

Head 286 – Land Commissioner General’s Department

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Land Commissioner General’s Department for the year ended 31 December 2023 comprising the statement of financial position as at 31 December 2023 and the statement of financial performance and cash flow statement for the year then ended, 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 Land Commissioner General’s Department was issued to the Accounting Officer on 14 May 2024 in terms of Section 11(1) of the National Audit Act, No. 19 of 2018. The Annual Detailed Management Audit Report relevant to the Department was issued to the Accounting Officer on 10 June 2024 in terms of section 11(2) National Audit Act, No.19 of 2018. This report will be tabled in Parliament in pursuance of provisions in Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka to be read in conjunction with Section 10 of the National Audit Act, No. 19 of 2018.

In my opinion, except for the effects of the matters described in paragraph 1.6 of this report, the financial statements give a true and fair view of the financial position of the Land Commissioner General’s Department as at 31 December 2023, 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 described in paragraph 1.6 of this report. I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibility for the financial statements are further described in the Auditor’s Responsibilities Section. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Responsibilities of the Accounting Officer for the Financial Statements

The Accounting Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and provisions 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 obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's summary report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, and its materiality depends on the influence on economic decisions taken by users on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Designed and performed the appropriate audit procedures 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.
- Obtained an understanding of internal control relevant to the audit in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.
- Evaluated 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.
- Evaluated 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 and 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 consistent with the preceding year.
- (b) The recommendations made by me on the financial statements of the preceding year, had been implemented.

1.6 Comments on Financial Statements

1.6.1 Accounting Deficiencies

1.6.1.1 Non-financial Assets

Audit Observation	Comment of the Accounting Officer	Recommendation
(a) Although the total expenditure incurred for the development of lands under the acquisition of capital assets was Rs. 1,129,353, its capitalized value was Rs. 517,005 and consequently the expenditure of Rs. 612,348 had not been capitalized.	The total amount of Rs. 612,348 incurred for the construction of wire fence and net fence is the reason for the difference. These expenditures were capitalized by the account summary of April 2024 and accounted as non-financial assets.	All the assets related to the year should be accounted.
(b) Although a sum of Rs. 36.4 million had been paid for the construction of the official quarters of the Commissioner General and the construction had been completed in the year 2020, the house had not been assessed or the value paid for the construction had not been accounted under the non-financial assets in the year 2023.	The value paid to construct the official quarters of the Commissioner General was included on 10.04.2024 under the non-financial assets.	All the assets should be accounted.

1.6.1.2 Lack of Audit Evidence

Audit Observation	Comment of the Accounting Officer	Recommendation
Although an amount of Rs. 468,589 has been paid to the Mobitel Company in the year 2023 for the Sims related to 317 Tablet Computers (Tabs), the particulars about the users of these Sims and 244 Tabs were not presented to the Audit.	The distributions for regional offices were done through the issuance orders and the details of distributions have been included to the inventories of those offices. I inform that the values of those Tabs cannot be accounted as the non-financial assets of the department. Since the details of the payments of monthly bills for the Sim cards are presented to the Account Division by the Division that implements the e-Slims programs, the respective information is available in the said Division.	All the assets should be accounted and the details about the Sim card users should be documented.

1.6.1.3 Non-maintenance of Documents and Books

Audit Observation	Comment of the Accounting Officer	Recommendation
A security register; included with the details of the officers who are administratively responsible for taking over or being in charge of the government money, revenues, stamps or belongings or else distribution of government money or issuance of stores, had not been prepared and maintained as per the Financial Regulation 891.	This will be updated in future.	The employee security document should be maintained in updated manner.

2. Financial Review

2.1 Revenue Management

Audit Observation	Comment of the Accounting Officer	Recommendation
(a) As per the provisions of the Financial Regulation No.460, in case of the occurrence of any error, deficiency of the revenue collected, such error should be rectified immediately upon the occurrence before settling the treasury books of the financial year, and a wrong attribution is shown by those accounts due to such errors not rectified. Since a sum of Rs. 2,002,427 to be credited to the Provincial Council Revenue was mistakenly included to the land tax revenues and the revenue from other taxes and rents amounting to Rs. 150,083,569 shown in the financial statements of the Department in the year under review, the actual revenue of the Department had been overstated by the said amount.	The approval has been received to pay back the erroneous credit of Rs. 2,002,427; revealed by the final accounts in the year 2023, from the revenue. As it takes time to do the relevant corrections by the Divisional Secretariats through the budget summaries, it was verbally inquired from the treasury whether the said correction can be done by the head office in 2023.	Only the correct revenues should be accounted.
(b) The land tax revenues and other outstanding taxes in the year under review were Rs. 101,227,690 and the taxes outstanding for more than 03 years included therein had been Rs. 47,459,534; which was a 47 percent.	I inform that the programs are implemented informing the lessees relevant to the collection of outstanding taxes.	The actions should be taken to collect the outstanding taxes immediately.

2.2 Expenditure Management

Audit Observation	Comment of the Accounting Officer	Recommendation
(a) The provision of Rs. 100,000 allocated under losses and writing-off in the year 2023 had been fully remained.	The provisions have remained as there were no losses and writing-offs for the year 2023.	The provisions should be allocated only on the requirement.
(b) The provision not utilized related to 02 Capital Objects was Rs. 28,133,652. It was a value between 25 and 56 percent from the provision given.	This saving has been made as planned tasks could not be fulfilled, the capital goods were not purchased and as the proceedings were done according to the National Budget Circular No. 03/2022 issued regarding the control of public expenditures.	The actions should be taken to utilize the provisions in maximum way.

2.3 Entering into Liabilities and Obligations

Audit Observation	Comment of the Accounting Officer	Recommendation
The liabilities on electricity bill value in December 2023 amounting to Rs. 1,743,205 had not been identified in the financial statements.	As these expenses are the services in recurrent nature, it is kindly informed that there is a possibility to enter into liabilities for making payments within the next financial year. The payments vouchers have not been mistakenly noted as liabilities in the financial statements.	The liabilities should be correctly presented in the financial statements.

2.4 Non-compliance with Laws, Rules, and Regulations

Audit Observation			Comment of the Accounting Officer	Recommendation
Reference to Laws, Rules and Regulations	Value Rs.	Non-compliance		
(a) 1645(a) and 1647(a) of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka		The vehicle log notes had not been completed and maintained methodically and formally.	The officer in charge of the subject of transport has been informed to update that information in the logbook in the future. The running chart summary is prepared monthly.	The vehicle log books should be maintained as per the instruction of the Financial Regulations.
(b) Establishments Code of the Democratic Socialist Republic of Sri Lanka				
(i) Section 4.2.5 of the Paragraph XXIV	186,140	The outstanding loan balance to be levied from 02 officers who retired as at 31 December 2023 was Rs. 186, 440.	I kindly inform that a loan balance of any officer; to whom the pension gratuity has been paid, has not been included in the Advance B Account.	The arrangements should be made to recover as per the instructions of the Establishments Code.
(ii). Section 4.5 and 4.6 of the Establishments Code	256,074	The total loan balance to be collected from 02 officers who were interdicted was Rs. 256,074 and there were loan balance of Rs. 161,424 over 05 years and a loan balance of Rs. 94,650 between 03 to 05 years.	A sum of Rs. 27,432 has been recovered from all those 03 loan balances as at 31.05.2024 and the loan balance to be further recovered is Rs. 244,578 and I inform that the said loan balance will be recovered as soon as possible.	The actions should be taken to recover the outstanding loan balances with no delay.

	<p>321,785 Even if the paragraph 04 of the Circular No. 262/2017 dated 29 December 2017 says that the heads of the institutions should ensure that any loan balance to be levied from the officers to whom the death gratuities have been paid in the year 2018 and subsequent years is not included in the Advance B Account of their institutions, a balance of Rs. 149,232 between 01 to 03 years and a balance of Rs. 172,553 less than 01 year amounting to a total of Rs. 321,785 had not been settled as at 31 December 2023.</p>	<p>The answers have not been presented.</p>	<p>The actions should be taken to recover the outstanding loan balances with no delay.</p>
<p>(c) The Circular No. 05/2008 dated 06 February 2008 amended by the Circular No. 05/2018 (1) dated 24 January 2018 of the Ministry of Public Administration and Management.</p>	<p>The actions had not been taken by the Department to prepare the Citizen / Client Charter and to openly display it for the general public.</p>	<p>A letter of My Even No. LCGD/AD/15/50 dated 27.11.2023 has been sent to the Auditor General informing about the problematic situation that can be created due to preparing and displaying the Citizen / Client Charter of the Department and requesting the advices thereto</p>	<p>The proceedings should be made as per the instructions of the relevant circular.</p>

2.5 Issuing and Settling the Ad-hoc sub-impressts

Audit Observation

Although the officer to whom a sub-impresst is paid should present the details about the his/her sub-impresst and the said sub-impresst should be settled within 10 days after

Comment of the Accounting Officer

The actions were taken to give written instructions to settle the advances that will be taken in future

Recommendation

The proceedings should be made according to the financial

completing the respective task as per the Financial Regulation No.371 (5), the imprests issued at 6 occasions in the year 2023 amounting to a total of Rs. 152,000 had not been settled by the due date. immediately after regulations. completing the relevant task as per the financial regulation.

3. Operating Review

3.1 Vision and Mission

Audit Observation	Comment of the Accounting Officer	Recommendation
<p>Even if “maintaining proper management which supports the title of undisputed land” has been stated as the “Mission” of the Department, a formal system to obtain the information such as leasing, land disposals, providing grants, tax exemptions and tax reliefs had not been maintained in the Department in respect of taking information and data about the lands even by 02 April 2024; the date of Audit.</p>	<p>The plan has been prepared. What is being maintained in the Tax Division is a data system created to find the files immediately. Consequently, there is no possibility to run searches related to a certain matter and the request has been done to create a new data system through e-slips. The e-slips Division has agreed to implement a program immediately to upgrade the App that has been created at present for the Tax Division after the present activities of Urumaya program and to computerize the data related to the tax files. The details of the tax files related to inter provincial offices have been entered into the said system.</p>	<p>An updated register of lands or an Information System should be maintained.</p>

3.2 Planning

Audit Observation	Comment of the Accounting Officer	Recommendation
<p>As per the paragraph 03 of the Public Finance Circular No. 02/2020 dated 28 August 2020, all the government offices should prepare the annual action plan for the next year on behalf of their institution to implement the approved budget estimates for each year and present to the Chief</p>	<p>There should be opportunities to amend an Action Plan prepared on the essential matters.</p>	<p>The actions should be taken to prepare the Annual Action Plan in accordance with the instructions of the Circulars.</p>

Accounting Officer before 15 December of the current year and obtain the approval thereto. However, the amended action plan for the year 2023 had been presented to the Chief Accounting Officer on 13 October 2023 after a period of 10 months.

3.3 Non-fulfillment of tasks

Audit Observation	Comment of the Accounting Officer	Recommendation
(a) Out of the 10,180 files that have been leased by 04 Provincial Land Commissioner's Departments and 02 Inter Provincial Offices, the no. of files that have been included to the E-Slims system was 2,759 or 27 percent.	Inadequacy of the officers and being in an untrained status have caused the reduction of the progress of this in a certain level, and the arrangements are being made to carry out the relevant awareness in the year 2024 and to get all the details related to the leasehold included in the system.	Updating data to the e-Slims system should be carried out immediately.
(b) As per the Action Plan of the year 2023, the arrangements have been made to link all the Divisional Secretariats by 10 Bank Accounts to carry out the tax payments and other activities through online method. Even if a period of 10 years has passed to date, this E-slims system started in the year 2013 had not been able to be used for giving tax approval and paying tax online subsequent to giving tax recommendations by 31 December 2023.	The tax recommendations have already been given, and it has been made possible to carry out the steps related to the process of giving tax approvals through the e-Slims system up to the Ministry. The payment of tax through online method is not a task planned in the year 2013. This is a process emerged in the year 2021 on the requirement of preparing a new method enabling to do it safely using new technology and alternative means including online method due to the Covid 19 pandemic prevailed in the country with the objective of giving a friendly and efficient service to the general public.	The required actions should be taken with no delay.

3.4 Not achievement the expected output level

	Audit Observation	Comments of the Accounting Officer	Recommendation
(a)	In accordance with the targeted data performance report information 2023, even though it had been planned to issue 5,000 permits and 14,000 grants in the year under review, 722 permits and 6,367 grants had been issued up to 31 December and it had been achieved progress 14 percent and 45 percent respectively.	In 2023, 848 permits and 6,367 grants had been issued. It was 17 percent and 45 percent respectively.	The scheduled permits and grants should be issued.
(b)	Even though it had been planned to enter the information in relation to 70,000 lands into the system in the year under review, it was observed that number of land information was 20,492 i.e. 30 percent as at 31 December.	The data in relation to the land documents had not been entered into the system by the Department and since the identification of the lands belonging to the government and entering data pertaining to that into the system are the responsibility of the Divisional Secretariat, the training programs required for that had been continuously provided to the relevant officers By e-Slims Division. The Circular called mandatory of carrying out the land duties No.01/2022 dated 31.01.2022 had been issued also.	The information on the land documents belonging to the department should be updated.
(c)	Even though it had elapsed 10 years of planning of the completion of Government Land Management Information System Project commenced in 2013 by 05 years, it had not been completed up to the date of audit.	Even though it had been commenced in 2013, it had occurred to continuously conduct the training programs in relation to the project due to recruitment of new employees, employee transfers, employee retirement otherwise fulltime non-allocation of employees for this. Therefore, the relevant steps had been taken to prepare a group for training the trainees.	The action should be taken to reach the maximum of achievement of the targeted data.

3.5 Assets Management

	Audit Observation	Comments of the Accounting Officer	Recommendation
(a)	<p>In terms of the Assets Management Circular No.05/2022 dated 04 April 2022 of the Secretary to Treasury, the all non-financial assets of the government should be properly documented and maintained and updated in accordance with the provisions of the relevant circular and reported to the Comptroller General's Office on due date for prevention of misplacement and misuse of the government' property as well as verification of the usage of the government's property in maximum productivity. There are aggregate 407 of official residences and circuit bungalows belonging to the department and even though there are 399 official residences, only 247 official residences had been reported in the CIGAS System as non-financial assets as at 31 December 2023 and remaining 152 official residences had not been identified under non-financial assets having valued.</p>	<p>It had been informed to Inter-provincial/ Assistant Land Commissioner's Office to submit a valuation report after appointing a committee consisting with 03 members in order to obtain a gross valuation until the Department of Valuation will value the official residences which had not been valued so far and Monaragala, Kantale and Maiyangane Offices had submitted the reports now.</p>	<p>The steps should be taken to value the official residences and account under the non-financial assets and to obtain a maximum productivity from the official residences.</p>
(b)	<p>The Department had not identified how many land extent belonging to the government so far and no action had been taken to prepare a methodology for carrying out the activities of E-Slims System in association with the institutions which have the information on lands for identification of how many land extent belonging to government presently as per the documents up to the date of audit on 25 March 2024.</p>	<p>The relevant Divisional Secretariat has responsibility to identify the land extent belonging to the government and enter the data into the data system and a methodology is being formulated to carry out the activities of the system in association with the institutions which have the information on lands by further providing the required training for that to officers in charge of subjects and the Colony officers.</p>	<p>The land belonging to the government should be identified and updated the data.</p>

3.6 Management Weaknesses

	Audit Observation	Comments of the Accounting Officer	Recommendation
(a)	As at 31 December 2023, the outstanding lease of the department was Rs.101,227,690 and the outstanding lease exceeding 03 years with regard to 08 inter-provincial offices was Rs. 47,459,534. Similarly, the information such as name of the party leased the land, date of lease, land location and land extent leased had not been submitted to the audit and it was observed that a special attention had not been paid for taking action for recovery of outstanding lease and properly charge of the lease.	The limited staff is available for 6,000 lease files. Similarly, it had been already planned to take the action to discuss the progress of the recovery of outstanding lease once in 06 months by calling the Land Commissioners and Assistant Land Commissioners of the inter-provincial offices in the future and discuss the steps to be taken in relation to the lessees who do not pay the lease and the action had been taken to conduct its first meeting on 10 May.	The necessary steps should be immediately taken.
(b)	Even though the number of outstanding lease files of the department is about 550 in relation to 2017, 2018 and 2019, it was observed that the legal action had been taken only for 10 files on non-recovery of lease outstanding.	Presently, 149 files had been submitted to the Legal Division to take legal action and the number of discussions had been held with the Attorney General's Department pertaining to the legal action against these lessees. Similarly, The steps had been taken to inquire from the Attorney General's Department about the files on which there is outstanding lease below Rs.100, 000.	The action should be expeditiously taken on the files which can't be recovered.
(c)	Even though 2.932 hectares from the land parcel No.01 of plan No.4040 located in Bollachchadeniya village in Munasinghagoda Grama Niladhari Division belonging to the department had been leased for 30 years since 06 May 2009 at an annual lease of Rs. 230,000 to Sri Lanka Cricket Institute for construction of an international playground under lease file No. 4/10/26617, no leasehold had been provided even on 31 December 2023 which was the audited date.	The instructions had been inquired from the Ministry of Lands dated 11.03.2018 with regard to the conditions to be included in this leasehold and on such instructions, the leasehold had been drafted again and sent to the Divisional Secretary on 01.02.2021. Said draft had been signed and sent but the name should be altered on change of His Excellency. Again the leasehold draft had been amended and sent to the Divisional Secretary on 02.11.2022 and it had been sent to me dated 05.12.2022. However, since the lessee had not signed at the accurate places of leasehold draft, it had been made aware him to come to this office for putting the signature having prepared the leasehold draft again. Due to his absence, it had been sent to the Divisional Secretary dated 13.02.2024.	The steps should be taken to give the leaseholds.
(d)	Even though the land in extent of 7	Since a case No. 19845L had been	The action should

- perches of parcel No.549 of plan No.298 located in Hasalaka in Minipe Divisional Secretariat Division in Kandy District belonging to Maiyangana (interprovincial) Land Office had been leased to an entrepreneur on 26 September 2014 subject to lease amendment of once in 05 years under lease No. 4/10/40727 for a business activity, a leasehold had not been given to lessee and it was disclosed at the file inspection that the outstanding lease was Rs. 624,000 as at 31 December 2023.
- constituted against Mr. Herath Mudiyansele Ranjith Bandara Herath in 2017 in Kandy District Court by Sri Lanka Telecom based on the fact that this land is belonged to Sri Lanka Telecom, charge of lease had been stopped since 2017. Since it is observed that the government has the ownership of the land from detailed list of land parcels in the plan, the instructions had been forwarded to Land Commissioner, Maiyangana to verify the ownership of the land by participating as a party to this case.
- be promptly taken to give the leasehold.
- (e) A land in extent of 1.214 hectares in parcels No.814 of plan No. අ.ඉ.පී 08 located in Udatthawa village in Kandy Minipe Divisional Secretariat Division had been leased to a private company on 16 March 2021 subject to lease amendment of once in every 05 years. That company had sub leased it to a private company under the approval of the letter No.4/10/16292 dated 23 November 2011 of Land Commissioner General. However, the lease had been defaulted by the company who had obtained it on sub lease and it had been decided to write off the interest of 10 percent charged for the outstanding lease related to 02 years 2020 and 2021 and it was observed that the outstanding lease was Rs. 2,465,040 as at 31 December 2023.
- An amount of Rs.1,907,760 out of outstanding lease up to date related to file No.4/10/16292 belonging to Minipe Divisional Secretariat Division in Kandy district had been paid to Maiyangana Inter-provincial Land Commissioner dated 20.03.2024.
- The action should be taken to charge the outstanding lease.
- (f) Even though a land in extent of 0.110 hectares depicted in parcel No.7061 1/3 in plan No. අ.ඉ.පී.03 in Nawa Nagara village in Lunugamvehera in Hambanthota District had been leased for residential purposes on 19 September 2019 to a lessee for an annual lease amount of Rs.48,720 under lease No. 4/10/68540, due lease amount of Rs. 243,600 as at 31 December 2023 from the year of lease
- The recommendations had been sent for the residential purposes in the name of Mrs. Hettiarachchige Suneetha Chandani and the approval for that had been obtained on 31.01.2022 and the land had been handed over on 24.03.2022. Even though the lease approval had been granted since 2019, the valuation in relation to the land had been received on 01.03.2023. Accordingly, Deberawewa Land Commissioner had informed to the lessee to pay the lease.
- The action should be taken to recover the outstanding lease.

- had not been paid.
- Accordingly, an amount of Rs.194, 880 had been paid on 17.01.2024.
- (g) A land in extent of 0.1040 hectares of parcel No.112 of cadastral map No. 830003 in Weerawila Nava Nagaraya Lunugamvehara Divisional Secretariat Division in Hambanthota District had been leased to a lessee for an annual lease amount of Rs.18,080 by lease file No. 4/10/40305 on 07 June 2012 for 30 years for the residential purposes and the lease amount to be charged was Rs. 216,960. Even though it had elapsed 11 years from lease as at 31 December 2023, no lease had been paid so far.
- Mr. L.Y. Nihil had sent the recommendations for the residential purposes and the approval had been obtained for that. The legal Officer had informed on 24.03.2022 to pay the lease to lessee and if you will not pay, the case will be filed in terms of Civil Procedure Code. Owing to no response again, it had been informed to the lessee that if the lease will not be paid before 31.12.2023, the lease approval will be cancelled. It had been referred to Attorney General's Department to take legal action against the lessee dated 12.02.2024.
- The action should be immediately taken to recover the outstanding lease.
- (h) A land in the extent of 0.013 in parcels No. 5655 in plan No. අ.ඉ.පී.03 in Lunugamvehera Divisional Secretariat Division in Hambanthota District had been leased to a lessee by lease file No. 4/10/19693 under the amendment of lease once in 5 years for 30 years since 2004 for the commercial purposes. However, even though the due lease amount was Rs. 1,069,140 from 2004 to 31 December 2023, said amount had not been paid.
- Mr.Kananke Liyanagamage Tissa Ariyadasa had sent the recommendations for the residential purposes and the lease approval had been received for that. Since the lessee had not paid the lease, it had been requested to take action to cancel the lease approval by Deberawewa Land Commissioner. ,Accordingly, it had been informed to the lessee by the letter dated 27.09.2023 that if the lease will not be paid before 10.11.2023 ,the lease approval will be cancelled. It had been informed to Deberawewa Land Commissioner on 14.02.2024 to report to me if the lease will not be paid before that date. Since there is no response so far, it had been made aware Deberawewa Land Commissioner on 01.04.2024 to be submitted the relevant documents for taking legal action in relation to recovery of outstanding lease.
- Do
- (i) The E-Slim System implemented by Information and Communication Technology Agency of Sri Lanka with Land Commissioner's Department had been commenced in 2016 with the approval of the Department of National Planning with an objective of maintaining this information system for the economic
- e-Slims system had been commenced by Information and Communication Technology of Sri Lanka with the approval of the Department of National Planning in 2016 on the public policy and handed over to the Land Commissioner's Department. Furthermore, the procurement activities had been launched for government lands information and management system
- The activities of the system should be improved comparatively to the cost incurred for E-slim system systematically.

and social development of the country by automatically performing through e-Slim in relation to the management of state lands without approval of the Cabinet of Ministers. As per the project proposal forwarded by Information and Communication Technology Agency of Sri Lanka, it had been estimated Rs.119.6 million as the expenditure for that and it will be completed within 05 years. It had been contracted with a private company for the maintenance, service and improvements of the system for payment of Rs.. 4,950,000 annually for a 03 years period from 12 July 2019 to 11 July 2022. Even though the total amount incurred was Rs.193, 086,520 from 2013 to 2023, such activities had not been competed into operational level and handed over to the Department even up to 25 March 2024.

commenced for land information and management system targeted the lands in Western Province in 2011 by Information and Communication Technology of Sri Lanka. The procurement activities had been started by following the direct contracting for the period from 01.04.2013 to 31.03.2014 having completed the development and maintenance activities in the first stage of the system contracted with Araya Business Solution (pvt) Company. There was no objection for the selection of such private company carried out maintenance and service activities related to the system contracted in the preceding year by the report on 31.12.2018 by the special committee appointed on informing by the Department Procurement Committee

The period of contract had been extended and it had been taken action to get the instructions by meeting a senior officer of the General Treasury for the future period after 12.07.2019. As per subsections 3.5 and 3.6 of the Procurement Guidelines, the procurement activities are being performed in relation to entering into agreement with the said institute itself on the verbal instructions by motioning that it is more suitable to hand over the maintenance and service activities as a service direct contracting method to the institute which had created the Source Code and Domain of this computer system and it is more practical. After 25 March 2024, the relevant committee had been extended for a period of 01 year by the procurement committee on the recommendations of the Technical Evaluation Committee.

(j) It had been reported number of lands disposed and not disposed by identifying the lands the state lands by E-slims system from 2022 to 31 December 2023 were 68,014 and 10,423 respectively. However, no methodology had been prepared so far in the system for the lands mapped

Presently, the system has the ability of mapping the lands through geographical information science technology and uploading to the system and it had been identified that this facility is abundantly used when carrying out Northern Province land duties. The update activities of the new term relevant to this had been carried out by

The necessary action should be taken to prepare a system for the land mapped.

through geographical information science technology. Similarly, even though it had elapsed 10 years from the commencement of this system, it had not been exactly identified the whole extent of land of state lands and disposed and not disposed lands out of it in provincial, district or Divisional Secretariat Division.

Araya Business Solutions (Pvt) Company and submitted for performing the required inspections. The objective of the e-Slims System is to take action for the economic and social development by digitalizing the management of state lands and this system had been established to expedite the office work. Accordingly, there is a ability of using it as a data store after entering the data into the system in Divisional Secretariat Division, Provincial and inter provincial Land Commissioner's Office level.

- (k) As per the information received to the audit in relation to Hambantota, Minuwangoda, Maiyangana, Tissamaharamaya and Kurunegala Divisional Secretariat Divisions, 19 land parcels in Minuwangoda, 10,786 land parcels in Tissamaharamaya, and 05 roods 20 perches in Kurunegala had been identified from 2013 to December 2023 and disposed 19 parcels, 6,841 parcels and 05 roods 20 perches out of such lands respectively. Similarly, The lands from Minuwangoda and Kurunegala Divisional Secretariat Divisions had been disposed as 80 perches and 05 roods and 20 perches respectively for the purpose of housing and even though it had been informed that the action is being taken after taking legal action for the people who resided in an unauthorized manner in Kurunegala Divisional Secretariat, the information related to other 03 Divisional Secretariats had not been submitted to the audit.

No answers had been given.

The land disposal should be accurately carried out.

- (l) Even though the lease should be accurately calculated and charged on the valuation obtained with regard to second lease period from the commencement date of the second lease period up to 16 November 2020 on which the approval of the cabinet of ministers had been given in the computation of the lease amount

Even though 08 commercial lessees belonging to East Nuwaragam Divisional Secretariat Division in Anuradhapura had started their second lease period before 2017, the instructions had been received from the Secretary of Ministry to grant this lease concession to lessees for the request of granting concessions for computation the lease at the commencement of the second

The action should be immediately taken to recover the lease lost.

for the lessee who are entitled the concessions under granting the lease concessions to the lessees who had obtained the state lands on the long-term lease in accordance with the Circular No.2020/06(1) dated 01 February 2021 among the circulars issued by Land Commissioner's General to grant the lease concessions for the lands leased on long-term on commercial base and its cabinet decision, on contrary to that, a lease amount of Rs. 70,518,510 had lost to the government due to informing the way of charge the lease related to 08 lease files in East Nuwaragam Divisional Secretariat Division in Anuradhapura district as per the letter No. 4 / 10 / පොදු / බදු සහන (L 2) dated 10 November 2022 of Land Commissioner's General addressed to Divisional Secretary of East Nuwaragam in Anuradhapura. Similarly, it was observed that there are 82 long-term commercial lease files available commenced the second lease period indicated in the above circular among the files of lands leased long-term on commercial base in the jurisdiction of such Divisional Secretariat Division and since the action had been taken to grant the lease concessions only to 08 files exceeding the circular by the letter No. 4/10/ පොදු / බදු සහන (L2) dated 10 November 2022 of the Land Commissioner's General, it was further observed that a risk of discouraging the 74 lessees for payment of lease out of said 82 lease files.

lease period in terms of the circular. Accordingly, these lease concessions had been granted and since the national income to be charged to the government had lost on this lease concession by the queries of National Audit Office dated 03.02.2024 and 05.03.2024, it had been informed to us to charge the lease again in compliance with Circular No.2020/6 (I).,Accordingly, it had been inquired from the Secretary of Ministry on 05.04.2024 in relation to method of charging the lease prior to making aware Divisional Secretary of Esat Nuwaragam Division.

5. Human Resources Management

Audit Observation

Comments of the Accounting Officer Recommendation

As per the information submitted on the human resources management of the department, the information on the actual and approved cadre is as follows.

	Approved cadre	Actual cadre	No. of vacancies
Seniority	95	37	58
Tertiary	38	04	34
Secondary	660	517	143
Primary	<u>140</u>	<u>95</u>	<u>45</u>
Total	<u>933</u>	<u>653</u>	<u>280</u>

The under-mentioned observations are made in relation to this.

- (a) There were overall 280 vacancies as 58 in the senior level staff, 34 in the tertiary level and 143 in the secondary level and 45 in the primary level.

The number of Deputy Land Commissioner's Offices had been increased up to 06 and accordingly, there are 51 Surveyor Officers.

The measures had been taken to recruit 54 officers on open basis for the vacancies of 135 Colony Officers and to reemploy the retired officers on contract basis for such vacancies.

13 out of 21 departmental Work Superintendent posts had been suppressed and only 08 Work Superintendent posts is remained.

For the vacancies in the primary level service category, 04 Multipurpose Development Assistants had been recruited as drivers and 07 as Office Employee Assistant and 04 as departmental appointments.

The completion of the vacancies should be carried out or should be amended the staff as per the necessity.

- (b) Even though it had been approved 260 Development Assistant Officers within the department, the actual number was 318 and there was an excess of 58 posts.
- The total number of posts is 260 as 60 approved MN 4 category Program officer (Lands) posts and 200 Program officer posts and it had been requested to approve another 82 Development Officer post on exigency of service. The total number of officers who are in the service is 309 and another 08 officers are still holding the Development Assistant posts. Even though 07 officers out of them had requested to absorb into Development Officers' Service, one officer is still remaining in the post of Development Assistant. Therefore, it had been requested to amend the name of the post of 316 posts as Development Officer and one post as Development Assistant. Subsequent to receipt of such approval, it is informed that this excess will be cancelled.
- The existing staff should be amended.