

## Head 288 - Department of Survey General

### Scope of Audit

The audit of Appropriation Account, Revenue Account and the Reconciliation Statements including the financial records, books, registers and other records of the Head 288 - Department of Survey General for the year ended 31 December 2015 was carried out in pursuance of provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Survey General on 30 August 2016. The Audit observations, comments and findings on the accounts and the reconciliation statements were based on a review of the Accounts and Reconciliation statements presented to audit and substantive test of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

### 1.2 Responsibility of the Chief Accounting Officer and the Accounting Officer for the Accounts and Reconciliation Statements.

The Chief Accounting Officer and the Accounting Officer are responsible for the maintenance, preparation and fair presentation of the Appropriation Account, Revenue Account and the Reconciliation Statements in accordance with the provisions in Articles 148,149,150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other Statutory Provisions and Public Finance and Administrative Regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

## 2. Accounts

### 2.1 Appropriation Account

#### (a) Total Provision and Expenditure

The total net provision made for the Department amounted to Rs.3,267.33 million and out of that Rs.3,198.62 million had been utilized by the end of the year under review. Accordingly, the savings out of the net provisions of the Department amounted to Rs.68.71 million or 2.10 per cent. Details are given below.

Expenditure	As at 31 December 2015			Savings as a Percentage of Net Provision
	Net Provision	Utilization	Savings	
	Rs. Millions	Rs. Millions	Rs. Millions	
Recurrent	3,026.03	2,966.92	59.11	1.95
Capital	241.30	231.70	9.60	3.98
<b>Total</b>	<b>3,267.33</b>	<b>3,198.62</b>	<b>68.71</b>	<b>2.10</b>

**(b) Utilization of provisions made available by other Ministries and Departments**

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A sum of Rs.254 million had been utilized from the provision of Rs.277 million made available by Ministry of Land for the Department for Bimsaviya programme by the end of the year under review. Accordingly, a sum of Rs.23 million or 8 per cent of the provisions made had been saved.

**2.2 Revenue Accounts**

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**Estimated and Actual Revenue**  
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The Department had estimated the Revenue totalling Rs.101 million in respect of the Revenue Code 20-03-02-04 for the year 2015 and Revenue totalling Rs.308 million had been collected for the year under review. It had been 305 per cent from the estimated revenue.

**2.3 Advance Account**

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**Advances to Public Officers Account**  
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**Limits Authorized by Parliament**  
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The limits authorized by Parliament for the Advances to Public Officers Account of the Department under Item No.28801 and the actual amounts are given below.

<b>Expenditure</b>		<b>Receipts</b>		<b>Debit Balance</b>	
<b>Maximum Limit</b>	<b>Actual</b>	<b>Minimum Limit</b>	<b>Actual</b>	<b>Maximum Limit</b>	<b>Actual</b>
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<b>Rs. Millions</b>	<b>Rs. Millions</b>	<b>Rs. Millions</b>	<b>Rs. Millions</b>	<b>Rs. Millions</b>	<b>Rs. Millions</b>
157.33	110.97	107.33	123.34	380.00	317.76

**2.4 Imprest Account**

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The balance of the Imprest Account No. 7002/0000/00/0044/0015/000 of the Department as at 31 December 2015 amounted to Rs.2.34 million.

**2.5 General Deposits Account**

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The balances of the 04 Deposit Accounts under the Department as at 31 December 2015 totalled Rs.10.55 million. Details appear below.

<b>Deposit Account Number</b>	<b>Balance as at 31 December 2015</b>
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	<b>Rs. Millions</b>
000/0117/0002/00/0000/6000	1.70
000/0077/0013/00/0000/6000	0.30
000/0065/0016/00/0000/6000	8.59
000/0143/0015/00/0000/6000	0.06
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<b>Total</b>	<b>10.55</b>
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## 2.6 Audit Observation

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The Appropriation Account, Revenue Account and the Reconciliation Statements for the year ended 31 December 2015 of the Department of Survey General had been satisfactorily prepared subject to the audit observations appearing in the Management Audit Report referred to in Paragraph 1.1 above. The material and important audit Observations out of the audit observations included in the Management Audit Report appear in Paragraph 3.

## 3. Material and Significant Audit Observations

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### 3.1 Non -maintenance of Books and Records

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It was observed during audit test checks that certain registers stated below had not been maintained and certain registers had not been properly maintained and updated by the Department.

<b>Type of Register</b>	<b>Relevant Regulation</b>	<b>Observations</b>
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(a) Register of Fixed Assets	Treasury Circular No.842 of 19 December 1978	Had not maintained.
(b) Register of Fixed Assets on Computer, Accessories and Software	Treasury Circular No. IAI/ 2002/ 02 of 28 November 2002	Had not maintained.
(c) Register of Losses	Financial Regulations 110	Had not updated
(d) Register of Liabilities	Financial Regulations 214	Had not updated

### **3.2 Revenue Account**

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Duties such as preparation of Revenue estimates, collection of revenue, Accounting and presentation of accounts in respect of Revenue Code of 20.03.02.04, had been assigned to the Head of the Department as the Revenue Accounting Officer. The following deficiencies were observed during the audit test checks carried out on in respective of that Revenue Code.

- (a) Revised revenue estimate for the year 2015 had been amounted to Rs.140 million. But the revenue estimate had been amounted to Rs. 101 million as per the revenue account presented to audit.
- (b) Out of the balance totalled Rs. 22 million of the survey charges income and the brought forward balance of the deposit account for the year under review, only Rs.167 million had been credited to the Survey General revenue and the difference of Rs. 62 million had been used for the expenses. Accordingly only 73 per cent of survey income had been credited to the revenue in the year under review.

### **3.3 Advances to Public officers Account**

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The following deficiencies were observed during the course of audit test checks of the Reconciliation Statements as at 31 December 2015 relating to the Advances to Public Officers Account item No.28801.

- (a) According to the Reconciliation Statement presented to the audit, the balance remain outstanding totalled Rs.7,096,321 in respect of officers transferred out, retired and deceased, vacated the service, interdicted and other loan balances and even though those outstanding balances remained over periods ranging from 1 year to 33 years, the follow-up action on the recovery of outstanding balances had not been taken.
- (b) In reconciling Western Provincial Accounts, Control Account had been balanced by adding Rs.503,507 to the opening balance as the addition to the deficit of the loan balances of the control account.

### **3.4 Good Governance and Accountability**

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#### **Annual Performance Report**

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Even though the Performance Report should be tabled in the Parliament within 150 days after the closure of the financial year by the Department in terms of Public Finance Circular No.402 of 12 September 2012, the performance report for the year 2015 had not been tabled in Parliament even by 30 August 2016.

### **3.5 Assets Management**

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Audit test checks carried out in respect of assets of the Department, the following deficiencies were observed.

(a) **Asset given to External Parties**  
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Two motor vehicles valued at Rs. 15 million had been improperly released to the Department of Land Commissioner General from 31 July 2014 and another motor vehicle of which no value was revealed had been improperly released to the Ministry of Land by the department.

(b) **Improper use of Assets belong to other Institutions**  
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It was observed at audit test checks that there were instances of utilizing the certain assets belonging to other institutions by the Department without proper approval. Details are given below.

Type of Asset	Asset Owned by	Quantity	Value	Period
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			Rs.	
Motor Vehicle	Ministry of Land	16	Five vehicles valued at Rs. 21 million and 11 vehicles of which no value revealed	From 24 July 2014
	Ministry of Environment and Natural Resources	04	value had not been revealed	Not revealed

**3.6 Performance**  
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According to the annual budget estimate and the action plan for the year 2015, observations on the Progress of the department are given below.

**Main Functions not Adequately Performed**  
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Main functions of the department were not adequately performed and some of such observations are given below.

- (a) According to the annual action plan, even though the number of targeted plots of surveying of placing land marks were 49,413 in the year under review only 42,859 plots had been measured as per the performance report and the progress was at 87 per cent.
- (b) Even though the number of targeted plots of Engineering surveying were 4,180 hectares only 1550 hectares had been surveyed according to the progress report, the progress in the year under review was 37 per cent.
- (c) Even though the numbers of court order surveying plots were 10,200 only 7,425 plots had been surveyed according to the progress report, the progress in the year under review was 73 per cent.

- (d) Numbers of remaining surveying orders from year 2009 to year 2015 were 22,941 as at 31 December 2015. A special plan to complete the remaining surveying orders existed over the past 07 years had not been implemented by the Department.

### **3.7 Irregular Transactions**

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Certain transactions executed by the department are avoided of regularity. Several such instances observed are given below.

#### **Deviation from the Government Procurement Guidelines**

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Following observations are made.

##### **(a) Purchasing of Total Station**

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Total Stations valued at Rs. 23.36 million of had been purchased for the Department in the year under review. In this regard following deficiencies were revealed in the audit test check.

- (i) Six institutions had been presented the bids for this. Out of those bids presented by 03 institutions had been rejected and following facts had been based for that rejection.
- Basing of the Demonstration Test without obtaining the assistance of an External Consultant, in terms of paragraph 2.8.1 (d) of the Government Procurement Guideline.
  - Having various errors in supporting equipment, having differences in standardized equipment and being the value of that equipment lesser than 3 per cent of the value of the Tool Station.
  - Even though the Department had purchased Dust and water protection value of 55 Total Stations earlier, recommending that value as 55 this time.
  - The cost of maintenance for the year 4 and 5 had been requested and being presented it in the confusing manner by the bidders.
  - Even though some bidders had given a 5 year complete warrant certificate including all maintenance, such bids had been rejected.
  - Some bids had been rejected stating that no Keyboard, Alpha Numeric Keyboard or Touch Panel both faces

Even though bids had been rejected based on the above facts, this technical specification had been excluded in purchasing of 25 Total Stations in year 2016. Further the department had purchased earlier Trimble type Total Stations not completing this specification.

- (ii) Even though the amount of Rs. 6,048,000 had been included as the equipment maintenance cost by the contract company of purchased equipment that cost had not been considered in evaluating bids.
- (iii) The specifications of purchased Total Station type Soccia CX Series and type Topcon ES -103 were observed as same as equal. Though they are 02 types of Total Stations, it was observed that one of their manufacturing companies was the parent company of the other company. Even though type Topcon ES -103 was presented with a lower price, that bid also had been rejected.
- (iv) The department had to pay more of Rs.3, 591,000 due to the rejection of 04 competitive lower priced institutes compared to the selected supplier based on the above unreasonable facts.
- (v) Even though attention should have been paid to call international competitive bids when the local suppliers' ability is limited and international competitive bidding is favorable as per paragraph 3.1 of the Government Procurement Guideline, attention had not been paid for that.

**(b) Purchasing of Unman Aerial Vehicle (U.A.V)**

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A small sized Unman Aerial Vehicle had been purchased by expensing Rs. 8,868,500. Following deficiencies are revealed in the audit test check.

- (i) Even though this was the first time of surveying with this kind of a technology, a feasibility study with regard to this had not been done.
- (ii) Initially called bids had been rejected based on the following facts.
  - Not preparing of specifications by defining specifically the technical standards required to have in an airplane.
  - Having a huge difference in the prices of bids presented
  - Being prepared the specification for the procurement by two non-technically specialized officers.
  - Recommendation made by Technical Evaluation Committee and officers to physically check the airplane.
  - Revision of maintenance period as two years in the specification and insertion of RTK option
  - Exceeding of limit of the provision
- (iii) Bid companies had been informed on 16 July 2015 to re-send the prices. 04 companies who presented bids first time had not presented at second time.

Changing of specifications, insertion of new condition to supply goods within one month, being damaged to the confidentiality due to the publicizing of prices at the first bid opening.

- (iv) Amounting of 09 items in the specifications relevant to the first bid calling had been change and this specification changed had been caused to remove and to discourage the bidders from the competition.
- (v) In terms of paragraph 4.2.2 and 4.2.3 of the Government Procurement Guideline, even though steps of the procurement activities should have to be explained with the time series form beginning to end, it had not been done. Most of the bidders had not presented bids at the second time due to change of supply of goods from 03 months to one month at the first bid calling and second bid calling.
- (vi) Based on the above facts, only two competitive institutes had presented bids at the second time. Two competitive bids presented with the selected supplier had been rejected by reporting the exclusion of RTK option specification. This RTK option specification was introduced at second time bid calling and bids had been rejected after the reveal of that specification do not have with the competitive bidders.
- (vii) In terms of paragraph 2.8.1 (b) of the Government Procurement Guideline, Technical Evaluation Committee had not appointed a subject specialist. Further, In terms of paragraph 2.8.1 (b) of the Government Procurement Guideline, even though consultancy service can be obtained when it is required, no action had been taken accordingly.
- (viii) In terms of paragraph 2.8.1 (d) of the Government Procurement Guideline, if there are no officers with engineering knowledge of technical equipment, assistance can get from an external consultant, no action had been taken accordingly.
- (ix) The company of the airplane bought owned by a retired surveyor of the Department of Survey General and his wife and the two children, and one of this retired surveyor's relative daughter also had been serviced as a Superintendent of Survey of the procurement and supplies division of the Department of Survey General. Agreements had been entered into for the purchasing of the supplies and services to a value of approximately Rs. 63 Mn in the year under review. This situation can be shown as a conflict of interest.
- (x) In terms of paragraph 1.2 (f) of the Government Procurement Guideline, ensuring the transparency and consistency in the evaluation and selection Procedure is required and In terms of paragraph 1.2 (c) of the Government Procurement Guideline, providing fair, equal and maximum opportunity for eligible interested parties to participate in procurement is required to be given. Nevertheless, above situations had been a barrier to achieve these objectives.



(c) **Purchasing of Canopy**  
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Bids had been called for the fixing of canopies to the cabs of the department. Specifications had not been prepared before calling the bids. A sum of Rs. 1.9 Mn had been expensed on a price range of Rs.113, 200 to Rs.253, 680 within 04 months for fixing of canopies from a private institute for the cabs of the department.

(d) **Construction of Galle and Puttalam Survey offices**  
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Rs. 29 Mn had been expensed for the construction of Galle and Puttalam Survey offices. Before starting the preparation of the estimate relevant to this construction, procurement had been started by calling bids.

(e) **Procurement Plan**  
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Rs. 34.6 Mn valued goods included the procurement plan had not been procured in the year under review and Rs. 23 Mn valued goods not included in the procurement plan had been procured in the year under review.

**3.8 Losses and Damages**  
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Following Observations are made.

- (a) As per the audit test checks, 222.5 kg of more than 25 year old 09 varieties of ink, 19 bottles of Positive remover and 45 Plate cleaner had been destroyed. The value of these had not been presented to the audit.
- (b) Even though a sum of Rs.124,025 million damage occurred to 02 motor vehicle accidents had been shown in the Appropriation Account as written off, as per Financial Regulation 109 approval had not been obtained.
- (c) As no actions had been taken to recover the loss of damages in proper periods the department had being acting in the year under review to write off Rs. 622,832 amount of losses occurred from few years for 12 vehicles.

**3.9 Uneconomic Transactions**  
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As per audit check tests, even though there were enough stocks in the stores for the necessity of few years by 01 January 2015, Rs. 5.6 Mn Litho papers had been bought without on 25 August 2015 without considering about this. This whole stock had been retained without issuing in the store by 31 August 2016 and a Litho paper stock purchased before this purchasing also had been retained in the store on that day.

### 3.10 Management Weaknesses

Following weaknesses were observed in the audit test check.

- (a) Even though it was decided to perform monthly minimum norms in paying incentive to a surveyor, incentives and supervision fees for the period of 2012-2015 had been paid without deciding the maximum limit of plots and the limit of payment of the percentage of the basic salary. Accordingly, payments had been made exceeding the double of their annual basic salary only as the incentives and supervision fees.
- (b) The efficiency of the survey works had been increased due to the utilization of most advanced technical equipment as well as satellites and computer technology. Nevertheless based on the old methods which were older more than 30 years, the minimum number of plots which should be measured by a surveyor had been limited to of 30. Under that limit, incentive had been paid based on the surveying.
- (c) The name and the position of the good obtained had not been mentioned in requesting store goods. There were situations where the signature had not been placed in obtaining goods and all three copies of the some goods requisition were filed in the store.
- (d) Goods had not been stored in the manner checkable easily and without any delay. Further in the case of not following FIFO method in issuing goods, Rs.69, 000 of 03 Lazer printer cartridge purchased in the year 2007 had been expired.

### 3.11 Human Resources Management

#### (a) Approved Cadre and Actual Cadre

The position of the cadre as at 31 December 2015 had been as follows.

Category Employees -----	Approved Cadre -----	Actual Cadre -----	Number of Vacancies -----	Excess -----
(i) Senior Level	1,185	920	265	-
(ii) Tertiary Level	117	79	38	-
(iii) Secondary Level	1,349	1,019	333	03
(iv) Primary Level	4,852	4,081	772	01
<b>Total</b>	<b>7,503</b> =====	<b>6,099</b> ====	<b>1,408</b> ====	<b>04</b> =====

Following observations are made.

- (i) Proper approval had not been obtained by the department for the recruited 04 excess employees.
- (ii) 389 survey field assistants had been assigned for other activities.

Assigned office	Amount
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Provisional offices	19
District offices	149
Diyathalawa	157
Headoffice	64
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Total	389
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(iii) An employee has been recruited as the photocopy machine operator for a non-approved post.

(b) Improper released of Human Resource to other parties

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Information of improper released of Human Resource to other parties by the department in the year under review was follows.

Type of employee	Amount	Other party	Released period
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Senior Map Technical officer	01	Boundary Commission	2015.03.15-2020.03.14
Government Surveyors	22	Assigned to Land Commissioner office, provincial Land commissioner Office, Deputy land commissioner Office, Assistant Land Commissioner Office, Land Reform commission, Ministry of Defense, Railway Department	From 2006, 2007, 2010, 2013, 2014, 2015 to present
Survey field assistants	11	Department of Land Commissioner	From 1988, 1989, 1998, 2003, 2006, 2008 to present
	31	Railway Department	From 1996, 1998, 2001, 2002 to present
	03	Army Service	From 1996,1997 to present