers and books**

| Audit Observation | Comment of the Accounting Officer | Recommendation |
|--|---|--|
| Losses and omissions amounting to Rs.698,025 which were shown in the statement of write offs from the books under Financial Regulation 109 of the financial statements of the year under review, were not mentioned in the loss and damage register. | Action will be taken to check these losses which have already been included in the financial statements and include them in the damage and loss register and update the damage and loss register. | As per the provisions of Financial Regulations 110, a register of damages shall be maintained up-to-date in the prescribed format. |

2. Financial Review

2.1 Expenditure Management

| Audit Observation | Comment of the Accounting Officer | Recommendation |
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| According to the Finance Regulation 50(ii) of the Democratic Socialist Republic of Sri Lanka, the annual expenditure estimates should be prepared as completely and accurately as possible, but there were savings in the range of 50 percent to 57 percent of the total net allocation of 03 expenditure code in the year under review of the department. | Due to the expenditure restrictions imposed in the circulars on expenditure management issued by the National Budget Department, due to the heavy rain that lasted for a long period of last year, the road repair works could not be carried out as planned, therefore allocations were saved. | Annual expenditure estimates should be prepared as accurately as possible in accordance with the Financial Regulations. |

2.2 Utilization of Provision made available by other Ministries and Departments

| Audit Observation | Comment of the Accounting Officer | Recommendation |
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| The Ministry of Tourism and Lands had given an allocation of Rs.9,897,160 to the department for the repair work of the Bundala National Park Visitor Center, stating that it should be completed in October 2023, and due to the inability to complete | For this, tenders were invited through the Departmental Procurement Committee and tenders were awarded on 13 October 2023 and contracts were signed. Also, due to the continuous heavy rain at | Allocations given by other ministries should be used in a planned and efficient manner and work should be done to complete the related tasks within |

the work, 85.9 percent of it or Rs.8,502,160 had been sent back to the ministry at the end of the year.

the end of 2023, the renovation work was delayed.

the stipulated time.

2.3 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 Rules and Regulations | Observation | | Comment of the Accounting Officer | Recommendation |
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| | Value | Non-compliance | | |
| (a) Fauna and Flora Protection (Amendment) Act No. 22 of 2009 | | | | |
| i. Section 4 | - | Although an operational plan should be prepared for every nature reserve and sanctuary, and they should be evaluated every five years and necessary changes should be made, but such plans were not prepared for Mirissa, Kalpitiya, Hikkaduwa marine reserves and Mandu Ganga Sanctuary. | A committee has been established and the preparation of management plans has started according to a departmental model by now. | According to the Act, operational plans should be prepared for each nature reserve and sanctuary. |
| ii. Section 14 | - | No development activity of any kind shall be carried out within a distance of one mile from the boundary of any national reserve by any person or organization, whether private or public, without the prior written consent of the Director General, without such written consent blocking the access road to the Hikkaduwa | The Park Custodian submitted a proposal to the Hikkaduwa Regional Development Committee to remove these unauthorized constructions and accordingly the Coastal Conservation Department and | According to the act, the coastal area belonging to the marine park should be protected with proper supervision and unauthorized constructions should be removed. |

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| | <p>Marine Park and the marine unauthorized trading posts and tourist resorts were established in the coastal zone belonging to the park.</p> | <p>the Hikkaduwa Municipal Council have been instructed to remove the unauthorized constructions.</p> |
| <p>(b) Paragraph 4.5 and 4.6 of Chapter xxiv of the Establishment Code of the Democratic Socialist Republic of Sri Lanka</p> | <p>The department had failed to recover the debt balance of Rs.1,580,671 over 5 years due from 81 officers who died, retired, left service and were suspended.</p> | <p>It had been referred to the approval of the Ministry Secretary to write off the loan balances amounting to Rs.113,380. Necessary further actions are being taken on the advice of the Attorney General after obtaining information about the heirs and assets from the Divisional Secretaries regarding the outstanding debt balances. Should act in accordance with the Establishment Code and take steps to recover outstanding loan balances promptly.</p> |
| <p>(c) Public Finance Circular No. 01/2020 dated 28 August 2020, Part II, No. 05</p> | <p>Although the fees currently charged for various services provided by all government agencies should be increased by 15 percent, steps have not been taken to revise the boat registration fees that had passed 11 years from 2012 to the end of 2023.</p> | <p>The Gazetteer has been referred to the Draftsman for the revision of sea mammal viewing boat registration fees. Fees should be revised as per circular provisions.</p> |

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| (d) Paragraph 06 of State Accounts Guideline No. 05/2023 dated 30 November 2023 | 10 damages and losses of Rs.1,662,317 mentioned in the damage and loss register were not shown in the statement of write offs from the books in the form of Annexure (II) of the financial statements. | These damages have not been mentioned in the financial statements since previous years, and it is informed that it will be corrected in the future. | Statements should be prepared as per State Accounts Guidelines. |
| (e) Order 12 of the Special Gazette No. 1774/27 dated 06 September 2012. | Although every passenger vessel taking out to sea to observe sea mammals is required to have a registered guide trained by the department, such guide is not employed on boats sailing to observe whales at Mirrissa. | The Zonal Assistant Director has been directed to look in to this and to conduct training programs to engage the guides or assistant operator to perform the duties. | Action should be taken as per the gazette orders. |

3. Operational Review

3.1 Non- performance of Functions

| Audit Observation | Comment of the Accounting Officer | Recommendation |
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| 33 tasks for which allocations of Rs.7,094,700 were allocated, were not implemented in the action plan of the year 2023. | This was due to the fact that it was not necessary to implement the concreting of the electric fence posts as a project and the societies informed that the related works could not be carried out. | Needs should be identified and projects should be implemented through a properly planned work schedule and plans should be revised in case of deviations. |

3.2 Foreign Aid Projects

| Audit Observation | Comment of the Accounting Officer | Recommendation |
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| It was observed that thieves had stolen 154 rolls of wire valued at Rs.2,818,200 and 122 nuts & bolts of unassessed value, which were stored insecurely in a shed built temporarily in the Ritigala Wildlife Office under the Ecosystem Conservation | A preliminary investigation is being conducted with the participation of the Assistant Director of Anuradhapura | The investigations should be completed promptly and the officials responsible for this loss should be identified and the |

and Management Project. Action had not been taken to identify the officials responsible for that loss and to recover the loss.

Wildlife Zone regarding the goods taken by the thieves and the incident.

loss should be recovered.

3.3 Management Inefficiencies

The following observations are made.

| Audit Observation | Comment of the Accounting Officer | Recommendation |
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| <p>(a) In the Special Gazette No. 1454/7 dated 17 July 2006 regarding the declaration of the Maadu Ganga as a sanctuary, it was mistakenly stated that it is located in the Galle Divisional Secretariat Division. By the end of the year under review, the department had not taken action to correct the mistake and mark the correct boundary, and to map the sanctuary correctly, and had not taken action to collect a ticket fee from the tourists visiting the Maadu Ganga.</p> | <p>It is expected that the revision of the gazette notification with new boundaries will be done in the year 2024 after avoiding the technical errors that have occurred during the announcement of the Maadu Ganga sanctuary through the gazette. Also, since Maadu Ganga has not been upgraded as a national park, although it is not possible to set a fee, the next fee revision will include charging for tourist services.</p> | <p>Necessary steps should be taken to accurately map the boundaries of the Maadu Ganga Sanctuary and upgrade it as a National Park and collect fees.</p> |
| <p>(b) From 01 January 2023 to 30 June 2023, the total ticket fee charged to tourists visiting Hikkaduwa Marine Park was Rs.2,226,915 and the service fee was Rs.2,761,362. Although the service fee has increased by Rs.534,447 over the ticket fee, the service provided by the department were very minimal.</p> | <p>The Park Custodian has pointed out that the most optimal solution for this is to charge service fees in Hikkaduwa National Park, not on a group basis, but for one person, and it will be considered in the future.</p> | <p>The department should arrange to provide a service commensurate with the fee charged to the tourists.</p> |

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| <p>(c) Due to the fact that there is no drinking water in the tourist bungalows in Udawalawa and Yala Parks, the electricity provided by solar panels is not enough to meet the general electricity needs of the tourist bungalows, the furniture is in very old condition, the tourist bungalows are run by volunteer guides who have not received proper training, and the tourist bungalows are in need of complete renovation, etc., it was observed that there are deficiencies in tourist bungalows, and the problems that exist due to the lack of regulation of</p> <p>safari jeeps have a negative effect on the tourist attraction.</p> | <p>In the year 2024, work is being done to repair solar generators in several tourist bungalows and to install new solar power systems for tourist bungalows where the solar power systems provided are insufficient. It is planned to set up anti-watering machines near the park entrances to provide drinking water.</p> | <p>All tourism services should be maintained with high quality in order to increase the tourist attraction.</p> |
| <p>(d) For the construction of the electric fence in the year 2023, including Rs. 58,640,147, and for its maintenance, including Rs. 14,433,552, the amount spent for the electric fence only during the period from 2021 to 2023 was Rs. 2,355,882,248 and as at 31 December 2023, the total length of the electric fence was 5,389.97 km. However, considering the number of elephant deaths, human deaths and property damage that occurred in the last 5 years, despite the construction of electric fences, no reduction in human-elephant conflict was observed.</p> | <p>Loss of habitats of elephants due to large-scale development activities, land use in the areas where elephants hang out and surrounding villages, carelessness of people, attraction of elephants to crops near protected areas, and storage of paddy in houses were caused to property damage and physical damage.</p> | <p>Appropriate measures should be introduced to reduce human-elephant conflict.</p> |

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| (e) From the year 2019 to theyear 2023, 315 hectares of prosopis juliflora plants (kalapu andara) in the Tabbowa Sanctuary were removed and Rs.57,401,665 were spent on habitat enrichment, and Rs.5,865,900 were spent on the maintenance of the cleared area, but by the end of 2023, prosopis juliflora plants had grown in a large area. Due to this, it was observed that elephants find it difficult to stay in the reserve and they travel to villages about 50 kilometers away. | A formal scientific study will be conducted to confirm the effectiveness and according to its recommendations, the removal and maintenance of the prosopis juliflora plants will be carried out. | A formal system should be introduced to remove invasive plants and its maintenance should be carried out. |
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4. Human Resource Management

| Audit Observation | Comment of the Accounting Officer | Recommendation |
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| As at 31 December 2023, 977 posts were vacant in the department, including 37 senior level vacancies, out of the approved number of 2,891 employees. | As the National Budget Circular 03/2022 had severely restricted the recruitment, it was not possible to recruit for the posts. It is informed that the approval for the recruitments has been received based on the request made by the Recruitment Review Committee and the recruitment activities are being carried out accordingly. | Action should be taken to fill the vacancies in the essential positions that adversely affect the performance and maintain the affairs of the department in a good manner. |