

Head 286 - Land Commissioner General's Department - 2024

1. Financial Statements

1.1 Opinion

Head 286 - Land Commissioner General's Department for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024 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 Land Commissioner General's Department was issued to the Accounting Officer on 30 May 2025 in terms of Section 11(1) of the National Audit Act, No.19 of 2018. The Annual Detailed Management Audit report relevant to the Land Commissioner General's Department was issued to the Accounting Officer on 23 June 2025 in terms of Section 11(2) of the Audit Act. This report will be tabled in Parliament in pursuance of provisions in Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka to be read in conjunction with Section 10 of the National Audit Act, No.19 of 2018.

In my opinion, the financial statements give a true and fair view of the financial position of the Land Commissioner General's Department as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with the basis of preparation of the financial statements as stated in Note 1 to the financial statements.

1.2 Basis for Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibility for the financial statements is further described in the Auditor's Responsibilities Section. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Emphasis of matter - Basis for preparation of Financial Statements

Attention is drawn to Note 1 to the financial statements, which describes the basis of preparation of these financial statements. The financial statements have been prepared for the needs of the Land Commissioner General's Department, General Treasury and Parliament in accordance with Financial Regulations 150 and 151 and, Public Accounts Guideline No.06/2024 dated 16 December 2024 as amended on 21 February 2025. Therefore, these financial statements may not be suitable for other purposes. My report is intended solely for the use of the Land Commissioner General's Department, General Treasury and the Parliament of Sri Lanka. My opinion on this matter is not modified.

1.4 Responsibilities of the Chief Accounting Officer and the Accounting Officer for the Financial Statements

The Accounting officer is responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Regulations 150 and 151 and, Public Accounts Guideline No.06/2024 dated 16 December 2024 as amended on 21 February 2025 for the determination of the internal control that is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As per Section 16(1) of the National Audit Act, No.19 of 2018, the Land Commissioner General's Department is required to maintain proper books and records of all its income, expenditure, assets and liabilities to enable the preparation of annual and periodic financial statements.

In terms of Sub-section 38(1)(c) of the National Audit Act, the Accounting Officer shall ensure that an effective internal control system for the financial control exists in the Land Commissioner General's Department and carry out periodic reviews to monitor the effectiveness of such systems and accordingly make any alterations as required for such systems to be effectively carried out.

1.5 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 due to fraud or error and to issue an Auditor General'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 and its materiality depends on the influence on economic decisions taken by users on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional 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 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.
- 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.

I communicate with the Accounting Officer regarding, among other matters significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on other Legal Requirements

I express 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 the preceding year,

(b) The recommendations made by me on the financial statements of the preceding year had been implemented.

3. Financial Review

3.1 Revenue Management

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) The arrears land rent income of the 08 Inter-Provincial Offices as at 31 December 2024 was Rs.386.73 million and the arrears rent of Rs.237.08 million more than 03 years or 61 percent had been included in that. It was also observed that the value of rent arrears recovered during the year was at a very low level of Rs.14.88 million or 3.8 percent.	The rent collection rate has been decreased due to the inclusion of un-assessed rent arrears.	Internal procedures should be developed and arrears should be collected.
(b) It was total of Rs.307.15 million or 79 percent only for the Polonnaruwa and Ampara offices as Rs.113.59 million and Rs.193.56 million respectively out of the arrears land rent income as at 31 December 2024. According to the sample audit, the number of lessers of land leased in Polonnaruwa was 445 and although 77 lessers out of this were in arrears of more than Rs.0.4 million, legal action had not been taken to recover the arrears rent in respect of these lessers.	Provincial/Inter-provincial Land Commissioners are constantly informed of the necessary instructions and guidance to speed up the process of collecting arrears of rent and are informed that it should be expedited as it has also been indicated in audit reports. Also, regular awareness is being raised to rent evaders to take legal action and to submit documents for prosecution.	Internal procedures should be developed and action should be taken to recover arrears rent revenue.
(c) Although the factors such as non-payment of rent by the lessee on the due date, the legal date on which the rent is due occurring after the transfer of possession, or the passage of many years to enter into the lease agreement was cause to the value of rent arrears increased up to Rs.386.73 million, legal action against rent evaders was at very slow	All Inter-Provincial Land Commissioners and Assistant Land Commissioners have been summoned to the head offices on 2024.05.31 and 2024.10.25 and, through	Internal procedures should be developed and action should be taken to recover arrears rent revenue.

level. Although the relevant instructions have been given by the circular No.2020/06 dated 20.05.2020 issued by the department providing relief in respect of penalty interest to promote collection of arrears, details of how rent revenue increased after the rent revision were not presented to the audit.

Zoom Meetings and have been informed about the regularization of rent arrears collection. Information has been provided about legal action being taken against rent evaders.

- (d) The records related to the maintenance of the quarters and the collection of their rental fees had not been maintained in a formal manner. The Land Commissioner (former) who took over the quarters on 01 January 2021 had not paid the rental fee of Rs.188,700 up to 31 March 2022.

The officer was also informed to pay an amount of Rs.188,700 as quarters rent for the period of residence in the quarters. Out of this, Rs.25,000 has been paid by now.

The quarter's information should be updated and the arrears rent should be collected.

- (e) The Department had not taken actions to recover the undeveloped value of Rs.59.78 million that existed before the development of the lands regarding 321 acres and 3.03 perches of land that has been developed by the Land Reclamation and Development Corporation for several years and has been disposed of to external parties.

The Corporation has made a request regarding the revenue head to credit the relevant values. Accordingly, the revenue head to which the money should be credited has been notified to the Land Reclamation and Development Corporation. Accordingly, it is expected that the money will be received.

The undeveloped value of land prior to development should be recovered before the land is transferred.

3.2 Expenditure Management

Audit Observation

Comments of the Accounting Officer Recommendation

Although estimates should be prepared as completely and accurately as possible in accordance with Financial Regulation 50, Rs.31.4 million out of the provision of Rs.75.4 million for 14 recurrent expenditure items in the year under review was remained save. The savings ranged from 25 percent to 82 percent of the total net provision. Similarly, Rs.36.5 million out of the total net provision of Rs.56 million for the three capital expenditure items was remained save. The savings in those provisions ranged from 20 percent to 78 percent.

The Urumaya National Program was implemented as an accelerated program in the year 2024. Accordingly, expenses including the purchase of fuel, stationery and office equipment were managed through the provisions received for that program.

Estimates should be prepared accurately.

3.3 Non-compliance with Laws, Rules and Regulations

Observation			Comments of the Accounting Officer	Recommendation
Reference to Laws, Rules and Regulations	Value Rs.Million	Non-Compliance		
(a) Section 135 of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka, National Budget Circular No.08/2022 dated 25 November 2022 and National Budget Circular No.01/2024 dated 10 January 2024 of the Secretary to the Treasury.	2.37	The expenditure incurred in violation of rules and regulations on matters such as food and accommodation facilities for officials, as well as fuel and government vehicles for political meetings without consideration of government expenditure control instructions, circulars and rules and regulations in 2024 was amounted to Rs.2.37 million.	The responsibility of implementing the Urumaya Program, which was implemented as a budget proposal 2024 based on government policy decisions had been assigned to department. Therefore, since the work had to be carried out at night, the necessary food, drinks and transportation facilities were provided to the officers engaged in that work. It is kindly mention that, it had to provide necessary accommodation facilities to the officers on duty as the need of service in order to distribute the grant papers to the relevant institutions.	Action should be taken in accordance with the instructions and circulars issued to control government expenditure.

4. Operational Review

4.1 Vision and Mission

Audit Observation	Comments of the Accounting Officer	Recommendation
Although it is stated as the 'Mission' of the department that Management of State Land at a well-coordinated level adhering to the National Policy and ensuring optimum utilization of State Land to gain sustainable	As stated in the 'Mission' of the Department, E-Slim systems are already in place as a formal system to provide information on leases, land disposals, issuance of grant papers and rent concessions etc.	A formal system should be developed to enable access to information about lands.

development while confirming the freehold ownership of land, a formal system had not been maintained to obtain information on leases, land disposals, issuance of grant papers, rent reliefs, rent concessions, etc. within the department when obtaining information and data on lands, as of the audit date of 30 April 2025.

within the Department in obtaining information and data on lands. Actions are currently being taken to overcome the existing shortcomings in the E-Slim system considering the issues revealed through audit observations.

4.2 Planning

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) According to the target data performance report for the years 2024, although the E-slims system was planned to issue 2,000 licenses, 40,000 grant papers and include 1,000 long-term leases in the system in the year under review, it was reported to the audit that, 917 licenses, 22,432 grant papers and 152 leases had been issued as of 31 December 2024. Accordingly, the progress of that was 46 percent, 56 percent and 15 percent respectively.	Due to the implementation of the leading program of providing grant papers (Urumaya) as a policy decision of the previous government, it has not been possible to achieve the desired goals.	Plans should be made for practical goals when preparing performance reports.
(b) The Land Commissioner General had instructed all Divisional Secretaries and Inter-Provincial Land Commissioners to enter all lease approvals and all lease-related information into the E-slims system before 31 December 2023. The amount of land leased was not submitted to the audit and according to the information received through the E-slims system, information on 7,517 long-term lease lands had been entered into the system. As of the date of this report, it was not possible to obtain reports on income earned from leasing government lands and outstanding rent revenues through the system.	Although it is possible to obtain the income earned and arrears of rent revenue related to the information entered into the E-Slims system regarding long-term lease lands through the system by now, since the Divisional Secretariats have not yet adopted 100 percent data entry into this system, efforts are being made to prevent this situation in the future.	The functionality of the e-Slim system needs to be improved.
(c) It was planned to connect all Divisional Secretariats through 10 bank accounts to carry out rent payments and other tasks via online according to the action plan of	Procurement activities for the online payment portal have now commenced and the department has invited for bids and since the	Actions should be taken to carry out rent payments and other tasks online.

the last year. Although the E-slims system, which was launched in 2013, has been in operation for 11 years, it was not possible to provide rent recommendations, grant rent approvals and pay rents online as scheduled by 31 December 2024.

two state banks have not responded for the proposed criteria, it has been decided to invite bids from all banks approved by the Central Bank of Sri Lanka.

4.3 Non-achievement of expected Output Level

Audit Observation	Comments of the Accounting Officer	Recommendation
The State Land Information and Management System (E-slims) was launched in 2016 and plans were made to complete all the work related to the system within a period of 05 years at an estimated cost of Rs. 119.6 million. However, as the procurement process did not take place as stated in Chapter 1, paragraphs 1.1 and 1.2.1 of the Procurement Guidelines, it was not possible to select a suitable institution to successfully implement this system. Although Rs.226.89 million of government money has been spent on this task from 2013 to 31 December 2024, this system has not been successful in facilitating the management of state lands and the collection of rents.	In accordance with the powers delegated to the Sri Lanka Information and Communications Technology Agency with the approval of the Department of National Planning, the Information and Communication Technology Act No.27 of 2003 and its amended Act No.33 of 2008 provide for the implementation of strategies and programs for both the public and private sectors through the e-government concept and in order to take the necessary measures in this regard, the then Ministry of Land Development, and the Land Commissioner General's Department and the Sri Lanka Information and Communication Technology Agency (ICTA) have jointly signed a Memorandum of Understanding in 2008 and a government land information and management system (e-Slims) is maintained by the Land Commissioner General's Department. Attention has been paid to carrying out the functions according to a prescribed action plan in the future.	The system should be updated immediately to suit the requirements by entering into a formal contract with the institution receiving the services.

4.4 Assets Management

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) A building in the Ratmalana area belonging to the Land Commissioner General had been renovated at a cost of Rs.4.59 million to convert it into an auditorium. Furthermore, inventory items worth Rs.12.99 million had been supplied to the building. In addition, 04 large air conditioners had also been installed. Furthermore, a part of the same building was used as a computer center and computers and equipment were purchased at a cost of Rs.5.58 million. However, it was observed that, this auditorium and computer center were underutilized.	Actions have been taken to provide the auditorium to other government institutions to conduct their programs in an optimal manner and to inform all ministry secretaries and department heads with the approval of the ministry. Actions have also been taken to conduct e-Slims training for officers of the Divisional Secretariats in and around Colombo and to have rent file information entered into the system by officers of the surrounding Divisional Secretariats. This computer lab was used for data entry for the "Urumaaya" program in 2024, and was also used for e-Slims training in 2021/2022.	Programs should be designed to make full use of the building and its existing equipment.
(b) Details of the rent collected from 411 quarters owned by the department in the year 2024 were not submitted to the audit. There was no internal control system in place regarding matters such as failure to provide official residences on a legal basis, failure to evict encroachers of quarters and the land, failure to renovate buildings, failure to survey the land, prepare plans, acquisition of ownership, setting of boundaries and protection of lands which the buildings are located, and the collection of rental fees and, 261 quarters have been assessed and the gross assessment had been obtained for 98 houses. Out of those quarters, 30 have unauthorized occupants and 35 houses were being transferred to government institutions and 07 houses had been transferred.	Actions have been taken to inform the relevant offices to submit the monthly report on the collection of quarters rents properly. All offices have been informed by my letter No.LCGD/AD/8/Quarters, Lands and Buildings/2025 and dated 2025.03.11 to inform them to provide information before 2025.03.17 regarding the Quarters where unauthorized persons are residing and what actions have been taken to remove those unauthorized persons from their residence, and the preparation of a priority list for the renovation of quarters and buildings that need to be renovated, and provision of land and quarters to government institutions that can use them more effectively. According to the reports submitted by the Inter-Provincial Offices, the number of	An internal control system should be developed to collect rent from quarters, assess and account for them, and remove unauthorized occupancy.

unauthorized residents is 20. Action is to be taken in this regard in the future. Gross valuations have been obtained for 117 quarters, lands and buildings and gross valuation reports are yet to be obtained for 33.

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| <p>(c) The quarters, which was built on 21 January 2021 at a cost of Rs.25.07 million for the use of the Commissioner General of Lands, has not been occupied since the date of construction and no maintenance has been carried out. Furthermore, due to lack of proper maintenance, the building was deteriorating day by day.</p> | <p>Since the limited provisions allocated to the Department and the immense difficulties in the quarters and buildings of the regional offices, greater care should be taken in allocating funds and only essential repairs have been carried out to this quarters.</p> | <p>Actions should be taken to properly maintain the quarters and accommodate residents there.</p> |
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4.5 Losses and Damage

Audit Observation

The Land Development Corporation had signed an agreement with a foreign company on 16 January 2018 to remove sand from the sea to land. Accordingly, the Corporation had earned revenue from the sale of sea sand worth Rs.6,778.04 million between 2019 and 2023. However, according to Sections 58 to 67 of Part 8 of the State Lands Ordinance of 1957, if any material is to be extracted from the seabed, it should be done with the approval of the Commissioner General of Lands and a fee should be charged for it. However, the approval obtained or evidence was not presented to the audit that any money was recovered from the government for the removal of valuable sand worth Rs.6,778.04 million. Accordingly, it was observed during the audit that the government had incurred a loss of at least Rs. 271.1 million in this process.

Comments of the Accounting Officer Recommendation

Although approval for activities taking place on the seabed should be given by the Honorable President and the Commissioner General of Lands in accordance with Sections 60 to 63 of the Government Lands Ordinance, the Land Development Corporation has not sought permission from this department for the removal of sea sand from 2019 to 2023 and

An inquiry has been made to the Corporation regarding, how much land was used by the Land Development Corporation for the above purpose, the amount of cubic meters of sea sand excavated, the income earned from it and the agreement entered into by the Land Development Corporation with the foreign company Rhoad Neilson A/C. through a letter dated 2025.05.19, and advice has been sought from

Action should be taken against sand mining without obtaining a permit and the amount due should be recovered.

the Ministry of Agriculture, Livestock, Lands and Irrigation regarding the fee collection method for this purpose on 2025.05.19. It is expected to take further action accordingly.

4.6 Uneconomic Transaction

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Before the ownership was transferred to the Department in the Kilinochchi District and without a feasibility study, proper planning and investigation, a 30-perches plot of land had been acquired for a circuit bungalow and only part of the building had been constructed in 2019. As of 31 December 2024, the amount spent on the construction of this building was Rs.10.42 million, and without completing the construction work of the bungalow, furniture and equipment worth Rs.0.32 million were purchased, construction work was stopped, and it was being destroyed without proper use. Although several government institutions have requested to complete and use this building, it had been left to deteriorate without any work for almost 05 years after it was built.	In March 2025, the Commissioner General of Lands visited the Kilinochchi Circuit Bungalow, inspected the matter and held discussions with the District Secretary and, the Kilinochchi District Secretary has forwarded a request to hand over the said circuit bungalow to the District Secretariat and accordingly, further actions have been taken to hand over the ownership to the Kilinochchi District Secretary.	Urgent action should be taken to utilize the building.
(b) An amount of Rs.1.19 million had been paid to colony officers and land officers for the national project of distributing Urumaya deeds, but to officers who were not entitled to fuel allowance. It was observed during the audit that there was no formal approval for this and no legal provisions.	Relevant provisions have been allocated for the provision of a fuel allowance for the prompt implementation of the Urumaya program as Rs.2000 per month for transportation purposes for the period from 2024.04.01 to 2024.12.31 to the Colony Officers/Land Officers, by the letter of the Secretary to the President No.PS/FIN/FD/Rqt/05/02(iv) and dated 11.07.2024.	Formal approval should be obtained for the payment of allowances.

4.7 Management Weaknesses

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) It was observed that there are 82 long-term commercial lease files among the files of land leased on a long-term commercial basis in the Nuwaragam Divisional Secretariat Area of Anuradhapura East, which was the second lease period of which commences in accordance with Circular No.2020/06 (1) dated 01 February 2021 and although the rent should have been correctly calculated and collected based on the assessment made in relation to the second lease period from the date of commencement of the second lease period until 16 November 2020, when the approval of the Cabinet was given, in accordance with the above circular and the relevant Cabinet decision No.CP/20/1622/322/004, Contrary to this, since the manner in which rent should be charged in respect of 08 lease files had been notified by the letter No.4/10/General/Rent Relief (L2) dated 10 November 2022 of the Commissioner General of Lands, a loss of rent amounting to Rs.70.52 million. Although the audit report for the year 2023 pointed out that there was a risk of taxpayers in 74 out of 82 rent files being discouraged from paying rent due to the provision of rent concessions in excess of the circular, corrections had not been made as of 28.04.2025.	The relevant approval has been forwarded to the Secretary of the Ministry in accordance with the decision of the Audit Management Committee held on 25.03.2025 in this regard.	Action should be taken to reconsider about the rent concessions and collect arrears rent receivables.
(b) The 08 circuit bungalows owned by the Department had been provided to the Department's officers and external institutions. Although a significant number of people had stayed in the Anuradhapura and Nuwara Eliya circuit bungalows in the year under review, a very small number of people staying in	Out of the 08 circuit bungalows, most reservations are made for the Anuradhapura, Polonnaruwa, Nuwara Eliya and Kataragama circuit bungalows based on requests received from officers and reservations are often made on a duty basis for circuit	An internal control system regarding circuit bungalows should be developed and renovation work should also be carried out.

the other 06 circuit bungalows. The recurring expenditure incurred for maintaining these circuit bungalows was Rs.5.22 million and the income was Rs.1.7 million. The circuit bungalows being old, lack of maintenance, difficulties in making reservations, poor security, staff vacancies and discrepancies in charging fees were the main factors that prevented the achieving of objectives of maintaining the circuit bungalows.

bungalows in Mahiyanganaya, Monaragala, Ampara and Hambantota. Annually, Rs.10 million is allocated for these repairs and about Rs.0.1 million is allocated for the construction of fences/walls/gates under lands and land improvements and the said provisions will be allocated for the head office of this department, Ratmalana quarters, Jalthara quarters and inter-provincial offices and, quarters and buildings belonging to them and 402 circuit bungalows. Therefore, only those repairs that are absolutely necessary are given priority and repairs are carried out. The fees of circuit bungalows has been revised and submitted it for approval to the Ministry of Finance through the Secretary of the Ministry of Agriculture, Land, Livestock and Irrigation and by my letter No.LCGD/AD/19/Cir.Bun.Fee Revision/2025 dated 02.05.2025.

- (c) Although the 182-acre land belonging to the Lanka Steel Corporation and all its assets and liabilities, including the factory located were contractually transferred on 31 October 1996 to a Korean company for USD 15 million, this land had been re-acquired by a local company due to the foreign company's failure to comply with the agreement. This land had been given to a foreign company without following the procedure required for releasing land to an outside party as per Section 6(1) of the State Lands Ordinance. It was observed that, Cabinet approval has not granting to transfer the land through a grant paper between 2022 and 2024, and has not included conditions as instructed by the Attorney General to provide only
- The Ceylon Steel Corporation was established in 1961 under the State Industrial Corporations Act No. 49 of 1957 and later this land was acquired for the Steel Corporation and a transfer certificate was issued under Section 44. In 1996, 90 percent of the shares of the steel company were sold to a Korean company under the privatization of state-owned companies. In 2009, the shares owned by that company were purchased by a local company. The Act states that if the value of the lands in the hands of state corporations, boards and statutory trusts belongs to the government which
- Since the transfer of land has not yet taken place, the necessary land should be provided after an extensive investigation.

the land on which the factory will operate and it was observed that , currently no progress is being seen in the activities of the factory and action had not been taken to reacquire the land in a situation where the initial agreement was not being implemented. Also, there is a playground and dilapidated quarters on the land currently not being used for the factory, and the Ministry of Lands has not taken a decision regarding the underutilized area of about 160 acres.

were privatized under Act No.23 of 1987 has been paid, the ownership of those lands should be acquired through a grant papers. Accordingly, it has been stated that a committee should be appointed regarding the granting these lands and a report containing the recommendations of that committee should be submitted to the Cabinet. Furthermore, according to an inquiry made by the Public Enterprises Department regarding the calculation and valuation of the problematic land plots, it was revealed that the investor had paid a sum of USD 15 million for 90 percent plots and that the valuation has been submitted for the entire institution without valuing the assets separately and that the relevant sale and purchase has been done by the agreement after approved by the Attorney General and given to the investor.

- (d) The 0.0506 hectares or 20 percent in Plot No.02 in O.P 9302, of 492/D, Rajamalwatta Grama Niladhari domain in Kaduwela Divisional Secretariat division acquired under Section 38(a) of the Land Acquisition Act, No.1982 had been leased to a private party on a residential basis for 30 years at an annual rent of Rs.0.8 million. It was observed that the relevant person was not residing on this land as at 20 February 2025. This land, located in the commercial city of Battaramulla, had been acquired for a government need and leased to an outside party on a residential basis. However, if there was no government need, this land, which has commercial value, could have been given away at a

This land plots was acquired to the government through the Urban Development Authority under Section 38(a) of the Land Acquisition Act in 1982 and was transferred to the Ministry of Agriculture, Lands and Forest Resources in 1997. In 2012, the Secretary to the Ministry of Agriculture, which owned the land at that time, stated that there was no objection to granting long-term leases, since the land was not being used for development purposes under the Ministry of Agriculture, Land and Forest Resources. Accordingly, as per a decision of

Arrangements should be made to dispose of the land in a proper manner.

rent rate of 4 percent of the annual assessed value, and this action resulted in a loss to the government.

the Provincial Cabinet, long-term lease approval has been received for this land on 26.07.2012 after the recommendation reports were submitted. Provisions have been made in the State Lands Ordinance to select lessees by following competitive methods such as auctions, tenders or land kachcheri in the disposal of government lands on a long-term lease basis. However, as per a decision of the Western Province Cabinet, the Minister's approval has been received to dispose of this land based on the recommendations submitted. Accordingly, this land has been disposed of by lease dated 03.02.2019, 4/10/35274. As indicated in Since the audit query dated 14.03.2025 has been stated that the relevant disputed land should be re-acquired and acted upon in a manner beneficial to the government, advice has been sought from the Ministry of Agriculture, Livestock, Lands and Irrigation on 21.05.2025 regarding the course of action to be taken.

- (e) Although the number of applications approved by the Divisional Secretaries and entered into the E-slims system for the issuance of grant papers under the Urumaya program is 63,818 and even the 38,396 "O" line drawings were provided for this purpose, only 12,468 or 19 percent of the grant papers were prepared and completed. Accordingly, the total number of free grant papers provided under the first and second phases of the Urumaya program was only 22,362.

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| <p>(i) For the Urumaya program, 07 supervisory officers and nearly 60 subject officers performing permanent duties in the department will be removed from regular duties and have been released for duty for the Urumaya program from 16 July 2023 until further notice. Also, the distribution of the prepared grant papers throughout the island was implemented and the expenditure incurred as fuel expenditure of the vehicles was Rs.12.1 million.</p> | <p>The relevant expenses have been incurred based on the provision of government funds under the expenditure heads for the implementation of existing state policies.</p> | <p>Actions should be taken in accordance with the National Budget Circular.</p> |
| <p>(ii) It was observed that 40,000 Conquer Papers were purchased for printing grant papers at a cost of Rs.3.5 million and 24 packets worth Rs.1.05 million of this paper stock were lying idle at two locations as at 30 April 2025.</p> | <p>Although the Urumaya program has been temporarily suspended, the committee's decision in this regard has been submitted to the Cabinet and is scheduled to be initiated in accordance with that decision. Otherwise, this paper will be provided to the Registrar General's Department or another appropriate institution.</p> | <p>Purchases should be made based on an assessment of requirement.</p> |
| <p>(iii) The Development Division received 36 computers worth Rs.32.64 million purchased under the Urumaya program, and as they were surplus, 12 computers were returned to the warehouse. Also, 15 laptop computers purchased at a cost of Rs.5.95 million were received by this division and returned to the warehouse. Despite this division had 03 photocopy machines, 09 more photocopy machines were provided for the prompt implementation of the Urumaya program. It was observed that 10 photocopy machines were lying idle in this division by 30 April 2025, due to the non-implementation of the Urumaya program. These machines had been purchased on 16 May 2024 at a cost of Rs. 4.13 million.</p> | <p>The surplus computers used for the Urumaya program (as the Urumaya program is not currently operational) have been handed over to the warehouse so that they can be issued for the need of department.</p> | <p>Purchases should be made based on an assessment of requirement.</p> |

- (f) Due to the urgent need to complete the duties that were to be performed as a routine duty, 08 retired administrative service officers were recruited on a contract basis for the Urumaya program from May 2024 and a sum of Rs.3.56 million was paid. Although officers cannot be recruited on a contract basis in accordance with National Budget Circular No.01/2024 issued by the Treasury, these officers had carried out the tasks such as, involving in the process of promptly preparing deeds, conducting mobile services, and awarding deeds in the manner of state ceremonies, with the participation of the President and other ministers. In addition, 11 students studying at universities, technical colleges and colleges of technology have been recruited on a temporary basis from May 2024 to 31 December 2024 and a total of Rs.1.62 million had been paid to those student at Rs.1,500 each for one day's service.
- The deployment of retired administrative service officers to implement the Urumaya program has been made based on the approval of the Secretary to the President No. PS/PSB/SAS-4/Req/2024/1 and dated 2024.04.05. Based on the Cabinet decision dated 27.05.2024, technical college students have been recruited to implement this program on a temporary basis and allowance have been paid based on the instructions of the Secretary to the President No.PS/FIN/FD/Rpt/05/02(vi) and dated 20.08.2024.
- Recruitment should be made based on need and relevant approvals and, the expected performance should be achieved.

5. Human Resource Management

Audit Observation

Comments of the Recommendation Accounting Officer

Position	Approved number of employees	Existing number of employees	On a contract basis	Vacancies
Senior	95	36	-	59
Tertiary	38	05	-	33
Secondary	710	458	09	252
Primary	<u>121</u>	<u>92</u>	<u>2</u>	<u>29</u>
Total	<u>964</u>	<u>591</u>	<u>09</u>	<u>373</u>

- (a) Although the approved number of posts for the posts of Assistant Land Commissioner/Deputy Land Commissioner is 26, Due to the transfer of about 05 officers without a successor during the years 2023 and 2024, the number of vacancies in that position had increased to about 13 as at 31 December 2024.
- Agreed. Since the Presidential Secretariat has ordered the release of the relevant officers with immediate effect, the officers have been transferred.
- A study should be conducted on the vacancies available when transfers.

considering their long service in the same place of work, serious personal needs and reasonable reasons.

- (b) Although the number of vacancies for Development Officers and Management Service Officers in the Department was about 33 and 74 respectively as at 31 December 2024, it was observed that transfers were granted for 18 and 17 of those posts in 2023 and 2024 respectively, without a successor/on the basis of providing a successor later. According to the information provided to the audit, it was observed that there have been vacancies for the posts of a Language Interpreter, an Information and Communication Officer, a Technology Officer and 03 Information and Communication Technology Assistant since the posts were created.
- Requests have been made to attach Tamil Media Development Officers or Management Services Officers. Requests have been made continuously in the year 2024 to the Secretary of Public Administration, Provincial Councils and Local Government to fill the vacant posts of SLAS Grade I/II/III and SLAccS II/III. There have been vacancies for one Information Communication and Technology Officer post and 05 Information Communication and Technology Assistant Officer posts since the posts were created. Requests have been made to fill those vacancies and 02 vacancies have been filled. Although requests were made to the institutions that required approval to fill the vacancies on various occasions and applications were made for approval, it was not possible to recruit officers for the vacant positions as the relevant approval had not been granted.
- Vacancies should be filled as the requirement.

- (c) As there is currently an increase in the loss of ownership of government lands for various reasons, it was observed during the audit that the department should review the existing functions of the department and revise the staff required to the department accordingly to complete the staff based on that approval.