

1. Financial Statements

1.1 Opinion

The audit of the financial statements of the Land Survey Council for the year ended 31 December 2023 comprising the financial position as at 31 December 2023 and statement of financial performance, statement of changes in equity, cash flow statement for the year then ended and notes to the financial statements, including material accounting policy information was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with the provisions of the National Audit Act No.19 of 2018, Finance Act No.38 of 1971 and Survey Act No.17 of 2002. My comments and observations which I consider should be reported to Parliament appear in this report.

In my opinion, the financial statements give a true and fair view of the financial position of the Council as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with the Generally Accepted Accounting Principles.

1.2 Basis for Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of my report. I believe that audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the council's stability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the council or to cease operations, or has no realistic alternative but to do so.

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

As per Section 16(1) of National Audit Act No.19 of 2018, the council is required to maintain proper books and records of all its income, expenditure, assets and liabilities to enable annual and periodic financial statements to be prepared of the council.

1.4 Scope of Audit (Auditor's Responsibilities for the Audit of the 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 exercise professional judgement and maintain professional scepticism throughout the audit. I also

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

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

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

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

1.5 Non-compliance with laws, rules, regulations and management decisions

Reference to laws, rules and regulations	Non-Compliance	Comments of the Management	Recommendation
(a) Section 25(1) of the Right to Information Act No.12 of 2016	Even though it had been indicated that the relevant decision should be immediately communicated to the citizen within 14 days from the receipt of request by the Information Officer, the answers had not been provided to 09 information requests out of 23 received in 2023 and a delay from 01 day to 165 time frame had occurred for 12 requests out of 14 on which the answers had been given.	The answers had been provided to 09 information requests and the acknowledgment of information requests had been informed. Since the information on which the opinion of Land Survey Council should be inquired had been requested in providing the information, it had been submitted for inquiry of the Survey Council. Once it is received, the information should be provided if it is possible to give the information and if it will be rejected, the action should be taken to inform it. Since there is a possibility of directly providing information for 02 information requests out of 14, the answers had been given. The action had been taken to provide the answers after inquiring the opinion of council for remaining 12 with the receipt of permission. It is kindly informed to give the answers within 14 days in due course.	The relevant decision should be expeditiously communicated to the citizen who had made the request within 14 days from the receipt of request.

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

(i) Section 32(1) Even though there should be a Secretary appointed by council, no Secretary had been appointed from 2002 to year under review.

Only 02 applicants out of 19 applications received for the paper advertisements and gazette notifications for appointment of a Secretary had participated for the interview. As they had not fulfilled the basis qualifications, no recruitment had been made.

A Secretary should be promptly appointed.

The relevant qualifications had been revised as “ practical experience in one year in public sector or one year experience in the private sector also” in the qualifications for recruitment having discussed with the Department of Management Services in relation to this and included it. The action had been taken to revise the scheme of recruitment again.

(ii) Section 38(g) The rules had not been prepared with regard to the administration of the activities of council.

The rules in relation to the registration in council and providing of annual survey license had been already referred to the Legal Draftsman’s Department and its first amendment and the observations had been received. Said observations and amendments had been completely prepared again and the step had been taken to send to the Legal Draftsman’s Department finally. Accordingly, once the relevant approval is received, the measures will be taken to publish the rules on registration and annual survey license which is main activity of council.

The rules on administration should be formulated.

(iii) Section 46 (2) (1) Even though the hearing of the complaints on professional misconduct of Surveyors submitted to council should be carried out, 149 complaints out of 212 including 134 complaints received before 2023 and 78 complaints received in 2023 had not been solved even up to the end of year under review.

In hearing the complaints, the parties are called after providing an adequate period of time to present the statements by the respondent parties (28 days), properly investigation of written evidences related to that and the complaint by subcommittee and the complaints are heard once a month or as the case may be. In the event of complaint party or respondent party do not come by giving the reasonable grounds, the main facts such as providing further by deciding the council and a performance index on resolving the complaints due to the facts another time cannot be determined. Furthermore, since the complaints prevailed in Corona pandemic couldn't be heard, those complaint files had to be further heard also.

The complaints received to the Council should be immediately solved.

In addition to above-mentioned facts, the Council considers more times of hearing complaints as per the financial position of the Council.

(iv) Section 47(1) (d) of Survey Act It had been mentioned about only one Surveyor in the Annual Report among 13 names published in the gazette notification No. 2352 dated 27 September 2023 indicating that the annual license had been suspended.

13 names in the register published in the gazette notification No.2352 dated 27 September 2023 was the register for the surveyors whose annual training license had been suspended and the names included in the report submitted for audit is a register of Licensed Surveyors to whom the penalty had been enforced related to professional and other misconduct.

The names of Surveyors whose annual survey license had been suspended should be included in the Annual Report.

At that incident, since Mr.T.B.Sangaradeniya had been punished subject to said 02 registers, it had been published in the gazette. It is noted that there are 02 facts based on this matter.

Accordingly, a meeting minute received the approval in relation to register of surveyors whose annual license had been suspended by a mistake had not been submitted. The instructions had been given not to occur such defects in due course.

- (v) Section 47 (3) When a Surveyor is an offender for professional misconduct, the all payable fees and expenses should be charged by Council as a receivable loan to council. The action had not been taken to recover the money incurred by the council for the publication of the names of Surveyors whose annual license had been suspended in the gazette.
- In accordance with the formal inquiry for the professional misconduct performed by 02 Surveyors, their registration had been cancelled from 16 March 2023 to 15 March 2026. (Annual license is also cancelled.) Since the recovery of the expenses incurred by Council from them for the publication of their names in the gazette notification in relation to cancellation of the registration and there are 02 penalties given to them no action was taken to charge it. As pointed in the audit, the amendments had to be made for taking action. (penalty gazette charges) For taking action as indicated in the brackets, the measures will be taken to inquire the opinion on relevant amendments having forwarded to Council for making relevant amendments.
- The money incurred by council for publication of the names of Surveyors whose license had been suspended in the gazettes should be charged.

2. Financial Review

2.1 Financial Results

The operational result was a surplus of Rs. 3,130,667 in the year under review and correspondingly, the surplus in the preceding year was Rs. 367,510. Accordingly, it was observed a growth of Rs. 2,763,157 in the financial result. The increase of income from license and registration fees charged from the Surveyors by Rs.1,834,600 due to increase of such fees, escalation of fixed deposit interest by Rs.1,796,262 on maturity of many fixed deposits and increase of workshop net income by Rs. 528,200 due to conducting the workshops in 2023 had been mainly caused for this growth.

2.2 Ratio Analysis

In accordance with the statement for financial position submitted, the Current Assets Ratio of the council were 2.19: 1 and 2.66: 1 in 2022 and 2023 respectively and the Quick Assets Ratio were 2.15 : 1 and 2.62 : 1 in 2022 and 2023 respectively.

3. Operational Review

3.1 Management Inefficiencies

Audit Observation	Comments of the Management	Recommendation
Even though the annual license of Surveyor Registered No. - 19780876 had been suspended from 01 January 2021 to 31 December 2021 on a professional misconduct, 31 plans had been issued after surveying the land during the period of license suspension due to not making aware the all offices related to land survey. Without taken any legal action on this matter, the annual license had been issued again for 2023.	The licenses had not been issued for 2022 and the action had been taken to issue the licenses for 2023 after examining the plans registers in 2021. The instructions had been given not to occur these defects in due course.	The all offices related to land survey should be made aware on Surveyors whose annual license had been suspended.

4. Accountability and Good Governance

4.1 Presentation of the financial statements

Audit Observation	Comments of the Management	Recommendation
In accordance with the paragraph 6.6 of the Manual issued for the good governance of the public enterprises of the Circular on Public Enterprises No.PED/01/2021 dated 16 November 2021 of the Secretary to the Treasury, even though the draft annual report and accounts should be submitted to the line ministry and Department of Public Enterprises of General Treasury with a copy to the Auditor General within 60 days of ended the financial year, the accounts for the year ended 31 December 2023 had been presented to the Auditor General on 03 June 2024.	The accounts for the year ended 31 December 2023 had been submitted to the Auditor General on 28 February 2024. But such accounts had been presented again on 03 June 2024 having prepared the defects disclosed by the Auditor General. The action will take to avoid such defects in due course.	The action should be taken as per the provisions of the circular.