

Title Insurance Fund - 2012

1. Financial Statements

1.1 Opinion

In my opinion the financial statements give a true and fair view of the financial position of the Title Insurance Fund as at 31 December 2012 and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

2. Financial Review

2:1 Financial Results

According to the financial statements presented, the operating of the Fund for the year under review had resulted in a surplus of Rs.2,470,006 as compared with the corresponding surplus of Rs.1,234,312 for the preceding year, thus indicating an improvement of Rs.1,235,694 in the financial results.

The increase of the title registration income by Rs.1,039,596 and the interest income from investments by Rs.216,226 in the year under review as compared with the preceding year had been the main reasons for the improvement in the financial results.

3. Accountability and Good Government

3:1 Budgetary Control

The following observations are made.

- (a) Significant variances between the budgeted amounts and the actual amounts were observed, thus indicating that the budget had not been made use of as an effective instrument of management control.

- (b) The approval of the Minister in charge of the subject had not been obtained for the budget in respect of year under review in terms of paragraph 4.1 of the Public Finance Circular No. PF/423 of 22 December 2006.

4. System and Controls

The title registration for lands had been introduced in place of the registration of land transactions registered through title deeds by the Title Registration Act, No.21 of 1998. The Government is committed to a responsibility in connection with any damages caused to the parties concerned due to any fraudulent activities that could be committed in the process of such registration of title or due to any wrong decisions taken with regard to the title from other lapses of whatever description and the Act makes provision for the payment of compensation for the losses so caused. The Title Insurance Fund had been established with effect from 01 March 2010 with that objective. In terms of the provisions in the Act, compensation for damages should be referred for Courts and the compensation payable to the parties concerned will be decided by the Courts.