

Head 288 – Department of Survey

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Department of Survey for the year ended 31 December 2020 comprising the statement of financial position as at 31 December 2020 and the statement of financial performance, and cash flow statement for the year then ended, 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 Survey was issued to the Accounting Officer on 14 July 2021 in terms of Section 11 (1) of the National Audit Act No. 19 of 2018. The Annual Detailed Management Audit Report of the Department was issued to the Accounting Officer on 08 September 2021 in terms of Section 11 (2) of the Audit Act. This report is presented to Parliament in terms of Section 10 of the National Audit Act No. 19 of 2018 which is read in conjunction with Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

In my opinion, except for the effects of the matters described in Paragraph 1.6 of this report, the financial statements prepared give a true and fair view of the Department of Survey as at 31 December 2020 and its financial performance and cash flow 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 appear 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 of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Responsibilities of Accounting Officer on 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 express a reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue the Summary Report of the Auditor General 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, they could reasonably be expected to influence the economic decisions of users taken 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 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 in consistent with those of the preceding year.

- (b) The recommendations made by me regarding the financial statements of the preceding year had not been implemented in respect of the observations made in the Paragraphs 1.6.1. (a), (b), (c), (d), (e), 1.6.5 and 1.6.6 of this report .

1.6 Comments on Financial Statements

1.6.1 Non-compliance with the Provisions of the Circulars on Financial Statements

Although the financial statements have to be prepared in accordance with the Guidelines No. 06 issued by the Director General of State Accounts regarding the preparation of the Financial Statements – 2020 under Paragraph 10.1 of the Public Finance Circular No. 2/2020, the instances of exceptions to those requirements are as follows.

Audit Observation	Comments of the Accounting Officer	Recommendation
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<p>(a) Construction works of the buildings of Medawachchiya, Embilipitiya, Karunchikadu and Madampe Regional Survey Offices and Giritale Official Residence were being completed by 31 December 2018 and the balance of work-in-progress amounting to Rs.9,764,046 as at the date</p>	<p>Due to the delays in obtaining the relevant reports from the Department, there was a delay in inclusion the cost of the buildings accurately into the financial statements.</p>	<p>The cost of completed buildings should be disclosed in the financial statements.</p>

had been shown under the work-in-progress in the financial statements of the year 2018 . Although the total of the relevant constructions in the year 2019 was Rs. 83,236,331, that value was not shown as non-financial assets in the financial statements in the years 2019 and 2020 and the balance shown in the year 2018 amounting to Rs. 9,764,046 had also been stated at the end of the year under review.

- (b) The buildings in Badulla and Giritala Regional Survey Offices were being constructed in the year 2019 and the cost of unfinished work of those assets amounting to Rs. 36,770,240 as at 31 December 2019 had not been disclosed in the statement of non-financial assets in the financial statements for the year 2020.
- It has been delayed to include the cost of work-in-progress correctly in the financial statements due to the delay in obtaining the relevant reports from the Department.
- The balances of work-in-progress as at the end of the year should be disclosed in the financial statements.

- (c) Even though the construction works of the District Survey Office, Polonnaruwa was completed in the year 2017 at a cost of Rs. 13 Million, the financial statements for the years 2017, 2018, 2019 and 2020 had not been disclosed.
- Due to the delay in obtaining the relevant reports from the Department, it has been delayed to enter the cost of the buildings accurately into the financial statements.
- The cost of constructed buildings should be disclosed in the financial statements.
- (d) The assets such as laptops, optical cables and plan scanning assets which were provided by the Ministry of Land and Parliamentary Reforms in the year 2017 under the Land Bank Project valued at Rs. 37.83 Million had not been disclosed in the financial statements in the years 2017, 2018, 2019 and 2020 .
- The Provincial offices have been instructed to account for the laptops received under the Land Bank Project.
- The assets purchased on provisions made by other institutions should be properly accounted for and disclosed in the financial statements.
- (e) An extent of 1.3139 hectares of bare lands owned by the Department in the Central, North Central, Eastern and North Western Provinces, 02
- Provincial Surveyors Generals have been made aware by the Valuation Department to assess and account for all lands and buildings and a computer
- The assets belonging to the institution need to be assessed and account for .

lands at Anuradhapura and Galewela where the buildings were constructed, 02 more buildings in the Southern Province including Badulla Senior Superintendent of Survey's Official Residence and Anuradhapura Perasavi Camp had not been assessed and accounted for even by the end of the year under review.

information system has also been set up to enter all the relevant information.

1.6.2 Statement of Financial Provision

The following deficiencies were revealed in accounting for the property, plant and equipment.

Audit Observation	Comments of the Accounting Officer	Recommendation
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(a) Unexplained difference amounting to Rs. 84,446,460 was observed because of the balance of non-financial assets at the end of	When assessing existing assets and entering them into the new CIGAS computer system in accounting for non-financial assets, it has to	Details in financial statements should be accurately disclosed.

preceding year was brought forward as the opening balance of the year under review, falsely. be entered as the opening balances. Therefore, there is a difference in between the closing balance of the previous year and the opening balance of the following year until all the assets available are accounted for.

- (b) Two motor vehicles obtained by this Department under the Financial Leasing Method in the year 2012 and accounted for under non-financial assets had been provided for use to the Lands Commissioner General of Department even before the expiration of the lease that is, from 2014 until the end of the year under review. Actions will be taken to reply as soon as possible since it has delayed to prepare the information under the Covid situation. Need to take actions to get the motor vehicles back or to hand over legally.

1.6.3 Deposits

The following deficiencies were observed in accounting for the deposit payments and balances related to financial statements.

Audit Observation	Comments of the Accountng Officer	Recommendation
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An un explained difference of Rs.47,069 was observed in between the balances appear in the statement on deposit accounts as at 31 December 2020 and the balances on the Treasury computer printout .	Even though the General Deposit Account No. 6000-0000-00-0015-0143 for the year 2015 was made zero and closed, some provincial offices have not nullified the account and because of this, the difference in between the Treasury Books and Departmental Books had existed.	Differences should be identified and make necessary corrections.

1.6.4 Reconciliation Statement on Advances to Public Officers' Account

The audit observations revealed in this regard are as follows.

Audit Observation	Comments of the Accountng Officer	Recommendation
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(a) An un identified difference of Rs. 766,064 was observed in between	Actions will be taken to rectify.	The differences should be identified and make necessary corrections.

the total of the age analysis and the total of individual balance of the Advances to Public Officers' Account .

- (b) A difference of Rs. 200,450 in between the total of individual balances and the Departmental Control Account Balance was observed.
- Arrangements will be made to find the reasons for this difference and take the necessary actions in future.
- The differences should be identified and make necessary corrections..

1.6.5 Failure to Maintain Documents and Registers

It was observed during the audit that the Department had not maintained the following Register.

Audit Observation	Comments of the Accountng Officer	Recommendation
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The Department had not maintained a Register of Securities for the officers in charge of finance in terms of F.R.891 (i)	Actions will be taken to identify the officers who have to keep securities and to maintain a Register of Securities in accordance with Financial Regulations.	A Register of Securities should be maintained in accordance with Financial Regulations.

1.6.6 Lack of Evidence for Audit

Audit evidences pertaining to the following transactions had not been presented.

Audit Observation	Comments of the Accountng Officer	Recommendation
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Deeds to prove ownership of 49.477 hectares of land valued at Rs. 5,689 Million in hundred locations in various parts of the island, plans and land grant certificates and deeds to confirm the legal ownership of the lands with 666,737 square feet in extent where the Departmental buildings valued at Rs.1,009 Million located at 76 locations in various parts of the island had not been submitted for audit during the year under review.	Proper documentation has already been commenced. A computerized information system has also been set up to enter relevant information pertaining to all lands and buildings.	Relevant documents to ascertain the legal ownership of the assets should be submitted to the audit

2. Financial Review

2.1 Expenditure Management

The following matters were observed.

Audit Observation	Comments of the Accountng Officer	Recommendation
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A total of Rs. 19,969,466 made available for five capital expenditure objects had been saved and there were savings ranging from 54 per cent to 99 per cent.	There were savings in capital expenditure objects due to the inability to complete the expected construction and repair works, failure of the relevant suppliers to deliver the capital assets on time, inability to conduct training courses etc. as a result of spread of the Corona epidemic in 2020.	Provisions should be efficiently utilized.

2.2. Entered into Liabilities and Commitments

The following matters were observed.

Audit Observation	Comments of the Accounting Officer	Recommendation
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Although there was a saving of Rs.4,944,336, in 08 expenditure objects of the Department, since the amount of liabilities entered into under those expenditure objects was Rs.20,791,007, the total of the liabilities which had exceeded the savings was Rs. 15,846,671.	Agree with the audit observation. Arrangements will be made to enter into liabilities based on the amount of provision available, in future.	It should not enter into liabilities exceeding the savings in the provisions.

2.3 Deposit Balances

The following matters were observed.

Audit Observation	Comments of the Accounting Officer	Recommendation
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Arrangements had not been made to repay or credit the balances of Rs. 1,969,062 remained in between 02 to 05 years and Rs. 1,906,956 in between 1 and 2 years in the General Deposit Account to government revenue by taking actions in accordance with F.R. 571 (3) .	There are balances in between 01 and 05 years in general deposit account due to the reasons such as failure to contact the relevant receivers for deposits and institutions, failure to submit the relevant receipts confirming that the money has been deposited, failure to repay the relevant deposits as the survey requests issued to the authorized surveyors have not been completed and handed over. Actions will be taken to repay or credit to government revenue by taking actions in accordance with F.R. 571 (3).	Arrangements should be made to repay or credit to government revenue by taking actions in accordance with F.R. 571 (3).

3. Operating Review

3.1 Assets Management

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
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<p>(a) Even though the recommendations made by the Mechanical Engineer of the Uva Provincial Council to condemn and dispose of a jeep belonging to the Monaragala Regional Survey Office from August 2016 and a tractor with a trailer from 2008, it had failed to act accordingly even by the end of the year under review.</p>	<p>The prevailing Covid epidemic had a direct effect on delaying the completion of these works and it is expected to be completed by 2021.</p>	<p>It should be considered on the recommendations made by the Mechanical Engineer of the Uva Provincial Council to be condemned and disposed.</p>
<p>(b) Various capital assets including measuring instruments purchased through Bim Saviya provisions at a cost of Rs. 312 Million and the buildings constructed at a cost of Rs. 82 Million were being used without acquisition by the Ministry of Lands.</p>	<p>Arrangements will be made in future to take over the capital assets purchased through Bim Saviya Provisions.</p>	<p>In order to obtain legal ownership of the assets, those assets should be properly acquired.</p>

3.2 Losses and Damages

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
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The value of the balances brought forward at the end of the year under review in the losses and damages account was Rs. 7,580,614 and the value of losses and damages within that ranging from five to thirty one years was Rs. 2,753,891.	Arrangements will be made to reply as soon as possible since it had delayed in preparing the information under the Covid circumstances.	Losses and damages should be written off from the books without delay.

3.3 Management Weaknesses

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
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(a) Although the active term of all the fire extinguishers installed in the premises of the Department of Survey had expired by 25 July 2020, it had failed to renovate them	The fire detection system has been inspected and necessary steps have been taken to repair it. Even though it was not possible to make it active in 2020	Actions should be taken to activate the fire extinguishers without delay.

even by 30 April 2021.

due to the prevailing situation in the country, a part of it has now been restored. Arrangements have been made to restore the remaining sections in the future.

- (b)** The Management had not taken actions to rectify the following deficiencies in the Investigation Archive and the Central Archive which should have been protected as the most valuable resources of the Department of Survey in Sri Lanka in accordance with Section 9.1 of Chapter ix of the Department Standing Orders.
- Actions will be taken in the year 2021 to separate the only the originals of the plans and preserve in the archives, to call for tenders to repair the toilet system, to prepare new shelves, etc.
- Measures should be taken to formulate a programme to protect the resources of the Department and to rectify the existing deficiencies.
- (i)** Installation of air diffuser fans and absorber fans.
 - (ii)** Installation of a centralized air conditioning system.
 - (iii)** Provide additional shelves.
 - (iv)** Repairing the roof of the dilapidated Scan Division.
 - (v)** Repairing dilapidated

parts of the wall .

(vi) Repair of water leak in the toilet system.

(vii) Providing map cabinets with drawers for storing maps.

- (c) When making boundary stones at Kesbewa Regional Office, Monaragala Regional Office and Thanamalwila Regional Offices the activities such as, acting under the supervision of the Survey Superintendent in accordance with Government Boundary Stone Ordinance 4.15 , informing the relevant expenditure details to the Senior Survey Superintendent as per 4.16, piling up of boundary stones as 100 units as per 4.19, maintaining the boundary stone ledger as per 4.39 (b), minimizing the breaking of boundary stones as per 4.43 and to recover the loss as per 4.44 and 4.45 had not been performed.
- Arrangements will be made to reply in future.
- Actions should be taken in terms of the provisions of the Boundary Stones Ordinance

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| <p>(d) The number of survey orders that had failed to be completed by 31 December 2020 was 29,105 and within that, there were 27,932 survey orders which could not be completed from the year 2015 to the end of the year 2019.</p> | <p>Because it receives a large number of survey requests annually, Priorities are being given to the special survey requests and court orders. Due to the increase in output as a result of revisions in quantity of works, it is expected to complete into some extent.</p> | <p>The Department should implement a programme to complete the number of outstanding survey orders including court survey orders.</p> |
| <p>(e) The total of the outstanding loan balance of the Advances to Public Officers' B Account was Rs.10,635,305 at the end of the year under review and within that the balances totalled to Rs. 3,710,891 for more than 5 years were observed.</p> | <p>The approval has been received to write off a portion of the loan balance exceeding 05 years. Actions will be taken to write off after receiving the provisions that have been applied for that in the year 2021. All the accountants have been advised to submit monthly progress on recovery or write-off of outstanding balances. Arrangements will be made to write off the irrecoverable loan balances furthermore after reviewing the progress.</p> | <p>Arrangements should be made to recover the loan balances in a timely manner.</p> |

4. Human Resources Management

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
----- There were 17 per cent Senior Level staff vacancies, 58 per cent Tertiary Level staff vacancies 18 per cent Secondary Level staff vacancies were and 23 per cent Primary Level staff vacancies with a total staff vacancy of 116 as compared to the approved staff of the Department of Survey. As a result of failure to fill these 22 per cent of vacancies out of the approved staff , it was observed during the audit that it can be disruptive on management decisions as well as in accomplishing core functions in objectives.	----- The result of the examination held on 28 February 2021 with the approval of the Department of Management Services for the recruitment of 115 out of 128 Apprentice Surveyor posts is to be received and it is stipulated to call applications from qualified officers for the other 13 posts. Six out of 10 vacancies for Technical and Administrative Officers which had occurred from 08 September 2016 to 15 February 2019 were recruited and the Notice of call for applications for recruitment of 4 on limited basis has been sent to the Ministry for signature. Interviews have been conducted for the vacancy	----- Steps should be taken to fill the existing vacancies expeditiously or to revise the approved staff considering the requirements.

of Senior Planning Color
Technical Officer and the
recommendations have
been made and sent to the
Public Service
Commission.

Recommendations have
been sent to the Public
Service Commission after
conducting interviews on
merit basis for 14 Senior
Map Technology Officer
posts, 10 of which to be
promoted by 31 December
2017 and 04 by 31
December 2018.

Recommendations have
been sent to the Public
Service Commission to
conduct limited interviews
for 06 vacancies in 2017
and to give promotions
from 24 March 2019. Even
though the examination for
150 Survey Field Assistant
posts was scheduled to be
held on 23 May it has been
postponed due to the Covid
situation.