

Head 288 - Report of the Auditor General of the Department of Surveys – Year 2017

The Appropriation Account, Reconciliation Statement Revenue Account relevant to the revenue codes Table 3.1.1, 3.1.2 and 3.1.3 of the Annual Budget Estimate under Head and Item Number stated in the First Schedule and Third Schedule of the Appropriation Act No. 24 of 2016 as amended by the Appropriation (Amendment) Act No.32 of 2017 were presented to audit by the Department of Surveys. The financial and physical performance reflected from the account and the reconciliation statement were audited in terms of Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

1.2 Responsibility on the Financial Management and Accountability of the Chief Accounting Officer and the Accounting Officer

The Minister of Finance is charged with the raising of Revenue and the collection of other Government monies as well as with the general oversight of all the financial operations of Government in terms of Financial Regulation 124. The Minister of Finance appoints the Chief Accounting Officers to discharge above responsibility in terms of Financial Regulation 124(2). The Head of the Department will be the Accounting Officer in respect of all financial transactions of his Department in terms of Financial Regulation 125(1)(a) and the Revenue Accounting Officer has been appointed by the Treasury. This responsibility includes designing, implementing and maintaining internal controls relevant to the maintenance, preparation and fair presentation of Accounts and Reconciliation Statements presented within the limitations imposed by Parliament in accordance with the provisions in Article 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other Statutory Provisions, Government Financial Regulations and Administrative Regulations.

1.3 Scope of Audit

The audit of the Department of Surveys – Head 288 for the year ended 31 December 2017 was carried out in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka in respect of designing of financial and physical performance, Government expenditure, Government revenue, management of human and physical resources, applying of internal control systems, compliance with laws, rules and regulations and maintenance of updated books, registers, records and reconciliation statements, preparation and presentation of accounts in timely manner, issuance of performance reports to respective parties based on the performance indicators. The Management Audit Report for the year under review was issued to the Survey General of the Department on 25 September 2018. The audit observations, comments and findings on the accounts and the reconciliation statements were based on a review of the plans, accounts, reconciliation statements and performance reports presented to audit and tests 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.

1.4 Audit Observation

The audit observations of the Department of Survey for the year ended 31 December 2017 revealed in audit appear in Management Audit Report mentioned in paragraph 1.3 above. The material and significant audit observations out of the audit observations included in the Management Audit Report appear in paragraph 2.1 to 2.16 of this report. It was observed that the Accounting Officer had discharged the accountability as to ensure the adequacy of the financial control. subjected to the audit observations summarized in the under mentioned table revealed in execution of provisions of the Financial Regulation 128 of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka

Accountability of the Accounting Officer in terms of Financial Regulation 128 (1)	Non-compliance with that Provision by the Accounting Officer	Reference to the Paragraph included Observation
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Financial Regulation		

128(1)(a)	The work of his Department is planned and carried out with due despatch, having regard to the policy laid down by the Government and the intentions of Parliament in granting him financial provision for the activities authorized and that an endeavour is made, to complete the programme of work laid down for the year and/ or to attain the targets specified.	1. Not maintain Records and Books. 2.12 2. Expected level of output not obtained. 2.1.2 3. Deficiencies in implementation of procurement process. 2.2.1 4. Deficiencies observed in value for money auditing. 2.7
128 (1) (b)	The organization for financial control and accounting it his Department is effective, and provides adequately for the correct ascertainment, where necessary, of dues to Government, the systematic, complete and prompt collection of dues, and bringing to account of monies received, the authorization of	1. Expected Level of Output not obtained. 2.1.2 2. Deficiencies in implementation of Procurement Process 2.2.1

commitments on behalf of the Government, the supervision and examination of services and supplies rendered, and the prompt and correct payment therefore from public funds.

128 (1)(c)	The Financial Regulations and other Supplementary instructions of the Government are adhered to in his Department and that they are supplemented by Departmental instructions where necessary.	1. 2.	Not maintain Records and Books. Non-compliances	2.12 2.13
128(1)(d)	An adequate system of internal check for receipts, payments and issues is maintained and tested from time to time.		Deficiencies in Government officers Advance Account.	2
128(1)(e)	That adequate and proper arrangements are made for the safe custody and preservation of money, stores, equipment and other assets belonging to the Government, or is in its custody, and that these are verified from time to time and where they are disposed of such disposal is according to prescribed Regulations and instructions.	1. 2.	Deficiencies in carry on annual Board of surveys Deficiencies in Assets management	2.3(b) 2.3
128(1)(g)	Returns showing the progress of collection of dues to Government are rendered regularly to the Chief Accounting Officer.		In respect of Advance to Public Officers Account.	2.10
128(1)(h)	Special arrangements are made to recover outstanding dues and that the officers assigned that task report to him at least		Failure to recover the outstanding Loan balances in the advance to public officers accounts.	2.10

once a quarter or as otherwise directed regarding arrears and action pursued to expedite their recovery.

128 (1)(i)	The activities of his Department are undertaken with due regard to economy, efficiency, propriety and integrity expected in the transaction of public business.	Not obtained the expected level output.	2.1.2
128(1)(n)	officers liable to provide security do so in terms of the law and instructions in force.	Deficiencies obtaining securities on relevant officers.	2.16
128 (1)(o)	The procedure laid down in Financial Regulations 103 to 108 is adhered to in case of losses to Government by the delays, negligences, faults or frauds on the part of officers/ employees and surcharges are imposed on officers/ employees responsible for such losses in terms of Financial Regulation 156(1)	<ol style="list-style-type: none"> 1. Using of non assigned assets in improperly. 2. Deficiencies in obtaining securities from relevant officers. 	<p>2.3(c)</p> <p>2.16</p>

2. Material and Significant Audit Observations

2.1 Performance

2.1.1 Planning

The Action Plan prepared for the year under review for achieving anticipated outcome by the Department following deficiencies were observed.

- (a) Only 8 key functions out of 13 key functions had been included in the Action Plan expected money to be spend for components in each activities had not been shown.
- (b) Targets and adhered to time line relating to the collecting of revenue of the Department had not been included in the Action Plan.

- (c) Instead of direct supervision of the Director (Finance) in 09 provincial offices the post of Assistant Director (Finance) had been prepared as under subject to the direct supervision of the provincial survey Generals.

2.2.2 Expected Level of Output not Received

Expected level of Output could not been achieved from the following activities which were shown in the annual Action Plan.

- (a) Engineering Surveys should be fulfil for the statutory requisites only 1,000 hectares out of 2,000 hectares had been fulfilled during the year under review.
- (b) It had been planned to fulfil survey updated 2880 papers for included in to the system informations about the lands surveyed covering up whole Sri Lanka out of that only 682 papers had been fulfilled.
- (c) Eventhough it had been planned to conduct 3 long term courses only one course had been held.
- (d) Even though it had been targeted to fulfil 60,000 parcel fabrics as per the annual action plan only 47,363 parcel fabrics had been fulfilled.

2.2 Supplies and Services obtained by procurement process

2.2.1 Implementation of the Procurement Process

The following observations are made in this connection.

- (a) Eventhough procurement decision should be give receiving minimum 05 quotations of the shopping method as per the Guideline 34 of the Procurement Guideline but purchasing of 6 pricese Level instruments at the cost of Rs.8.9 million the procurement decisions had been taken based on 02 quotations and the Financial Specialist had not give his approval for this decision.
- (b) Ninety finger print Recording Machines had been purchased at the expense of Rs.1.9 million an excess amount of Rs.490,070 had to be incure in this connection because of the evaluation process had been done non consideration of including the maintenance cost as per the procurement guideline 7.9.2 for 6 years accepting the lowest price presented bidder instead of accepting a other bidder.
- (c) Quotations called for under National competitive bidding to purchase model A3 Ink Tank 40 printing machines after opening the quotations it had been cancelled. After that the Department had decided to purchase printing machines model of Ink cartridge under the shopping method an incurring over cost by Rs.1.22 million at cost of Rs.2.34 million this machines had to be purchased where the quotations had been called for evading lowest quotation presented bidder in first time for the model of Ink Cartridge. Also it had been

expend more than Rs.1.34 million of the provisions in procurement plan. Although date of opening of bid had been postpone those informations had not been communicated to the bidders properly.

- (d) A sum of Rs.4.90 million incurred for in the purchasing of office furnitures, office equipments, computer accessories and survey equipments and stationery procurement activities had been done by competitive bidding method eventhough, occasion should be give to purchase bidding documents upto the previously date closing date of the calling of quotations as per 3.2.2(e) of the procurement guideline it had been shown the closing date of the purchasing of bidding document prior date before two weeks. So, it had been avoid to present the competitive bidder.
- (e) The advance got by 2 officers had utilized a sum of Rs.127,150 and Rs.117,915 had been spent for purchased of including Iron pipes and another several items as well as shoes and rain coats respectively. It was observed that lowest prices presented by 2 competitive bidders' prices had been altered in reason of that it could not be rule out in audit doubt of that purchases had been done by higher prices.

2.3 Assets Management

Following deficiencies were observed in the sample audit test checking in respect of assets of the Department.

(a) Vehicle Utilisation

Following observations are made in this connection.

- (i) Vehicles not service within the due time

Fifty five vehicles owned by the Department had not service more than year, this situation had a result to increase of the repair expenses of these vehicles for the year under review compared with the previous year.

- (ii) Inspection of Fuel Combustions

Combustions of fuel in 104 vehicles had not checked during the year under review as per paragraph 3.1 of the Public Administration Circular No. 30/2016 dated 29 December 2016.

(b) Conducting of Annual Board of Surveys

In respect of 1,459 shortages and 1,150 excesses of goods shown by the survey reports of the year under review, action had not been taken as per paragraph 3.2.4 of the Finance Circular No.05/2016 dated 31 March 2016 and the Form No.47, which is relating to the unusuale goods had not prepared which should be presented with the Board of survey Report.

(c) Use of assets owned by another institutions by irregularly

including the survey equipments, capital assets which was purchased expending Rs.312 million by the provisions of Bimsaviya and the building was constructed expending Rs.82 million had been used without vesting from the Ministry of Lands.

2.4 Uneconomic Transactions

An initial part payment of Rs.150,000 had been paid to a company which is affilated to the University of Colombo for the purchase of software of textual database of land parcel at contractual sum of Rs.750,000 for the preparation of data system in triple languages in the Department after it had been decided to not obtain the software in the reason of that paid amount had been fruitless.

2.5 Unresolved Audit Paragraphs

Reference to the audit paragraphs on which the Department had not rectified the deficiencies out of those pointed out in the paragraphs included in the report of the year 2016 of the Auditor General.

Reference to Report of Auditor General	Subject under Reference
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3.1	Register of Electrical Instruments and Register of damages had not maintained properly.
3.4(a)	Non recovery of loan balances of Government officers amounting to Rs.4.68 million.
3.7(b)	Non increasing the Norms of 20 which is the minimum plot of land should be measure for a month by a surveyor.
3.11(b)	Six hundred and ninety five survey field Assistants had being employed to fulfil activities exterior to that duties.

2.6 Management Weaknesses

Following weaknesses were observed in the audit test check.

- (a) A surveyor should be measure for a month standard of minimum of 20 Norms not increase at present with the usage of advanced Technical Instruments the plans had been made on that. in that reason, eventhough physical performance of 19 activities in the annual Action Plan shown a growth from 28 per cent upto 227 per cent. Action had not been taken to increase the minimum land plot in considering the new Technical development.
- (b) Sufficient action had not been taken in respect of vehicle accidents of Rs.6.1 million had occurred in 65 instances within from 01 year to more than range of 28 years time period including the vehicle accidents other damages, to recover these damages or to write off from accounts.
- (c) The balance of stocks amounting to Rs.3.34 million or 61 per cent had remained as at the end of the year under review in the reasons of drawing papers and several type of Leotho papers had purchased incurring a sum of Rs.5.47 million in the year 2015 without identifying the requisites in properly.
- (d) Thirteen vehicles of the Department had been existing in idle or under utilised within the range from 02 years upto 06 years. Make removal of these vehicles and action had not been taken to obtain revenue to the Government.
- (e) In the bid evaluation it had not been recommended to purchase 2 years additional warranty period and having more than high speed computers for the purchasing of 93 Laptop computers incurring a sum of Rs.8.90 million. Further essential soft ware facilities relevant to the measurement activities had not been obtained.
- (f) In the purchasing of 44 desktop computers incurring of Rs.4.55 million had not been considered with the favourable situations of power efficiency and eco friendly. The procurement activities had been complicate due to amendment made to specifications from time to time due to non preparing of records of subject specification experts.
- (g) The Management attention had not been paid to fulfil 20091 survey orders received from courts and Divisional Secretariat offices to the Department from the year 2009 upto the current year.

2.7 Value for Money Audit

- (a) A sum of Rs.10.69 million had been incurred for purchasing of a Arc Gis Server Software and 8 Arc Gis Standard Softwares from the year 2013 upto the year 2017 respectively for the process of preparation of Awakashitha Data and all mapping

activities a total sum of Rs.15.42 million had been incurred for that. Comprising of a sum of Rs.2.43 million for renewal of licence of the Arc Gis Server Software and a sum of Rs.2.30 million for the maintenance activities of the Software following observations are made in this connection.

- (i) Occasion should be give to participate to procurement who are qualified encourage parties as per Guideline 1.2.1(c) of the National Procurement Guideline circular No.08 of 2006 but action had been taken to purchased relevant software directly from a private institution without calling quotations.
 - (ii) As per the procurement guideline 9.7.2 should be abide by systems of specialist guideline complicated informations had not been complied with in the procurement.
 - (iii) Technical evaluation committee had not been appointed except for the purchase of software incurring a sum of Rs.1.89 million in the year 2013 an action had not been taken to get instructions from external Specialist in connection with software. Further the expenditure on annual renewal and maintenance cost was Rs.4.73 million as at the current year. This maintenance expenditure had not been considered in the decisions taking in the procurements and those cost may be done in future years also.
- (b) The contracts of Matara District Survey office and new additions to the circuit bungalow in Katharagama had been done by using current year provisions a total sum of Rs.26.8 million had been incurred for this.

Following observations are made in this connection.

- (i) A sum of Rs.482,864 had been paid exceeding the work done by the contractor for the work item No.05 of the construction of matara District Survey office after shown by in audit that had been collected from retention money.
- (ii) A sum of Rs.243,524 had been paid for the non workdone of construction of the Katharagama circuit bungalow pit of stomach for placing of tie beams and in respect wires and square feet 18 of Aluminium Lovers area and a sum of Rs.677,725 had been paid for 16 items exceeding the quantity of the work done. Furthermore a sum had been paid at the rate of Rs.51,636 twice for 98 long feets of the stalls beam (18"×9")
- (iii) A sum of Rs.95,080 had been incurred for keeping of foundation of constructed should be stair case in lifting 3 feets of the building as per the initial plan of the construction of Matara District Survey office after change the decision of lifting of 3 feets of the building that expenditure had become a unuseless expense.
- (iv) Although in selecting of bidders under the shopping method, it should be utilised rainbow pages Directory and web side as per the paragraph 3 of the Public

Finance Circular No. 488 (1) dated 15 February 2011 but action had not been fulfilled in the construction of Katharagama Circuit bungalow non holding of pre bid meetings and non aware of the bidders that they can be participated on the opening of bids, only the selected contractor had been presented at the opening of bids there were instances opening of bids without transparency. The building had been get for usage without obtaining the compliance certificate.

2.4 Utilization of Provisions made available by parliament for the performance of functions

Information on provision made for the Department during the period of 05 years ended as at 31 December 2017, Utilization and savings thereof and audit observations thereon are given below.

Year	Type of Expenditure	Net Provision	Utilisation	Savings	Savings as a Percentage of Net Provision
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		Rs.Millions	Rs.Millions	Rs.Millions	%
2013	Recurrent	1,945.81	1,877.70	68.11	3.50
	Capital	137.30	113.77	23.53	17.14
	Total	2,083.11	1,991.47	91.64	4.40
2014	Recurrent	2,363.77	2,355.19	8.58	0.36
	Capital	147.90	122.50	25.40	17.17
	Total	2,511.67	2,477.69	33.98	1.35
2015	Recurrent	3,026.04	2,966.92	59.12	1.95
	Capital	241.30	231.70	9.60	3.98
	Total	3,267.34	3,198.62	68.72	2.10
2016	Recurrent	3,360.19	3,326.86	33.33	0.99
	Capital	247.66	202.00	45.66	18.44
	Total	3,607.85	3,528.86	78.99	2.19
2017	Recurrent	3,695.26	3,377.73	317.53	8.59
	Capital	222.40	136.86	85.54	38.46
	Total	3,917.66	3,514.59	403.07	10.29

Following observations are made in connection with year under review.

Made Excess Provision

Excess Provision totalling Rs.1,709.55 million had been made for 32 objects and only a sum of Rs.1,348.97 million had been utilised then the saving of Rs.360.58 million had ranged between 7 per cent to 74 per cent of the net provision.

2.9 Utilization of provision made available by other Ministries

Total provisions of Rs.220 million had been gave for Land Bank programme and Bimsaviya Programme by the Land Ministry. Out of that only a sum of Rs.198.43 million had been utilized as at end of the year under review. Therefore out of the provisions received a sum of Rs.21.57 million or 9.8 per cent had been saved while carrying out sample audit test checks on these programmes following observations are made.

- (a) A sum of Rs.23.05 million had been incurred for calling of the Department of survey by high speed optical cable not use the special bidding calling documents inquiring the National Procurement Agency in the procurement of information system as per the guideline 9.7 of the procurement guideline while total estimate had not prepared.
- (b) Hundred Laptop computers had been purchased incurring a sum of Rs.9.78 million in the reason of preparation of record of specification it had been expected to purchase computers with spil resistant keyboard, although the computers with that facility had not been obtained. Procurement activities had not been carried out as per timetable 6 purchasing activities had been delayed while the computers had not been obtained as per agreed pattern.
- (c) Ancient plans be registered and had been gather to the data system with an expense of Rs.6 million although it had been gathered to the data system near about five hundred thousand all ancient plans should be conservation for included in immediately into the data system a programme which could be implemented in practically had not been prepared.
- (d) Provisions of Rs.103.56 million given under the Bimsaviya Programme had spend by the Department for general expenses of the Department deviating from the relevant programme. Even though the overall progress of the Bimsaviya Programme from the year 2008 up to the year 2017 had existing in 12 per cent a sum of Rs.400 million had been paid as incentives for the implementation of this programme.

2.6 Advances to Public Officers' Account

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

Expenditure		Receipts		Debit Balance	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
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Rs.Millions	Rs.Millions	Rs.Millions	Rs.Millions	Rs.Millions	Rs.Millions
166.00	163.32	110.00	121.52	400.00	375.51

Recovery of outstanding balances totalled was Rs.4,758,974 those outstanding balances had been existence ranging from 01 year to 35 years. Follow up actions on recovery of arrears loan balances had existing in weak position.

2.11 General Deposit Accounts

The total of the balances in 03 General Deposit Accounts under the Department was Rs.14.81 million. Action had not been taken as per Financial Regulation 571 in respect of 03 deposits totalling to Rs.3.2 million which elapse more than 2 years.

2.12 Non-maintenance of books and records

Register of Electrical Equipment and Attendance Register for procurement committees had not been maintained by the Department while security Register for the officers who involved in cash had not been maintained by the Department.

2.13 Non-Compliance with Laws, Rules and Regulations

Daily Running charts of the 22 vehicles which allocated for officers and 265 pool vehicles had not been presented to audit as per Financial Regulation 1646.

2.14 Human Resources Management

Approved Cadre, Actual Cadre and Expenditure for Personnel Emoluments

The Particulars in respect of the approved cadre, actual cadre and the vacancies are given below.

	Category of Approved Cadre Employees	Actual Cadre	Number of Vacancies	
(i)	Senior Level	1,139	965	174
(ii)	Tertiary Level	83	55	28
(iii)	Secondary Level	1,340	957	383
(iv)	Primary Level	4,896	4,006	890
	Total	7,458	5,983	1,475

The following observations made in this connection.

(a) Human Resources Released to Other Parties Irregularly

Fifteen officers of the Sri Lanka Survey service, 03 officers of survey Field Assistance and one Distance Learning Technician had been released irregularly to the Ministry of Defense and Ministry of Power and Energy.

(b) Training of the Staff

A training had not been given for 2,302 officers and servants of the Department in the current year.

(c) Assign in service out of the Relevant Duty

Fifty four Survey Field Assistants had been attached as peons, Drivers and watchers in the Head office.

2.15 Activities Assigned in connection with Financial Control

Although finance authority had been assigned by the Accounting officer in terms of financial regulation 135, a register had not been prepared indicating the assigned authority for each officer.

2.16 Placing of securities by Public Officers

Securities had not been placed by 37 shroffs who is in custody of cash of the Department in terms of Financial Regulation 880.