

Head 254 - Registrar General's Department

1. Financial Statements

1.1 Qualified Opinion

Head 254 - The audit of the financial statements of the Registrar General's Department for the year ended 31 December 2022 comprising the statement of financial position as at 31 December 2022 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 Registrar General's Department was issued to the Accounting Officer on 20 June 2023 in terms of Section 11 (1) of the National Audit Act No. 19 of 2018. The Annual Detailed Management Audit Report pertaining to the Department was issued to the Accounting Officer on 07 July 2023 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 give a true and fair view of the financial position of the Registrar General's Department as at 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with Generally Accepted Accounting Principles

1.2 Basis for Qualified Opinion

My opinion is qualified based on the matters appear in Paragraph 1.6 of this report.

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 opinion.

1.3 Responsibilities of the Chief Accounting Officer and Accounting Officer on Financial Statements

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 is the responsibility of the Accounting Officer.

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 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 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 exercised professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of its internal control.
- Evaluate that the underlying transactions and events are appropriately and fairly included in the financial statements for the structure and content of the financial statements that include disclosures.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The Chief Accounting Officer/ 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 Section 6 (1) (d) of the National Audit Act No. 19 of 2018.

- (a) The financial statements are consistent with those of the preceding year.
- (b) The recommendations made by me regarding the financial statements of the preceding year had been implemented.

1.6 Comments on Financial Statements

1.6.1 Accounting Deficiencies

(a) Receipts of Revenue

The following deficiency were observed while accounting for the receipts of revenue related to the Department.

Audit Observation	Comments of the Accounting Officer	Recommendation
Although the closing balance of the preceding year mentioned in the statement of arrears of revenue statement (ACA-1(i)) was Rs.29,386,888, due to the stating of the opening balance of the year under review as Rs.29,585,628 the opening balance of arrears of revenue had been overstated by Rs.198,740.	It had been informed that due to the receipt of arrears of revenue reports even after the date of preparation of final accounts of the preceding year, the said value has been adjusted to the opening balance of the year under review and due to a typographical error, it has not been recorded in the financial statement prepared in Sinhala Language.	Actions should be taken to accurately indicate the opening and closing balances in financial statements.

(b) Capital Expenditure

The following deficiencies were observed while accounting for capital expenditure pertaining to financial statements.

Audit Observation	Comments of the Accounting Officer	Recommendation
(i) Even though a sum of Rs.28,908,475 had been shown as the purchases during the year under review in the statement of non-financial assets (ACA-6) , due to construction or purchase of	The addition of Rs.13,474,615 to the opening balance of ACA-6 statement of non-financial assets was an amount retained in the General Deposit Account as provisional deposit for the	Measures should be taken to enter the accurate values in the financial statements.

physical assets and acquisition of other investments were indicated as Rs.42,496,196 in the cash flow statement, the net cash flow generated from investment activities had been overstated by Rs.13,587,696 in the cash flows statement. It was consisted of a sum of Rs.11,643,451 for rehabilitation and improvement capital assets and Rs.1,944,245 for capacity building which should be shown under operating activities in the cash flows statement.

purchase of computers from the 254-1-1-2103 and 254-1-2-2103 expenditure objects in the year 2021 and that amount has been recorded as deposit payments under operating activities in the statement of cash flows.

It had been informed that the amount spent for the purchase of physical assets or the acquisition of construction and other investments was Rs.42,496,196 and the amount of acquisition of capital assets was Rs.28,908,500 as per ACA – 6 and the difference of Rs.13,587,696 therein has consisted of Rs.11,643,451 for rehabilitation and improvement of capital assets included in the cash flow statement in addition to capital assets and Rs.1,944,245 for capacity building.

- (ii) Although the balance of office equipment and computer equipment as at 31 December of the preceding year was Rs.70,463,867 and Rs.90,907,280 respectively, those values had been overstated and understated by Rs.78,400 as opening balances in the statement of non-financial assets of the year under review considering as Rs.70,542,267 and Rs.90,828,880 respectively.

In taking the closing balance of office equipment and computer equipment as the opening balance of the year under review as per the statement of non-financial assets of the previous year, an amount of Rs.78,400 has been erroneously understated and overstated. It had been informed that this has happened due to a mistake and instructions have been given to the relevant officers to ensure that it doesn't happen in the future.

The opening balances should be the closing balances of the preceding year and disclosure should be made whenever there is a difference.

2. Financial Review

2.1 Revenue Management

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Actions had not been taken during the year under review to recover any amount from the arrears of Rs.1,953,068 remained at the beginning of the year under review in 6 Land Registrar Offices.	arrears and fines are also included in these opening balances as at 01 January 2022 and it had been informed that the Land Registrar Offices have been made aware to provide information to remove those balances from the books on the reported manner itself.	Actions should be taken to recover the arrears of revenue.
(b) The arrears of settlement income of Rs.3,411,990 which had been collected during the year under review had not been shown under collection of arrears revenue in the revenue statement (A.C.A.1) and the registration fee collected during the year along with collection of arrears of revenue above. had been stated as Rs.2,170,059,734 in the revenue statement. Similarly, arrears related to previous years collected by other Ministries/ Departments during the year under review in respect of fees for issuance of annual High Court Certificates to Notaries and refunds from revenue amounted to Rs. 43,770 had not been disclosed through A.C.A 1 Format.	It had been informed that an amount of Rs.3,411,990 has been collected as arrears of settlement sum during the year under review and as the respective Land Registrar Offices credit to the documents registration revenue at the same time, it is not necessary to indicate the amount once again under the collection of arrears of revenue in the ACA 01 Format. It had been informed that the steps would be taken to obtain information about these reports in the future and remove them from the records. The net income has been recorded in the ACA 01 Format with the refunds of Rs.43,770 from income and it has been informed that it was noted to show the refunds from income from gross income and net income separately in future.	The collection of arrears of revenue in 6 land registrar offices should be properly disclosed.
(c) The Revenue Collection Officer should take special steps to collect the arrears to be recovered and although steps should be taken to obtain an order from the	Only if the amount mentioned in the records maintained by the offices as arrears of revenue is actually included in the income, the terms of the F.R. should be	Actions should be taken to recover the arrears of revenue accounted for properly.

Accounting Officer to waive all irrecoverable charges without delay in terms of F.R.143(2) and 175(2), measures had not been taken accordingly. Likewise, actions had not been taken if there has been negligence or inefficiency of any officer in collecting the arrears for many years, look into it in terms of F.R.176

followed. It had been informed that the actions have to be taken regarding the revenues which are included only in the reports imposed on an error basis to be removed under the same method. It had also been informed that the Department has also issued internal circulars regarding this.

2.2 Expenditure Management

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>(a) Even though the entire provision of Rs.1,200,000 had been saved as Rs.700,000 for the foreign travel expenditure object 254-01-01-1102 and Rs.500,000 for the expenditure object 254-01-02-1102, the entire provision had been transferred through F.R. 66 to the other expenditure object 254-01-01-1409 as per the instructions of the Budget Circular No. 03/2022 dated 26 April 2022 of Secretary of the Treasury .</p>	<p>It had been informed that due to department officials did not receive an opportunity for the related tasks in the expenditure objects 254-01-01-00-1102 and 254-01-02-00-1102, the provisions have been transferred to other necessary expenditure objects according to F.R. 66.</p>	<p>Attention should be drawn to save provision as per the Circular.</p>
<p>(b) The expenses of Rs.4,718,473 to be accounted under 08 expenditure objects, had been accounted for other expenses under expenditure object (1409). A sum of Rs.450,000 which should be accounted for under the consultancy services expenditure object had been accounted under the other expenditure object. Accordingly, thus the saving of the consultancy services expenditure object was Rs.53,935, if the amount of Rs.450,000 was</p>	<p>The provision was released on a quarterly basis in the year 2022 and due to lack of provision to make payments after utilization of those entire provisions, payments were made on the necessity of payments from an appropriate expenditure object where there were provisions available. It had been informed that the arrangements have been made as this to carry out the duties of the Department without interrupted, smooth, prompt and efficient</p>	<p>Attention should be drawn to account for under the accurate expenditure classification.</p>

accounted under the accurate expenditure object, the consultancy service expenditure object would be exceeded by Rs.394,065.

manner. When incurring expenses from another expenditure object in the future, instructions have been given to credit to the accurate expenditure object subsequently.

It had been informed that the amount of Rs.450,000 mentioned under consultancy services has been made by this expenditure object because there is no separate expenditure object for the payment of consultant services.

2.3 Entered into Liabilities and Commitments

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Actions had not been taken to enter the liability for lease rent of Rs.1,480,000 payable from May to December of the year under review for the office premises of the Attanagalla Land Registrar in the statement of liabilities and commitments.	It had been informed that due to the lack of information about the lease rent to be paid from May to December 2022 at the Atthanagalla Land Registrar's Office, it had not been entered in the register of liabilities and commitments.	Attention should be drawn to be entered all the liabilities for the year in the statement of liabilities and commitments.
(b) Liabilities in relation to 07 expenditure objects total led to Rs.112,296,712 had been entered into exceeding the provision limit.	It had been informed that as the total provision mentioned in the Estimate presented by the Department is not provided, in all years, the liabilities in excess of the provisions are occurred. Further, It had also been informed that due to non-availability of imprests to pay for all the respective vouchers, liabilities have been arisen.	Attention should be drawn to manage expenses within the provided limit.

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| (c) | The liabilities of Rs.54,820,889 settled in the year 2023 in relation to the year under review had not been stated in the statement of liabilities. | It had been informed that because of the relevant information has not been properly obtained and provided from the 50 Land Registrar Offices, Assistant District Registrar Offices and Regional Offices of this Department, reporting of this situation is observed and that the officials have been made aware to take appropriate measures to present the commitments and liabilities as accurately as possible in the future. | Attention should be drawn to be entered all the liabilities for the year in the statement of liabilities and commitments. |
| (d) | All the steps in the commitments, liabilities process of settling liabilities, had not been included in the CIGAS Accounting System in terms of Paragraph 03 of State Accounts Circular No. 255/2017 dated 27 April 2017. | It had been informed that the all steps in the liabilities and process of settlement of liabilities were not included in the CIGAS Accounting System and the steps will be taken to include it in the accounting system in the future. However, it had been informed that the relevant information has been presented in the same manner as in previous years. | Measures should be taken to comply with circular provisions. |

2.4 Utilization of Provisions Made by Other Ministries and Departments

Audit Observation	Comments of the Accounting Officer	Recommendation
Out of the provisions of Rs.50 million given by the Ministry of Trade in the year 2021 for the e-land Project, only the purchase of equipment had been made by incurring Rs.13.4 million and although Rs.36.2 million had been given for the programme in the year under review only Rs.2.08 million had been utilized from it. Accordingly, assets and	It had been informed that although the procurement activities for the purchase of related goods and equipment in the year 2021 have been completed, only Rs.13.4 million worth of equipment was able to procure in the relevant year. It had been	Attention should be drawn to spend the provisions made by other institutions for the matter itself.

other provisions received for the Project had been utilized for other activities of the Department without being utilized for the objectives of the Project.

informed that the saved provisions in the Expenditure Heads of the Department (2103) was transferred to the special deposit account to receive the goods at the end of 2021 and although a provision of Rs.36.2 million has been made for the expenditure object 254-01-02-2103 in the year 2022 to procure the goods ordered in the year 2021, only Rs.2,080,000 could be utilized in the year 2022.

2.5 Certifications to be made by the Accounting Officer

Even though it was required to certify the following matters by the Accounting Officer as per the provisions of Section 38 of the National Audit Act No. 19 of 2018, actions had not been taken accordingly.

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>The Chief Accounting Officer and Accounting Officer should ensure that an effective internal control system is set up and maintained for the financial control of the Department and necessary changes should be made to ensure that the system runs efficiently by carrying out reviews on the effectiveness of that system and although those reviews should be made in writing and a copy submitted to the Auditor General, the statements that such reviews were carried out, had not been submitted to the audit.</p>	<p>It had been informed that an internal control system has been developed and maintained for the financial control of the Department and that the effectiveness of that system is reviewed from time to time and steps will be taken to make the necessary changes to run the system effectively under the coordination of the Internal Auditor.</p>	<p>It should act in accordance with the provisions in the Section 38 of National Audit Act No. 19 of 2018.</p>

2.6 Non-compliance with Laws, Rules and Regulations

Instances of non-compliance with the provisions of laws, rules and regulations observed in audit test checks carried out are analyzed below.

	Audit Observation		Comments of the Accounting Officer	Recommendation	
	Reference to the Laws, Rules, Regulations etc.	Value Rs.			Non-compliance
(i)	Establishments Code of the Democratic Socialist Republic of Sri Lanka Chapter XXIV Section 4	932,696	Actions had not been taken in respect of the amount receivable from 24 officers over a period of 28 years from 07 in terms of Establishments Code.	It had been informed that the reasons such as lack of sufficient information for debt recovery and the possibility of collecting from widows and orphans wages is also problematic have caused for this and if, upon further study, it is confirmed that there is no way to recover the respective loan balances, steps will be taken to write off these loan balances.	It should be complied with the relevant clause.
(ii)	Financial Regulation of Democratic Socialist Republic of Sri Lanka F.R. 571		Half yearly lists had not been prepared on lapsed deposits which exceeded two years in terms of Financial Regulations.	It had been informed that the steps will be taken to prepare Half yearly lists in the future.	It should be complied with the relevant Regulation.

F.R. 571 (3)	Actions had not been taken in respect of deposits for more than two years in terms of Financial Regulations.	It had been informed that the amount of Rs.2,173,898 retained for the purchase of generators has been released and if the balance amount money is not able to be paid, steps will be taken to credit the government revenue.	It should be complied with the relevant Regulation.
(iii) State Accounts Circular No. 01/2020 dated August 28, 2020 Paragraph 11.1	Actions had not been taken in respect of shortages, surpluses and unusable goods mentioned in the Department's Annual Board Survey Report as per circular instructions.	It had been informed that the implementation of the orders related to the Board of Survey Reports of the year 2022 has been almost completed, and the implementation of the Board of Survey recommendations will cover the year 2021 as well.	It should be complied with the relevant Circular.
Paragraph 13.2	Actions had not been taken in respect of 05 unusable vehicles to be disposed as per circular instructions.	It had been informed that the necessary arrangements have been made to hand over the vehicles identified to dispose to the Ministry of Defense and the Office of the Comptroller General.	It should be complied with the relevant Circular.
(iv) Paragraph 07 of Fiscal policies Circular No. 01/2015 dated 20 July 2015	Actions had not been taken to submit half-yearly revenue reports to the Director General of the Department of Fiscal Policy as per the Circular.	It had been informed that the relevant reports have been submitted to the Treasury Operations Department and that it was noted to send a copy to the Department of Fiscal Policy in the future.	It should be complied with the relevant Circular.

(v)	Registrar General's Circular No. 15/2022 dated 21 October 2022	A number of 115 reports pertaining to the year under review from 31 Land Registrar Offices had not been forwarded to the Registrar General in terms of the Circular.	It had been informed that as some offices have delayed providing the report, instructions on how to provide reports have been given by circulars and to act accordingly and to provide relevant reports without delay.	It should be complied with the relevant Circular.
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2.7 Issuance and Settlement of Advances

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Advances of Rs.129,000 given to 06 officers during the year under review had been settled by detaining between 20 days to 05 months without being spent for the relevant task and the entire amount had been refunded.	It had been informed that, although the instructions have been given to settle the advance immediately after completion of the respective task, it is observed that the relevant imprests have not been settled and the steps will be taken to settle the advances without delay in the future.	Attention should be drawn to settle the advance as soon as the task is completed.
(b) Even though an officer who receives an ad hoc sub - imprests shall settle the said ad hoc sub - imprests advance as soon as the relevant task is completed in terms of F.R.371 (2) (a), it took a period of 13 days to 04 months to settle 15 sub -imprests valued at Rs.909,070 given to the officers during the year under review.	It had been informed that the reasons for the delay have been asked from all the officers mentioned in the audit query and the steps will be taken to settle the advances in the future without delay.	Arrangements should be made to get settled the advances in due course.

2.8 Deposit Balances

Audit Observation	Comments of the Accounting Officer	Recommendation
Actions had not been taken even by March 2023 to identify and account for unrecognized deposits of Rs.79,675 remained in the general deposit account by 15 November of the year under review.	It had been informed that if the amount deposited in the Registrar General's bank account has to be refunded later, the deposit has been placed in the account for payment. It had been informed that if it is unable to get information about these cheques again in checking with the bank, it has been notified to be credited to Government Revenue.	Arrangements should be made to trace the cause of unrecognized deposits in the general deposit account.

3. Operational Review

3.1 Failure to Perform Tasks

The following observation is made.

Audit Observation	Comments of the Accounting Officer	Recommendation
Three other programmes which were not included in the approved Action Plan had been implemented during the year at a cost of Rs.13.4 million instead of two estimated programmes of Rs.17.5 million included in the approved Action Plan of the Department for the year under review. Likewise, conducting only 05 out of 39 training programmes valued at Rs.1.7 million planned to be held in the year under review, the balance of the allocation had been utilized for other programmes which were not included in the approved Action Plan.	It had been informed that due to the poor social situation in the country, the prioritization of major needs, and the expenditure restriction circular of the National Budget Department, the status of the audit inquiry has been established.	Attention should be drawn to follow the Action Plan.

3.2 Failure to Obtain Desired Output Level

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>(a) The scanning of folios related to the e-Land Project had been started in 2013 with the purpose of online registration of land records and two private organizations had implemented this programme in 20 out of 50 Land Registrar Offices under the Department and only up to the year 2018 and the number of scanned documents in those 20 offices was only 11,595,197. Due to non-scanning of folios registered after 2018 and failure of contracted companies to meet prescribed targets, the intended objectives of the project had not been achieved.</p>	<p>It had been informed that scanning of folios until the year 2018 and due to some problems that arose during the online examination of the folios, actions are being taken to accurately prepare the respective software by III phases</p>	<p>Arrangements should be made to quickly achieve desired output from programmes that have been implementing for many years.</p>
<p>(b) Even though the redesigning works e-Land computer programme designed to facilitate online verification of land documents and speed up registration of documents for the purposes of the Department and other parties were carried out from the year 2016, due to the problems in the software, it was not able to achieve the desired objectives even by the end of the year under review and at that time, this programme had been introduced only to Colombo and Homagama Land Registrar Offices. However, the value of the machines, equipment and other devices that were given to the Department on the basis of the provisions of other institutions for this programme was Rs. 98.7 million. Even though these</p>	<p>It had been informed that the activity of redesigning the software is currently being carried out and the machines and equipment received for the programme have been given to 20 selected offices and Land Registrar Offices and in addition to the Head Office to install the software first. The software is planned to be completed in three phases, and the modernization activities of Phase I has been completed so far. Phase I is expected to be installed in 7 pilot offices in the year 2023. It had also been informed that the activities of the phase II is currently to be completed before the end of this year and plans have been</p>	<p>Actions should be taken to quickly achieve desired outputs from programmes that have been implementing for many years</p>

were distributed among the divisions of the Head Office and among the Land Registrar Offices, only the first phase was implemented in the Colombo and Homagama Land Registrar Offices.

made to commence the works on the software in the above 7 pilot offices by the end of this year by utilizing the equipment and other devices that have been given to the offices.

- (c) Even though the Software system developed with the intervention of ICTA by the year 2010/2011 with the aim of developing and maintaining a data system containing information and updates related to civil registration of births, marriages and deaths under the Public Sector Redesigning Programme had been commenced to be implemented through the Divisional Secretariats in the year 2021, the desired outputs had not been achieved by the end of the year under review. Accordingly, although 331 laptops and devices had been distributed to maintain this programme in the Divisional Secretariats of the island, only 01 out of 53,739 registered births were included in the data system in relation to the year 2021 in 44 Divisional Secretariats belonging to 14 Districts. There were only 04 deaths out of 23,467. Likewise, the information about marriages had not been maintained in any Divisional Secretariat.

It had been informed that although the Registrar General Department took over the service and maintenance of the data system from the year 2017 in the E-Population Register Programme prepared in the year 2008 and the data entry work was done until the year 2019, the programme has not been implemented since November 2019. Subsequently, it had also been informed that this programme is being conducted through 06 pilot offices with the aim of providing the national birth certificate for children born on and after 01.01.2021 to include data related to births and deaths that occurred on and after 01.01.2021 and that the birth, marriage and death certificates registered from 1960 to 2022 under the e-BMD project, which is currently running in every Divisional Secretariat, are being scanned and copies of certificates are being issued through that. It had been informed that, out of the births entered from 01.01.2021 to 13.06.2023, the data of 101,014 confirmed by parents have been entered and approved in the system for printing and that the process of

Arrangements should be made to quickly achieve the desired outputs from the programmes that have been implementing for many years.

marriage registration through the e-Population Register programme has not been initiated by now.

3.3 Procurements

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>(a) Although a Master Procurement Plan containing expected procurement for a period of at least 3 years should be prepared, in terms of Guideline 4.2.1 of the Government Procurement Guidelines-2006, a Master Procurement Plan as such had not been prepared including the year under review had not been prepared.</p>	<p>It had been informed that a Master Procurement Plan has been prepared in terms of 4.2.1 of the Procurement Guidelines for the years 2022 and 2023 and it is informed that no space has been reserved for mentioning information of three years as per the format of 4.2.1 of the Procurement Guidelines and that it was noted to discuss and correct with the Audit Division in the future.</p>	<p>It should be complied with Guidelines.</p>
<p>(b) Although the bid documents relating to the procurements should be reviewed and approved by a Technical Evaluation Committee in terms of 2.6.1 (b) (II) and (IV) of the Government Procurement Guidelines, that requirement was not met in the procurement of 38 printers purchased for Rs.2,542,200 during the year under review for the Department and in the procurement of office equipment for the Title Division.</p>	<p>It had been informed that the bid documents have not been reviewed and approved by the Technical Evaluation Committee in terms of 2.6.1 b (ii) and (iv) of the Government Procurement Guidelines 2006 in relation to the above procurement and at present, arrangements have been made to obtain relevant approvals for such procurements as well.</p>	<p>It should be complied with Guidelines.</p>

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| <p>(c) Arrangements had not been made to enter into an agreement in the procurement of purchase of 10 search tables and 07 binding tables for Rs.1,014,000 during the year under review in terms of 8.9.1 of the Government Procurement Guidelines.</p> | <p>It had been informed that it is also true that a formal contract agreement has not been written and signed as per 8.9.1 of the Government Procurement Guidelines for this procurement. It is informed that this has been done in accordance with other procurements and that all the goods of the procurement observed by the audit have been received.</p> | <p>It should be complied with Guidelines.</p> |
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3.4 Losses and Damages

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>(a) The repair cost of two vehicles amounted to Rs.4,089,400 were used by the Department had met with accidents in the previous year and the year under review and the following matters were observed in connection with these accidents.</p>	<p>(i) Investigations were not initiated to ascertain the extent and cause of the loss and to identify those responsible for it immediately after any loss or damage occurred in terms of F.R.104 (1)(a).</p>	<p>It had been informed that the preliminary examination report of vehicle number KA-8957 has been received so far and that steps have been taken to carry out further activities and that the relevant tests have been done on the vehicle numbered PH-0524, but since the report has not been received yet, arrangements are being made to get it and after</p>
		<p>Actions should be taken in terms of Financial Regulations.</p>

receiving the relevant reports, necessary instructions have been given to take further action.

- (ii) If it is expected that a delay of more than 07 days is expected in submitting a full report in respect of damage, a preliminary report in General Format 283 in accordance with F.R. 104(3) and Paragraph 2.5 of Public Finance Circular No. 01/2020 dated 28 August 2020, and a full report as per F.R.104(4) within three months in General 284 Format had not been duly completed and submitted to the Public Finance Department of the Treasury with a copy to the Auditor General.
- It had been informed that it was failed to make complete report /preliminary report or full report in terms of F.R.104 (3) in respect of loss or damage or vehicle accident occurred since it was difficult to find the spare parts required for the repairs of the respective two vehicles, the repairs were delayed and however, immediately after the accident, the officers have been instructed to submit reports as per Financial Regulations.
- Actions should be taken in terms of Financial Regulations.
- (iii) Although a report from a qualified mechanical engineer in a public sector body should be obtained regarding the reasonableness of the prices quoted by the garage where vehicle parts are salvaged for internal repairs of a vehicle in terms of Paragraph 4.3 of Public Administration Circular No. 30/2016 dated 29 December 2016, a record as such had not been obtained for the above repair estimates.
- It had been informed that mechanical engineering recommendations are obtained and the related repairs are carried out compulsorily in the repairs carried out by the institutions after getting the prices as per Circular 30/2016 and that in the case of vehicle accidents that have not been done, the necessary measures will be taken to prevent those deficiencies and omissions in the future.
- Actions should be taken in the instructions of the circulars.

(iv)	Although more than a year had elapsed since the above damages occurred, it could not be ascertained in audit that the repairs of those vehicles had been completed even by 30 April 2023.	It had been informed that the repair works were delayed due to non-availability of spare parts for the respective vehicles in the market. But it had been informed that the insurance company has agreed to pay the estimate of Rs.1,694,450 for the vehicle number KA-8957 so far. It had been informed that the estimate of the vehicle No. PH-0524 has been given by the respective garage and the estimated value of Rs. 2,439,950 has been submitted to the Insurance Corporation for receipt through the Insurance Corporation.	Repairs should be carried out promptly and occurring damages to assets should be minimized.
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3.5 Management Weaknesses

The following observation is made.

Audit Observation	Comments of the Accounting Officer	Recommendation
Immediate actions had not been taken to recover arrears of revenue by all government agencies and prevent further accumulation of arrears in terms of 143(2) of F.R. and Paragraph 04 (b) of Public Finance Circular No. 01/2015 dated 20 July 2015.	It had been informed that only record taking will take place at the time of imposition of settlement sum imposed by Land Registrar Offices, and that the relevant settlement sum will be accounted for at the time of receipt. F.R. should be followed accordingly only if the amount shown in the records maintained by the offices as arrears of revenue is actually included in the revenue. It had been informed that the incomes included only in the reports imposed on the same wrong basis should be removed under the same method and the Department's Circular No.11/2019 and dated 23 July 2019 and Departmental Circular No. 15/2022 dated 21 October 2022 have been issued in this regard.	Actions should be taken in accordance with Financial Regulations and circular instructions.

4. Good Governance

4.1 Providing Services to the Public

The following observation is made.

Audit Observation	Comments of the Accounting Officer	Recommendation
Cases of delay in registration of land deeds were observed due to the Notaries not following the rules mentioned in Section 31 of the Notary Ordinance in writing a deed affecting land and not acting in accordance with them and 379 deeds /documents submitted for registration during the year under review in 03 Divisional Secretariat Divisions belonging to the Kottawa Land Registrar Office where the audit test checks carried out.	It had been informed that due to the deficiencies in the documents submitted for registration, the documents are not registered and entered in the report register and the relevant Notaries are called to the Land Registration Office to correct the deficiencies and register them, and there is no provision for this Department to take legal action against the Notaries. It had been informed that the Rule 26, Section 31, of Notaries Ordinance No. 01 of 1907 has been amended by the Notaries Amendment Act No. 31 of 2022 recently. Accordingly, it had been informed that a Notary who violates that rule can be suspended from performing the duties of the Notary on a request made by the Registrar General to the Minister.	Actions should be taken in accordance with the rules of the Ordinance.

5. Human Resources Management

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) The approved staff of the Department as at 31 December 2022 was 2812 and as the actual staff was 3821, the excess and vacancies of staff were 1272 and 263 respectively.	It had been informed that the number of development officers stated as excess staff in the audit query and shortage of staff indicates the number of vacancies out of the approved number staff of other services.	Attention should be drawn to make recruitments within approved staff.

- (b) Although approved staff for Development Officers was 400, since the actual staff recruited in the Department was 1672, the number of excess officers was 1272 and the approval of the Department of Management Services had not been obtained for this.
- It had been informed that the approval has been requested, by letter No. RG/AB/02/05/25(M.Re.II) dated 24.09.2021 from the Department of Management Services to increase the number of 1272 posts of Development Officers and accordingly, the Development Officers belonging to the Combined Service from the Ministry of Public Administration have been assigned to the Registrar General's Department.
- Arrangements should be made to obtain formal approval.
- (c) There was a shortage of 263 approved officers in 18 posts including 06 senior level posts in the Department.
- It had been informed that the Ministry of Public Administration is notified through Pacis software to fill up the vacancies of Combined Service Officers to meet the vacancies of staff and as per the recruitment procedure to fill the vacancies in the Registrar Service, there is a shortage of 263 officers due to non-availability of qualified officers for senior level posts, retirement and transfers of officers.
- Attention should be drawn on filling up vacancies.