

1. Financial Statements

1.1 Disclaimer of Opinion

The audit of the financial statements of the Land Reform Commission for the year ended 31 December 2023 comprising the statement of financial position as at 31 December 2023 and the Comprehensive Income Statement for the year then ended, Statement of Changes in Equity 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, Land Reform Act, No1 of 1972 and the Finance Act No.38 of 1971. My comments and observations which I consider should be report to Parliament appear in this report.

I do not express an opinion on the accompanying financial statements of the Commission. Because of the significance of the matters discussed in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

1.2 Basis for Disclaimer of Opinion

My opinion is disclaimed on the matters described in paragraph 1.5 of this report. I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission’s financial reporting process.

As per Section 16(1) of the National Audit Act No.19 of 2018, the Commission is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Commission.

1.4 Audit Scope (Auditor's Responsibility for the Audit of the Financial Statements)

My responsibility is to conduct an audit of the Commission's financial statements in accordance with Sri Lanka Auditing Standards and to issue an auditor's report. However, as the matters described in the Basis for Disclaimer of Opinion section, I was not able to confirm or verify the material items in the statement of financial position, statement of comprehensive income, statement of changes in equity and statements of cash flows by the alternative methods. As a result of these matters, I was unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded amounts and the elements making up the statement of financial position, statement of comprehensive income, statement of changes in equity and statements of cash flows. Accordingly, the fair value of these lands was not reflected in the accounts and the audit could not verify the correctness and overall value of the lands. I was not able to obtain sufficient appropriate audit evidences to provide a basis for an audit opinion on these financial statements.

1.5 Audit Observations on Preparation of Financial Statements

1.5.1 Non-compliance with Sri Lanka Public Sector Accounting Standard

Non-compliance with reference to the relevant Standard	Comments of the Management	Recommendation
As per the Section 141 (a) of Sri Lanka Accounting Standard No.19, the accounting policies of the entity for the recognition of actuarial gains and losses had not been disclosed in the financial statements.	It was noted for inclusion in the preparation of financial statements in the year 2024.	Actuarial gains and losses should be disclosed in the financial statements in accordance with Sri Lanka Public Sector Accounting Standards.

1.5.2 Accounting Deficiencies

Audit Observation	Comments of the Management	Recommendation
(a) Although the capital reserve balance in the statement of changes in equity was Rs.2,501,671,968 and the retained earnings balance was Rs.2,750,521,503 in the statement of financial position, as it was Rs.2,501,332,952 and Rs.2,116,741,865 respectively, a total difference of Rs.634,118,654 was observed as Rs.339,952 and Rs.633,779,638.	It will be agreed to correct in preparation of financial statements in 2024.	The capital reserve balance and the retained earnings balances in the statement of changes in equity should agree with the balances in the statement of financial position.
(b) Although Rs.214,115,687 worth of 40 percent of land sales, paddy field land sales and land acquisition income was credited to the capital reserve account, that value had not been deducted from the retained earnings account.	It will be agreed to correct in preparation of financial statements in 2024	The amount credited to the capital reserve account should be deducted from the retained earnings account.

- (c) According to the land register, although the total amount of land including 4,833 hectares is 156,838 hectares, only 2,144 hectares (29 plots of 868 acres and 6.9 perches) have been assessed as of 31 December 2023 and the value of which, Rs.905,285,000 had been revealed by the financial statement. It was 1.37 percent as a percentage. Accordingly, the fair value of the land was not reflected in the accounts and the audit could not ascertain the correctness and overall value of the land.
- Although the lands should be measured and plan should be given for valuation, all lands have not been measured accordingly. The assessed leasehold lands were referred to land valuation. Only the valuation values received from the valuation department as on 31.12.2023 for leasehold lands have been presented in the accounts and the valuation values have to be entered in the accounts according to the way they are received. The land register contains information about the declared land and its extent, the amount of land disposed of and the remaining land. Google coordinates information has also been included in the document to know the information about the remaining land areas.
- The accounts should reflect the fair value of the lands mentioned in the land register prepared by including the lands acquired as per the Act.
- (d) The balance amounting to Rs.215,622,362 (Phase - I & II) of the compensation payables for 1,010 land files acquired from estate companies and individuals as per the Land Reforms Act had been credited to an suspense account and information was not regarding that and, it was observed that, it may be possible either an over- or under-provision.
- Since the balances in these suspense accounts can be settled only after the respective companies and individuals have confirmed their rights to the said lands, only those whose rights have been confirmed have been settled during the year under review.
- The compensation to be paid for the land taken from individuals should be properly accounted and settled.
- (e) The values of the lands where the district office buildings of Monaragala, Ratnapura, Puttalam and Galle are located and the land where the Lidula bungalow building is located had not been included in the Property, Plant and Equipment in the statement of financial position.
- Director (Finance) has been instructed to include in the 2024 financial statements.
- Corrections should be made to buildings and land in Property Plant and Equipment.

- (f) Although an amount of Rs.4,742,500 was received to the commission on 08 April 2021 as compensation for the land acquired for the official residence of the Divisional Secretary of Deltota, that value had been shown in the financial statements as income receivable. The compensation amount related to this land has been received from the Deltota Divisional Secretary and deposited in the bank and, the district office has issued this receipt on 08.04.2021. However, it has been recognized that the presentation of the compensation received for this land as a compensation receivable has been a mistake since that year and instructions have been given to the Finance Department and the Acquisition and Compensation Department while preparing the 2024 financial statements. Income and debtors should be corrected.
- (g) Although the Deltota Divisional Secretary had paid Rs.18,786,000 as compensation to the Commission on 11 October 2023 for the acquisition of 8.974 hectares of Little Weliwatta land, that amount had also been accounted as a receivable balance in the year under review. The finance department has been instructed to correct this error in the accounting year 2024. Income and debtors should be corrected.
- (h) Although the compensation interest of Rs.702,999 received in the year 2023 from the compensation interest amount of Rs.2,214,397 that should be received for the acquisition of 01 acre 03 rood of land in plot No.13 of Cadastral Map No.620142 Zone 02 in Weligepola Divisional Secretariat owned by the Commission has been accounted, compensation interest amounting to Rs.1,511,398 further to be received had not been recognized in the financial statements. The compensation interest calculated in related with the acquisition of land for the Weligepola Police Station was Rs.2,214,397. Although an amount of Rs.703,000 of the said compensation interest amount was paid on 09.01.2023, the total amount to be charged according to the amount of Social Security Tax and Value Added Tax for the remaining compensation interest amount of Rs.1,511,398 was Rs.2,610,221 and accordingly, it has been informed by a letter dated 08.03.2023 that the remaining amount to be charged was Rs.1,907,221. Income and debtors should be calculated correctly.

Accordingly, the Divisional Secretary has informed the Secretary of the Ministry of Tourism and Lands regarding the additionally calculated amount of Rs.395,823 and our institution has not been informed about the payment of the said compensation amount until now. The relevant divisions have been instructed to correct this error in the accounting year 2024.

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| (i) | Although the compensation of Rs.18,900,000 for the acquisition of 0.4121 hectares of land in plot No. 02 of plan 3362 named Mulgalkele Watta in Walapane Divisional Secretariat was recognized as compensation receivable in the financial statements of 2023, the additional compensation amount of Rs.15,557,500 had not been recognized as income and debtors. | Instructions have been given to the relevant divisions to correct the financial statements in 2024. | Income and debtors should be identified correctly. |
| (j) | Although the compensation amount of Rs.4,954,000 received for the acquisition of 0.3582 hectares of Kumara Watta land in Monaragala Divisional Secretariat for the Divisional Survey Office was received on 01 November 2021 and accounted in that year, due to the fact that the balance was not removed from the debtors, the debtors in the year under review had been stated more than that value. | The relevant divisions have been instructed to correct this error while preparing the financial statements in 2024. | Income and debtors should be calculated correctly. |
| (k) | Due to the fact that Rs.5,374,478 of total receivable service charge income on valuations as of 01 January 2023 was not recognized as income of the respective years and was accounted as income of the year under review, the profit of the current year had been overestimated by that amount. | Although this valuation and service fee receivable pertains to previous years, it has been wrongly included in the income of the year under review. | Prior year adjustments should be correctly identified and accounted. |
| (l) | Although only Rs.10,458,366 has been identified as annual rent income related to 20 lessees as of December 31 of the | Since there was no formal system related to the leasing of granite, the lessees were | Annual rent revenues related to granite leases should be correctly |

year under review out of 75 lessees on an accrual basis according to the granite rent ledger, the accrued annual rent income related to the remaining 55 lessees has not been calculated and accounted in the financial statements.

informed and collected rents from time to time according to different methods. As on 31.12.2022, the revenue division had prepared a ledger related to 17 lessees as on 31.12.2022 based on the amount of cubes demolished and removed and amounts to be demolished in future based on the decisions of the commission taken from time to time. According to the Commission paper dated 15.09.2023 and also based on the requests received that the lessees will be inconvenienced in charging rents also in this system based on the amount of cubes to be further demolished i.e. the amount of cubes which was not demolished and removed and, the information related to the granite cubes that have been demolished and removed up to 31.05.2023 was requested by the Geological Survey and Mines Bureau related to all the granite lessees according to the above decisions. Accordingly, at the time of preparing the rent ledger, information for 20 lessees has been received from the Geological Survey and Mines Bureau and therefore the rent ledger was prepared based on that information.

identified and accounted.

and

- (m) Although the Commission had received an amount of Rs.7,863,205 from the land sale income receivable, it had not been deducted from the land sale income receivable. Instructions were given to relevant divisions to make corrections in the financial statements of 2024. Incomes received should be properly accounted.

- (n) Due to the fact that the annual valuation of Rs.960,000 related to the land named Serapis Estate in Kurunegala district given to the Coconut Cultivation Board on lease basis by the Commission was recognized as Rs.760,000 in the financial statements, the rent income and debtors of the year under review had been under stated by Rs.200,000. Instructions were given to the relevant divisions to correct in the accounts for the year 2024. Annual rent income should be correctly identified and accounted.
- (o) Although the Commission has identified Rs.354,658,614 as the outstanding rent income to be collected for 1,539 acres 38.81 perches and 02 roods of land given to the Coconut Cultivation Board on lease basis without an agreement, The amount to be charged for the remaining land amount of 1,588 acres and 11 perches had not been identified and disclosed in the financial statements. According to our reports, the land owned by the Land Reform Commission covers 10 districts of the island and 3,139 acres 1 rood and 16.11 perches have been given on lease basis. Also 21 acres 3 roods and 39.23 perches from sale basis, 32 acres from gazette and 936 acres 0 roods and 11.45 perches from acquisition have been given. This land was handed over to the Coconut Cultivation Board in 1979-1980 without measurement, and since it has taken time to survey and obtain valuation report it has taken some time to inform about the rent amount. The Coconut Cultivation Board paid small amount as rent. It has been mentioned that board is maintained under the provisions provided by the treasury and that it is not possible to pay a large amount as rent. A committee representing the Ministry of Plantation Industry, Ministry of Land and Tourism, Coconut Cultivation Board and Land Reform Commission has been appointed regarding non-payment of rent related to Pasikuda Estate land. The committee met for the first time on 21.05.2024 under the chairmanship of the Additional Unrecognized rental income should be identified and accounted and, recovery of rent arrears should be done.

Secretary of the Ministry of Tourism and Lands and it was decided that the heads of the ministries and institutions should meet and take a policy decision in this regard. Accordingly, in the discussion held under the chairmanship of the Secretary of the Ministry of Agriculture and Plantation Industry and the Secretary of the Ministry of Tourism and Lands on 05.07.2024, the Secretary of the Ministry of Plantation Industry has informed the Coconut Cultivation Board to pay the arrears of rent and to take necessary actions to regularize the rents in the future.

- (p) Although Rs.31,688,608 was recognized as handling cost for leasing to the Coconut Cultivation Board, it had not been recognized in the financial statements as a receivable balance. The relevant divisions have been instructed to make corrections while preparing the statements of accounts for the year 2024. Handling cost should be accurately identified and accounted.
- (q) The arrears of Rs.5,250,480 related to the 04 acre quartz land on the land called Talpitiya Estate located in the Kandaketiya Divisional Secretariat of Badulla District had been removed from the financial statements of the year under review despite it had not been recovered. In the disposal of mineral land owned by the commission on the lease basis, rent only for the minerals, especially not only the minerals regarding graphite and quartz minerals, but also for the land should be collected. Accordingly, the annual rent amount for this plot of land is Rs.453,600 based on the valuation of the chief valuer for the year 2012 and the amount to be received up to 13.09.2023 is Rs.5,250,480 subject to the revision in 5 to 5 years and this error has been committed in not being able to enter in the printed rent ledger even though it was correctly recorded and filed in the ledger. It has now been Rent ledgers should be properly prepared and rent arrears should not be removed from financial statements without formal approval.

rectified and based on the request to hand over this plot of land to his son as the lessee had died, the parties were called to the head office on 12.06.2024 for discussion and agreed to pay 50 percent of the rent at once and the rest in instalments. Accordingly, it is informed that related actions will be carried out to collect the arrears of rent in the future\.

1.5.3 Written Evidences not made available for Audit

Following Observations are made.

Audit Observation	Comments of the Management	Recommendation
<p>Although the total receivable balances from the Ministry of Lands, Janatha Estate Development Board and Sri Lanka Plantation Corporation is Rs.2,072,166,351 and although the Commission was informed that there is no receivable balances from those institutions, action had not been taken to settle the said balances. The correctness was not confirmed by the audit as Rs.777,136,104 for 36 rent receivable balances and Rs.6,305,291 related to 15 trade and other payable balances were not confirmed by the confirmation letters.</p>	<p>It has been reported that 24 balance confirmation letters related to the accounts receivable and payable related to the finance division have been sent and 07 balance confirmation letters have been received.</p>	<p>Balance confirmations relating to trade and other accounts receivable and payable should be obtained.</p>

1.6 Receivable and Payable Accounts

1.6.1 Receivables

Audit Observation	Comments of the Management	Recommendation
<p>(a) Any provision had not been made for Rs.2,126,952,139 of receivable amount from 03 government institutions over 30 years included in the balance of trade and other receivables totalling Rs.4,002,737,774 and Rs.381,076,216 over 10 years and the collection was at uncertain condition.</p>	<p>At the committee regarding the debtors held in the commission on 30.05.2024 made up of the representatives of the additional secretaries of the relevant ministries, As it was informed that there is no</p>	<p>Action should be taken to recover the money by informing to the Chief Accounting Officer for Government Institutions.</p>

debtor balance regarding the receivable balances of Rs.2,068,913,697 from Janatha Estate Development Board and Sri Lanka State Plantation Corporation in their accounts in the name of the L.R.C, it was referred to the Audit and Management Committee and recommended to take appropriate action. Also, the receivable amount of Rs.5,073,663 from the Constituency Cooperative Society was informed to contact the Cooperative Development Department and check the existing files of the respective Provincial Cooperative Development Departments to obtain information. Also, since the receivable balance of Rs.54,911,756 from the Hadabima Authority is currently being collected from the Land Transfer Division, it was informed to continue in that manner. Regarding the amount of Rs.3,252,654 from the Ministry of Lands, it was recommended to conduct an investigation according to F.R.104 and 105 and take appropriate action. The receivable amount of Rs.3,126,686 from Multi-Purpose Cooperative Societies was forwarded to the land transfer division of our institution to obtain and submit information related to the lands belonging to those cooperative societies. According to the discussions held with the cooperative societies, the amount received from 03 cooperative societies

so far is Rs. 189,451.

- (b) Although receivable amount of Rs.2,311,017 from the persons who leased 08 plots of land located in the two districts of Kalutara and Gampaha remained outstanding for more than 24 years under sundry debtors in the financial statements, action had not been taken to recover the relevant rent amounts.
- Among the 07 debtors in this balance, 06 have been charged and given deeds based on the commission decisions taken from time to time. Paper No.12788 dated 02.07.2024 was submitted to the Commission regarding this situation and it was decided to submit it to the Corporate Audit and Management Committee and submit it back to the Commission with its observations.
- Actions should be taken to recover the rent arrears.

1.6.2 Payables

Audit Observation

Although the balance of Rs.11,202,992 maintained for more than 10 years in the land sale advance balance of Rs.11,322,992 as on 31 December of the year under review, and the advance amount of Rs.11,215,850 received from 269 persons included in the land rent advance account balance of Rs.14,080,850 had been withheld for more than 18 years, the Commission had not taken actions to legally sell, lease out the land or to resettle the advance.

Comments of the Management Recommendation

These land sales advances that have been accounted are mostly related to land transactions made during 2002-2004. A cabinet memorandum has already been submitted and after the approval of the cabinet, these outstanding advance transactions will be settled. The Cabinet paper drafted to obtain the approval of the Cabinet by Commission Decision No.11738 dated 2022.02.17 after checking the facts and verifying the facts of 1,156 acres of land which are currently cultivated with fertility out of the 11,942 acres of 219 lands assigned during that period have been forwarded to the Ministry of Lands on 20.04.2022

Attention should be paid to settlement of sales advances and land rent advances.

1.7 Non-compliance with Laws, Rules, Regulations and Management Decisions etc.

Reference to Laws, Rules, Regulations etc.	Non-Compliance	Comments of the Management	Recommendation
(a) Section 44(1) of the Land Reforms Act No.1 of 1972	Based on the establishment of an provident fund for those who employed by the commission and the provision of welfare and entertaining sports facilities and housing and hostel and other facilities, action had been taken to provide 20 perches for an employee with 5 years of continuous service in the commission at the value of Rs.1,000 per perch. Accordingly, 49 acres and 35.64 perches of land had been given to 396 officers from the year 2009 to the year under review.	According to Section 44 (1) of the Land Reforms Act, allotment of land plots was done on employee basis during the period 1982-1984. After the year 2005, regardless of the area, an equal amount of land will be given according to the policy decision. The basic qualification for getting land plots is considered to be a satisfactory service period of 05 years of continuous service in the Commission and a person who has not been subject to any disciplinary action. At the time of the commission held on 16.09.2020, the staff whose service period is completed for 05 years have been instructed to do it on a waiting list in relation to obtaining land plots.	The meaning of the Act should be interpreted properly.
(b) Sections 10 and 16 of the Employee Provident Fund Act No.15 of 1958	An amount of Rs. 367,625 to be paid to the employee provident fund or the employee trust fund of the employees recruited to the organic fertilizer project started by the commission in the year 2021 had been stated as a payable balance in the 2023 financial statement of the commission without crediting those funds.	The amount of Rs.367,625 is the employee provident fund and employee trust fund contribution from January to July 2022 related to the organic fertilizer project. The employees contributing to these funds will be identified and remitted to the Provident and Employees Trust Fund in their name within 2 weeks after the relevant reports are prepared.	Amounts related to Employee Provident Fund or Employees Trust Fund should be paid.
(c) Section 11 of the Finance Act	Although the excess money in the institution can be invested in REPO, treasury	Reply has not been received up to now for the letters sent by the Secretary of the	Formal approval should be obtained for investments.

No.38 of 1971	bills, fixed deposits or any other investment subject to the approval of the Minister of Finance, such approval had not been taken for the investments of Rs.2,540,580,496 made in the year 2023.	Ministry of Tourism and Lands to the Public Enterprises Department regarding the obtaining approval of the Public Enterprises Department for the short term investments made in the State Banks for the year 2023.	
(d) 1645 (a) of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka	The vehicle log books of 12 vehicles owned by the commission had not been properly updated and maintained.	There are 15 vehicles in the commission's vehicle pool and out of which, 03 log books have been completed. The Management and Human Resource Development Division has been instructed to update the information in the other 12 log books within a month by the date of audit.	Vehicles log books should be properly updated.
(e) Paragraph 1.1 of the Chapter V of Establishment Code of the Democratic Socialist Republic of Sri Lanka	While working in the post of Project Director of the Commission from 23 October 2020 to 31 March 2022 in violation of the Establishment Code, joined for the post of Deputy General Manager (Control) of Maga Neguma Road Construction Machinery Company from 01 January 2021 on permanent basis subject to a probationary period of one year and Salaries and allowances were received from both institutions during the same service period. Accordingly, the Rs.2,038,979 of salaries and allowances paid by the Commission without giving any attention to the attendance and service of the relevant officer had not been recovered even by 31 December of the year under review.	The Commission sent a letter containing all the information to the Attorney General dated 23.06.2023 regarding the amount received by the Project Director. Further, as reply was not received, letters dated 10.01.2024 and 22.04.2024 were also forwarded. Furthermore, the Bar Association of Sri Lanka has sent a letter dated 08.05.2024 regarding this matter and has informed that since it is a problem related to two government institutions, it is appropriate to take appropriate actions through the existing disciplinary actions of the government institutions.	Overpaid salaries and allowances should be recovered.

- (f) No.22/Miscellaneous (063) and Cabinet Decision dated 22 November 2022 and the letter No.PS/PSB/AS-02/LAND/2023 dated 25 May 2023 of President's Senior Assistant Secretary
- Although the President had ordered to the temporary suspension of all activities related to disposal of land with immediate effect, 714 acres 5 roods and 8.57 perches of land had been disposed after 25 May 2023 beyond the terms of that letter.
- In the letter No.PS/PSB/AS-02/LAND/2023 and dated 25.05.2023 was notified that, to immediately suspend the disposal of land by the commission and inform the President's office if any work is done regarding land disposal. Accordingly, although the Commission requested advice from the Presidential Secretariat on 02.06.2023 and 22.06.2023 regarding land disposal, advice was not received in this regard. According to the letter sent by the Additional Secretary (Lands) of the Ministry of Tourism and Lands to the Chairman as per the letter of the Minister of Lands on the instructions to regularize the persons residing and enjoying the lands owned by the Commission, instructions has been given to take actions to provide the deeds to the persons residing and enjoying the lands owned by the Commission. Despite the facts, the commission had done the surveying, charging money and giving the commission decision and the disposal of the land had been done before the above mentioned letter dated 25.05.2023 was received by the commission. Decision has not been taken to dispose of new land during this period.
- Disposal of land should be done according to a formal approval.

2 Financial Review

2.1 Financial Results

The operating result of the year under review was a surplus of Rs.636,050,744 and correspondingly the surplus of the previous year was Rs.518,199,960. Accordingly a growth of Rs.117,850,784 was

observed in the financial result. This growth was mainly due to the increase in financial income by Rs.175,750,004.

2.2 Trend Analysis in core Revenue and Expenditure Subjects

- (a) Compared to the previous year, while land rent income and fixed deposit interest income increased by 9 percent and 113 percent respectively, the land acquisition income, land sale income and land handling cost income decreased by 9 percent, 30 percent and 39 percent respectively. .
- (b) Compared to the previous year, although transport allowances and vehicle rental expenses had decreased by 25 percent and 89 percent respectively, car repair expenses, overtime allowance, employee gratuity and bonus had increased by 55 percent, 104 percent, 43 percent and 56 percent respectively.

2.3 Ration Analysis

- (a) The current ratio was 4 : 1 in the year under review and that ratio was 23 : 1 in the year 2022. Accordingly, although the current ratio was maintained at a lower value compared to the previous year, it was observed that more money has been invested in current assets than the working capital requirements.
- (b) Although the leverage ratio which was 11 percent in the year 2022 had increased to 34 percent in the year under review, it was observed that the Commission has maintained an equity capital more than the amount of required to settle the total liabilities.

3. Operational Review

3.1 Management Inefficiencies

Audit Observation	Comments of the Management	Recommendation
(a) According to clause (e) of the Administrative Circular No.2021/01 dated 15 March 2021 of the Commission, all new encroachers should be evicted after 01 January 2015 and although it was informed that to suspend the land disposal according to the Cabinet Decision No.22/Miscellaneous (063) dated 22 November 2022, contrary to it, 02 acres and 7.22 perches of plot No.01 in Mutuwana Estate land located in Haldumulla Divisional Secretariat of Badulla District had been handed over to the encroacher by sale for an undeveloped valuation value of Rs.920,000.	A survey order has been issued on 05.01.2022 to identify the vacant and currently used land plots in the Mutuwana Estate land sector. During the process of identifying the boundaries of the land owned by one of the owners of the land, Russell Fernando, and the land owned by the Commission, it was identified by the plan No.439 dated 2022.02.15 that the said persons are enjoying 07 acres, 2 roods and 24.92 perches in the purchased land plots of the Mutuwana Estate owned by the Commission. That it was a mistake has been made by the surveyor during the previous survey and a request has been made to purchase the land under a formal system assigned by the commission. There,	Disposal of land should be done in a formal manner.

the applicant submitted a commission paper that the applicant is using the land focusing on tourism and asked for instructions to hand over the subject plot of land with that purpose. The Commission has approved on 21.09.2022 to charge the current undeveloped valuation value of the Government Chief Valuer and transfer it by sale with the approval of the Cabinet Minister under Section 22 (1) b.

- (b) In accordance with Section 2 of the Control of Government Expenditure Circular No.03/2022 dated 26 April 2022 of the Secretary to Treasury, although it has been informed that the renting of buildings should be suspended, Rs.49,571,072 had been incurred as rent relating to the years 2022 and 2023 for maintaining the head office of the Commission and 07 district offices on a rental basis. Also, it was further observed that although it has been almost 50 years since the commission was established, the management has failed to set up offices in the buildings belonging to the commission.
- After reporting that the district Control of Government Expenditure Circular should be followed. directors could not find space in the government buildings, arrangements have been made to maintain them on rental basis. However, 03 district offices are in buildings owned by the Commission and another 10 district offices are maintained in government buildings.
- (c) It was observed that Rs. 4,870,000 which had been incurred for rent of the building until 31 December was an idle expense due to the fact that, without maintaining the Galle district office of the commission in the building with the land of 31.5 perches in Galle Kurundugaha Road, it was maintaining in a building of 9.79 perches located in the suburbs of Galle with a monthly rent of Rs. 65,000 from the year 2018 to 2023.
- This place has been maintained as a sub-office in the year 2018 and since it is approximately 39Km distance from Galle city, it was observed that difficulties will be faced in other duties as well.
- It should be act in such a way that the cost is minimized.
- (d) The number of lessees related to Rs.1,180,434,743 of receivable land rent as on 31 December 2023 was 401 and out of which, only 116 lessees were given lease agreements and lands had been leased to 285 lessees
- The 403 lessees have been identified in relation to the amount of rent receivable on 31.12.2023 and 246 lessees who have to take legal action to recover the amount without paying rent and the number of
- Actions should be taken to enter into legal agreements for leased lands.

related with arrears rent amount of Rs.904,486,633 without entering into a legal agreement. During the year under review, the amount recovered from rent arrears was 13 percent and the amount recovered from income during the year under review was 30 percent. Accordingly, it had not been possible to go for court to recover the arrears due to leases without legal agreements.

lessees who can collect rent on annual and installment basis was 157. It is further classified as the non-recovered rent and to be recovered immediately through legal process and action is being taken accordingly.

- (e) According to the Land Reforms Act, although the Templestore Estate land owned by a private company was taken over on 09 July 1974, the enjoyment of 439 acres 02 roods and 03 perches had again been handed over to the company on 23 November 1993 according to the decision of the case filed by the company. Due to non-fulfilment of the order given in relation to the case filed regarding the lost income and interest for the lost loss to the company for the period from 1974 to 1993, as the payable amount of Rs.100 million in the year 2001 was not paid during that period and the annual interest was also added to that amount, Rs.500 million had been agreed to pay. Accordingly, it was observed that Rs. 400 million had to be over paid.

The district court gave a decision on 23.02.2001 to pay means and profits for the case filed by the private company against the Land Reform Commission and 5 other related cases. Nevertheless, it did not decide to give interest.

Therefore a final appeal was submitted to the Court of Appeal by the plaintiffs in the earlier cases filed who dissatisfied with that decision and the Commission submitted a cross-appeal and revision request. The Hon'ble Appellate Court considered the entire request together and ordered to pay 100 percent interest on the loss and legal interest thereon. Appeal request bearing SC/SPL/LA 78/2006 was submitted by our institution against the said judgment dated 20.02.2006 of Hon'ble Court of Appeal. After continuous discussions in the court and committees in this regard, the agreement reached to pay an amount of Rs.500 million after deducting Rs.208 million was approved by the Land Reforms Commission which met on 20-12-2023 by Commission Paper No.12515 subject to the Cabinet approval. The Cabinet approval was given to take a policy decision to reach this settlement subject to calling for a report from the Attorney General. Accordingly, Rs.500 million was paid to the plaintiffs on 24.04.2024.

Action should be taken to transfer the pure right according to a formal method.

- (f) Although an integrated accounting software system of the Commission was purchased from a private company on 22 May 2019 for Rs. 8,500,000, it was not possible to obtain information about the land rent receivables from that information system by 31 December of the year under review.
- Science Land Information Technology (Pvt) Ltd and the Technical Evaluation Committee met to discuss the progress of the MIS information system, and it has been agreed to set up the MIS information system in such a way that the land rent receivables can be received through the information system as soon as possible according to the discussed matters and the TOR. Accordingly, the system is currently being prepared regarding debtor balances. Apart from this, legal action is being taken in this regard.
- Action should be taken to establish integrated accounting software system.
- (g) Although the Committee on Public Enterprises held in 2022 was informed to take legal actions to recover the amount of Rs.17,000,000 paid to a private company in the year 2002 for the creation, development and implementation of a fully integrated computer system for the council, action had not been taken to act accordingly even by the date of this report.
- This irregularity has been referred to the Criminal Investigation Department. However, it has been advised that the Criminal Investigation Department will no longer deal with this irregularity and that it should deal with the Bribery and Corruption Investigation Commission in this regard. Accordingly, although complaints have been made to the Bribery or Corruption Investigation Commission, they have informed that there are not enough facts to prove beyond reasonable doubt by file case in the court under the Bribery Act. The Commission has also submitted information in this regard to the Audit and Management Committee, and the Commission has obtained a complete report in this regard after presenting the facts to the 670th Commission Session held on 07.07.2015 and, a report dated 21.06.2016 has been submitted to General Treasury for recommendations through the
- Action should be taken to recover the amount.

Ministry of Lands and, reply has not been received from the Treasury until now. During the Committee on Public Enterprises held on 21.10.2022, orders were given to the Secretary of the Ministry to submit a full report to the Committee on Public Enterprises. Accordingly, all the information regarding the financial irregularity that has occurred during the establishment of the computer system has been submitted to the 790th Commission session held on 18.05.2023, and a letter dated 24.08.2023 has been sent requesting advice from the Attorney General's Department in this regard and reply has not been received until now.

- (h) Out of the Rs.33,229,487 amount paid to the land surveyors at the time of surveying and regularization of the lands of the Commission in the years 2019, 2020 and 2021 subject to reimbursement from the plotters, only Rs.7,616,274 had been reimbursed as of 31 December of the year under review and the balance to be further received on that date was Rs.25,613,213.
- An amount of Rs.25,613,211 was to be recovered as of 31.12.2023 out of the amount of Rs.33,229,487 paid as surveying fees by the Commission in the years 2019, 2020 and 2021 to the registered authorized surveyors as a special project in the Galle district. Out of which Rs.1,081,472 has been reimbursed as on 30.06.2024. Accordingly, Rs.24,531,739 to be reimbursed by 30.06.2024. the facts that Namunukula Plantation Company under CA(W)399/2022 and Talawakele Plantation Company under CA(W)161/2021 have obtained injunctions against the commission by the petitioner companies making the Land Reform Commission the respondent in relation to certain lands which have been surveyed at present, the plotters did not come forward to pay money has led to the delay in the recovery of this money due to the covid epidemic situation since the year 2019 and the bad economic situation in the country were caused to delay in recovery of this money. However, the director of land has
- Action should be taken to survey and charge fee at the time of provision of lands to the plotters.

been instructed to recover this money by informing the plotters to pay this money.

- (i) The 02 acres 01 roods and 05 perches of Nawalapitiya Tilton Estate land with Tea Factory owned by the commission had been leased to a private company at an annual rent of Rs.270,000 on a thirty-year lease basis from 30 August 1997. In the year 2008, although a private party had taken over the land with the brand name of the above company, the Commission had allowed it to be used informally without any approval or agreement in this regard or without any charge, and the rent to be charged for a period of 26 years until 31 December 2023 had been accounted as Rs.18,403,926.
- The 02 acres 01 roods and 05 perches Tilton Estate land located in Nawalapitiya, Kandy district had been assigned to C/S Super Industries and Exports Private Company for 30 years. Thereafter the person named Tilak Kumara Udugama had taken over this land plot in the year 2008 and due to non-payment of rents until 2022, an order has been issued to evict Mr.Tilak Kumara Udugama from this property as per the judgment of Nawalapitiya Magistrate Court No.79899/18 and dated 26.03.2021. It has been advised to take a report from the Director (Legal) regarding the recovery of the arrears. The Director (Legal) has sent a letter dated 10.01.2024 to the Attorney General to seek the professional services of the Attorney General to recover the arrears.
- Action should be taken to recover the rent arrears.
- (j) Although 08 acres from the land named Lechchami B Estate located in the Akmeemana Divisional Secretariat in Galle was given on lease basis for a period of 30 years to a "foundation" and the enjoyment of the land had been unilaterally transferred to the Commission in the year 2021, The commission has not taken actions to recover the amount of Rs.6,998,800 remained outstanding as of 31 December of the year under review.
- An amount of 08 acres has been given on lease basis to Sahana Children's Development Foundation dated 01.01.2005 from Lechchami B Estate land located in Akmeemana Divisional Secretariat in Galle District. The amount of rent to be charged until 31.12.2022 was Rs.6,998,800. Rent has not been paid since 2005 and Rs.50,000 has been paid on 15.08.2005 in respect of valuation and service fee. The Lord, who was also constructing buildings and cultivating on this land has passed away on 18.05.2020. Accordingly, it has been notified on 02.03.2022 that it is appropriate to proceed according to the financial regulations 101(1)(2) and (3) related to this rent arrears. Before the death of the Lord, an amount of 03 acres of this land was assigned to a person
- The acquired land should be utilized for the purposes of the Act and actions should also be taken to recover the arrears.

named Wickramasinghe and this person cultivated agarwood in this 03 acres and enjoying this land and he has agreed to pay a proportionate amount of outstanding rent. Accordingly, actions will be taken to obtain the instructions of the Commission to give the part which he enjoys to that person on the rental basis and to take over the remaining 05 acres of land with buildings to the commission, and as the Lord has been passed away, to give it to another suitable lessee with the buildings after valuation of the buildings that was built by that Lord.

- (k) A lord has illegally occupied nearly 5 acres and another private land owner has enjoyed an amount exceeding 66 perches in the undivided 14 acres 1 rood and 9.9 perches land belonging to Mahena North 615 B Grama Niladhari Domain of Horana Divisional Secretariat of Kalutara District owned by the Land Reforms Commission and legal proceedings had not been taken to evict the encroachers in accordance with Section 16 of the Land Reforms Act No.01 of 1972.
- Plan No.1581 and dated 22.07.2021 has been submitted by surveying according to the survey order No. 15/6/3626 and dated 21.05.2021 in order to identify the Hegallawatta land owned by the Commission in Horana Divisional Secretariat of Kalutara District. In that survey, it was revealed that a part of the land owned by the Commission is being illegally enjoyed in addition to the part of 66 perches with the bungalow currently owned by Sujatha Weerakoon, and that part was shown as plot No.08 of 1581 Plan. However due to the filing of the case bearing CA(W)576/2021 by Sujatha Weerakoon against the Commission, it was unable to take any action regarding the encroach activity until now. A request has been made to obtain on lease basis for a lay clergy community head training center by Isipathanarama Incumbent, Reverend Honour Thanjamthanne Dhammaransi Thera, and according to that request, survey order No.15/6/3626 dated 08.11.2021 was issued to survey a undisturbed amount of land of 4 acres 2 roods 00 perches from 1581 Plan in the name of the commission. Nevertheless,
- Legal action should be taken against encroachers.

since Sujatha Weerakoon filed the case No.CA(W)576/2021 against the Commission in the Court of Appeal, it was not possible to survey and further activities related to leasing have been done.

- (l) The 01 rood and 9.79 perches of Ja Kotuwa Watta land located in Kolonnawa Wellampitiya area of Colombo District was assigned to an individual at an annual rent of Rs.1,590,000 and although it was assessed at Rs.26,500,000 based on the market value of the land, it was informed that it could not be paid as the rent was too high and any rent had not been charged until now.
- The valuation of the chief valuer has been received in the year 2021 and the rent amount for that year is Rs.1,590,000. The lessee has been informed to pay this amount on 19.07.2021 and it has been requested to amend the rent again since the assessed value is very high and it is impossible to pay this amount from the income earned from this business. Accordingly, although the Director/Valuation and Compensation had informed the Valuation Department on 07.01.2022, the Valuation Department has informed this institution that it is not possible to change it, and after notifying the relevant lessee in this regard, he has again stated that the above valuation cannot be accepted and an appeal has been forwarded to this commission to forward it to the valuation department, and it has been again forwarded to the valuation department on 04.07.2023. However, since the government valuation has not been received until now, it was impossible to give the lease agreement.
- Rent should be charged on government valuation.
- (m) The 70 acres of Ragedara Watta land located in Ibbagamuwa Divisional Secretariat has been leased to a private company for a period of 05 years based on the government valuation value for graphite mining in the year 2011. The amount of Rs.8,110,356 paid for this graphite land up to 31 December 2023 had been accounted as advances received on non-receipt of Government valuation. Even though 12 years have
- Although it has been referred to the Director/Valuation and Compensation on 19.10.2012 requesting to provide the current valuation of the Chief Valuer of the Government under section 22(1) b of the Land Reforms Act, the valuation reports have not been provided and the District Director has been informed to the Director/Project on 15.01.2022 to report the valuation value of the respective land with the
- Rent should be charged on government valuation.

passed as of the date of this audit report, the commission has unable to assess, calculate and collect rents and reach a rent agreement between the two parties until now.

copies to Director/Valuation and Compensation. Accordingly, the Director/Valuation and Compensation has sent a letter dated 21.06.2022 to the Director/Projects informing that he do not have the documents to obtain the valuation related to the land, and therefore to provide the relevant documents. Based on said request, 11.07.2022 the documents are directed to Valuation and Compensation again. Accordingly, it has been forwarded to the Chief Valuer on 18.08.2022 and although the Director/Valuation and Compensation has sent a reminder to the Provincial Valuer on 29.03.2023 according to the inquiry made by the Director/Revenue on 13.03.2023 to provide the relevant Valuation value, since it has not been arranged to provide the relevant valuation report, the Director/Valuation and Compensation will be investigated again on 25.12.2023 regarding the delay in receiving this valuation report and the amount of Rs.8,937,144 has been collected from this project by now. Accordingly, after receiving the valuation reports, the relevant adjustments will be made and a formal rent agreement will be issued after collecting the arrears.

- (n) The 25 acres of Ambalanwatta land in Kandy district has been leased to a private company for a Silica project in the year 2011 and any rent was not collected in the years 2012-2015 and 2017-2019. Action had not been taken to obtain the valuation reports of the Government Valuation Department or the reports of the Geological Survey and Mines Bureau to determine the amount of rent to be charged in a fair manner even by 31.12.2023.
- The institution was notified on 21.01.2018 to pay rents on an annual gross valuation until the chief valuer valuation is received regarding this plot of land. Accordingly, it has been forwarded to the valuation department on 03.05.2011, 14.09.2020 and 27.01.2021 to obtain the valuation of the chief valuer. A letter dated 04.04.2024 has also been sent to the Registrar Geological Survey and Mines Bureau. The Director of Revenue informed the lessee on 12.03.2024 that the rent should be charged on the temporary valuation until the information related to the land and Silica is received and accordingly an amount of Rs.2,000,000 has been paid to us on 03.04.2024. Accordingly, instructions have been given to the relevant divisions that the amount of Rs. 2,127,500, which is the balance amount of the receivable, will be collected immediately and after receiving the valuation of the chief valuer, the related adjustment should be made. Furthermore, Bluebay Mineral Institute states as the reason for non-payment of rents in the years 2012/2015 and 2017/2019 that the project was not implemented during that period.
- The rent should be charged as per the government valuation or the reports obtained by the Geological Survey and Mines Bureau.

- (o) Boulder located in 12 acres 02 roods and 4.48 perches in Galimure Watta plot No.01 in Diwlapitiya Divisional Secretariat had been leased in July 2011. Due to the failure of the commission to take actions related to the non-payment of rent by the relevant lessee until about 12 years had passed from the year 2011 to 31 December of the year under review, an income that could have been earned from that had been lost. The decision of the Commission dated 26.07.2011 has been received to lease the 12 acres 2 roods and 4.48 perches of land called Galimure Watta located in Diwlapitiya Divisional Secretariat of Gampaha District including a handling fee in relation to the period enjoyed in 2011 based on the valuation of the chief valuer of the government from time to time according to section 22 (1) a of amended number Act. Accordingly, it has been informed by the letter No.15/6/4028 dated 23.01.2023 and by the letter No.3/5/2/1/Gam/95 dated 24.10.2023 to call the valuation and pay the rent. Furthermore, the lessee has been informed on 29.05.2023 that if he fails to pay the rent amount, further action will be taken regarding this plot of land as per the discretion of the Land Reform Commission. According to that letter, the lessee has made a request dated 22.08.2023 for permission to enjoy without payment. The Director (Legal) has been informed on 17.10.2023 to take legal action due to non-payment of rent and the Director (Revenue) has informed that legal action will be taken immediately. Rent should be charged on a valid agreement.
- (p) The total number of pending cases was 1,123 as of 31 December 2023 and an amount of Rs.34,657,989 had been incurred as legal expenses. Director (Finance) has been instructed to make relevant corrections while preparing the financial statements of 2024. Legal expenses should be properly investigated.
- (q) The organic fertilizer project started in the year 2021 with a cost of Rs.350 million was terminated as a failed project in 2022 as the income earned compared to the cost was Rs.22 million. The places of more than Rs.31 million of machinery and office equipment purchased for this project were located and the details of the types and values of those assets were not submitted to the audit. A three-member special investigation The organic fertilizer production project implemented by the commission has been maintained in 35 Centers and 29 divisional secretariat divisions by centralizing the North Central Province. The initial cost for that was estimated as Rs.700 million and Rs.350 million had been allocated initially. Aforesaid project was commenced using that money and it was successfully maintained. It had been Action should be taken according to the special investigation report.

committee to carry out an independent complete investigation on facts that affected to failure of this project, how the funds have been used and the parties who contributed to the failure of this project was appointed by the Secretary of the Ministry of Tourism and Lands by the decision of the Cabinet No.CP/23/383/615/017 dated 28 March 2023 and although it was stated by the letter No.9/2/6/17 dated 29 April 2023 of the Secretary of the Ministry of Tourism and Lands that the report should be submitted within 02 weeks, it was not submitted until June 2024.

decided to implement these projects by the Land Reforms Commission up to 31.12.2021 and thereafter as a project of the Ministry of Lands after 01.01.2022. An agreement was also signed with the Commercial Fertilizer Company for the sale of manufactured fertilizers and arrangements were made to provide the manufactured fertilizers to that company and a monthly income of Rs.09 million was expected. Commercial Fertilizer Company also suspended the purchase of this project as per the agreement. Taking all these facts into consideration, this project was terminated on 14.07.2022 as the government will incur a loss by executing this project. An amount of Rs.81,150,320 million was spent on machinery and office equipment purchased for the organic fertilizer project. With the termination of the organic fertilizer project on 14.07.2022, a committee was appointed by Secretary to the Ministry to take decisions on how to act regarding the purchased machinery and equipment and, that committee decided to provide the machinery and office equipment purchased for the organic fertilizer project to the government entities. Accordingly, these machinery and equipment have been provided to the government institutions such as Sri Lanka Air Force, Civil Defense Department and Ella Pradeshiya Sabha by now. The investigation committee consisting of three members requested the files and commission decisions related to the organic project from the commission and all those documents were handed over to the committee. However, the commission has not been informed about a final inspection report.

3.2 Human Resource Management

Grade	As per the approval of Management Services Department		the Approved Number by 2018 Cabinet Decision		Employees recruited as per Commission Paper (Contract Basis)		Total Actual Number	Vacancies	Surpluses
	Approved Number	Actual Number	Approved Number	Actual Number	Approved Number	Actual Number			
Senior Management	5	4	11	-	-	-	4	1	-
Middle Management	33	30	9	3	-	-	33	-	-
Technical	6	3	-	-	-	-	3	3	-
Primary Management	4	3	21	-	-	-	3	1	-
• Privatised Positions	28	20	-	-	-	-	20	-	-
Management Assistants	215	182	153	123	77	56	361	-	106
• Privatised Positions	40								
Primary	61	39	20	22	13	8	75	-	14
Total	392	281	214	148	90	64	499	5	120

- It was included a circuit security who employed on contract basis and 5 casual Securities.

Audit Observation	Comments of the Management	Recommendation
(a) The Cabinet decision No.CP/18/1126/829/002 dated 27 June 2018 had approved the recruitment of 214 officers for a period of one year and although it was stated that the service of those officers could be extended for a period of 3 years depending on the performance, after completion of	The commission has given approval on 27.06.2018 to recruit 214 officers namely Management Assistant, Office Assistant, Driver and Assistant Director (Legal) on contract basis. Thereafter, the officers engaged in contract service were	The number of cadre should be revised according to the approval of the Management Department.

relevant 3 years, permanent appointments were given to 138 Management Assistants, 10 Drivers and 16 Office Assistants without the approval of the Management Services Department. Apart from this, the approval of the Management Department had not been taken for 56 Management Assistant positions and 08 Primary positions recruited by the commission papers.

permanent as per the provisions of circulars 25/2104 and 25 (2014) (1) which were enforced in terms of Public Administration Circular 29/2019 issued on 18.09.2019. In this regard, the officers have been informed to follow the formal procedure of the Department of Management Services and arrange for approval according to F.R.71. Accordingly, the Secretary, Ministry of Lands has submitted a report No.2/1/12/22 and dated 20.01.2022. to the Director General of the Department of Management Services requesting approval for inclusion in the permanent staff under the signature of the Chairman. A discussion regarding that report was held on 22.02.2022 at the Management Services Department. According to the instructions given by the officers of the Management Services Department in that discussion, the Ministry of Lands has forwarded a report to the Management Services Department on 24.05.2022 regarding the existing problems of the cadre. In the said discussion, the Department of Management Services informed to prepare and submit the revised recruitment procedure and accordingly the revised recruitment procedure has also been prepared and, A discussion was held regarding the inclusion of the surplus cadre in the approved cadre with the Department of Management Services on 03.11.2022 after the meeting of the Committee on Public Enterprises dated 21.10.2022, and as per the decision of the discussion, a cabinet paper was submitted to

seek approval for the appointment of the recruited staff to the permanent staff on the basis of the duties of the Commission. Accordingly, the Cabinet Memorandum CP/23/0293/615/008 dated 2023.02.06 have been submitted and a decision has been given on 04.04.2023. However as the practical problematic situation was not resolved by that decision, as per the instructions given in the meeting of the Audit and Management Committee of the Ministry to submit a Cabinet Paper again, Cabinet Paper CP/24/0689/615/013 dated 12.06.2024 was Submitted in consultation with the Minister and the Secretary of the Ministry. According to the decision of the paper, It has also been recommended that since the Land Reforms Commission is an institution to be restructured, that it is not appropriate to create positions and recruit staff at this time and if there is any employee who confirmed under Public Administrative Circular No.25/2014 and 25/2014 (1) and could not be included in the staff because of an administrative action, there is no objection regarding the appointment of those employees to the parallel positions that are currently vacant in the Commission. The said Cabinet decision was presented by a paper to the 809th Commission held on 07.02.2024, and the decision given there to approve the recruitment of 77 vacant Management Assistant positions, 18 Office Assistant positions and 05 Driver positions in the commission among the employees who were confirmed

under No.25/2014 and 25/2014(1) of Sub No.III in Public Administrative Circulars as per the Cabinet decision CP/24/0689/615/013 and dated 06.12.2024 by examination of educational qualifications based on the seniority. According to that decision, a committee has been appointed to examine the qualifications and the files are currently being examined.