

Report of the Auditor General on Head 287 – Department of Land Title Settlement –Year 2015

The audit of the Appropriation Account and the Reconciliation statements including the financial records, books, registers and other records of the Head 287 – Department of Land Title Settlement for the year ended 31 December 2015 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 Commissioner General of the Department on 03 August 2016. The audit observations, comments and findings on the accounts and the 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 resources and time available to me.

1.2 Responsibilities 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, and the Reconciliation Statements in accordance with the provisions in Articles 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. This responsibility includes: designing, implementing and 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 Account

Total Provision and Expenditure

The total net provision made for the Department amounted to Rs.400.30 million and out of that Rs.388.99 million had been utilized by the end of the year under review. Accordingly, the savings out of total net provision of the Department amounted to Rs.11.31 million or 2.83 per cent. Details appear below.

Expenditure	As at 31 December 2015			Savings as a Percentage of Net Provision
	Net Provision	Utilization	Savings	
	Rs.Millions	Rs. Millions	Rs. Millions	
Recurrent	377.80	369.87	7.93	2.10
Capital	22.50	19.12	3.38	15.02
Total	400.30	388.99	11.31	2.83

2.2 Advances to Public Officers Account

Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers Account of the Department under Item No.28701 and the actual amounts are given below.

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
22.17	18.72	11.17	14.95	65.00	40.36

2.3 Imprest Account

The balance of the Imprest Account No 7002/0000/00/0124/0015/000 of the Department as at 31 December 2015 totalled Rs.0.007 million.

2.4 General Deposit Accounts

The balance of the 03 Deposit Accounts of the Department as at 31 December 2015 totalled to Rs.0.25 million. Details appear below.

Deposit Account Number	Balance as at 31 December 2015
6000/0000/00/0013/0087/000	0.02
6000/0000/00/0016/0080/000	0.08
6000/0000/00/0018/0083/000	0.15
Total	<u>0.25</u>

2.5 Audit Observation

The Appropriation Account and the Reconciliation Statements for the year ended 31 December 2015 of the Department of Land Title Settlement had been satisfactorily prepared subject to the Audit Observations appearing in the Management Audit Report referred to in paragraph 1.1 above. The material and significant audit observations out of the Audit Observations included in the Management Audit Report appear in Paragraph 3.

3. Material and Significant Audit Observations

3.1 Non – maintenance of Registers and Books

It was observed during audit test checks that the Department had not maintained the following registers.

Type of Register	Relevant Regulation
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(a) Register of Fixed Assets on Computers, Accessories and Software	Treasury Circular No.IAI/2002/02 dated 28 November 2002.
(b) Register of Listing of Motor Vehicles	Financial Regulation 1647(e)

3.2 Appropriation Account

Budgetary Variance

Excess provisions had been made for 14 Objects and as such the savings, after the utilization of provisions ranged between 10 per cent to 59 per cent of the provisions relating to the respective Objects.

3.3 Reconciliation Statement of the Advances to Public Officers Account

According to the Reconciliation Statement of the Advances to Public Officers Account, Item No.28701 as at 31 December 2015, the balances that remained outstanding as at that date totalled Rs.1,218,872. Even though those outstanding balances remained over periods ranging from 01 year to 08 years, the follow-up action on the recovery of those outstanding balances had been at a weak level.

3.4. Internal Audit

An Internal Audit Unit had not been established in the Department.

3.5 Assets Management

Conduct of Annual Boards of Survey

According to the Boards of Survey Reports in the Head Office of the Department, excesses of 15 categories of items and shortages of 36 categories of items were observed. Action in terms of Financial Regulation 103 had not been taken on shortages while appropriate measures had not been taken on excesses.

3.6 Performance

The audit observations on the performance of the Department revealed during the course of audit test checks are given below.

(a) Progress of the Activities of the Department

The progress of the activities of the Department according to the Action plan is given below.

Land Division	Target	Progress	Percentage of Execution of Activities
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Publication of Land Title Settlement Advertisements	57	-	0
Preparation of Directions for Land Title Settlement Order	32	06	19
Referring to the Surveyor General for Surveys	02	08	400
Sending Settlement Order to the Land Registry	07	06	86
Sending Settlement Order to the Ministry for Approval	06	11	183
Publication of Land Settlements in the Gazette	10	13	130
Releasing of Villages	20	23	115

Out of the targets shown in the Action Plan 2015, relating to the activity of releasing of villages under the Land Settlement Ordinance, the publication of the Land Settlement Advertisements had not been completed. When preparing targets, it was not considered the steps brought forward from the preceding year and as such it was reflected an higher level progress as compared with the target.

(b) Key Functions not Executed Adequately

Bim Saviya

The execution of the target planned on the "Bim Saviya" programme in the year under review had remained at a low level. Details are appear below.

	Target	Progress	Percentage of Execution of Activities
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Number of Field Investigations	204,930	104,163	50
Number of Inspections of Land Registrar	135,000	56,758	42
Number of Approvals Recommended by the Department of Land Title Settlement	125,810	51,475	41
Number of Gazetted Land Plots	125,000	53,484	43
Number of Land Plots sent to the Land Registrar	124,000	53,584	43

The following observations are made in this connection.

- (i) The progress of the overall activities to be executed under the "Bim Saviya" programme had remained less than 50 per cent, and the progress of the Registration of title deeds which is the main activity of the Department had remained at a low level.
- (ii) The targets relating to the "Bim Saviya" programme indicated in the Action Plan in respect of the year 2015 had been revised in April 2016. It was revealed in audit that it had not been realistic.

(c) Activities not Executed

Action had not been taken to execute the activity of Maintain an Efficient Document Conservation System for conservation of archaic and valuable registers relating to the land settlement even by the end of the year under review.

3.7 Human Resources Management

Approved Cadre and Actual Cadre

The position on the cadre as at 31 December 2015 had been as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies	Excess Cadre
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(i) Senior Level	107	49	58	-
(ii) Tertiary Level	06	06	01	01
(iii) Secondary Level	1,747	633	1,114	-
(iv) Primary Level	254	151	103	-
(v) Others(Casual/Temporary/ Contract Basis)	126	-	126	-
Total	<u>2,240</u>	<u>839</u>	<u>1,402</u>	<u>01</u>

The following observations are made.

- (a) Even though the cadre had been approved for 90 sub-offices, 46 offices only had been established and as such the number of vacancies had increased more.
- (b) Even though 186 Information Communication and Technology Assistants posts had been approved, the actual cadre had been six. As the insufficient cadre had been seen actually as compared with the number of sub-offices, there is an issue on that, whether this staff is actually required or how the work is executed without the required staff.
- (c) Even though 91 posts of Documents Conservators had been approved, only one person had been employed. In obtaining approval for 126 posts of KKS (contract basis) it was done on the basis of 90 sub offices had existed. Nevertheless it was revealed that the vacancies had remained due to non-commencing of those sub offices.
- (d) Accordingly an evaluation should be done, on the performance of the Department on which extent the vacancies has effected to the performance of the Department and it was observed that necessary action should be taken to recruit the staff for the actual requirement of existing sub-offices.