

**1. Financial Statement**

**1.1 Opinion**

The audit of the financial statements of the Land Survey Council for the year ended 31 December 2024 comprising the financial position as at 31 December 2024 and statement of financial performance, statement of changes in equity, 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 the provisions of the National Audit Act No.19 of 2018, Finance Act No.38 of 1971 and Survey Act No.17 of 2002. My comments and observations which I consider should be reported to Parliament appear in this report.

In my opinion, the financial statements give a true and fair view of the financial position of the Council as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with the Generally Accepted Accounting Principles.

**1.2 Basis for Opinion**

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 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 Generally Accepted Accounting Principles and for such internal control as management determines 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 council's stability 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 intend to liquidate the council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the council's financial reporting process.

As per Section 16(1) of National Audit Act No.19 of 2018, the council 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 council.

## 1.4 Scope of Audit

.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 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, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Appropriate audit procedures were designed and performed to identify and assess the risk of material misstatement in financial statements whether due to fraud or errors in providing a basis for the expressed audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- An understanding of internal control relevant to the audit was obtained in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The scope of the audit also extended to examine as far as possible and as far as necessary the following.

- Whether the organization, systems, procedures, books, records and other documents have been properly and adequately designed from the point of view of the presentation to enable a continuous evaluation of the activities of the council, and whether such systems, procedures, books, records, and other documents are in effective operation.

- Whether the council has complied with applicable written law, or other general or special discussions issued by the governing body of the council
- Whether the council has performed according to its powers, functions and duties and
- Whether the resources of the council had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

## **1.5 Audit Observations on the preparation of Financial Statements**

### **1.5.1 Non-Compliance with laws, Rules, Regulations and Management decisions etc.**

	<b>Reference to Laws, Rules and regulations etc.</b>	<b>Non-compliance</b>	<b>Management comments</b>	<b>Recommendation</b>
(a)	Section 25(1) of the Information Act No 12 of 2016	Though it is stated that the citizen who made an information request should be informed of the relevant decision within fourteen days of receiving the request ,no reply had been given for 03 requests made in 2022 and 06 requests made in 2023 until the end of 2024. Out of 14 information requests received in 2024, 02 were not responded to, and out of the 12 requests that were responded to, 05 requests had a delay ranging from 05 days to 307 days, exceeding 14 days.	Due to inadequate staff in 2022 and 2023 proper records were not maintain in this regard, resulting in this lapse. Action will take to correct it.	The citizen who submitted an information request should be informed of the relevant decision within fourteen days of receiving the request.
(b)	The Public Enterprises Circular No PED/01/2021 dated on 16 November 2021, paragraph 2.3of the hand book of Good Governance of Public Enterprises.	Not prepared the Strategic Plan for the year under review.	Not prepared the Strategic Plan for the year under review.	Should prepare the Strategic Plan.

(c) Survey Act No 17 of 2002 dated 04 October 2002.

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| (i) Section 32(1)   | A secretary should have been appointed by the council but no secretary had been appointed from 2002 up to the end of the year under review.  | a permanent secretary could not be appointed due to the financial situation of the council.   | A secretary should appoint with immediate effect.  |
| (ii) Section 37(g)  | Proper action had not been taken to establish reciprocal arrangements with foreign authorities in order to ensure uniformity and mutual recognition in respect of the education, training, and accreditation of persons engaged in land surveying.   | Joined with the local institutions. Due to non recognition of certain foreign institutions that matter wasn't accomplished.   | It should have a concurrence to conduct mutual programme for survey lands, education and training. |
| (iii) Section 39(3) | An application for registration as a Licensed Surveyor should be submitted together with the prescribed application form and the prescribed fee. However, due to the absence of proper regulation regarding the submission of applications and the payment of registration fees, registration numbers had been issued prior to the payment of such fees. The delay in making the relevant payments after issuing the registration number ranged between 14 days and 10 years. As the arrears of fees are recovered only at the time of obtaining the renewal of the registration certificate, a significant delay had occurred in recovering these outstanding fees. | “In terms of the instructions given by the Secretary to the Ministry of Lands and Land Development by letter No. LD/2/2/1/44 dated 23 October 2009, the Land Survey Council had registered Government Surveyors without charging registration fees, issued them only the registration number while retaining the certificate with the Council, and released the certificate upon their retirement from Government | Numbers should be issued by charging a cost and prior to the registration .                        |

service after  
recovering the  
relevant fee.”

## **2. Financial review**

### **2.1 Financial result**

The operating result of the year under review amounted to a surplus of .Rs. 2,175,011 and the corresponding surplus in the preceding year amounted to Rs.3,130,667. Therefore an deterioration amounting to Rs. 955,656 of the financial result was observed. The reasons for the deterioration was mainly due to the decline in interest income from fixed deposits and registration fee income.

### **2.2 Ratio Analysis**

According to the Financial Position Statement submitted, the current ratio of the Institution was 0.47:1 and 0.23:1 in the years 2023 and 2024 respectively, and the quick income ratio was 0.44:1 and 0.21:1 in the years 2023 and 2024 respectively.

## **3. Operation review**

### **3.1 management Deficiencies**

<b>Audit issues</b>	<b>Management Comments</b>	<b>Recommendation</b>
Although the complaints of professional misconduct of surveyors submitted to the Council should be investigated, as of December 31, 2022, there were 134 unresolved complaints and 78 complaints received for the year 2023, making a total of 212 complaints, of which 63 complaints had been resolved. The percentage of complaints resolved in the year 2023 was 30 percent. In 2024, there were 56 complaints received, making a total of 205 complaints, of which 42 complaints had been resolved. The percentage of complaints resolved in the year 2024 was 20 percent. Accordingly, the percentage of complaints investigated had decreased by 10 percent.	Although it is possible to conduct a specific number of complaints investigation monthly, this has occurred due to the fact that more complaints are received monthly than that. Due to the non-appointment of 2024 committee members, only 08 complaint investigation committees have been held.	Should follow an appropriate internal method to inquire the complains.