

Head 254 – Department of Registrar General

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Department of Registrar General for the year ended 31 December 2019 comprising the statement of financial position as at 31 December 2019 and the statement of financial performance, and cash flow statement for the year then ended, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018 . The Summary Report containing my comments and observations on the financial statements of the Department of Registrar General was issued to the Accounting Officer on 24 July 2020 in terms of Section 11 (1) of the National Audit Act No. 19 of 2018 . The Annual Detailed Management Audit Report of the Department was issued to the Accounting Officer on 08 September 2020 in terms of Section 11 (2) of the Audit Act. This report is presented to Parliament in terms of Section 10 of the National Audit Act No. 19 of 2018 which is read in conjunction with Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

In my opinion, except for the effects of the matters described in Paragraph 1.6 of this report, the financial statements prepared in accordance with the provisions of State Accounts Circular No. 271/2019 dated 03 December 2019 give a true and fair view of the financial position of the Department of Registrar General as at 31 December 2019 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

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 Chief Accounting Officer and the Accounting Officer on Financial Statements

The Chief Accounting Officer and the Accounting Officer are responsible for Preparation of financial statements in a manner that reflects a true and reasonable position and determines the internal control required to enable financial statements to be prepared without inadequate false statements that may result from fraud and error in accordance with Generally Accepted Accounting Principles and the provisions of Section 38 of the National Audit Act, No. 19 of 2018 .

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 annual and periodic financial statements to be prepared.

The Accounting Officer shall ensure that an effective internal control system is maintained and maintained for the financial control of the Department in terms of sub-section 38 (1) (c) of the National Audit Act and it should be periodically reviewed the effectiveness of the system and make any necessary changes to keep the system running efficiently.

1.4 Auditor's Responsibility on Audit of Financial Statements

My objective is to express a reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue the Summary Report of the Auditor General that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Appropriate audit procedures were designed and implemented to identify and assess the risk of possibility of quantitative misrepresentations occurred in financial statements due to fraud or errors in providing a basis for the expressed audit opinion. More than the impact of quantitative misrepresentations due to misrepresentation, the effect of fraud is strong because of malpractice, forgery, intentional evasion, misrepresentation, or evasion of internal controls can lead to fraud.
- Although it is not intended to express an opinion on the effectiveness of internal control , obtained an understanding of internal control in order to plan appropriate audit procedures occasionally.
- Evaluated the appropriateness of the accounting policies followed, fairness of accounting estimates and related disclosures made by Management.
- Evaluated whether the transactions and events underlying the structure and content of the financial statements are appropriately and fairly consisted in and presentation of financial statements including disclosures as a whole.

The Accounting Officer was made aware of important audit findings, key internal control deficiencies and other matters identified in my audit.

1.5 Report on Other Legal Requirements

I declare the following matters in terms of Sub-section 6 (1)(d) and Section 38 of the National Audit Act No. 19 of 2018 .

- (a) The financial statements are in consistent with those of the preceding year,
- (b) The recommendations shown in my report regarding the financial statements furnished for the preceding year had not been implemented as per the observations shown in Paragraphs 1.6.5 (a) and 1.6.6 (a) and (b) of this report.

1.6 Comments on Financial Statements

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

Although the financial statements were required to be prepared in terms of the State Accounts Circular No. 271/2019 dated 03 December 2019, the instances excluded from those requirements are shown below.

Audit Observation	Recommendation	Comments of the Accounting Officer
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The observations with regard to the non-compliances of Cash Adjustment Account with the circular instructions are as follows.		
(a) The balance of the imprest account as per the Treasury Books amounting to Rs.356,759 had been stated as Rs. 816,630,475 .	The imprest adjustment account should be prepared in accordance with the circular instructions.	Since there was no clear understanding to enter the items mentioned in the Adjustment Account accurately, this situation was reported .
(b) The revenue collected by other Ministries or Departments amounted	-do-	An accurate answer has not been provided.

to Rs. 1,240,913 had been adjusted in less.

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| (c) | An expenditure incurred for other Ministries and Departments amounting to Rs. 60,859,133 and a sum of Rs. 66,971,400 spent by other Ministries and Departments had not been adjusted. | -do- | An accurate answer has not been provided. |
| (d) | The payments and receipts of Public Officers' Advance Reconciliation Statement amounted to Rs.63,469,606 and Rs.10,869,143 respectively had been adjusted. | -do- | Comments have not been given in respect of failure to make adjustments to the imprest adjustment account. |
| (e) | Although those were the balances not to be adjusted under the deposits and other general ledger accounts, the totals of debit balances amounting to Rs. 73,974,077 and credit balances amounting to Rs. 5,743,635 had been adjusted . | -do- | Steps will be taken to rectify the situation occurred in future as there was no proper understanding of the imprest adjustment account. |

1.6.2 Financial Performance Statement

 The following observations are made .

Audit Observation	Recommendation	Comments of the Accounting Officer
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(a) Even though, the revenue from registration and the revenue from annual issuance of certificates to High Court Notaries was Rs.1,696,533,184 as per the Treasury Books, it had been stated in the financial statements as Rs.1,695,298,379, a sum of Rs.1,234,805 in less. As failure to obtain reports from Divisional	The values included in the financial statements should be agreed with the Treasury books and those figures should be ascertained by the income statements.	As a result of lack of adjusting Notary income collected from High Court Zones and the refunds from the income and non-inclusion of all income into monthly income reports, the revenue

	Secretariats and the High Courts the audit could not verify the accuracy of the revenue collected .	included in Treasury printouts could not be reconciled.
(b)	The registration income collected from a Land Registrar's Office and a Zonal Office amounted to Rs.8,016,600 had been credited to the revenue of Title Insurance Fund without being credited to the Government Revenue.	Revenue should be properly identified and credited to Government Revenue. Steps have been taken to correct it.
(c)	Even though, the other receipts was Rs.68,775,004 as per Treasury computer printouts, it had been stated as Rs.69,165,604, a sum of Rs.390,600 more than that in the financial statements.	The values included in financial statements should be reconciled with the Treasury Books. A sum of Rs.390,600 refunded from other receipts has not been adjusted.

1.6.3 Statement of Financial Position

The following observations are made .

Audit Observation	Recommendation	Comments of the Accounting Officer
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(a) The balance of Rs. 356,759 in the Imprest Account which should be settled as at 31 December 2019, had not been included in the statement of financial position.	The relevant values should be included in the statement of financial position.	That could not be reported by mistake.
(b) When comparing the value of property, plant and equipment with the Treasury computer printouts, the value of 04 asset items had been understated by Rs.285,501,361 and the value of 02 asset items had been overstated by Rs.231,902,412 in the statement of financial position.	The relevant values should be matched with the Treasury computer printouts.	Steps will be taken to include the information that had not included in Treasury books and to reconcile with the Treasury computer printouts by correcting information.

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| (c) | Actions had not been taken to include the assets purchased under the provisions of 03 other Ministries amounted to Rs.128,861,425 in the statement of financial position. | Actions should be taken to include all assets transferred to the statement of financial position. | Answer is not relevant. |
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1.6.4 Cash Flow Statement

Audit Observation

Recommendation

Comments of the Accounting Officer

Even though the actual cash inflows and outflows were Rs.1,789,225,604 and Rs.1,789,125,604 respectively, it had been included in the cash flow statement as Rs.1,615,061,807 and Rs.1,614,737,209. As a result, cash inflows amounted to Rs.174,163,797 and cash outflows amounted to Rs.174,388,395 had been understated in the Cash Flow Statement.

The cash and cash equivalents should be included in the cash flow statement.

Cross entry receipts were not included in the cash flow statement.

1.6.5 Failure to Maintain Documents and Books

The following observations are made .

Audit Observation

Recommendation

Comments of the Accounting Officer

(a) Register of Fixed Asset

The Register of Fixed Assets had not been updated as per Treasury Circular No. 842 of 19 December 1978/ Financial Regulation 502 (2).

The Register of Fixed Assets should be maintained with the concurrence of the Auditor General as applicable.

Steps will be taken to include the properties that had obtained the ownership to the Register of Fixed Assets.

(b) Register of Fuel

A Register of Fuel had not been maintained in accordance with the Financial Regulation 1647 (d).

A Register of Fuel should be maintained in accordance with the Regulations.

Comments have not been given.

1.6.6 Certifications to be made by the Chief Accounting Officer and the Accounting Officer

Although the Chief Accounting Officer and Accounting Officer shall certify as follows in terms of Section 38 of the National Audit Act No 19 of 2018, it had not acted accordingly.

Audit Observation	Recommendation	Comments of the Accounting Officer
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<p>(a) The Chief Accounting Officer and Accounting Officer should ensure that an effective internal control system for the financial control exists 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 and even though such reviews should be made in writing and submitted a copy to the Auditor General, the statements that such reviews were made had not been furnished to audit.</p>	<p>Actions should be taken in terms of the of Section 38 of the National Audit Act No. 19 of 2018.</p>	<p>The answer provided is incorrect.</p>
<p>(b) Although the Chief Accounting Officer and the Accounting Officer shall ensure that all audit queries are answered within the specified time period as required by the Auditor General, the answers for the audit queries had not been given in terms of Paragraph 3.5 of the Report.</p>	<p>Actions should be taken in terms of the of Section 38 of the National Audit Act No. 19 of 2018.</p>	<p>Steps will be taken to provide answers without delay in future.</p>

1.6.7 Non-compliance with Laws, Rules and Regulations

The following observations are made.

	Observation -----	Recommendation	Comments of the Accounting Officer
	Reference to Non-compliance Laws, Rules, and Regulations -----	-----	-----
(a)	Notaries Ordinance No. 1 of 1907		
(i)	Sections 27 (1) and (2) and Gazette Notification No. 10/240 dated 27 April 1951	The Annual Notary Directory had not been published in 2016, 2018 and 2019, and it had been published in the years 2014, 2015 and 2017 with a delay from 10 months to more than 1 year.	The Notary Directory should be published in the Gazette on 01 May in every year as per the Provisions.
(ii)	Section 18 (3)	The Notary Directory should be updated in accordance with the Provisions and necessary actions should be taken against the Notaries who had not obtained licenses.	The Notary Directory for the year 2019 is being updated.
	Due to non-submission of Notary Directory by the Secretaries of the High Courts, the irregularities had not reported with regard to Notaries who have written and certified deeds without obtaining the Annual Certificate. Further, necessary actions had not been taken in respect of 1,589 Notaries who had not obtained License in the Land Registrar's Office Colombo in the years 2016 and 2017.	The half yearly reports are not received as scheduled from the High Courts.	

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| (iii) | Sections 13 and 30 of the Increase of Fines Act No. 12 of 2005 | Although 4,018 deeds had been written and certified by 53 notaries who did not renew their licenses in the year 2018 in 03 Land Registrar's Offices and legal action had not been taken in this regard. | Legal actions should be taken in accordance with the Provisions. | The Directory for the year 2018 has been received only from the Colombo High Court and steps will be taken to obtain from other High Courts. |
| (iv) | Section 26 (b) | It was impossible to confirm whether the deeds were written and certified due to 467 Notaries in three Land Registrar's Offices had not submitted 1,988 blank reports from 2015 to August 2019. | The blank reports should be obtained in accordance with the Provisions. | Steps will be taken to make aware of Notaries. |
| (v) | Sections 31 (6), (26) of the Notaries Ordinance and Sections 4 (1) and (2) of the Registration of Documents Ordinance | Although 12,867 second copies of deeds had not been handed over by 532 Notaries From 2015 to August 2019, in 04 Land Registrar's Offices, actions had not been taken against them. | Actions should be taken in accordance with the Provisions. | Actions are being taken to inform to hand over the second copies of the deeds and to take legal actions. |
| (vi) | Sections 32, 41 (1) (a) and (b) | Actions had not been taken to obtain the documents and official seals which were in the possession of 30 Notaries who had died during the period of years 2000-2018 in 03 Land Registrar's Offices. | Legal action should be taken against the trustees who had not handed over them in accordance with the Provisions. | Unavailability of information at the Office in Avissawella and actions will be taken to obtain them from other offices . |
| (vii) | Section 35 | Actions had not been | Actions should be | A programme to |

taken to recover the compound arrears which had been imposed ranging from Rs. 4 to Rs. 5,000 during the period from 2002 to July 2019 totalled to Rs.1,589,050 for 311 Notaries in 04 Land Registrar's Offices.

taken to recover the compound arrears in accordance with the Provisions.

the recovery of money is being implemented.

(b) Registration of Documents Ordinance No. 23 of 1927

(i) Sections 28 (1) and (2) (a) of Chapter V of the Registration of Documents Ordinance

Although it was registered in 04 Land Registrar's Offices during the period 2001-2018, actions had not been taken to maintain the lists of 3,042 land deeds that had not been returned and to report to the Registrar General.

Actions should be taken in accordance with the Provisions.

The answer is incomplete.

(ii) Section 05 of Paragraph 11 in the Registration of Documents Ordinance

A number of 119,285 second copies of deeds handed over during the period of 2001 and 2009 in 04 Land Registrar's Offices had been piled up without taking actions to bind the Volumes

The second copies should be bound in Volumes and to be kept safe in accordance with the Provisions.

Binding of Volumes was in delay because of the lack of staff.

(c) Financial Regulations of

Five lapsed deposits valued at Rs. 1,118,400

Inquiries should be made and credited to

Steps have been taken to act in

	the Democratic Socialist Republic of Sri Lanka Regulations 571	had not been credited to Government Revenue.	Government Revenue.	accordance with Financial Regulation 571.
(d)	Public Administration Circular No. 09/2009 (I) dated 17 June 2009	The Acting Registrar General and his driver had not recorded their arrival and departure in the finger scanner machine or in a the register.	Actions should be taken in accordance with the Circular Provisions.	The arrival and departure is not recorded because of the field inspections has to be done.
(e)	Registrar General Manual 1970 – Registration of Deeds			
(i)	Sections 375 (1) and (2), 410 and 411	Actions had not been taken to issue irregularity records checking 155,714 second copies received in two Land Registrar's Offices from the year 2017 to 2019 .	The second copies should be checked and included in the Notary Examination Book according to the Provisions.	Delays have occurred due to a shortage of officers.
(ii)	Section 440 (2) and Circular of the Registrar General No. 11/2019 dated 23 July 2019	Actions had not been taken to recover the arrears and fines imposed on 304 Notaries in 03 Land Registrar's Offices amounted to Rs.4,075,921 .	Actions should be taken to recover the arrears and fines as per the Provisions.	The relevant activities are being carried out to recover the arrears.
(iii)	Section 452 of the Registrar General's Manual	Actions had not been taken to file cases against 09 Notaries who had not handed over the second copies	Actions should be taken in accordance with the Provisions.	The answer is incomplete.

of deeds in 05 Land Registrar's Offices during the period 2012-2019.

1.6.8 Non-compliance with Tax Requirements

Audit Observation -----	Recommendation -----	Comments of the Accounting Officer -----
The Value Added Tax reports pertaining to the payment of Rs.8,542,773 on obtaining photocopy service during the year under review had not been submitted to the relevant divisions in accordance with Guideline 5.4.12 of the Government Procurement Guidelines 2006 .	It should inform the Commissioner of Inland Revenue with copies to the Auditor General on or before 15th of the following month after payment for VAT coverage in accordance with the Provisions.	The answers had not been given.

2. Financial Performance

2.1 Imprest Management

The following observations are made .

Audit Observation -----	Recommendation -----	Comments of the Accounting Officer -----
(a) The Department had not prepared an Imprest Plan.	An Imprest Plan should be prepared.	It was noted to provide the Imprest Plan in future.
(b) An advance amounted to Rs. 2,618,490 given to 42 officers on 42 occasions had been settled with a delay of 07 days to 08 months.	Actions should be taken in accordance with the amended Financial Regulation 371 (2) with the Public Finance Circular No. 3/2015 dated 14 July 2015 .	Answers have not been given.

2.2 Income Management

The following observations are made .

Audit Observation	Recommendation	Comments of the Accounting Officer
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(a) The Preliminary Estimate of Rs.1,400,000,000 prepared as the basic income from registration, had been revised by the Treasury as Rs. 1,450,000,000 . Actions had not been taken to revise the estimate prepared by the Department and it had earned a revenue of Rs.1,689,706,685 for more than 17 per cent of the Estimated revenue.	The revenue should be accurately estimated.	Information regarding the commencement of expedited services was not disclosed at the time of submission of Estimates.
(b) The revenue from Notary fee had been estimated at Rs. 20 million without drawing attention on crediting of fee for issuance of license and renewal of license for the year under review to the account of the Commissioner General of Inland Revenue. As a result, the income earned was only a sum of Rs. 6,826,494 or 34 per cent.	-do-	It has been stated in the Revenue Account that the basic income was not revised.
(c) Even though the arrears income was Rs. 24,813,876 at the end of the year under review, as a result of it was Rs. 62,411,624 as per the statement of arrears income, remaining a difference of Rs. 6,883,768 between the arrears income reports of the Head Office and the Land Registrar's Office and stating of a balance payable amounted to Rs.1,373,919 by setting off with the arrears income.	Actions should be taken to recover the arrears income by keeping accurate records.	As the revenue receivable to the Provincial Councils has been included, a circular has been issued to collect the arrears income from the Provincial Councils

2.3 Expenditure Management

The following observations are made .

Audit Observation	Recommendation	Comments of the Accounting Officer
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(a) Out of the initial provision of Rs.1,000,000 made available for foreign travel expenditure object, a total amount of Rs. 300,000 had been saved after transferring of Rs.700,000 in accordance with Financial Regulation 66.	Provisions should be made available through a properly planned programme.	The money has been saved due to the non-receipt of foreign tours by the officers of the department.
(b) Out of net provision for the 09 recurrent expenditure objects amounted to Rs. 244,550,000, a sum of Rs. 35,493,970 ranging from 13 per cent to 69 per cent and out of net provision for the 05 capital expenditure objects amounted to Rs. 53,600,000, a sum of Rs. 28,040,619 ranging from 13 per cent to 73.9 per cent had been saved.	It should operate with proper management and utilized.	Delay in providing of Treasury allocations and lack of adequate imprests have caused to these savings.
(c) Provisions had been made through Supplementary Estimates amounting to Rs. 202,900,000 for 20 expenditure objects in addition to the estimated provision for the year under review.	Actions should be taken to manage expenditure within the provisions made available from the Budget Estimates in accordance with the Regulations.	The additional provisions had to be obtained for the increased costs.
(d) Even though 25 per cent of the allocation for capital expenditure should be saved, the savings out of the net provision of Rs. 43,400,000 for 07 expenditure objects was Rs.5,083,107 or in between 3 per cent and 20 per cent .	The actions should be taken in accordance with the Budget Circulars No. 03/2019 dated 08 April 2019 and No. 5/2019 dated 24 September 2019.	The Treasury had been notified of the curtailment.

2.4 Reconciliation Statement of Advances to Public Officers' Account

The following observations are made .

Audit Observation	Recommendation	Comments of the Accounting Officer
(a) Out of the 73 officers who had transferred, deceased, retired, interdicted, dismissed and resigned as at 31December 2019, the total outstanding debt balance was Rs. 2,824,898 and those outstanding debt balances had remained for a period from 3 months to more than 05 years.	Actions should be taken to recover the outstanding advances in accordance with Paragraphs 4.6 and 4.2.5 of Chapter XXIV of the Establishments Code and Paragraph 1.1.6 of Budget Circular No. 118 dated 11 October 2004.	Answers have not been given.
(b) Even though the actual expenditure was Rs. 85,001,250 as per the reconciliation statement, it was Rs. 87,219,942 as per the Treasury printouts. Non-reporting of a sum of Rs.2,218,692 corrected by journal entries in Departmental Books to the Treasury had caused to that.	The Treasury printouts should be accurate.	Answers have not been given.

2.5 Entered into Liabilities and Commitments

The following observations are made.

Audit Observation	Recommendation	Comments of the Accounting Officer
<p>(a) The liabilities as per the Treasury print outs amounted to Rs.4,052,020 in the year under review had been stated as Rs.52,830,613 in financial statements and a sum of Rs.48,778,593 had been overstated.</p>	<p>The commitments and liabilities should be reconciled with the Treasury Books in accordance with Paragraph 3.4 of State Accounts Circular No. 271/2019 dated 03 December 2019.</p>	<p>Relevant information up to the submission of accounting records indicated by financial statements and then the payments state in the list of liabilities and take steps to make payments.</p>
<p>(b) It had been entered into liabilities amounted to Rs. 10,531,218 exceeding the savings of 08 expenditure objects amounting to Rs.7,286,699 in contrary to in terms of Financial Regulation 206(a), during the year under review.</p>	<p>It should not enter into liabilities exceeding the savings in accordance with Financial Regulations.</p>	<p>Since the essential expenses that could not be paid in the relevant year had to be paid in the following year , this situation had occurred.</p>
<p>(c) Liabilities included in the financial statements under 04 expenditure objects amounted to Rs. 15,528,246 to the List of Liabilities and the liabilities amounted to Rs. 3,725,938 included in the List of Liabilities under 02 expenditure objects had not been included in the financial statements.</p>	<p>All the liabilities should be documented and included in financial statements.</p>	<p>There are differences in between the List of Liabilities and the financial statements.</p>

3. Operating Review

3.1 Planning

Audit Observation

The Action Plan had not been prepared as per the instructions in the Public Finance Circular No. 01/2014 dated 17 February 2014.

Recommendation

The Action Plan should be prepared in accordance with the circular instructions.

Comments of the Accounting Officer

Answers have not been given.

3.2 Performance

The following observations are made .

Audit Observation

- (a) A Performance Report had not been prepared on the progress of the activities included in the Action Plan at the end of the year under review.

Recommendation

The performance report should be prepared including the progress at the end of the year.

Comments of the Accounting Officer

Answers have not been given.

- (b) Civil registration and registration of documents were the main functions of the Department. However, due to the lack of a proper programme in the Department to amend the registration laws to suit the current complex economic and social conditions, government policies, Information Technology programmes, proper collection of government revenue etc, further activities were being carried out under the old Acts and Ordinances.

A proper programme should be prepared to amend the laws related to the registration process.

A Legal Officer has been recruited in June 2020 and attention has been drawn on the relevant matters.

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| <p>(c) It was intended to reduce the property registration process from 09 steps and 51 days to 02 steps and 05 days through the e-Land Registry Project. Thereby, it was expected to improve the economic performance and investment environment of the country by raising the property registration index which was a sub-index of the Ease of Doing Business Index. However, the Project was not successful due to the reasons such as lack of proper planning for Information Technology programmes in the 20 Land Registrar's Offices where the Project is being implemented, lack of officers with technical knowledge and the defects in software. Further, the Project had not been implemented in the remaining 25 Land Registrar's Offices.</p> | <p>It should upgrade the quality of Sri Lanka in the Ease of Doing Business Index by developing the e-Land Registry Project recognizing the relevant issues.</p> | <p>It has been suggested to develop the software and to fill Information Technology Officer vacancies.</p> |
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3.3 Procurements

The following observations are made .

Audit Observation	Recommendation	Comments of the Accounting Officer
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<p>(a) A sum of Rs.67,796,624 had been spent for photocopy service without taking actions to include in the Master Procurement Plan and to conduct a feasibility study in the year under review. Moreover, although performance security not less than 5 per cent was required to be received from the estimated contract amount, only a security of Rs. 25,000 had been obtained.</p>	<p>Actions should be taken in accordance with Guideline 4 and 5.4.8 of the Government Procurement Guidelines 2006.</p>	<p>Answers have not been given.</p>

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| <p>(b) Actions had not been taken to prepare a Procurement Timetable and a Detailed Procurement Plan as per the Guidelines 4.2.1, 4.2.2 and 4.2.3 of the Government Procurement Guidelines 2006.</p> | <p>A Procurement Timetable and a Detailed Procurement Plan should be prepared in accordance with the Guidelines.</p> | <p>Answers have not been given.</p> |
| <p>(c) It had been spent a sum Rs. 11,233,333 beyond the estimated amount of Rs.14,340,000 for 04 types of procurements without taking actions to revise the Procurement Plan and 05 procurements which were not included in the Plan amounting to Rs. 74,039,894 had been carried out .</p> | <p>Actions should be taken to revise the Procurement Plan as required.</p> | <p>Answers have not been given.</p> |

3.4 Assets Management

The following observations are made .

Audit Observation	Recommendation	Comments of the Accounting Officer
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<p>(a) Due to non-completion of Board of Surveys on assets in the year under review, the value of assets included in the statement of financial position amounting to Rs.2,224,707,985 was not physically confirmed.</p>	<p>Assets should be surveyed in accordance with circular instructions.</p>	<p>Since the assets consisted in the financial statements are available in the offices of the Department and therefore can be physically examined.</p>
<p>(b) Twenty vehicles had been received from a Ministry and a Department. Even so, those vehicles remained inactive due to lack of drivers and failure to take over by the Department and therefore, unable to obtain revenue licenses and insurance certificates.</p>	<p>The assets should be used efficiently.</p>	<p>Answers had not been submitted.</p>

3.5 Management Weaknesses

The following observations are made .

Audit Observation	Recommendation	Comments of the Accounting Officer
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(a) The one day expedited service of land deed registration in the year under review had not been included in the Annual Action Plan and a sum of Rs. 2,609,750 had been spent for the inaugural ceremonies at the Land Registrar's Offices.	All the activities should be carried out in a planned and frugal manner.	Answers have not been given.
(b) It was not observed that a Notary can certify a deed of land anywhere in the island and 113 deeds written by 57 Notaries registered in areas outside the Avissawella Judicial Zone had been registered with that Land Registrar's Office in the year 2018.	Actions should be taken in accordance with the Provisions of the Notaries Ordinance.	According to the Notaries Ordinance, the Notary should act only within his jurisdiction and the second copies should be submitted to the Land Registrar's Office in the District where he resides.
(c) Arrangements had not been made to take actions making aware the Notaries on 1,421 number of refused deeds to be registered and 6,895 deeds which could not be registered due to shortcomings in 04 Land Registrar's Offices during the period of years 2016-2019 .	The Notaries should be made aware and all activities should be carried out properly.	Actions will be taken to make aware of Notaries.
(d) The officer in charge of the transport division who does not entitle for the transport facilities had been provided with transport facilities from the place of duty to the home. Further, despite the Ministry's investigation report had	When retiring the officers subjected to disciplinary inquiries should comply with the instructions in the Establishments Code	When she was referred to the relevant institutions for retirement approval, there was not a disciplinary inquiry

recommended that the driver of the vehicle be asked to inquire about the unauthorized possession of the vehicle, the possession of a narcotics and the failure to obtain driving record, she had retired with all the privileges.

and the circular against her. instructions regarding the use of vehicles.

- (e) It was not ascertained that the vehicle attached to the Head of the Department arrived at the office premises during the period from March 15 to November 28 of the year under review. Further, the driver of the vehicle had driven 04 other pool vehicles during that period and 06 pool vehicles had been used by the Document Assistants on the instructions of the Head of the Department.

The use of vehicles should be complied with regulations and to be subjected to proper internal control.

Answers have not been given.

4. Achieving of Sustainable Development Goals

Audit Observation

Recommendation

Comments of the Accounting Officer

Any action had not been taken to identify the Sustainable Development Goals by the Department in accordance with the provisions and to achieve those Goals.

Actions should be taken in accordance with the Sustainable Development Act No. 19 of 2017 passed by Parliament to comply with the “Sustainable Development Agenda - 2030” and Circular Guidelines.

Answers have not been given.

5. Good Governance

5.1 Audit and Management Committee

Audit Observation	Recommendation	Comments of the Accounting Officer
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The Audit and Management Committee of the Department had not been activated as per the Management Audit Circular No. DMA / 2009 (I) (i) dated 28 January 2016 .

The Audit and Management Committee of the Department should act in accordance with the Circular.

The answers have not been given for the audit query .

6. Human Resources Management

The approved and actual cadre were 2,712 and 2,496 respectively as at 31 December 2019 and a sum of Rs.1,022.29 million had been spent for the personal employment category for performing the role of the Department during the year under review. The following observations are made in this regard .

Audit Observation	Recommendation	Comments of the Accounting Officer
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- (a) The post of Registrar General who is the Accounting Officer of the Department, had been activated on a covering of duties and acting basis since January 2017. In addition, vacancies in 23 out of the 41 senior level approved posts for many years had also affected the performance of the Department.

The essential vacancies should be filled and the activities of the Department should be made efficient.

Answers have not been given.

- (b) As a result of failure to conduct the competitive examination on the recruitment to Grade II of the Registrar's Service, the post was being activated in 18 Land Registrar's Offices on an acting and covering of duties basis. Actions should be taken in accordance with the Scheme of Recruitment. Answers have not been given.
- (c) There were vacancies in Registrar Assistants and Book Binders in 14 Land Registrar's Offices and 09 Zonal Offices and 110 Management Assistants in 26 Offices due to failure to attach employees properly. The proper attachments should be made to all the offices. Answers have not been given.