

# **Land Reform Commission**

## **ANNUAL REPORT**

**2013**

**From 01.01.2013 up to 31.12.2013**

## Information of the Land Reform Commission

Institution	Land Reform Commission
Ministry -	President Secretariat
Address-	C 82, Hector Kobbekaduwa Mawatha, Colombo 07
Email Address	lrcadmin@sltnet.lk
Contact Number	0112694251/0112672273
Fax Number	0112693438/2698849
Auditors	Auditor General, Department of Auditor General,  Battaramulla
Bankers	Bank of Ceylon, Corporate Branch, Fort  National Savings Bank, Borella  State Mortgage and Investment bank, Kollupitiya

## Message of the Chairman



It is a great pleasure to add some words at this moment of presenting the progress of the Commission in year 2013 where more than four decades has lapsed from the establishment of the Land Reforms Commission by the Land Reform Act No 01 of 1972 of the Parliament of Sri Lanka.

It has been a difficult task to award the ownership of lands, which has earlier under a small group, to real heirs, people of this country in a proper and reasonable manner and contributing to the development process of the country whilst making the expectation of the Late Hector Kobbekaduwa, founder of the Commission a reality. However the Commission could avoid such hindrances and barriers to formalize the functions once the Commission has fallen under the supervision and direction of H.E.the President.

Under Mahinda Chinthana policy manifesto, now the time has come for the people of the country to use lands, which is the most valuable resource , in proper manner and accordingly the Commission has now making a tremendous contribution to the development of the country.

During year 2013 Commission could achieve nearly 80% of its goals and further it could perform large number of important and various tasks such as awarding 3500 *Ranbima* deeds, launching projects in four districts going beyond normal framework under the plans for income generating , identifying opportunities for new projects in other districts, ensuring job security, enhancing welfare , commencing the computerization of the register of lands under the supervision of Colombo University and instruction of H.E.the President.

A ceremony was organized to mark 41<sup>st</sup> anniversary of the commission, 30<sup>th</sup> commemoration of Late Mr. Hector Kobbekaduwa concurrently to awarding of *Ranbima* deeds in this year.

I would like to mention that the enthusiasm and attention paid by Mr. Lalith Weeratunga, Secretary to H.E.the President, Hon Gothabhaya Rajapaksha, Secretary, Ministry of Defence and Urban Development, Hon Basil Rajapaksha, Minister of Economic development, and Hon D.E.W. gunasekara ,Senior Minister with sound review on Commission under the leadership of H.E.the President has resulted in the success achieved so far by the commission. Whilst extending my gratitude for such guidance, I also make this an opportunity to Extend gratitude to all staff including Executive Director, Director General for their lavish cooperation for the performance of the activities of the Commission.

Nimal G. Punchihewa  
Chairman,  
Land Reform Commission

## Message of Executive Director



I take this opportunity with much pleasure as the Executive Director of the Land Reform Commission to note few words reminding progress of year 2013 of the Land reform Commission which has been established under Land reform Act No 01 of 1971.

H.E. the President, who joined with Late Mr. Hector Kobbekaduwa in 1972 to present Land Reform Commission to the nation, is now with us as our leader who shoulders the responsibility of guiding and supervising us in our effort.

When comparing with the previous year, the Institution has become a highly significant body in our national economy in 2013 and we are proud to be the partners of this progress.

We can say without any hesitation that the unique and historic role performed by H.E. the President making guidance directly to the Chairman in the utilization of lands belonging to the Commission in various development activities is the base of the achievements, which we have so far made.

In our journey to be the miracle of Asia under Mahinda Chinthana Policy Manifesto, I clearly state that the most of tasks performed by the Commission during year 2013 with a view to utilize lands of the Commission in a productive way ended as fruitful efforts. I believe that the exemplary leadership of H.E. the President and Secretary to H.E. the President and the determination and dedication of our Chairman served as the base of our success during the year and therefore we could reap optimum results at the end.

At this moment my gratitude and respect should be extended to the whole staff of the Commission including Director General and the Board of Directors for their contribution as the partners of our journey.

Hariguptha Rohanadheera  
Attorney at Law,  
Executive Director,  
Land Reform Commission.

## Introduction

The Land Reforms Commission which was established by the Land Reform Act of No. 01 of 1972 has a history that goes back to 1972.

The role of Land Reform Commission, for a period over 35 years, has been performed by the provisions made by Land Reform Act amended from time to time as well as by policy decisions taken by the government from time to time. The top priorities of the Commission are release of statutory obligations of land owners and payment of compensation to them, utilization of lands which have been vested in productive investments and collection of revenue of the Commission, protection of lands, training of the staff and welfare.

Under the scheme for the delivery of one hundred thousand lots of land among the general public according to Mahinda Chintana of His Excellency the President after the Presidential Election held in year 2005, the Land Reform Commission has taken each and every step to make that program a total success.

Further, during this period, the salaries of employees serving in the institution have been increased and a program has also been launched to inculcate new spirit whilst establishing their employment security.

Especially the following priorities have been identified during year 2013.

- i. Identifying lands which are belonging to the Land Reform Commission, but have not so far been identified.
- ii. Recovery of the possession of lands which have been alienated for unproductive investments.
- iii. Taking actions in accordance with the Cabinet Decision on the lands delivered during the period from 2002-2004 without legal authority and utilizing such lands in productive investments after recovery of possession.
- iv. Preparation of accelerated program for the purpose of distributing lands which are belonging to Land Reform Commission under the program for the distribution of one hundred thousand lots of lands and implementation of the program “*Ranbima Deeds Program*” as a task of national importance whilst marking new turning point in the program implemented to regularize the lands distributed so far among the occupants.
- v. Programs for the increase of income.
  - a) *Ranaviru Seva* Authority

- b) Obtaining compensation in respect of lands acquired by the government
- c) Collecting income in respect of lands alienated to public institutions
- d) Preparation of proper program for the purpose of collecting lease rent in respect of lands alienated to various persons on lease but the lease rent has not so far been collected.
- e) Alienations of granite on lease and collection of relevant income.
- f) Collecting income by imposing new regulations in respect of Gem Lands.
- g) Collecting revenue from lands with mineral resources such as silica, dolomite and sand.

With a view to make the staff aware on these tasks and call suggestions and comments of officers, it was commenced to appoint committees consisting of officers of the institution for each such task and to conduct workshops. Further, training programs have also been conducted to train the staff of the institution.

As a timely measure to perform the role of Land Reform Commission according to government policies and also to Mahinda Chintana Concept introduced by His Excellency the President, discussions have often been held with the Secretary to H.E. the President and important decisions were also taken at these discussions. Follow up actions have also been taken with the implementation of such decision. Further, general public were offered an opportunity to forward their problems. Accordingly, necessary decisions were taken with immediate effect by the appointed committee conducting direct discussions.

In addition, under the direction and guidance of Hon. Minister, action was taken to provide lands for the investments identified as productive on the recommendations of advisory committee consisting of experts.

Further, under the direction and instructions of His Excellency the President and Secretary to H.E. the President future action has been initiated in respect of lands belonging to Land Reform Commission out of the lands in extent million acres taken over by the Land Reform Commission.

Under this program, contribution was made to the progress of the institution as well as economic and social development of the country utilizing resources which have so far not been under the control of the Commission.

# Land Reform Commission

## VISION

Transformation of the Land Reform Commission as the leading institution which bears the responsibility of utilizing lands and physical resources vested under Lands Reform Act for the progress of people and motherland.

## Land Reform Commission

### MISSION

Ensuring active contribution for the national development by way of implementing land reform process, improving productivity of lands in excess of ceiling, managing the ownership of physical resources ensuring their protection, giving effect to the maximum limit of ceiling on timely requirement, paying compensations, investing in productive economic fields and maintaining a reserve of lands which can be utilized for the benefit

## Objectives

1. Compilation of information in respect of lands.
  - i. Identification of lands which have been declared but so far not identified.
  - ii. Identification of lands belonging to Land Reform Commission based on information provided by general public.
  - iii. Taking over of lands alienated to other parties if such lands are not utilized for the purpose for which they have been alienated.
  
2. Performance of following activities in respect of lands vested in the Land Reform Commission
  - i. Release of statutory determination and legal obligations.
  - ii. Taking over of lands by the Land Reform Commission which are in excess of the ceiling.
  - iii. Payment of compensation in respect of lands which were taken over by the Land Reform Commission
  - iv. Return of lands to the owners which were declared but not falling under such requirements
  
3. Utilization of lands vested in the Land Reform Commission in productive investments in accordance with the provisions stipulated in the act and policies made by the government with a view to achieve economic and social development of the country.
  
4. Collection of revenue which are to be collected in respect of lands belonging to the commission and making contributions for the economic development process of the country.

## Functions

- Regularization of the maximum extent of land which can be kept under private ownership in terms of the provisions of the Land Reform Act.
- Identification and taking over of lands in excess of the ceiling.
- Release of legal obligations in terms of the provisions of the acts.
- Payment of compensation to the declarants in respect of lands taken over by the Land Reform Commission.
- Taking actions to return the possession of lands which have been taken over but exempted from the encumbrances of the Land Reform Act.
  
- Updating land documents and collecting information on land in coordination with the field.
  - i. Lands which have been declared but so far not been identified.
  - ii. Non-declared lands which are in excess of the ceiling.
  - iii. Lands which have been alienated but not been utilized in productive investments.
  
- Making contribution to achieve the economic development of the country.
  - i. Providing lands for the projects approved by the Board of Investments.
  - ii. Providing lands for the agricultural projects and other cultivation purposes.
  - iii. Providing lands for industries.
  
- Making contribution to achieve the social development of the country.
  - i. Distribution of lands among landless people for the construction of houses.
  - ii. Providing lands to special projects launched in accordance with the policy decisions of the government.
  - iii. Providing lands to religious places.
  - iv. Providing lands for public purposes.
  - v. Providing lands for government institutions.
  
- Implementation of revenue collection projects.
  - i. Collecting revenue on natural resources.
  - ii. Providing lands on lease and collection of lease rent.
  - iii. Recovery of money due from the government, non-government organizations and other persons.
  
- Restructuring of the organization structure of the institution
  - i. Creating an efficient and well-trained staff.
  - ii. Proper assignment of duties.
  - iii. Assignment of duties through decentralization of powers.
  - iv. Directing staff of the Commission for discussions, workshops and training programs.
  
- Providing physical resources and other necessary facilities to achieve efficiency and productivity.

## Land Reform Commission

### ROLE

The role has to be enhanced in broad areas in response to the policy decisions taken from time to time by the government in addition to the role entrusted in terms of the provisions of the Act

# Land Reform Commission

## Acts on Legal Authority and Role

- i. Land Reform Act No. 01 of 1972
- ii. Land Reform (Amendment) Act No. 39 of 1975
- iii. Land Reform (Amendment) Act No. 14 of 1981
- iv. Land Reform (Special Provisions) Act No. 39 of 1981
- v. Land Reform (Special Provisions) Act No. 14 of 1986
- vi. Land Reform (Special Provisions) (Amendment) Act No. 18 of 1986

## According to the Act Nos. indicated (1) and (2) above

987,906 acres of lands have been vested in the Land Reform Commission in the following manner.

- |                            |                 |
|----------------------------|-----------------|
| 1. From Local Declarants   | - 563,449 Acres |
| 2. From Sterling Companies | - 195,644 Acres |
| 3. From Rupee Companies    | - 228,813 Acres |

In respect of the Acts indicated in (1) and (2) above,

- I. Amendments have been made by Acts No. (3) and (6) above.
- II. Provisions have been made by Acts indicated in (4), (5) and (6) above.

## Land Reform Commission

The composition of Land Reform Commission established under Land Reform Act No 01 of 1972 is as follows

1. Chairman – Appointed by Hon. Minister in charge of the subject
2. 05 members – Appointed by Hon. Minister in charge of the subject
3. 03 ex officio members

The decision taken and approval granted by the board of the Commission are applied in the implementation of the functions of the commission. Accordingly, approval of the Board of the Commission is obtained for each task. From 1972, up to 31.12.2013 the Board of the Commission has conducted 651 meetings.

**Chairman appointed under Section 45 (1) a of the Act**

Serial No.	Name	Substantive Post	Date of Appointment and duration of holding office	Official Address	Telephone number
1.	Mr. Nimal G. Punchihewa, Attorney – at- law	Chairman, Land Reform Commission	From 12.03.2008 up to date	C/82, Hector Kobbekaduwa Mawatha, Colombo 07	0112-698798

**Members appointed under Section 45 (1) b of the Act**

Serial No.	Name	Substantive Post	Date of Appointment and duration of holding office	Official Address	Telephone number
1.	Mr. Hariguptha Rohanadheera, Attorney-at-law	Executive Director	From 04.06.2008 up to date	C/82, Hector Kobbekaduwa Mawatha, Colombo 07	0112-693967
2.	Mrs. M.Anoma Nandani	Director	Form 23.11.2012 up -to -date	Department of National Budget, General Treasury, Colombo 01	0112-484500
	Mr. S.R.W.M.P. Sathkumara	Director	Form 23.11.2012 up -to -date	Department of Management Services	071-5320029
3.	Mr. P.L.U. Dissanayaka	Additional Secretary	From 21.10.2009 up- to - 30.04.2013	Ministry of Plantation Industries, 55/75, Vauxhall Street, Colombo 02	0112-438707
	Mr. U.K.S.Mihindukulasuriya	Additional Secretary	From 01.09.2013 up to date	Ministry of Plantation Industries, 55/75, Vauxhall Street, Colombo 02	
4.	Mr. P.D. Senarathna	Consultant	From 01.01.2007 up- to -date	Miloda Institution, Olcott Mawatha, Colombo 11	071-4450080

**Ex-officio Members under Section 45(1) c of the Act**

Serial No.	Name	Substantive Post	Date of Appointment and duration of holding membership	Official Address	Telephone number
1	Mr. R.P.R. Rajapaksha	Commissioner General of Lands	From 19-08-2010 up-to-date	Department of Land Commissioner, Battaramulla	0112-866172
2.	Mr. M.A.S. Weerasingha	Commissioner General of Agrarian Development	From 24.05.2012 up-to-date	Department of Agrarian Development, No 42, Sir Marcus Fernando Mw, Colombo 07	0112-672712
3.	Mr. K.G. Sriyapala	Director General of Agriculture	From 25.06.2012 up-to-date	Department of Agriculture, Gannoruwa, Peradeniya	081-2388331

### Management of Physical Resources

Serial No.	Type of Asset	Position at the commencement of the Year	Changes occur during the year				Position at the end of the Year
			Selling	Purchasing			
1.	Cabs	13	02	01			12
2.	Motor Cars	01		01			02
3.	Micro Kyron Jeep	02					02
4.	Van	01		01			02
5.	Motor bikes	01	01				
6.	Duplo machines	01					01
7.	Photo copy machines	06					06
8.	Computers	41		06			47
9.	Computer printers	31					31
10.	Laptops	01					01
11.	Fax machines	20					20
12.	Typewriters	03					03
13.	Safes	10					10
14.	Cameras	01					01
15.	Televisions	01					01
16.	Refrigerators	01		01			02
17.	Roneo machines	02					02
18.	Speakers	01					01

### **Staff of the Land Reforms Commission**

Determining to establish the Land Reform Commission as the leading institution in utilizing lands and physical resources alienated under Land Reforms Act for the prosperity of people and the country, the Chairman holds office as the Chief Executive Officer of the Land Reforms Commission and his staff consists of 390 including Executive Director, Director General, Directors of the Divisions and Assistant Directors. This staff performs the role of Land Reforms Commission.

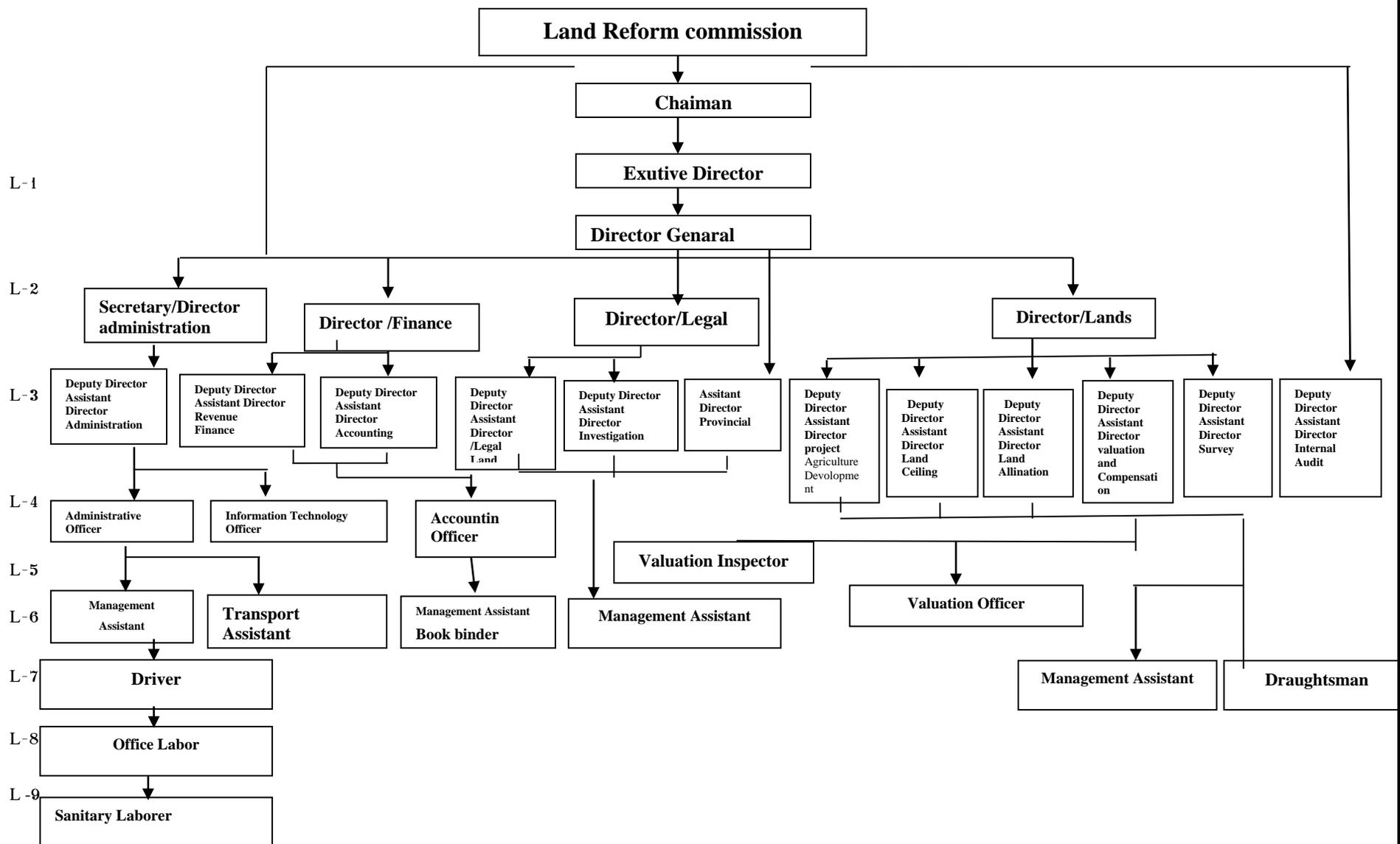
This staff has been divided among 14 divisions of the head office and 20 district offices.

**Composition of the staff up to 31.12.2013**

Serial Number	Post	Approved cadre	Present staff	Number of vacancies
1	Director General	1	1	
2	Director Administration/Secretary	1		
3	Director/Finance	1		1
4	Director/Legal	1		1
5	Director/Lands	1		1
6	Director		1	
7	Secretary		1	
8	Assistant Director(Administration)	1		1
9	Assistant Director(Finance)	2		2
10	Assistant Director(Legal)	3	1	2
11	Assistant Director(Investigation)	1		1
12	Assistant Director(Provincial)	18	27	
13	Assistant Director(Project Agriculture Development)	1		
14	Assistant Director(Land Ceiling)	1		
15	Assistant Director(Alienation of Lands)	1		
16	Assistant Director(Valuation and Compensation)	1		
17	Assistant Director(Survey)	1		
18	Internal Auditor	1	1	
19	Director II		3	
20	Accountant III		1	
21	Personal Assistant III		1	
22	Legal Assistant V		2	

23	Accounting Officer	1		1
24	Administrative Officer	1		1
25	Information Technology Officer	1		1
26	Valuation Officer	1	1	
27	Valuation Inspector	3		3
28	Staff Assistant V		30	
29	Accounting Officer V		5	
30	Draughtsman	2		2
31	Transport Assistant	1		1
32	Management Assistant	200	252	
33	Driver	17	17	
34	Office Labor	44	46	
35	Total	307	390	18

# Organization Structure



A brief report on the progress on the tasks perform from 01<sup>st</sup> January 2012 to 31.12.2012 and the tasks performed by each division of the Land Reforms Commission is as follows:-

#### 1. Chairman's Division and Executive Director's Division

##### Composition

Serial No.	Post	Number of posts
1	Chairman	01
2	Executive Director	01
3	Director General	01
4	Personal Assistant	01
5	Clerk	01
6	Typist	01
7	Karyala Karya Sahayaka	03
Total		09

##### Tasks:

- I. Providing instructions and needed approvals regarding all the tasks of the Land Reforms Commission
- II. Taking actions to solve the problems of the public, who come to the office, at the maximum level
- III. Formalizing the tasks of the institution through coordinating with the Ministry
- IV. Coordinating with H.E the President and Hon. Ministers

## 2. Secretary's Division

### Composition

Serial No.	Post	Number of Posts
1	Secretary	01
2	Clerk	01
3	Typist	01
Total		03

### Tasks

- I. Examination of all papers of the Commission submitted by all the divisions of Head Office and submission of them to the Board of Directors
- II. Calling of the minutes of the meetings of the Director Board and referring them to relevant divisions
- III. Calling of project committees and keeping relevant records

## 3. The Management and Human Resource Development Division

### Composition

Serial No.	Post	Number of posts
1	Director	01
2	Staff Assistant	03
3	Clerk	08
4	Typist	01
5	Field Officer vii,vi	02
6	Photo Copy Machine Operator	01
7	Roneo Machine Operator	01

8	Driver	17
9	Karyala Karya Sahayaka	03
Total		37

#### Functions

- I. All administration activities relevant to all officers of the Land Reforms Commission
- II. Activities related to recruitments, promotions, transfers and salary increments, personnel administration
- III. Activities related to coordinating with the district offices.
- IV. Performing welfare activities of the officers
- V. Fulfilling office needs and requirements
- VI. Carrying out daily office maintenance activities
- VII. Carrying out procurement activities
- VIII. Organizing Public Day
- IX. Preparation of Corporate plan, Action plan, annual reports and other reports.
- X. Issuance of Administration circulars
- XI. Taking action to release gratuities, contributions of EPF and ETF of officers who retired and resigned from the service of the Commission.
- XII. Organizing Common Festivals
- XIII. Maintaining the common system for management of vehicles
- XIV. Carrying out disciplinary activities of the staff of the institution.
- XV. Maintaining audit reports and reporting to Public Accounts Committee regarding information on public enterprises
- XVI. Submission of annual reports to the Cabinet of Ministers and Parliament.
- XVII. Supervising the District Offices.

Main tasks performed during the period from 01.01.2013 up to 31.12.2013

- I. Management of the staff of the institution
- II. Formalizing the district offices
- III. Implementing annual transfers
- VI. Fulfilling office requirements
- v. Organizing a ceremony at national level for awarding of *Ranbima* deeds for families with no lands
- vi. Implementation of joint programs by Freedom Employees Association and welfare society

**i. Staff Management of the institution**

- Dr. Mrs. H.M.S. Jayatunga, an officer in the Grade I of Sri Lanka Administrative Service was recruited to the post of Director General on secondment basis in order to ensure the performance of the functions of the Commission more effective.
- Up to 1994 the Land Reform Commission could manage to get the approval for a cadre which consisted of 190 employees. As a result of an attempt made over the years to ensure the job security of the employees, approval could be obtained from the Department of Management for a cadre of 307 employees.
- An explanation has been made on the requirement of the employees who are employed other than the cadre of 307, to the Department of Management and approval is being expected.

**ii. Formalizing District Offices**

- Actions were taken to provide computers for office work in two phases. Actions have also been taken to provide office equipment for the offices to which the equipment was not provided earlier to carry out day to day activities.
- Official vehicle facility has been provided for 14 days each in order to expedite official duties in districts and to increase income.
- Actions have been taken to provide official vehicle facility on permanent basis for Kandy, Kurnegala ,Galle ,Matara and Puttalam district offices in order to expedite official duties and to increase income.
- It has been targeted to increase the income by this measure and monthly lease rent is also paid by the relevant district office.

**iii. Implementing Annual Transfers**

Actions have been taken to call applications in accordance with the transfer procedure prepared for Land Reform Commission, from the officers who expect for transfers in year 2014 and to make transfers with maximum transparency and on rational grounds through a board of transfer appointed appropriately.

qualification following a formal methodology

**iv. Fulfilling Office Requirements**

- District Offices make contribution to achieve revenue targets of the Land Reform Commission. Action has already been taken, whilst launching a project in each district by the Commission to maintain that income level constantly, to commence a coconut cultivation project at Davulkurunduwaiththa, Puttalam and to maintain Lindula Bungalow at Nuwaraeliya as a Tourist Holiday Resort.
- In addition to the main duties mentioned above, day today activities such as recruitments and transfers of employees and providing salary increments were performed. Actions were taken to maintain an exhibition stall at *Deyata Kirula* development exhibition held at the premises of HARDY, Ampara on 23<sup>rd</sup> March 2013.

**v. Maintenance of the Head Office Building**

The Head Office of the Land Reform Commission which has been established in year 1972 is still remaining at buildings No.C81 and C82 located at Hector Kobbekaduwa Mawatha, Colombo 07 that belong to the Ministry of Public Administration. Several discussions have been conducted with relevant parties regarding the problem arisen due to increasing the lease rent of the building with retrospective effect.

However, fair responses were not received and it has been proposed to establish the head office of the Land Reform Commission at a land owned by Urban Development Authority obtained on 30 year lease. However that proposal was given up considering the huge expense to be born and further it seemed that Commission has to face various difficulties due to constructions in a land obtained on lease.

Several rounds of discussions have been conducted in order to make prompt solution for the issue and therefore it is due to implement appropriate solution without delay.

**vi. Organizing Awarding Ceremonies of *Ranbima* deeds at national level for families that do not own land.**

A ceremony for awarding *Ranbima* deeds has been conducted under the auspices of H.E. Mahinda Rajapaksha, the President of Democratic Socialist Republic of Sri Lanka and with the participation of other dignitaries on 10.06.2013 at Temple Trees in order to grant deeds for landless families covering all over the island.

**vii. Joint programmes conducted by Freedom Employees' Association**

- Organizing a ceremony to celebrate New Year on 01<sup>st</sup> January with the participation of the staff.
- Conducting New Year festival with the participation of the staff on 22<sup>nd</sup> April to mark Sinhala and Hindu New Year.

- An alms giving has been held on 05<sup>th</sup>, 06<sup>th</sup> and 07<sup>th</sup> at Somawathi Raja Maha Viharaya, Polonnaruwa with the participation of the staff for the 29<sup>th</sup> commemoration of Late Hon. Hector Kobbekaduwa, pioneer of Land Reform Commission.
- An awarding ceremony of *Ranbima* deeds was organized on 30<sup>th</sup> October at the head office under the auspices of D.E.W. Gunasekara, Senior Minister and with the participation of other dignitaries.
- A trip was organized to visit *Dalada Maligawa*, Kandy, *Aluwihare*, Matale, *Gedige*, *Watadageya*, and Polonnaruwa with the staff of Head Office and all District Offices in order to improve the team spirit of the staff.
- Further with a view to enhance team spirit of the staff a get-together and a lunch were organized for the staff at Sevinro hall, Horana on 30<sup>th</sup> December.
- A sale was organized, in collaboration with Welfare Society and trade companies to provide exercise books on discount prices and electronic goods for staff under easy payment scheme.

**viii. Customer Care- Carrying out Public Day**

A Public Day is held at Head office in every Wednesday from 9.00a.m to 4.00 p. m in order to redress the grievances of clients, to solve the land disputes, to identify problems, to discuss the problems, and to inquire complaints. Around 200-300 clients are participating from island wide, and general public will get an opportunity to talk about their problem directly with Chairman, Executive Director, Director General and Divisional Directors.

The Public Day of District offices are conducted on Mondays and Wednesdays.

**ix. District Offices**

Action has been taken to establish and maintain 20 District Offices by December 2013, and preliminary activities to establish District Office at Trincomalee has also initiated.

District offices of Land Reform Commission have been established in every part of Sri Lanka and the addresses of the said district offices are as follows

**Land Reform Commission – District Offices Network**

01	Kalutara Director District Land Reform Board 220, Old Road, Kalutara T.P. 034-2223611	11	Kegalle Director District Land Reform Board Kachcheri building Kegalle T.P- 035-2222664
02	Galle Director District Land Reform Board Municipal Council Building Galle T.P. 091-2243930	12	Ampara Director District Land Reform Board Government Agents' Office Ampara T.P- 063-2224021
03	Matale Director District Land Reform Board Kachcheri Building Matale T.P. 066-2232357	13	Batticola Director District Land Reform Board Government Agent's Office Batticola T.P. 065-2222986
04	Matara Director District Land Reform Board 24, Sambodhi Mawatha Pallemulla Matara T.P.-041-22220	14	Rathnapura Director District Land Reform Board Secretariat Building New Town Rathnapura T.P- 045-2222492
05	Moneragala Director District Land Reform Board Janasavi Building Kachcheri Junction Moneragala T.P- 055-2277208	15	Embilipitiya Director District Land Reform Board No 12 B, Stores Road, New Town, Embilipitiya T.P -047-2261801
06	Kandy Director District Land Reform Board 4 <sup>th</sup> Floor, New Secretariat Kandy T.P- 0812222316	16	Madampe Director District Land Reform Board In front of Senanayaka Aranyaya Old Town Madampe T.P-032-2247183
07	Gampaha Director District Land Reform Board Rural Development Project Building Kachcheri Complex Gampaha T.P-033-2230134	17	Anuradhapura Director District Land Reform Board Kachcheri Complex Anuradhapura T.P- 025-2225890

08	Colombo Director District Land Reform Board Central Pharmacy Building Padukka T.P- 011-3154787	18	Kurunegala Director District Land Reform Board 16, Uthuru Wewa Road, Kurunegala T.P- 037-2222553
09	Badulla Director District Land Reform Board 10/1 A, Botanical Garden Road Badulla T.P- 055-2222308	19	Nuwaraeliya Director District Land Reform Board I.R.D.B. Building Udupussellawa Road Nuwaraeliya T.P- 052-2235385
10	Hambantota Director District Land Reform Board Divisional Secretariat Building Tangalle T.P- 047-2241766	20	Jaffna Director District Land Reform Board Government Agent's Office Jaffna T.P- 021-2219326

### Role of District Offices

- Engaging in field work
- Participating in interviews for selecting allottees, and making them aware.
- Mediating when providing lands for institutions for purposes of the government, and for private institutions
- Implementing the process of releasing lands from government institutions, which are to be distributed under permission of head office.
- Checking and recommending A/ L form for distribution of applications for allottees.
- Under special instructions of Chairman and Executive Director, participating in special field inspections in necessary occasions.
- Holding “Public Day” in Wednesdays/ Mondays at office, and performing the duties related to it.
- Maintaining files providing information necessary to update Land Register.
- Participating in land cases of the district, in instances where participation of Directors is needed.
- Reporting to the Chairman, in order to take policy and important decisions.
- Collecting the particulars of the general public and the declarants who visit the office for official purposes and providing them necessary instructions under the supervision of the Chairman.

- Supervision of financial activities of District Offices
- Collecting Revenue.
- Supervising field activities of field officers and training.
- Searching for information about unidentified lands in declared fields, and lands more than 50 acres which were not declared.
- Taking action to improve the income, for future of the commission.
- Inspecting fields, with relevance to inspection reports submitted by Field Officers
- Making allottees informed, and participating in interviews for selection of them.
- Conducting investigations on land settlement.
- Organizing ceremonies for awarding deeds.

#### **04. Internal Audit Division**

##### **Composition**

Serial Number	Post	Number
1	Assistant Director	01
2	Staff Assistant	01
3	Clerk	03
4	Typist	01
Total		06

##### **Introduction and Role**

- Performance of duties in terms of powers vested by sub section 01-03, Section 2 of Part II of the Financial Code of the Land Reform Commission prepared as per Land Reform Act No. 1 of 1972 and Finance Act No 38 of 1971.
- Pre auditing of compensation and payment of interest for agricultural lands alienated to Land Reform Commission.
- Verification of the availability of documents required for the preparation of deeds and the matters such as recovery of money on valuation reports and condition of persons.

- iv. Assisting to carry out future activities by minimizing the weaknesses shown in final accounts of the Land Reform Commission based on the reports of the Auditor General.
- v. Calling of information from relevant divisions regarding the audit queries made by the Auditor General and verification of the adequacy and further conducting inquiries regarding the complaints.

### **Main tasks performed during the period from 01.01.2013 up to 31.12.2013**

#### **01.Auditing of the activities of Financial Division:**

- i. Examination on receipts and payments.

Auditing whether entries made under votes relevant to cash register, payment vouchers, receipt books, bank slips of deposits, Bank statement, bank reconciliation statement, money order reports, payment vouchers, and revenue and expenditure in connection to accounts No 193393 and 1443 and register for cancellation of cheques and counterfoils are correct., as the sample test of 2013.

- ii. Examining whether transfers relevant to account no 1415 are correctly recorded.
- iii. Pre-auditing of 15 vouchers pertaining to payment of compensation
- iv. Auditing of salary slips of all employees due to their placement on initial salary steps since employees of Land Reform Commission were included in an absorption.
- v. Verification of books ,registers and cash of Shroff's division-At 02 instances
- vi. Inspection of main store-At one instance
- vii. Sample test on ledgers of disaster loan, one month loan, loan for school books
- viii. Auditing of vouchers pertaining to incentives in year 2013(With leave registers)

#### **02. .Inspection of the activities Valuation and Compensation Division**

- i. Pre-auditing of 10 files connecting to compensation and 08 files connecting to payment of interest.
- ii. Instances where payment of compensation and interest cannot be concluded
  - Failure to pay compensation due to non confirmation of rights of the Declarants of lands to Land Reform Commission

- Making requests for lands instead of compensation
- Unavailability of certificates for accepting the possession
- Non receipt of approval for the letter of awarding compensation and not signing the vouchers.
- Determining compensation by publishing Gazette notifications

To discuss with the Director, Valuation and Compensation regarding the information on the number of files to be published in gazette under section 29 of the Act relevant to payment of compensation and referring this matter to Commission for suitable action after submission of the same to Audit and Management committee.

### **03. Land Alienation Division**

Auditing of A/L forms and relevant documents with files under programs for granting of deeds for lands following circulars and guidelines of the Land Reform Commission

#### **04. Inspection on activities of revenue division**

- i. Inspection on the maintenance of ledgers
- ii. Inspection on the action taken for recovery of lease rent in arrears
- iii. Inspection on achieving targeted revenue level
- iv. Referring the matter to Audit and Management Committee to take suitable action for rectifying weaknesses in lease files by discussing with Director/Revenue and taking followup action

#### **05. Functions of Management and Human Resources Division**

- i. Inspection of attendance registers of the employees of the Land Reform Commission, leave registers, and no pay leave particulars.
- ii. Sample tests on repairing vehicles belonging to Land Reform Commission and running charts
- iii. Inspection of tender board activities
- iv. Inspection of the process through which the whole staff of Land Reform Commission has been absorbed as per new procedure of recruitment and Management Services Circular no 30

## 06. Legal Division

i. With a view to minimize legal costs, it has been submitted to Audit and Management Committee after checking case files in Legal Division and discussing with Legal Officers and urgent series proposals were submitted based on decisions received.

## 07. Making answers for audit queries

- i. Calling necessary information from relevant divisions for 13 audit queries in relation to year 2013 and submission of answers accordingly.
- ii. Making answers to reports of Auditor General as per section 14(2) c of Finance Act no 58 of 1971.

## 08. Conducting the meetings of Audit and Management Committee

04 meetings of Audit and Management Committee have been conducted in year 2013 and the decision arrived at such meetings have been submitted to the Commission and then reported to relevant divisions and made follow up actions.

## 09. Audit inspections at District Offices

Inspection has been carried out on attendance register, leave register, accounts books and documents, inventories, work schedules of field officers, field investigations, relevant name list of farmers, land registers, tax registers and assignment of duties to staff at offices.

## 10. Follow up action on the implementation of the decisions taken by the Commission and technological committees of projects

Participation in urgent meetings, discussions and calling of the Chairman and Executive Director

## 05. Land ceiling division

Composition

Serial No	Post	Number
1	Assistant Director	01
2	Staff Assistant	01
3	Clerk	12
4	Typist	01
5	Book Keeper	01
6	Karyala Karya Sahayaka	01
Total		17

## Introduction and Role

1. Obtaining declarations from persons who have the ownership of agricultural lands in excess of ceiling, i.e. more than 50 acres
2. Reservation of 50 acres as statutory determination from the lands of the persons who made declarations; i.e. Declarants, on their consent and providing such lands after publishing the same in the Gazette
3. Provision of lands, on the request of Declarant, to the declarant's children below 18 years of age as at 26/08/1972 or parents under section 14 of the Land Reform Act subject to a ceiling of 50 acres for each person.
4. Provision of lands to the declarant's children who had ownership of lands even though they were below 18 years of age as at 26/08/1972 under section 22 e of the Land Reform Act subject to a ceiling of 50 acres for each person.
5. Sending information on the extent of lands, which have been alienated to the Land Reform Commission after providing lands for above legal obligations, to the Valuation and Compensation Division for the payment of compensation.

### 1. Progress of the Division from 01.01.2013 up to 31.12.2013

i.

i	Submission of reports to the Chairman, Executive Director, Director General	288
ii	Calling reports from District Offices and receiving	495
iii	Submitting answers and information to Divisions/Institutions/Individuals	287
iv	Sending letters to Ministries/Institutions/ Individuals	
v	Calling valuation reports and receiving	41
vi	Making answers for inquiries made by H.E. the President	17
vii	Filing	277
viii	Preparation of Commission papers	73
ix	Participation at cases	164
x	Participation in discussions on legal cases	37
xi	Official Duties concluded	45

## 1.1 Preperation of Gazette

- Ku/121 statutory determination
- 6/1/Revocation(Galaha Waththa)
- Ra/106 Gazette notification for cancellation of statutory determination
- Co/1374Revocation
- Co/3436 Gazette notification on Statutory Determination
- Co/2472 Gazette notification on Statutory Determination
- Co/2365 Gazette notification on revision of Statutory Determination
- Co/2386Gazette notification on revision of Statutory Determination
- Co/2369 Gazette notification on revision of Statutory Determination
- Co/1725 Gazette notification on revision of Statutory Determination
- Co/2389Gazette notification on revision of Statutory Determination
- Co/1646 Gazette notification on revision of Statutory Determination
- Co/2386 Gazette notification on revision of Statutory Determination
- Co/2362 Gazette notification on revision of Statutory Determination
- Co/2390 Gazette notification on revision of Statutory Determination
- Co/2364 Gazette notification on revision of Statutory Determination
- Co/2393 Gazette notification on revision of Statutory Determination
- Co/129 Gazette notification on Statutory Determination
- Ku/133 Gazette notification on Statutory Determination

### ii. Alienation under section 22(1)a

- Male/59      22(1)a Transfer within family
- Co/3066      22(1)a Transfer within family
- Co/1569      22(1)a Deeds( Non Declarants)      02
- Maha/118      22(1)a Deeds( Non Declarants)      01

• Co/3374	22(1) a Deeds( transfer of statutory determination)	01
• Co/1936	22(1) a Deeds( transfer of statutory determination)	01
• Co/472	22(1)a Co/1936 22(1) a Deeds( transfer of statutory determination)	01
• Maha/324	22(1) a Deeds( transfer of statutory determination)	01
• Co/1146	-22(1)f Deeds on Transfer within family	01
• Ra/220	22(1) a Deeds( transfer of statutory determination)	01
• Ra/143	22(1) a Deeds( transfer of statutory determination)	01
• Ke/28	22(1) a Deeds( Non Declarants)	01
iii.	Alienation under section 22(1)f	
• Co/3217	22(1) f Deeds (Transfer within family)	03
• Co/1176	22(1) f Deeds(Alternative lands)	01
• Co/3217	22(1)f Deeds(Alternative lands)	01
iv.	Section 14	
• Ga/98	section 14- Deeds (alienation within family)	01
• Co/2770	section 14- Deeds	01
• Ra/43	section 14- Deeds	01
• Ra/126	section 14- Deeds	01
v.	Identification of new portions of lands Yayinna <i>nindagama</i> –Extent :1414 acres 15/6/ Iyli estate –Extent: nearly 1000acres	
vi.	Taking over of lands Land in extent 2106a, 3r,15p in file-Co/517(No final decision has been taken)	
03. Other		28

Even though there are documents on lands alienated to the Land Reform Commission, lands released by the Land Reform Commission, the institute has no finalized and correct document. It has become a problem faced by the institution for a long time.

With a view to settle a long term problem, action has been commenced to perform works of land register by a separate reserve with the inclusion of land exclusions made so far from lands belonging to the Commission for the purpose of calculating correctly the lands, which were unable to provide for statutory determinations on statutory declarations, and confirming the fact that the ownership and possession of lands alienated to the Commission and at present progress of the process is nearly 90% .

## 06. Valuation and Compensation Division

### Composition

Serial number	Post	Number
1	Valuation Inspector (Acting Director)	01
2	Staff Assistant	01
3	Stenographer, typist	01
4	Clerk	01
5	Court Clerk	01
6	Typist	01
7	Karyala Karya Sahayake	01
Total		07

### Introduction and Activities

- i. Getting the accuracy of ownership of lands related to compensation, certified.
- ii. Examination on inheritance, distribution of compensation and testamentary cases (in connection to compensation)
- iii. Payment of compensation for lands alienated finally to the commission from declarants
- iv. Calling government valuation reports for alienation, sales, sale of lands etc.

## Tasks of the Division

Tasks of this division has two components

01. Payment of compensation for lands alienated to the commission (compensation division)
02. Calling valuation reports from Chief Valuer for sale of lands and issuing land on lease.

### Task 01

01. I. Taking action to pay compensation to lands alienated to commission out of declared lands.

For this purpose, legal provisions made from section 29 up to 42 of the Land Reform Act No. 1 of 1972 and guidelines made by amended Acts are applied.

### Task 02

i. Calling valuation reports from Chief Valuer of the government, to sale and lease lands approved by the commission, and reporting those valuation to Land Alienation, Land Ceiling and Project Divisions for future activities.

ii. Apart from aforesaid task 2, taking action to revise lease as per Secretary to the President's Circular No: SEI/A/4/34

(Subjected to calling the valuation of the Chief Valuer )

iii. Estimating Timber and preparation of draft valuation reports

Performance report from January to December 2012

Serial No	Activity	Physical					Financial			Other emoluments Rs.	Payments Rs.
		Lease	Sale	Transfer within family	Payment of Compensation and Interest		Sale of land				
						Lease Rs.	Sale under Exchange Rs.	Sale Rs.			
01	Calling Valuation	58	209	22							
02	Valuation Reports issued	38	154	33		305,739,750/ Lease percentage 4% and 6%	134,728,511.00	83,364,700.00			
03	Revision of Lease rent								16,086,951.00		
04	Timber Estimation		36						996,663.91		
05	Metal and other								8,480,000.00		
06	Earning on Service Charges								5,606,858.00		
07	Payment of compensation for declarants				17					6,536,713.59	

## 07. Land Alienation Division

### Composition

Serial number	Post	Number
1	Assistant Director	03
2	Staff Assistant	04
3	Clerk	18
4	Typist	03
5	Karyala Karya Sahayake	01
Total		29

### Tasks

- i. Alienation of lands to persons for housing purposes
- ii. Sale and leasing of land to State Cooperation and Statutory Boards
- iii. Sale of land portions for agricultural purposes
- iv. Conducting land kachcheries and coordination for regularization of unauthorized occupations.
- v. Take action regarding survey orders
- vi. Giving instructions to issues related to surveying.
- vii. Obtaining field reports from District Offices
- viii. Coordination of activities related to survey plans
- ix. Updating and following up information on encroachers
- x. Unauthorized encroachers, taking actions in that behalf and carrying out investigation.
- xi. Obtaining land alienation application, supervision and follow up actions
- xii. Matters related to succession
- xiii. Matters related to land sale applications

xiv. Coordination of District Offices.

Tasks performed during the period from 01.01.2013 to 31.12.2013

I. Sale

	Number of persons	Extent		
		A	R	P
i. Referring to prepare deeds in relation to the alienation of lands to people for housing purposes	3800	1903	0	0
ii. Referring to prepare deeds in relation to sale of lands to state corporations and statutory boards	20	500	0	0
iii. Referring to prepare deeds in relation to sale of lands (paddy fields) to persons	35	61	0	0

08. Project Division

Composition

Serial number	Post	Number
1	Assistant Director	01
2	Staff Assistant	01
3	Clerk	04
4	Field Officer	01
5	Typist	01
6	Trainee	02

6	Karyala Karya Sahayake	01
Total		11

#### Introduction and tasks

- i. Leasing of Lands on proper procedure to be followed in providing lands on lease which are belonging to Land Reform Commission (for projects)
- ii. Referring the matter to the project committee before providing lands for projects on lease
- iii. Preparation of relevant reports for obtaining approval of the Board of Directors
- iv. Submission for the approval of the Minister in Charge of the subject
- v. Calling of valuation reports
- vi. Issuing a proper lease agreement after recovery of lease rent

Progress as at 01.01.2012 to 31.12.2012

1.Action has been taken to issue 70 survey orders on behalf of 378 Acres 0 Rood and 06.4Perches, for various projects from 01.01.2013 and 31.12.2013.

2.For which lease agreements were issued

- |                                  |     |
|----------------------------------|-----|
| i. - For industrial activities   | -09 |
| ii.- For agricultural activities | -02 |

3.For which action is being carried out to issue lease agreements

- |                                  |      |
|----------------------------------|------|
| i.- For industrial activities    | - 37 |
| ii.- For agricultural activities | -46  |
| iii. Mineral Resources           | -10  |
| iv. Leasing for other activities | -18  |

## 09. Deeds Division

### Composition

Serial Number	Post	Number
1	Legal Assistant	01
2	Staff Assistant	01
3	Clerk	08
4	Typist	01
5	Karyala Karya Sahayake	01
Total		12

### Introduction and Activities

#### Objectives:-

Lands are excluded for selected persons and institutions on lease basis or on sale, for agricultural activities, Housing purposes, Non- agricultural activities. Such exclusion of lands is done through preparing deeds.

#### Role:-

Deeds have been issued for nearly 3500 beneficiaries within the year 2013, covering all the districts of the island. Accordingly, Land ownership has been provided by this division approximately to 55000 beneficiaries.

1. i. Number of the deeds awarded in year 2013

District	Number of Deeds
Colombo	122
Gampaha	341
Kegalle	365
Kalutara	185
Matale	85
Badulla	251
Kurunegala	220
Puttalam	385
Kandy	385
Nuwaraeliya	218
Anuradhapura	60
Batticaloa	103
Ampara	102
Trincomalee	15
Matara	110
Hambanthota	45
Galle	218
Rathnapura	111
Monaragala	98
Embilipitiya	81
<b>Total</b>	<b>3500</b>

ii. Income earned by issuance of Banking documents and letters of alienation after awarding deeds in year 2012.

Month	Income
January	Rs.98,500.00
February	Rs. 99,000.00
March	Rs. 82,000.00
April	Rs. 66,000.00
May	Rs. 110,500.00
June	Rs. 97,000.00
July	Rs. 93,000.00
August	Rs. 102,000.00
September	Rs. 99,500.00
October	Rs. 91,000.00
November	Rs. 93,500.00
December	Rs. 82,000.00
Total	Rs.1,114,000.00

## 10. Survey and Demarcation Division

### Composition

Serial Number	Post	Number
1	Survey Consultant	01
2	Staff Assistant	01
3	Clerk	02
4	Typist	01
Total		05

### Role:-

The objectives of the surveying division are exclusion of land for Housing purposes, leasing lands for commercial and agricultural purposes, surveying the lands for statutory determination and coordination of related activities. A list of surveyors selected district vice is updated annually and their service is obtained. In addition, supervision of other government surveying activities including *Bim Saviya* programme of the Department Survey is carried out by this division. Further, approximately 3384 acres of land has been excluded by this division in the year 2013.

- i. Supervising and giving instructions on surveying activities of all districts examining and approving plans of each land.
- ii. Leasing, selling, statutory determination and issuing plans approved for the transfer of land within families to relevant institutions.
- iii. Engage in field duties in order to identify lands and for activities related to boundaries of lands on requirement
- iv. Preparing deeds under land ceiling.

**Progress of the Survey and Demarcation Division in year 2012**

Month	Approved plan	Lots	Extent				Revisions	Number of copies issued	Charges recovered(Rs )
			A	R	P	H			
January	41	541	209	0	30	84.6583	10	50	62,000.00
February	53	353	309	0	30	125.1214	03	29	40,000.00
March	49	426	189	2	13	76.7195	07	45	60,000.00
April	29	371	144	1	22	59.4298		21	25,000.00
May	34	190	121	0	01	48.8664	12	23	30,000.00
June	29	200	56	2	04	22.8778	18	27	29,000.00
July	47	357	202	0	33	81.8282	06	83	91,000.00
August	39	167	714	0	20	288.9902	07	65	97,000.00
September	55	451	431	1	37	174.6128	08	54	56,000.00
October	35	415	216	0	02	87.4154	07	26	35,000.00
November	49	655	430	1	01	174.1196	13	39	45,000.00
December	32	956	360	1	22	145.8418	04	32	44,000.00
Total	492	5082	3384	1	15	1370.4812	95	494	614,000.00

## 11. Legal Division

### Composition

Serial No	Designation	Number
1	Director	01
2	Legal Officer	01
3	Legal Assistant	01
4	Staff Assistant	01
5	Court Clerk	01
6	Clerk	04
7	Typist	02
8	Field Officer	01
9	Karyala Karya Sahayaka	01
Total		13

#### I. Introduction and Role:

Activities related to preparing files, presenting reports, engaging in activities related to proxies, appearing, providing legal instructions for various alienations, preparing deeds, preparing agreements on lease, and appearing for courts for 535 full legal cases filed against the Land Reforms Commission by the Supreme Court, Appeal Court, High Court, District Court, Magistrate Court, Labour Tribunal, Labour disputes, Human Rights Commission and Ombudsman and other and the cases filed by the Land Reforms Commission against individuals and institution.

The main objective of the legal division is to engage in the activities related to the cases filed against the Commission and the cases filed by the Commission.

#### II. Role

- Appearing before the court for cases
- Coordinating relevant lawyers for the cases of District offices
- Counseling on the laws of the institution

III. Actions taken to minimize the legal cases

- Following accurate methodologies in survey mapping
- Training the field officers
- Exchanging legal experience among divisions
- Discussing about the legal cases with the district offices

IV. Particulars of Cases

	No. of cases as at 01-01-2013	Cases concluded/ settled during the year 2013	No. of cases filed during the year 2013	Cases pending as at 31-12-2013
Supreme Court	17	06	08	19
Appeal Court	32	07	11	36
High Court	11			11
Commercial High Court	02			02
District Court	417	01	08	424
Magistrate Court	05			05
Civil Appeal Court	16	03	10	23
Primary Court	01			01
Labour Tribunal	09		01	10
Human Rights Commission	03	03	02	02
Ombudsman	01	01	01	01
Department of Labour	01	01	01	01
Total	515	21	42	535

## 12. Investigation Division

### Composition

Serial No	Post	Number
1	Assistant Director	02
2	Clerk	01
3	Typist	01
4	Field Officer	02
5	Karyala Karya Sahayaka	01
Total		07

### I.Role

- i. Engaging in field examinations with regard to the land complaints made by individuals and institutions
- ii. Calling related parties for investigations, conducting investigations and proposing the most suitable solutions for such matters
- iii. Field inspections, site inspections and conducting investigations on issues.
- iv.

### 2.Tasks performed in year 2013

- i. Total Number of inspections conducted 53
- ii. Cases referred to District Offices for future actions 13
- iii. Number of preliminary investigations held on vehicle accidents 03

## 13. Finance Division

### Composition

Serial No	Post	Number
1	Accountant	01
2	Assistant Director	01
3	Staff Assistant	02
4	Clerk	05
5	Accounting Officer	04
6	Typist	01
7	Karyala Karya Sahayaka	01
Total		15

## Role

I Payment of monthly salary and allowances of all officers in Land Reform Commission

II. Depositing contributions relating to officers to Employees Service Fund and Employees Trust Fund on due date

III Preparation of monthly accounts reports and submission of them to the Commission

IV Preparation of relevant bank reconciliation reports and submission of them to relevant institutions on due date

V .Sending monthly and annual statements of accounts to Auditor General and Ministry

VI. Taking action to Spend revenue received by the Commission only for essential duties and invests the balance in more productive sources. Financial control of 20 district offices, supervision, making instructions, maintaining stock entry registers

VII. Preparation of final accounts

VIII Coordination with financial institutions such as Bank of Ceylon, General Treasury, Peoples Bank, National Savings Bank

IX procurement activities

## 14. Revenue Division

### Composition

Serial No	Post	Number
1	Director	01
2	Assistant Director	01
3	Staff Assistant	01
4	Clerk	03
5	Typist	01
6	Karyala Karya Sahayaka	01
Total		08

I

- i. Collection of revenue from leasing of lands, sale of lands and taking action to recover the lease rent in arrears
- ii. Collection of revenue from mineral recourses and other income resources
- iii. Participation in the inspection for acquiring of lands and collecting revenue from that task
- iv. Finding lands which have not identified and collection revenue from such lands

## **2.Financial progress in year 2013**

Description	Year 2012(Rs)	Year 2013(Rs)
Issuing lands on lease	71,782,105.00	61,624,696.00
Leasing of gem lands	1,402,000.00	2,042,000.00
Sale of lands or compensation on acquisition	157,535,344.00	88,985,633.00
Other income	22,115,571.00	66,010,294.00

Statement of Income and Expenditure for the year ended as at 31.12.2013

	Description	2013 Rs	2012 Rs
Income			
Earnings	1	218,662,622.17	252,835,020.58
Other operational income	2	99,576,554.08	64,502,778.11
Total income		318,239,176.25	317,337,798.69
Expenditure			
Administrative Expenses	3	190,546,334.52	170,365,243.30
Supplies and required items	4	11,798,272.18	8,478,882.85
Other expenses	5	9,633,455.50	4,119,569.62
Financial expenses	6	5,313,742.73	4,642,921.18
Total Expenditure		217,291,804.93	187,606,616.95
Excess			
		100,947,371.32	129,731,181.74
Net excess relevant to the period			
		100,947,371.32	129,731,181.74
Opening net excess as at 01.01.2013			
		628,993,676.78	461,253,640.69
Reserve in Excess as at 31.12.2013			
		729,941,048.10	590,984,822.43

Balance sheet as at 31.12.2013

	Description	2013 Rs	2012 Rs
Assets			
Current Assets			
Cash and cash equivalents	7	76,403,934.92	36,058,628.09
Interest receivable	8	21,611,809.68	19,162,821.25
Income receivable		15,386,290.94	29,731,610.01
Trade and other receivable	9	2,218,340,803.23	2,165,434,692.52
Current Account			
Deposits and advances	10	53,778,155.89	49,546,252.75
Stationary stock	11	1,439,845.04	1,722,525.48
Non Current assets			
Investments	12	881,288,212.63	773,092,619.54
Properties and machineries	13	59,045,340.66	36,084,138.62
Lands		676,169,345.33	676,169,345.33
Total Assets			
Liabilities			
Current Liabilities			
Trade and other payables	14	95,361,624.55	90,600,701.66
Leasing creditors	15	9,051,847.79	4,367,565.12
Non Current Liabilities			

Provisions for gratuities	16	37,749,580.00	31,950,322.50
Leasing Creditors	17	10,095,929.37	3,649,907.51
Suspense Account-compensation phase 1		119,139,914.66	126,561,890.82
Gratuity payment phase 11 (Suspense Account-compensation phase 11)		109,959,492.95	109,959,492.95
Net value			
Government contributions and treasury grants	18	1,964,075,000.00	1,964,075,000.00
Reserves	19	928,089,300.90	868,7654,545.60
Total Excess		729,941,048.10	590,984,822.43
Net Assets and equity		4,003,463,738.32	3,790,915,248.59

Director/ Finance

Chairman

Land Reform Commission

Land Reform Commission



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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்  
**AUDITOR GENERAL'S DEPARTMENT**



මගේ අංකය  
எனது இல.  
My No.

LP/F/LRC/1/FA/13/07

ඔබේ අංකය  
உமது இல.  
Your No.

දිනය  
திகதி  
Date

16 February 2015

The Chairman,  
Land Reform Commission

**Report of the Auditor General on the Financial Statements of the Land Reform Commission for the year ended 31 December 2013 in terms of the Section 14(2)(c) of the Finance Act, No.38 of 1971.**

The audit of financial statements of the Land Reform Commission comprising the statement of financial position as at 31 December 2013 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory 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 Section 13 (1) of the Finance Act, No.38 of 1971 and Section 56 of the Land Reform Law, No.1 of 1972. My comments and observations which I consider should be published with the Annual Report of the Commission in terms of Section 14(2)(c) of the Finance Act appear in this report. A detailed report in terms of Section 13 (7)(a) of the Finance Act was furnished to the Chairman of the Commission on 26 September 2014.

**1.2 Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Public Sector Accounting Standards and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

**1.3 Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit, conducted in accordance with Sri Lanka Auditing Standards consistent with International Standards of Supreme Audit Institutions (ISSAI 1000 – 1810).

**1.4 Basis for Disclaimer of Opinion**

As a result of the matters described in paragraph 2.2 of this report, I am unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded items and the elements making up the statement of financial position, statement of financial performance, statement of changes in equity and cash flow statement.



## 2. Financial Statements

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### 2.1 Disclaimer of Opinion

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Because of the significance of the matters described in paragraph 2.2 of this report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly I do not express an opinion on these financial statements.

### 2.2 Comments on Financial Statements

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#### 2.2.1 Sri Lanka Public Sector Accounting Standards

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Even though the money received from the sale of property, plant and equipment, intangibles and other long term assets should be shown under the investment activities in the cash flow statement in terms of paragraph 25 (b) of the Sri Lanka Public Sector Accounting Standard No.2, the sum of Rs. 2,974,445 received from the sale of motor vehicles of the Commission had not been so shown.

#### 2.2.2 Accounting Policies

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The following observations are made.

- (a) The policy on accounting for the full amount received from the sale of lands of the Commission as income of the Commission had been followed throughout. As the adjustments for the cost of lands sold had not been made, the financial position and the financial results had not reflected the correct position. Sales income amounting to Rs.904,437,579 and Rs. 148,309,388 had been received from the year 2006 to 31 December 2012 and during the year under review respectively and the other assets of the Commission had been brought to account in the same manner. The income received during the year under review from the lands sold amounted to Rs. 2,974,445.
- (b) Even though it had been stated in the Notes to the financial statements that the financial statements were prepared by following the accrual basis, test checks revealed several instances of non-compliance. Several such instances revealed are given below.
  - (i) Lease income receivable and received in advance had not been identified in the preparation of accounts.
  - (ii) None of the surcharges receivable had been brought to account.



### 2.2.3 Accounting Deficiencies

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The following observations are made.

- (a) The arrears of rent on the two buildings used for the maintenance of the Head Office of the Commission as at the end of the year under review had been understated by a sum of Rs.28,480,750.
- (b) The accrued rent on the District Office buildings amounting to Rs. 113,250 had been omitted in the accounts.

### 2.2.4 Contingent Liabilities

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The Court of Appeal had delivered a judgment in the year 2009 for the payment of Rs.148,715,363 to the plaintiffs who had filed a case for claiming the ownership of a land. Even though the amount payable together with interest as at 31 August 2014 had exceeded Rs. 200 million, provision for the liability had not been made in the accounts.

### 2.2.5 Unexplained Differences

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According to the financial statements the overall liability under the Compensation Suspense Stages I and II amounted to Rs. 229,099,408 and according to the records of the Valuation and Compensation Division the payments due to the claimants including the interest amounted to Rs. 590,000,000. As such a difference of Rs. 360,900,592 was observed. The accuracy thereof could not be ascertained in audit.

**2.2.6 Lack of Evidence for Audit**

The accuracy of the transactions could not be vouched or accepted in audit due to the non-submission of the documentary evidence indicated against the following items to audit.

Item of Account	Balance Rs.	Evidence not made available
<b>Fixed Assets</b>		
Lands	676,169,345	Schedules showing the full particulars of the lands
Buildings	4,586,223	} Register of Fixed Assets and Board of Survey Reports
Computers and Accessories	6,771,162	
Furniture and Fixtures	857,543	
Motor Vehicles	75,443,715	
Office Equipment	19,436,340	
Welfare Equipment	954,146	
<b>Loan and Advances</b>		
Lady Lochore Fund	300,000	} Confirmation of Balances
Fuel Advances	185,000	
Provision for Bad Debts	8,270,356	Basis of Allocation
Income Receivable	29,731,610	Detailed Schedules and Confirmation of Balances
Compensation Suspense Account	229,099,408	} Detailed Schedules
Acquisition of Lands	55,147,644	

**2.3 Accounts Receivable and Payable**

The following observations are made.

- (a) Even though a provision of Rs. 8,270,356 had been made for doubtful debts in respect of trade debtors balances of the Commission older than 11 years amounting to Rs.2,158,312,885, and sundry debtors balances older than 14 years amounting to Rs.2,921,575, the Commission had not taken adequate action during the year under review for the recovery of those debts. The recoverability of those debts had been at the minimum level.

- (b) Even though a sum of Rs. 2,135,598,154 had been shown in the financial statements of the Commission as receivable from 06 Government institutions, it was observed in audit that any balance due to the Commission did not appear in the financial statements of those institutions.
- (c) No recoveries whatsoever had been made up to the end of the year under review in respect of a sum of Rs. 732,056 remaining recoverable since the year 2010 from 49 employees of the Commission.

#### 2.4 Non – compliance with Laws, Rules, Regulations and Management Decisions

Instances of non-compliance with the following laws, rules, regulations, etc., were observed.

Reference to Laws, Rules, Regulations, etc.	Non – compliance
<p>(a) <b>Land Reform Law, No.1 of 1972</b></p> <p>(i) Section 45 (i) (a) (iii)</p> <p>(ii) Section 33</p>	<p>A member representing the Presidential Secretariat in charge of the subject had not been appointed to the Commission.</p> <p>Action had not been taken to deposit in the Civil Courts the compensation and interest due on 71 files in which the titles had not been confirmed.</p>
<p>(b) <b>Finance Act, No.38 of 1971</b></p> <p>Section 11</p>	<p>The concurrence of the Minister in charge of the subject of Finance had not been obtained for Rs.85,000,000 invested in fixed deposits.</p>
<p>(c) <b>Value Added Tax Act, No. 14 of 2002</b></p>	<p>As the Commission had not registered under the Value Added Tax Act, a sum of Rs. 26,269,515 recoverable as tax income during the year under review had been deprived of to the Government.</p>
<p>(d) <b>Establishments Code of the Democratic Socialist Republic of Sri Lanka</b> Chapter II Section 13.3</p>	<p>The post of Director (Finance) had been vacant over a period exceeding 06 years and action had not been taken up to the end of the year under review to fill the post.</p>

**(e) Financial Regulations of the Democratic Socialist Republic of Sri Lanka**

(i) Financial Regulation 502(2)

The Register of Fixed Assets had not been maintained in the proper and updated manner.

(ii) Financial Regulation 134(3)

Copies of Internal Audit Reports had not been furnished to the Auditor General.

(iii) Financial Regulation 104(3) and 104(4)

The preliminary reports on accidents to 03 motor vehicles of the Commission had not been furnished. A period of about 06 months had been taken for the conduct of preliminary investigations on 02 accidents to motor vehicles in the years 2012 and 2013 and the full reports had not been furnished even by 31 January 2014.

**(f) Government Procurement Guidelines of 25 January 2006**

Sections 7.1 and 7.11.1

A motor vehicle of the Commission had been repaired at a cost of Rs.535,405 and it was observed that the bids had been evaluated by a Technical Officer, instead of a Technical Evaluation Committee.

**(g) Public Enterprises Circular No.PED/12 of 02 June 2003**

(i) Section 4.2.6

Quarterly, Half yearly and Annual Performance Reports had not been prepared and furnished to the relevant Ministry and the Department of Public Enterprises.

(ii) Section 6.5.1

Even though the draft Annual Report together with the financial statements should be furnished to the Auditor General with copies to the Line Ministry and the Department of Public Enterprises of the Treasury within 60 days after the close of the financial year, action in terms of the provision had not been taken.

### 3. Financial Review

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#### 3.1 Financial Results

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According to the financial statements presented, the operations of the Commission for the year under review had resulted in a surplus of Rs. 97,096,038 as compared with the corresponding surplus of Rs. 129,731,182 for the preceding year, thus indicating a deterioration of Rs.32,635,144 in the financial results. The decrease of land acquisition compensation income and the land lease income by Rs. 105,896,914 and Rs. 11,084,170 respectively in the year under review as compared with the preceding year had been the main reasons for the deterioration.

#### 3.2 Analytical Financial Review

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The following observations are made.

- (a) The current ratio of the year 2013 had been 1:22.98. Out of the current assets as at the end of the year under review, a sum of Rs. 2,158,312,885 relating to 24 items or 90 per cent consists of debtors balances older than 12 years remaining doubtful of recovery and that represented 54 per cent of the total assets. As such the statement of financial position of the Commission does not reflect the actual position of the assets and liabilities and the financial position of the Commission.
- (b) The lease income collected by the Commission for the year under review amounted to Rs.60,697,934 and the income from the sale of lands amounted to Rs. 93,054,187. The lease income and the land sales income received during the year under review as compared with the preceding year, had decreased by Rs.11,084,170 or 15 per cent and Rs. 8,334,076 or 8 per cent respectively. The land acquisition compensation income received for the lands acquired by the Divisional Secretaries during the year under review amounted to Rs.55,147,644 and as compared with the preceding year that income had decreased by a sum of Rs.105,896,914 or 65.8 per cent.

#### 3.3 Legal Action instituted against or by the Commission

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Even though the number of cases filed against and by the Commission had been stated as 626 in the financial statements, the number of cases according to the information called for submitting to the Committee on Public Enterprises amounted to 435.

**4. Operating Review**

**4.1 Management Inefficiencies**

(a) The following matters were observed in connection with the compensation payable by the Commission to the claimants.

Year	Opening Balance of Compensation Suspense Account	Closing Balance of Compensation Suspense Account	Amount Paid	Percentage
	Rs.	Rs.	Rs.	
2009	142,437,351	140,769,719	1,667,632	1.17
2010	140,769,719	138,136,888	2,632,831	1.87
2011	138,136,888	131,287,683	6,849,205	4.96
2012	126,561,890	126,561,890	4,725,793	3.6
2013	119,139,915	119,139,915	7,421,976	5.86

Even though the Commission should pay compensation on lands transferred to the Commission in terms of Section 28 of the Land Reform Law, No.1 of 1972, according to the performance of the Commission for the past 05 years, the settlement of compensation from the Compensation and Suspense I Account during the period of 05 years had ranged between 1.17 per cent to 5.86 per cent. In addition, no settlement of compensation had been made from the Compensation Suspense II Account and the balance thereof amounting to Rs. 109,959,493 remained unchanged over a number of years.

- (b) It was observed that information needed to be obtained for about 600 files relating to lands transferred to the Commission.
- (c) Even though the compensation for 66,161 acres 01 rood 28 perches relating to 49 out of the 104 claimants files where ownership had not been confirmed, had been determined as Rs.3,136,963 the compensation on the balance 55 files had not been determined.

## 4.2 Operating Inefficiencies

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The following observations are made.

- (a) The approval of the Commission for the allocation of the income from the sale of lands at 60 per cent for operating expenses and 40 per cent for reserves had not been furnished to audit.
- (b) Even though the approval of the Department of National Budget had been obtained for the sale of a motor cycle, three other motor vehicles also had been sold by using that approval.
- (c) A motor vehicle which had met with an accident in the year 2012 had been repaired at a cost of Rs. 1,434,302 and the approval of the Presidential Secretariat had not been obtained for the final estimate in that connection. Action in accordance with the recommendation of the Board of Inquiry had not been taken for the recovery of the sum of Rs. 82,219 not covered by the insurance indemnity from the officers connected to the incident.
- (d) The following matters were observed at an examination of lease and sale of lands by the Commission.
  - (i) Steps had not been taken to clear the portion of Humbahapitiya Estate occupied by unauthorized persons since the year 2010. Action had not been taken up to 31 January 2014 to enter into a lease agreement for another portion of land leased to a person who had been granted a lease of 03 acres 01 rood 18.90 perches in the year 2009.
  - (ii) An extent of 280 acres from the Monarakele Estate had been given on lease for a period of thirty years to a private company with effect from February 2011 without the approval of the Minister in charge of the subject. Even though the company had paid a lease advance of Rs. 1,000,000 in October 2011 and continue to utilize the tenure of the land action had not been taken by the Commission even up to 13 August 2014 to issue a Certificate of Tenure or enter into a lease agreement. The lease rent due for the period from the year 2011 to 2016 amounting to Rs. 10,764,622 according to the valuation obtained in March 2013 had not been recovered even by 14 August 2014.
  - (iii) Even though an extent of 1 rood 10 perches of the Leyland Estate had been leased out to a private institution for Rs.80,000 with effect from 20 October 2006, the Commission had not taken action even up to 30 January 2014 to enter into a lease agreement.



- (iv) Even though an extent of 25.6 perches from the Ketandola Estate had been transferred by sale in the year 2003, action had not been taken for the recovery of the value of the building of the Commission assessed at Rs. 260,000 situated thereon.

Even though audit inspections revealed that the balance portion of the land had been occupied by unauthorized persons and enjoying the tenure of the land without payment, the Commission had not taken action in terms of Section 42 (d) 1,2,3 and 4 of the Land Reform Commission Law, No.1 of 1972 as amended by the Land Reform (Amendment) Law, No.39 of 1975 for the eviction of the unauthorized occupants.

- (v) The Chairman of the Commission informed me that the Commission had not received any money for the portion of land 06 acres in extent from the Pitakanda Estate situated in the Kurunegala District transferred to the Department of Textile Industries on 19 September 1979 as the transfer process had not been properly executed. Nevertheless it was observed that the Department of Textile Industries had leased out that land for a period of 99 years for Rs. 5,400,000 and that institution had, in the year 2005 leased out the land to another company for a sum of Rs. 400,000. Action had not been taken even up to 30 November 2014 to enter into a lease agreement with the company enjoying the tenure of the land at present. Lease rent amounting to Rs. 4,444,622 remained recoverable from the Department of Textile Industries.
- (vi) Even though an extent of 196 acres 0 roods 4 perches from the Yalbowa Estate in the Monaragala District had been handed over to the Sri Lanka Sugar Corporation from the year 1975 to the year 1982, the Commission had not received any money during that period.
- (vii) Out of the Kumbalgoda Estate vested in the Commission under the Land Reform Law, No.1 of 1972, a portion of land 2.02 hectares in extent had been transferred to the Janatha Estates Development Board by a notification published in the Gazette of the Democratic Socialist Republic of Sri Lanka No.417/9 of 02 September 1986 and that Board had leased out the land in the year 1986 to a person for a period of 30 years. The Director of the Ratnapura District had, by his letter dated 30 September 2005 informed that an extent of 06 acres out of the total extent of 12 acres of the Kumbalgoda Estate remained free. Based on that matter, the Commission had taken action without confirming to legal requirements to lease out that land to another person for the maintenance of an export crop project. He has been using the land for illegal gem mining and deprived the legal lease holder from using the land.

- (viii) A portion of land 01 acre 02 roods 09 perches in extent from the Thanahena Estate in the Kurunegala District had been leased out to a private institution for a period of 30 years and that institution had sub - leased the land to another party. Even though the Commission had decided to lease out the land to a new industrial institution, the land had been leased out to the former institution based on the decision of the then Minister in charge of the subject.

#### 4.3. Transactions of Contentious Nature

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The following observations are made.

- (a) Even though 402 external parties and members of the staff of the Commission had paid a sum of Rs. 11,772,992 as deposits for obtaining lands over periods ranging from 01 year to 8 years no action had been taken to give lands to them.
- (b) A motor vehicle purchased for Rs. 6,770,644 in the year 2009 had met with accidents in the years 2012 and 2013 and repaired at costs amounting to Rs. 682,681 and Rs. 620,050 respectively. Even though repairs costing Rs. 517,363 had to be carried out in the year 2013, it had been sold by auction on 02 October 2014 for Rs. 2,261,900 without carrying out the repairs. A motor vehicle costing Rs. 6,770,644 taken off from running within a short period of 04 years is a contentious issue in audit.

#### 4.4 Apparent Irregularities

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The files and the used official counterfoil books in official room of the Ampara District Director had been robbed on 20 December 2011 and the District Director had been transferred to the Head Office in the year 2014. The money not banked in the first 03 months of the year 2011 amounted to Rs. 1,299,750 and that money had been recovered in 06 instances by the Commission from the District Director on an order made by the Chairman. The income brought to account during 03 months of the year 2013 amounted to Rs. 14,480 only and the Commission had not taken action to ascertain the income actually receivable during that period. The Commission had not taken disciplinary action against the District Director.

#### 4.5 Identified Losses

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A sum of Rs. 1,700,000 paid to a private institution in the year 2002 for the purchase of a software package had been brought to account as an advance even by the end of the year under review. It was further observed in audit that the Criminal Investigation Department is conducting an investigation in connection with this matter and that such an institution is not in existence. The matter had not been disclosed in the financial statements.

#### 4.6 Staff Administration

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According to the letter No. DMS/E2/01/7/008/2 dated 03 October 2012 the approved cadre of the Commission had been 307 and the number deployed in excess of the approved cadre as at 31 December 2013 had been 107. Out of the approved cadre, 24 posts had been vacant and that included 13 staff grade posts.

### 5. Accountability and Good Governance

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#### 5.1 Action Plan

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The following observations are made.

- (a) Estimates of expenditure had not been furnished for 07 activities included in the Action Plan for the year under review and the officers responsible for certain activities had not been indicated.
- (b) The periods relating to the targets given for 08 activities of the Action Plan had not been indicated. In the case of certain activities, the allocation made for the respective periods did not agree with the totals.
- (c) Estimates of expenditure for legal problems had not been prepared and included in the Action Plan together with the targets.
- (d) According to the Progress Report furnished in accordance with the Action Plan for the year 2013 ten activities had not been implemented at all while the progress of 14 activities ranged between 2 per cent to 48 per cent. In addition, instances of expenditure incurred on 03 activities had been included in the report showing the progress of activities without implementing those activities.

#### 5.2 Internal Audit

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Four sections in the Internal Audit Programme for the year 2013 had not been covered.

#### 5.3 Audit Committee

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Even though the Commission is under the purview of the Presidential Secretariat, a member of that had not been included for participation in the meetings of the Audit and Management Committee.

#### 5.4 Budgetary Control

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An examination of the budgeted income and expenditure for the year 2013 with the actual income and expenditure revealed variances ranging from 1 per cent to 4,405 per cent in the income and variances ranging from 7 per cent to 348 per cent in the expenditure, thus indicating that the budget had not been made use of as an effective instrument of financial control.

#### 5.5 Tabling of Annual Reports

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The Annual Report for the year 2012 had not been tabled in Parliament even by 13 August 2014.

#### 6. Systems and Controls

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Deficiencies in system and controls observed during the course of audit were brought to the notice of the Chairman of the Commission from time to time. Special attention is needed in respect of the following areas of control.

- (a) Income Control
- (b) Cash Control
- (c) Motor Vehicles Control
- (d) Maintenance of Registers

W.P.C. Wickramaratne  
Acting Auditor General

IA/G/406

LP/F/LRC/1/FA/13/17

11.2014

Auditor General,  
Department of Auditor General,  
Battaramulla.

**Report of the Auditor General on financial statements of the Land Reform  
Commission for the year ended 31<sup>st</sup> December 2013 in terms of Section 14 (2)  
(C) of the Finance Act No. 38 of 1971.**

Reference the draft of the Report of the Auditor General dated 12.11.2014 on the above matter.

Comprehensive answers for the matters pointed out by the draft of the Report of the Auditor General are given below.

2.2 Comments on financial statements:

2.2.1. Accounting policies:

(a) Since the assets sold during the year are very old particulars pertaining to their cost are not available. Therefore it has become impossible to calculate the profit or loss adjusting cost and accumulative depreciation. The vehicles sold during year 2013 are the vehicles which have been sent to us after using them by the .....institute in lieu of the money to be received by us. However the purchasing prices of these vehicles have not been indicated and further there is no way to find them at present.

(b) The lease rent for lands should be paid to us annually. However instances can be seen where surcharge is recovered as per the notification made to calculate and recover lease rent with the inclusion of a surcharge of 10% due to nonpayment of such arrears for a long time.

In a situation where other overhead expenses have been increased and the lease rent recovered by us also unaffordable to investors, the lessees have informed us that it is difficult for them to pay a surcharge of 10%. This is a charge determined by the Commission purely to induce lessees to settle their lease rent on due time. Since it is impossible to determine as to whether this charge can be recovered definitely this has not been taken in to account at the time of calculating the receivable income on lease rent. However the Commission from time to time decides whether this surcharge should be recovered or reduced depending on the existing factors as the commission thinks that it is highly important to encourage investors for the economy of the country. There for the policy followed in such matters is to identify the surcharge as an income at the time of receiving such surcharge. However I would take action to pay the attention of the Commission to include them in financial statements and prepare suitable arrangement depending on practical situations.

(b) Accrued basis has been followed for accounting purposes.

#### 2.2.2. Accounting deficiencies:

(a) Interest for fixed deposits has been correctly accounted. At present the commission has obtained 89 fixed deposits from various banks and therefore the particulars given are not sufficient to determine the specific fixed deposit pointed out. A clarification can be made once relevant particulars are submitted.

(b) Interest relevant to this deposit is capitalized at the time of receiving interest i.e at the renewal and therefore it has been accounted as an income receivable until such time. Since this becomes matured on 03.09.2014, the interest will be accounted on that day. Until that day Rs. 1,270,677.00 has been correctly entered in the account for interest receivable.

(c ) When the interest for treasury bills to the value of Rs. 79,444,335.00 is calculated , Rs. 85,957.00 has been over calculated due to changes in the number of days. Instructions were given to rectify it in future.

(d) The installment of Rs. 3,500.00, which should be included for festival advance and school books has been copied to special festival advance account. This has now been rectified. (As per report 14(2) c it has been noted as Rs.7, 000.00 but it should be Rs. 3,500.00)

(e) Special festival advance of Rs.4, 500.00 obtained by Mrs. N.P.Kumari has been correctly entered in the ledger and recovered. Rs.6, 725.00, balance of the one month loan obtained by Miss. K.R.R. Jeewani has also been correctly entered in ledger and recovered. Accordingly the amount of Rs. 11,225.00 has now been recovered and instructions were given to make necessary rectifications in financial statements.

Mr.W.P.Liyanage	Festival Advance	Rs.2,500.00	
	Special Advance	Rs.3,000.00	
	Lon for school books	Rs. 4,062.00	
			Rs. 9562.00
Mr.B.M.Dharmaratna	Festival Advance	Rs.1,000.00	
	Special Festival Advance	Rs.1,000.00	
			Rs.2,000.00
			Rs.11,562.00

(f) The deficiency pointed out has been rectified and it has been correctly accounted in our accounts reports.

(g) The service of employees recruited on casual, temporary or training basis is interrupted once in 03 or 06 months. At such occasion it is impossible to state whether the service extension is permanent. Therefore the salary was not made accrued. It is hereby informed this will be rectified in future based on officers to whom service extension has been given for relevant year.

(h) Expenditure born for the building in relation to Farm Garden, Rathnapura has been capitalized. However it has omitted to make depreciation on the building. Accordingly there is a reduction in depreciation on building by Rs. 26,051.00. Further it has omitted to make depreciations for the year on vehicles purchased during the year on lease. Accordingly the Director /Finance has already been instructed to make necessary adjustments in depreciation in accounts to rectify the issue.

(i) Lindula Bungalow in Nuwara Eliya has already been estimated. Office building of Farm Garden estate, Rathnapura has been referred to Department of Valuation for obtaining an assessment. Instructions were given to make necessary adjustments in accounts for 2014.

(j) The vehicles sold are the vehicles used by .....institution in 1990s and handed over to us in lieu of the money to be paid to commission. It is impossible to find the cost of these 3 vehicles. Therefore it has become impossible to adjust relevant cost and accumulated depreciation. Director /Finance has been instructed to take necessary action discussing with the officers of your Department.

(k) The change has occurred as a result of avoiding calculation of salary as per answer (g) above. Instructions were given to make rectifications in future.

(l) The reason for this matter is the entry that was made twice in the cash book in relation to the receipt No L.R.C. 181802 and it was revealed in the preparation of bank reconciliation for January 2014. Therefore it was re cited during the month.

(m) When the stock of stationeries is verified on 31.12.2013, the stocks at Head office and District offices are also verified. Accordingly physical verifications of District Offices and divisions of the Head office are included in the report.

The largest stock comes under the main stores of the Finance division. Even though the balance of the stationeries of the relevant division was included in the report of board of survey at financial division, the stock at the stores was not included as it was a large stock. Physical stock and the balance are checked as per the inventory at the stores and accordingly the accuracy of the document is confirmed. Then the balance, which shows the value of stock, is calculated for the preparation of accounts. Accordingly balance of Rs 1,334,403.00 is the value of stationary stock at the stores as at 31.12.2013 and it is correct.

### 2.2. 3 Contingent liabilities

Even though the Commission has a contingent liability on the number of cases filed at court and the compensation to be paid in this regard, it is impossible to predict the date of conclusion of such cases and the compensation to be paid. Therefore only the number of cases to be faced by the Commission has been included in financial statement as a note. A discussion is being made regarding the alternations for making payments for the special case mentioned and a special appeal has been made to the Supreme Court on the instructions of the Cabinet. Accordingly steps are to be taken in future.

### 2.2.2. Changes for which clarifications were not made

- a) The rent to be paid for the building used by us from 1972 making various constructions and maintenance has been increased from a very low rate such as Rs.1400-Rs.14000 up to Rs. 280,000 and 3330,000. Further the Commission has constructed buildings spending more than Rs 10 million. Since it is difficult for us to pay such huge rent as a result of increasing rent , a series of discussions has been conducted with the Ministry of Public Administration to reduce the rent on reasonable ground and further to make an arrangement to pay rent in arrears by installment basis within a concession period. Still the discussions are in process. Accordingly rent

which has been increased before 2012 has not been adjusted in accounts and the rent after 2012 has been duly settled and accounting process has also been followed accurately.

- b) Even though the total amount is nearly Rs. 590 million with the compensation and interest, it seems that amount is not accurate. According to the assessments made from time to time the value shows different figures and this is being discussed constantly by the Audit and Management Committee. Therefore relevant officers have been informed to identify the correct number of files for which compensation should be paid and also the amount of compensation.
- c) Instructions have been given to accounts division to examine in detailed the tax documents of Revenue Division and Finance Division and to make necessary rectifications relevant to this year.
- d) Instructions were given to rectify in future account reports obtaining a reconciliation report by way of correcting reports of Revenue Division and Finance Division. The files in Revenue Division relevant to the receipt of lease rent for 2012 are maintained separately and they can be submitted for the audit.
- e) Instructions were given to report on the reasons for the difference based on the reports of Revenue Division and Finance Division.
- f) Payments and documents of Employees Provident Fund and Employees Trust Fund are correct. Even though the expense relevant to Employees Provident Fund and Employees Trust Fund should be Rs. 15,391,103.76, the amount which has been accounted is Rs. 15,355,252.52. Accordingly the actual difference should be Rs. 35,851,24 but not Rs. 75,734. This has been copied to salary account but now been rectified. It is further informed that the contribution relevant to employees has been correctly credited to respective accounts.

### 2.2.5. Accounts receivable and payable

a) & b) The total amount of Debtors shown in assets of the Commission is Rs. 2158 million. They are due from government and semi government institutions. Sri Lanka Plantation Corporation, Janatha Estate Development Board, and Sri Lanka Hada bima Authority have been informed to settle outstanding amounts. Further it has been informed to confirm the balances receivable as per annual accounts report.

Lands alienated to Plantation Corporation and Janatha Estate Development Board have been provided to institutions such as National Live stock Resources Board, Coconut Development Board and Cashew Corporation on lease and discussions have been conducted calling the Heads of these institutions. At such discussions unavailability of sufficient allocations and correct statistics were brought forward as the existing problems.

A request was made to conduct a discussion chaired by the Secretary to H.E.the President calling officers from General Treasury. The secretary has requested particulars on the amounts due from each institution. Accordingly necessary particulars have been provided referring relevant files. Accordingly various attempts were made from time to time to recover these amounts. However this is not an issue which can be solved only by the Commission. It should be settled with the intervention of the General Treasury based on policy frame work.

It has been informed to us from time to time that Land Reform Cooperative Societies and Multi Purpose Cooperative Societies have been liquidated. Accordingly on the decision of the Audit and Management Committee, at present action is being taken to take a decision by communicating with the Commissioner of Cooperatives.

Approval will never be granted to write off the balances of these debtors and a huge attempt is made to make relevant recoveries. Provisions for doubtful debts is not been made since it is not possible to determine definitely the amount which may not be paid.

c) Some of these officers have not obtained gratuities due to legal action taken against them such as interdictions. However installments of loans can be recovered by way of paying them gratuities after concluding these legal actions. It has been reported that some officers who have neglected payments have demised. All the persons who have neglected payment of loans have been informed to settle relevant amounts. This matter has been brought forward to the Audit and Management Committee and it is expected to take suitable action in future preparing a separate report on each person.

d) The matter regarding this land transaction prohibited by a Cabinet decision during 200-2004 has been submitted for approval of the Minister in charge of the subject by the Commission in response to the request made by relevant institutions or persons to alienate again these lands. Accordingly Presidential Secretariat has informed that a revised cabinet paper should be submitted if action is taken again to alienate the prohibited land connecting to above transaction. Even though the Cabinet paper was submitted accordingly no decision has so far been received. Action is taken under this to provide lands on lease which are to be developed and further to take over lands which have not been developed. In addition to the above, advances are released to the persons and institutions that make requests after obtaining approval of the Commission. It is not possible to settle this issue until a decision is given by the Cabinet.

e) The balance of this account, which is shown in accounts for a period of more than 20 years as an income receivable, is annually reduced. At present income received in relation to previous years which are not included in lease rent receivable are included in this account. Particulars in this regard are included in ledger account 1455 and it has been submitted to auditing.

## 2.2.6. Lack evidence for auditing

Fixed assets	It is noted to take necessary action once the land register is up dated
Buildings	An amount of Rs 4,586,223 has been included in accounts along with the capital expenditure born for Lindula Bungalow and Farm Garden estate, Rathnapura and the value of District office buildings, Monaragala.
Computer appliances, furniture and fittings, motor vehicles, office and welfare equipment	A board of survey has been conducted on 31.12.2013 and the report of the board and documents pertaining to assets have been submitted for auditing.
Loan and advances	
Printing and stationeries, Lady Lohor Fund, advances for fuel and repairs to motor vehicles	Relevant institutions have been informed to confirm the balances and to send directly the answer to the Auditor General.
Provisions for bad debts	This is shown in accounts for a period of more than 10 years but it is impossible to find facts regarding the method of calculation.
Income receivable	Examination is already being made as to how this income has been confirmed and therefore relevant particulars will be submitted later.

Sale of timber	Relevant information is submitted in relevant files.
Suspense compensation , Acquisition of lands, sale of paddy fields	Particulars in this regard are included separately in a large number of files.
Income of District Office ,Ampara	Report of income for October 2013 is in the file at Finance division in District office, Ampara. Receipt books and other reports for October 2013-December 2013 are available at Internal Audit Division.

## 2.2.7. Non compliance to laws, rules, regulations and management decisions

### a) Land Reform Act No 01 of 1972

(i)Section 45(i) (a)(III)	<p>It is indicated in the said section of the Land Reform Act that one member should be appointed either by Prime Minister communicating with the Minister of Plantation Industries or by Minister himself in charge of the subject. However at present a member participates representing the Ministry of Plantation Industries.</p> <p>However it has been indicated in the audit report that a representative has not been appointed by the Minister in charge of the subject as a member. As per the above section there is no provision for such appointment.</p>
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(ii) Section 33	A huge task should be done in order to take action for depositing compensation and interest at Court. At present notifications have been published in news papers for 57 files and approval of the Commission has also been received. It is required to file cases at the Court for each land and therefore particulars of files are being referred to the legal division. These works are coming to an end therefore there is a possibility to deposit compensation and interest, for which claims are made by declarants ,at a civil court excluding them from the Commission.
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(b) Finance Act No 38 of 1971- Para II	Action has been taken on investments based on a common decision taken by institutions
(c ) VAT Act No 14 of 2002	A decision has been taken by the Commission consider the registration under these two Acts and accordingly necessary action is being taken. Relevant Particulars are included in File No 3/3/48 at Finance Division.
(d) Establishments Code of the Democratic Socialist Republic of Sri Lanka	Applications have been called from qualified candidates by public notices published in news papers for the post of Director/Finance of the Land Reform

Section 13.3 of Chapter II

Commission which is fallen vacant for a long time and accordingly an interview has also been conducted.

Applications have been called by news paper notifications by Land Reform Commission as per previous procedure of recruitment and new procedure of recruitment and accordingly interviews were conducted on 16.03.2007, 30.03.2009 and 11.12.2012, 20.05.2013 respectively

However it has become impossible to make recruitments as some of the candidates haven't possessed required qualifications and further qualified candidates were not satisfied with the salary of the post.

Since it was not possible to recruit an officer to the post of Director/Finance permanently due to these reasons, it was decided to get the duties of the post covered by the female officer recruited to Post of Accountant (Grade III) from 01.01.2008. Accordingly action was taken to pay her an allowance of 1/6 under adjustable provisions from Establishments Code. However this matter was discussed broadly at the meeting of Audit and Management Committee on 10.10.2014 and recommendations were made

	<p>accordingly to revise the provisions of the procedure of recruitment or take any necessary action submitting the matter to the Commission. Accordingly required actions are to be taken in this regard.</p>
<p>(e) Financial Regulations of the Democratic Socialist Republic of Sri Lanka</p> <p>(i) Financial Regulation 502(2)</p>	<p>A register is maintained at Financial division for fixed assets other than lands. This register is maintained from year 2009 mentioning the cost, date of acquisition and annual depreciation rate and making necessary updating.</p>
<p>(ii) Financial Regulation 134(3)</p>	<p>Relevant officers were informed to send copies of internal audit reports to Auditor General.</p>
<p>(111) Financial Regulations 104(3) and (4)</p>	<p>Report of the preliminary inquiry on the accident occurred on 31.12.2012 to the vehicle bearing no PB -7869 has been submitted on 24.06.2013 and it is reported in the report that the cause for accident is not the fault of Driver.</p> <p>Report of the preliminary inquiry on the accident occurred on 24.04.2013 to the vehicle has been submitted on 11.12.2013 and the inquiry board met as per F.R. 104 has decided that the cost for the repairing should be</p>



### 3.2 Analytical finance review

This rate has been increased as the value of trade and other debtors has gone up to Rs. 2.218 million. Since all assets represented by current assets are .....assets and further our instruction is a service provider, final stocks cannot be found and the value of stationeries stock is also at lowest level. Therefore ..... and ..... are at equivalent level.

### 3.3 Legal cases filed by the institution or cases filed against the institution.

Even though the number of cases as at 31.12.2013 has been mentioned in financial statements as 626, the correct number of cases should be 435 as at 31.12.2013 according to the information collected from District offices and each division of the Head office and the files maintained at the legal division.

It is hereby informed that the number of such cases is 480 as at 01.11.2014. A comprehensive report is attached herewith. Previous report has been prepared by Mrs. E.W.Wasantha Silva, the former Director/Legal and it seems that the works have been carried out by her in an irresponsible manner. Under such circumstance she has not been granted service extension. She has filed a case at Supreme Court against this decision but it has been rejected.

## 4. Operational review

### 4.1 Performance

Investment of lands can be shown as the main source of income of our institution. Since this is a limited resource the income on sale of lands is in the decline.

Since a suitable action has not been taken so far by the Cabinet of Ministers on lands prohibited during 2002-2004, in future it will have to face problems in the efforts made to increase income.

### 4.2. Management inefficiencies

- a) Even though the Commission has expedite the process for payment of compensation, it has been delayed as declarants do not make claims for compensations, requests have been made for alternative lands instead of

compensation and further problematic situations have arisen on legal documents submitted to prove entitlements (claims). At present payments are made even at such lower level depending on cases of which the claims of declarants are confirmed and further in order to make deposits at Courts on court orders.

- b) At present action is being taken regarding nearly 600 files by examining them and collection of information regarding lands alienated at last to Commission is also made without interruption. Since instructions have been received to report the progress in collecting information to Audit and Management Committee, they are reported accordingly.

It has become difficult to expedite measures in paying compensation as there are files of declarants for which statutory determinations have not been granted, and as it has become difficult in the field to identify lands relating to files, it has to grant lands for legal obligations under alienations within family and documents are not submitted to prove the ownership of lands and heirs are not making claims.

- c) Number of files gazetted under section 29 of the act of which claims have not been confirmed is 104. Chief Valuer of Government has sent us compensation determination for 49 files out of the above. According to our documents the value of this compensation is Rs. 3,136,936 and the extent of lands relevant to it is 2591a, 1r and 05 p. Kindly note that the extent is not 66,161a as you have mentioned in the inquiry. The extent of lands relevant to 55 files of which compensations have not been determined is 2874a, 3r, and 34 p. A change can be observed in extent of lands due to the variation of lands alienated under each declarant's file. Accordingly a change has occurred in compensation depending on the facts applied to determine to compensation. (Cultivation in the land, crop, and compensation determined by the Act for 01 acre.)

### 4.3 Operational inefficiencies

a) Action has been taken in this regard on a common decision made by the General Treasury.

b) According to the letter No BD/GPS/01/8/1 dated 13.0.2013 approval has been received from Department of National Budget to purchase a vehicle at the cost of Rs. 10 million inclusive of cost and taxes. Quotations have been called from Toyota Lanka on 05.11.2013 and accordingly the vehicle was purchased at the total price of Rs. 9,865,000 inclusive of price (Rs.8, 808,063) and vat (Rs.1, 056,964).

The expense for purchase of the vehicle was Rs 9,865,000 and it was born within the approved limit.

Rs. 5,000,000 out of the above amount was obtained under lease and the stamp duty for that amount was Rs.55, 760. Further semi luxury tax to be paid on this vehicle is Rs, 150,000. The total value of the bill issued by Toyota institution is Rs 9,865,000 inclusive of all taxes.

The Commission has also been informed that the purchase has been made within approved limit.

c)It has become necessary to repair frequently two cabs bearing No 51-6460 and 53-9673 and the van bearing No 61-1117 belonging to Land Reforms Commission. Therefore it is needed to spend large sum money for such repairs. Accordingly approval of the Presidential Secretariat has been sought on 04.11.2011 to sell those three vehicles and to purchase new two double cabs and a van.

The proposal for selling those vehicles is also included in the letter dated 31.01.20012 sent to the Secretary, Ministry of Finance and Planning by the Presidential Secretariat.

Approval for purchase of vehicle s has been given by the Department of Public Enterprises on 18.09.2012 but approval for selling of those vehicles was not included.

However it has been informed in the letter dated 25.07.2012, by which the Department of National Budget granted approval to sell the motor cycle bearing number 110-7479, that it is not necessary to seek approval of the Department of National Budget for selling of vehicles identified specifically as unserviceable and further disposal of vehicles identified as unserviceable should be made as per Public Finance Circular No 535. Therefore action was taken to sell above mentioned two cabs and van as per the said circular following the above instructions.

d) Accident occurred to vehicle bearing No PC-6654.

Approval of the Presidential Secretariat was obtained for the first and second estimates given by the agent for repairs to vehicle bearing No PC-6654. The agent has not submitted an estimate containing expenses for repairs to the Commission. The agent has forwarded the final bill containing all the expenses after making repairs to vehicle and obtaining approval for three supplementary estimates submitted to Insurance institution. Therefore a separate document was not submitted as third estimate but total expense for repair has been included in final bill. However the Decision taken by the Commission after submission of the report of inquiry as per financial regulations and the matters submitted to the commission, total expenditure for the repair , the expense born by the institution have been reported to the Presidential Secretariat on 12.11.2013.

In order to conduct inquiry as per F.R. 104 regarding the accident occurred to the vehicle, it is necessary to know the total cost to be born for the repair. The commission received final bill on 20.09.2013. Insurance institute has also determined the final amount of the coverage after making a preliminary inquiry regarding the accident.

The commission has again credited Rs 8221926 to the account of the vehicle owner as per final bill. Therefore it was communicated with the agency to reduce the amount. Since a long time had to be spent for the process the

inquiry under F.R.104 has also been delayed. At present this amount of Rs. 81, 219, 26 is being recovered from the respective officer on installment basis. However the officers were instructed to avoid such situations in future.

e) Repair to the vehicle bearing No KH-9751

This repair has been made on approval of the commission considering the inadequacy of vehicles in the fleet and the transport requirement. Approval of H.E. the President has been sought by the letter dated 10.06.2013 whilst informing all particulars of repair. Approval has been received accordingly on 25.06.2013 and action is now being taken as per the instructions of the letter.

When the matter was submitted to the agency as per the report of the Technological officer regarding the breaking down of vehicle , it seems the estimates submitted for the faults are relevant different repairs. Therefore discussions are conducted with the agency on the recommendations of an officer with sound technological knowledge. Even though a special agreement is not made in this regard relevant institute ensures a guarantee period for repairs. Our institutions also do not go for the same service again during such period but the institution will be vigilant in this regard. The institute has to face some difficulty regarding this vehicle. However such situation may be the result of the poor production conditions of the vehicle.

It is stated that there is no evidences to determine such situation has occurred due to improper usage of vehicle. Further it has been revealed this is a production fault of the vehicle.

The institution has to face various problematic situations including the audit queries regarding this vehicle. Further it is uneconomical to keep the vehicle under our institution and therefore I believe that it is advisable to sell this vehicle.

This is a super luxury and highly expensive modern vehicle. At the time of the engine fault the vehicle has been used for more than two years. The

vehicle is driven after daily inspections made by the driver. However it was reported that the vehicle broke down without any prior signals. When it was communicated with the Transmec engineering institute they have informed that the engine has stopped as bearing system of vehicle has jammed. They further informed that there may be various reasons for such engine faults occur to the vehicles driven on expressway. However commission has discussed regarding the Company as well as the brand of this vehicle and accordingly they will be taken in to consideration in future purchasing.

f) Granting lands on lease and sale

(i) Humbahapitiya waththa

When a land of the Land Reform commission is granted for a project, the possession of such land is handed over on recovery of the lease rent after obtaining valuation report following proper procedures of the commission. Since the authority of the commission is the Chairman, District Director or a field officer empowered by District Director can hand over the possession of the land as a representative of the Chairman. Accordingly necessary action has been taken on my verbal instructions.

A request has been made to provide the portion of land called Kumburuhena on lease which is occupied by unauthorized occupants. Therefore suitable action will be taken as per the Act of the Commission by making discussions with the political authority of the area and unauthorized occupants.

The Rs. 113,600 recovered at the time of granting a land in extent 03a, 01r, 18.90p from Kalukohuthenne land on lease is not the lease rent for the period from 2009 to 2014. It contains Rs. 95,000 as gross lease rent and Rs. 18,600 as the estimate for the trees removed without authority.

Valuation for year 2009 has been called for this land but it has so far not been received. However once the valuation report is received action will

be taken to prepare lease agreements after recovering the valuated amount. A clarification has been made in this regard by answer (f) to the audit query No LP/A/LRC/02/2013/01 dated 02<sup>nd</sup> December 2013.

(ii) Monarakele waththa

The request made to provide land from Monarakele waththa in Monaragala district to Worldview Impact institution for rubber cultivation has been submitted to the Commission along with the recommendations of project committee.

Accordingly the land in extent 280 acres relevant to plan no 2467 and 2468 of this land has been granted on lease as per commission decision no 7521 without removing the possession of 153 Tamil residents. Aids have been given to the residents from Small scale plantation development programme for rubber cultivation and they have requested lease agreements for their portions of lands. Accordingly discussions had been conducted with two parties and it is to be submitted for the approval of the Minister in Charge of the Subject for regularization once the boundaries are identified solving problematic matters.

Even though Rs 1000000 has been paid on 28.10.2011 as an advance of lease rent, action will be taken to prepare lease agreements obtaining approval of the Minister in charge of the subject on recovery of due lease rent once the issues are settled.

Since 2011 this land is occupied by World View Impact Institute. Even though the valuation report has been submitted on 08.03.2013 the report is relevant for 2011.

According to the valuation report mentioned above, action will be taken to recover due valuation once the problematic situation is sorted out.

(A clarification has been given by answer (f) of the audit query No LP/A/LRC/02/2013/05 dated 02 December 2013)

(iii) Laylend Estate

According to a decision taken by the commission to grant apportion of land in extent 00a, 01r, 10p of the land call laylend estate to Prinika Plastic Institute on lease, Rs 80,000 has been recovered after obtaining approval of the Ministry. At the time of preparing lease agreement it is required to provide again information such as particulars of Board of Directors. However the lease agreement has not been prepared as there was a delay in providing necessary information by the institution. It is required to prepare the same for obtaining relevant approval as this is not a company but a sole proprietorship. Therefore the matter has been referred to Deeds Division for the preparation of lease agreement by calling necessary information.

(iv) Makandura Estate

Cabinet approval has been granted on 08.06.2006 to provide a land from Makandura Estate situated in Kurunegala district to Fenix industries on long term lease in order to establish a factory for plastic appliances and productions which are required for the apparel industry.

Accordingly the possession of the land has been legally handed over on 29.06.2006 by the Ministry of Industries.

Accordingly it has been decided by the commission decision No 7495 dated 24.01.2011 to grant the land for a period of 30 years on lease based on the valuation relevant to the year in which the possession has been handed over.

Approval of H.E. the President who is the Minister in charge of the Subject the has been granted to provide the land under 30 year lease agreement to Fenix Industries subject to the conditions mentioned in the decision of the Commission.

The date on which the possession of land has been handed over, the date on which the production has been commenced is the effective date

of the lease agreement. Therefore valuation has been made from the said date. Accordingly Lease agreements No 5546, 5547 and 5548 have been prepared and handed over on 26.12.2013.

(v) Ketandola Estate

When a portion in extent 25.6 p is granted on the valuation from the land called Ketandola Estate in Divisional Secretary's Division in Galle district the valuation for the building existed in the land was not recovered. Later government valuation was called from the Department of Valuation. Accordingly it has been referred to Deeds Division to prepare deeds after recovering the valuation.

In order to regularize the unauthorized occupants, District Director has informed unauthorized occupants of the land to provide documents to prove their residence. Since it will be a grave social issue if it takes action to remove occupants who are occupying the land for a long time constructing permanent buildings, action will be taken in this regard as per provisions of Circulars.

(iv) Little valley Estate

The survey order has been given on 26.11.2009 for the portion of occupied land considering the following facts. The letter has been issued by Hadabima Authority. The confirmation has made in 2006 by the Chairman of the Authority to the effect that the letter was correct. The situation where a survey order has been issued but not implemented. The requests made by representatives of the general public (Political Authority). The fact is that the land is occupied by the relevant person.

However said survey order has been cancelled on 26.07.2010 as it has been reported that his name is not in the records of Hadabima Authority.

Again Janatha Estate Development Board has mentioned sending a letter to Hon SDarath Amunugama, Minister of Finance and Planning

along with copies to us that action will be taken to release the land if a deed has been granted. Considering the requests frequently made by the Applicant and relevant requests the survey has been renewed on 07<sup>th</sup> January 2011. Since the applicant requested survey orders stating that Nadsa Institute has granted him permits for compensation for the land in extent 2.5a, revised survey order has been issued for 02a, 02r, 00p on 23.02.2011. However considering the request made by the letter dated 16.03.2011 by Janatha Estate Development Board relevant survey has been suspended. According to our copy of the letter dated 13.06.2011 sent again to Director, Public Relations of H.E. the President by Janatha Estate Development Board , the applicant has not agreed to accept the land in extent .5 a even though such extent was proposed at the discussion held with the applicant. Accordingly such situation has arisen. Even though an inquiry was made from Janatha Estate Development Board on 20.06.2012 no answer has been given. Therefore this still remains as an unsettled matter.

(VII) Pitakanda Estate

In a situation where action has been taken to alienate pitakanda land to the Department of Textile Industries as per laws, rules and Regulations of the Commission, the said land has been sold on lease by the Department of Textile Industries contrary to the orders of the Commission to Surya Textile Mills pvt Ltd to an amount of Rs. 5,400,000 in 2005 and then to H.S.H. Automobile and Investment pvt Ltd by Surya Institute to an amount of Rs. 400,000. Such situation has arisen as the Department of Textile Industries has not informed the Commission in this regard. Instructions have been given to take action conducting discussions with relevant parties.

(VIII) Yalabowa Estate

Sugar Corporation has occupied a land in extent 196a, 00r,04r from the land called Yalabowa Estate in Monaragala District since 1982 without paying lease rent.

This extent of land has been handed over to Pelwaththa Sugar Company . Pelwaththa Sugar Company occupied a portion in extent 146a after releasing a land in extent 50acres for Statuary Determination Maha/650 out of the above land.

It has been revealed that the land occupied by them is 224a, 02r.38p when the land was surveyed for regularizing the portion in extent 146acres.

The commission has granted approval for the total extent of land occupied by Pelwaththa Sugar Company considering the request made to provide this land.

District Director has informed as per the request of the Minister of Social Welfare that it cannot be fulfilled as the whole land mentioned above has been granted to Pelwaththa Sugar Company.

The Staff Assistant of the District Office has informed that 146a should be granted to Pelwaththa Sugar Company and the remaining 78 acres should be released for urban development.

However since the whole land was occupied by Pelwaththa Sugar Company before the survey, it has been decided by the Commission decision No 5795 to grant the land in extent 224a, 02r, 38p to Pelwaththa Sugar Company. Under such situation Pelwaththa Sugar Company has requested the whole land again. However this land has been taken over by the Government under Taking over of Enterprises Act.

(IX) Kumbalgoda Estate

Declarations have been made in the following manner by Mr.D.S.Dharmadasa , declarant of R/103 of the Commission for 03 portions of lands of the land called Kumbalgoda Group by three forms.

Unique No	Name of the land	Extent		
		A	R	P
R/103/R/01	Kumbalgoda Group	12	00	30
R/103/R/07	Kumbalgoda Grou(Medaland Part)	09	00	08
R/103/R/09	Kumbalgoda Group	20	03	20

According to the file it is evident that the extent of lands declared by R/103/R/07 and R/103/R/09 out of the above has been granted for the legal obligations of the declarant.

According to the file it is evident that the land declared under R/103/R/1 is not a single land but consisted of 04 portions in the following manner.

- I. Paradeniyahena and Dehigahahena
- II. Gamime hena
- III. Galkotuwe hena
- IV. Parahawththe hena and Dombagahawela hena

According to the report issued on 20.01.1981 by the legal officer of the commission it is evident the portions of lands out of the above belonging to declarant are as follows.

	Extent		
	A	R	P
i.Paradeniyahena Dehigahahena	15	01.	19

II.Gamime hena	01	00	03
III.Galkotuwe hena	00	02	00
IV.Parahawththe he and Dombagahawe hena	03	00	37
	10	00	19

Accordingly these lands has been alienated to commission and 2.02 hectares out of the above has been alienated to Janatha Estate Development Board by the Gazette Extra Ordinary No 417/9 dated 02.09.1986. It is evident as per the file there is an ownership to a person called Rathna Wijesirwardana, who is not a declarant, equivalent to the ownership of declarant for 04 portions of above mentioned land.

No information is found to the effect that action had been taken to identify the joint ownership by way of a survey. Since the portion of land alienated to Janatha Estate Development Board as mentioned above has not been granted after a survey, it is difficult to identify the same in the field.

No confirmation is found as per files on the accuracy of the facts mentioned in the letter of the District Director, Rathnapura dated 25.10.1986 which has been sent to the Assistant Commissioner of Lands. Accordingly it is not possible to adjust it correctly.

Since it was confirmed when the report of the Field Officer was obtained along with the recommendation of District Director that the lands in the field are free, it has been decided to grant them on lease by Commission decision No

6046 dated 07.12.2005. It is mentioned in the letter of the Minister, by which approval has been granted, that the extent of the land was 42a, 00r, 18p.

Since it is evident as per above facts there is more extent of lands than the extent of lands alienated (25 hec) it seems that the letter of the Chairman of Janatha Estate Development Board is limited to the extent of 2.2 hectare which have been alienated.

However it seems on these facts that the actions taken by the Commission is not wrong according to procedures and it is not possible to identify previous lessee as a lawful lessee for the specific extent of land.

(IX) Thanahena Estate

On the approval of the Ministry of Industries and as per Commission decision no 5122 , Hon the then Minister in charge of the subject has approved to grant the land in lot No 1-5 in extent 01a,02r,11.7p shown according to the plan No 2001/21 of Thanahena Estate situated in Kurunegala district and belonging to Land Reform Commission, to North Western Apparel Pvt Ltd for a period of 30 years.

Later as per the request made by this institution to provide this land to Design Studio Manufacturies (Pvt) Ltd, it has been approved by Commission decision No 7791 to grant the land subject to the approval of the Minister. The matter was again referred to the Commission to determine the necessity to seek approval of the Minister in Charge of the subject. The commission g has decided by decision no 8339 that it was not necessary to obtain approval again since such approval has been obtained earlier.

Both those institutions were in the apparel industry and therefore the commission has decided that it is not necessary to seek approval again at the time of changing name since an approval has earlier been granted by the Minister in Charge of the Subject for the purpose.

An inquiry has been made on this decision at the previous audit query dated 26.11.2013. My clarification on this decision of the commission has been made under para (a) of my letter dated 13.01.2014.

(XI) Mulhalkele Estate (Thennahena waththa)

A land in extent 02 acres from the land called Mulhalkele estate belonging to Land Reform Commission in Nuwara eliya district has been granted on 07.04.2012 to Castle Power House Pvt Ltd for hydro power project. For the purpose the lease agreement No 5772 has been prepared on 23.04.2014 by Mrs. W.M.U.N.K.Rathnayaka, Public Notary.

#### 4.4 Visible malpractices

A complaint has been made to police station regarding the missing of files and receipt books kept in the office of the Director of Ampara district. Investigations are now carried out by the police.

During this period the District Director serving at the District Office, Ampara was transferred to Head Office and his conduct and duties were examined by the internal audit division. Accordingly action was taken to recover an amount of Rs. 1,299,750 by installments which has been recovered since 2011 by cash receipts but not deposited in bank.

Further a preliminary inquiry has been conducted appointing an investigation officer. As per the report of preliminary inquiry submitted by him, formal disciplinary action is being taken issuing charge sheets against the officer. Relevant activities have already been commenced.

#### 4.5 Identified losses

Crime Investigation Department has , in response to the complaint made, conducted an inquiry regarding the malpractices occurred in the purchase of computer system purchased in 2002 under programme for computerizing the functions of Land Reform Commission and the matter has now been referred to Attorney General for instructions.

Since the matters in the case should be investigated by the Commission for allegations in to Bribery and Corruptions, Attorney General has referred matter to the commission on 20.04.2006.

The Commission for allegations in to Bribery and Corruptions has reported that the investigations are carried out under BC/1322/06/3-14.

Documents relevant to the investigation were also handed over to the Commission. At present they have been returned to the Land Reform Commission. The letter dated 07.02.2014 has been sent stating that the commission has decided not to take further action as no facts are found which are sufficient to prove the case without any doubt at the court under Bribery Act.

These matters are to be submitted to the next meeting of the Commission and further action would be taken on the instructions given by the Commission.

#### 4.6 Staff administration

Approval has been received now for a cadre of 307 in Land Reform Commission. Further action has been taken to get the approval for the excess cadre by way of justifying their service to the Department of Management Services through Presidential Secretariat.

It is expected that approval will be given in near future for the whole staff. Once such approval is received it is due to take prompt action to recruit suitable persons for vacancies.

### 5. Accountability and good governance

#### 5.1 Corporate plan

I observed that one page is not included in the document as a result of some faults occurred in obtaining photo copies of corporate plan 2013-2017. This is purely an inadvertency. However relevant officers were informed to check carefully documents when they are prepared in future.

## 5.2 Action plan

(a) (b) (c) and (d) Relevant officers were informed to pay special attention on matters pointed out by the auditing and to take follow up action regarding the action plan prepared for coming years.

## 5.3 Internal Audit

When the internal audit plan submitted for year 2013 is implemented , proposed tasks of the institution have been performed to a great extent by giving priority and further in the inspection of files and payment of compensation of Land Ceiling Division it was examined the files of declarants, transfers, certificate for accepting possession ,the extent of land alienated to the Land Reform Commission, and as to whether Gazette notifications have been published, compensations have been made, the ownership has been confirmed by a legal officer, valuation has been made by valuer in transfer of lands, the difference of the value has been recovered.

Further during the inspection conducted at the survey division it was audited as to whether plans have been prepared by a licensed surveyor for the lands alienated to Land Reform Commission, they have been approved by Director, Survey, supervisory charge of 10% has been paid, survey orders have been issued properly divide lands and further they have been issued under correct section (Lease/sale) etc.

Even though it was planned to audit all District Offices, it could not be performed due to other works and it was instructed to perform it in 2014.

## 5.4. Audit Committees

As per Section 7.4.1 of PD/Circular No 12(Directions for Good Governance), the committee consists of three members from the commission who are not executive officers. As pointed out in the audit report, instructions were given to take further action in terms of the

report of the Audit and Management committee meeting held on 10.10.2014.

#### 5.5. Budget control

Even though budget estimate should be maintained with necessary revisions finding the difference between estimated income and expense with actual income and expense, it was not possible to follow it in year 2013. At present action has been taken to examine to variances in budget for 2014 and to obtain approval submitting them with the grounds for such variances to the commission. Accordingly instructions were given to carry out it properly in future.

#### 5.6. Tabling annual reports

Annual report-2012 has been referred to Presidential Secretariat for obtaining the approval of the Cabinet of Ministers.

It is possible to table the report at the parliament once the approval is received.

#### 6. System and control

(a) Since year 2013 copies of the receipts relevant to accounts division were called to Head Office and further a method is followed during 2014 to obtain the said report of income along with the extract of cash book.

(b) In order to expedite the process followed for transferring income collected by District Offices to the account of Head Office, particulars of the income of the month are collected over the phone before 05<sup>th</sup> of next month. Most probably these particulars are found to be correct when comparing with income registers. Even though all District Offices have been informed to send relevant reports of income, the reduction is observed due to not filing reports sent in certain months. Director, Finance and Director, Income have been instructed to collect all income reports from year 2014.

(c ) Bank reconciliation reports relevant to each account are examined, approved and referred to Auditor General before 15<sup>th</sup> of the next month. They are signed to the effect that the report was duly prepared, examined and approved.

(d) As pointed out in the audit, the District Director, Driver and officer examining running charts has been informed to pay attention to maintain running charts in future , and further to avoid such weaknesses.

(e) Relevant officers have been informed to prepare a case register. Accordingly it has been reported that action has been commenced to prepare the same.

(f) Even though it was informed to confirm the balances in accounts in every year, the response made in this regard is at a minimum level. Such balances are not received due to changes in the address and some institutions are not functioned. However attempts are made at the maximum level for the purpose.

Nimal G. Punchihewa, Attorney at Law

Chairman, Land Reforms Commission,

Copy:

Secretary to H.E. the President

Presidential Secretariat

Colombo.

**Minutes of the meetings of Audit and Management  
Committee**

**2013**

**Minute of the 01st meeting of the Audit and Management Committee relevant to year 2013, which was held at 2.00 p.m. on 11.06.2013 at the head office of Land Reforms Commission**

Attendance:

- |                             |                              |
|-----------------------------|------------------------------|
| 1. Mr. P.W. Senaratne       | Chairman                     |
| 2. Mr. M.A.S. Weerasinghe   | Member                       |
| 3. Mrs. Anoma Nandani       | Member                       |
| 4. Mrs. M.R.R.Mallawa       | Participation as an observer |
| 5. S.R.W.M.R.P. Sathkumamra | Member                       |
| 6. Mr.T.Narendranathan      | Secretary                    |
| 7. Mr.Senarath Wanigatunge  | Member                       |
| 8. Mrs.Shyamali Rathnayaka  | Member                       |
| 9. Mr.J.W.Hapurachchi       | Member                       |

Absentees:

- |                             |        |
|-----------------------------|--------|
| 1. Mr.U.K.Mihindukulasuriya | Member |
|-----------------------------|--------|

At the beginning the Chairman of the Committee made a brief review to the committee on the matters discussed at the previous meeting of the Audit and Management Committee.

Then Mrs. Anoma Nandani, who has participated as a representative from General Treasury, stated that the decisions taken by considering the matters submitted to the Committee in future for discussion, if any, should be submitted to the Commission and accordingly approval of the commission should be obtained for the recommendations made at the meeting.

01.

- I. Inability of the Land Reforms Commission to pay compensation as the claims of declarants for lands have not been confirmed

Number of such files is 115.

It was discussed regarding the inability of the Land reforms Commission as a result of not confirming the claims of the Declarants. It was considered the huge interest which is to be paid due to the delay in paying compensations.

Accordingly it was decided to publish a list containing names of lands and declarants in Sinhala and Tamil languages in News Papers and the Government Gazette and further to take a suitable action if any response is not received. However instructions were given to call recommendations referring this to the Legal Consultant before publishing this notification.

- II. Requests for lands in exchange for compensations- Number of the files is 25.

It was decided that provisions have not been made by the Act for granting lands to relevant parties instead of compensation and therefore decided to inform that compensations would be deposited at the Court if no response is made after the one month notice made by the Commission.

- III. Unavailability of Certificates for the recovery of possession- Number of the files is 37

The situation arisen as the result of unavailability of these certificates is that the Commission would be unable to close such files. One of the practical solutions for this issue is to take action for identifying relevant land by way of informing in writing the owners of lands to find the land, if they have requested compensations. If they fail to find the land it was decided to consider whether the file can be temporarily closed informing the owner in this regard.

- IV. Non granting approval for the letter of compensation sent to the Declarants and non signing the vouchers- Number of the files is 127

Since a decision has been taken by the Commission in this regards it was decided to take action accordingly.

V. Other reasons- Number of the files is 26

It was decided to take further action settling the issue by studying each file separately.

VI. Number of files of which the works are in process for determining the amount of compensations publishing Gazette notifications is 200.

Director, Valuation and Compensation was instructed to study the case and then to submit a commission paper to the Commission.

VII. Number of files for which Gazette notifications are to be published under section 29 of the Act in relation to the payment of compensation is 670.

It was decided to discuss with Director, Land Ceiling and Director, Valuation and Compensation in order to prepare an action plan to conclude these 670 files within a specific period and then submit it to Audit and Management Committee.

02. Registration for VAT and discussion on future activities

It was decided to obtain necessary instructions by way of sending a comprehensive letter to the Director General of the Department of Public Finance Policies of the Ministry of Finance.

03. Discussion for increasing various incomes received from district offices.

Instructions were given to prepare tax ledger discussing with Director, Revenue.

Lease rent for lands with mineral, granite and gems which have been granted on long term lease and lease rent for lands which have been granted on minor lease are hereby included. This matter was discussed for a long time and it is observed that at present a register on lands issued on lease is not maintained at district offices. Instructions were given to submit a report by internal auditor joining with district offices to the next meeting on carrying out projects in lands issued on lease. Further it was decided to make relevant officers aware of the situation by way of an Internal Circular after observing the said report.

04. A building rental of Rs. 330000 has to be paid monthly for the building where the Head Office of the Land reforms Commission is established. The discussion on the construction of new building

Director General was instructed to discuss with the Commissioner General of Lands to obtain an alternative land close to Colombo for the construction of a building for Head office.

05. 307 posts have been approved by the Department of management Services for the procedure of recruitment of Land Reforms Commission. It was decided to make discussion for obtaining approval for the remaining posts. Action has been taken to prepare salaries absorbing all the staff as per Management Services circular No 30.

In terms of the Letter of the Director General of the department of Management Services No DMS/CI/1021 dated 12.11.2012 by which the procedure of recruitment has been approved as per Management Services circular No 30, absorption process has been carried out. According to the para 02 of the said letter , it has been issued to settle problematic situations mentioned in para 3,4,5, and 6 of the letter of the Chairman, Land reforms Commission No 2/1/113(1) dated 18.10.2012. When comparing the annex 02 with the schedule prepared for the absorption process, it was observed that an anomaly still existed. Therefore it was decided that the Director, Management and Human Resources Development should prepare relevant document in consistent with annex 02 and further submit anomalies to the Audit and Management Committee by compiling them comprehensively, if such anomalies are existing. This should be carried out under the supervision of the Director General and further it should be submitted to the Internal Auditor for confirmation of accuracy.

06. A huge expense has to be borne for the maintenance of vehicles in the pool of the Head office of Land reforms Commission and vehicles given to District Offices for increasing the income. A discussion was held in addition to the above to consider accidents occurred to vehicles during the past period, parking of vehicle and their usage for private purposes.

Since a specific matter has not been pointed out, it is difficult to take action in this regard. Therefore it was instructed to prepare a report including relevant cases and submit the same to the next meeting of the Committee.

07. Discussion on the legal steps to be taken against the debtors of the Land reforms Commission including Government as well as private institutions.

It was instructed to submit a detailed report on the receivable amounts.

08. Other matters

- Approval of the General Treasury should be obtained to invest money in fixed deposits. It was proposed that it is advisable to request approval through the Secretary to H.E. the President.
- The Secretary of the Committee was instructed to prepare a paper containing matters to be discussed in future (E.g.: preparation of commission papers) and to distribute it among Committee members one week in advance.

It was decided to conduct the next meeting of the Audit and Management Committee on 08<sup>th</sup> August 2013.

Chairman

Secretary

Audit and Management Committee

Audit and Management  
Committee

Name

Post

Signature

Mr. M.A.S. Weerasinghe

Member

Mrs. M.R.R.Mallawa

observer

S.R.W.M.R.P. Sathkumamra

Member

Mrs. Anoma Nandani	Member
Mr.Senarath Wanigatunge	Member
Mrs.Shyamali Rathnayaka	Member
Mr.J.W.Hapurachchi	Member

**Minute of the 02<sup>nd</sup> meeting of the Audit and Management Committee relevant to year 2013, which was held at 2.00 p.m. on 17.09.2013 at the head office of Land Reforms Commission**

Attendance:

01.Mr. P.W. Senaratne	Chairman
02.Mr. M.A.S. Weerasinghe	Member
03.Mrs. Anoma Nandani	Member
04.Mrs. M.R.R.Mallawa	Participation as an observer
05.Mr.T.Narendranathan	Secretary
06.Mrs.Shyamali Rathnayaka	Member
07.Mr.J.W.Hapurachchi	Member
08.Mr. Kumudu Dharmapriya	

Absentees:

01.Mr.Senarath Wanigatunga	Member
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At the beginning the Chairman of the Committee made a brief review to the committee on the matters discussed at the previous meeting of the Audit and Management Committee.

**Progress of the meeting of Audit and Management Committee held on 17.09.2013**

01.

- 1.1 Director/Valuation and Compensation has reported that there were 115 files of which the claims of declarantas have not been confirmed and action would be taken to refer them to next committee meeting after obtaining the recommendations of Attorney General once the works such files were concluded.
- 1.2 Letters have been sent by registered post to 25 persons who have requested lands instead of compensation. Further action would be taken once they send replies.
- 1.3 It is difficult to find information on 37 files in which the certificates for accepting the possession are not available. Therefore it was decided close these files temporarily indicating them in a separate list so as to open them if any request is made by relevant owners.
- 1.4 Director/ Valuation and Compensation states that study is being made on 26 files of which works have been delayed due to other reasons.
- 1.5 Since it was revealed that there is a difficulty to obtain files from the record room to prepare action plan on 670 files for which Gazette notifications are to be published under section 29 of the Act in relation to payment of compensation as determined at the previous committee meeting.

02. The committee determines that it is highly necessary to pay VAT. Since this is a statutory obligation the committee pointed out that prompt decision should be taken by way of taking necessary action by the institution.

03. A tax ledger is now being prepared and therefore the progress would be reported at the next meeting.

04. An attempt is made to find a suitable land to construct a building for head office.

05. At present these matters have been referred to the Chairman and a report would be submitted in this regard after discussing with Presidential Secretariat.
06. No comprehensive report has been submitted on debtors.

### **Papers discussed on 17.09.2013**

Paper No 01 Calculation of gratuities of the officers of Commission

Decision:

This matter was discussed in detailed and it was decided that a decision may be obtained from the Commissioner of Labor by referring the matter regarding the payment of gratuities.

(Responsibility has been entrusted to Director/Finance)

Paper No 02

Submission of information on legal obligations relevant to Land Ceiling Division

Decision:

It was recommended to identify owners who do not come for decisions on statutory determinations and to prepare a commission paper in this regard and further refer the matter to the Commission to take a decision for closing relevant files temporarily or permanently.

Paper No 03

Budget Estimate for year 2014

Decision

The Committee paid thorough attention to the income in the estimate for year 2014. There is a significant change in income relevant to sale of lands on lease and acquisition that is affected to the total estimate. Therefore it is recommended to pay special attention to the matter and to discuss with the Directors of District

Land Reform Boards and further to submit the matter to the approval of the commission with necessary revisions if such revisions are required.

Other matters

01. Audit Committee observes that it is highly necessary to discuss monthly with District Directors on the receipt of income.
02. The officer from General Treasury invited attention to Circular No PED/2/2013.

It was decided to hold next meeting of the Audit and Management Committee at 2.30 p.m. on 28.10.2013.

Chairman

Secretary

Audit and Management Committee

Audit and Management Committee

Name	Post	Signature
01.Mr. M.A.S. Weerasinghe	Member	
02. Mrs. M.R.R.Mallawa	observer	
03. Mrs. Anoma Nandani	Member	
04. Mr.Senarath Wanigatunge	Member	
05. Mrs.Shyamali Rathnayaka	Member	
06. Mr.J.W.Hapurachchi	Member	
07. Mr. Kumudu Dharmapriya	Member	

**Minute of the 03<sup>nd</sup> meeting of the Audit and Management Committee relevant to year 2013, which was held at 2.30 p.m. on 06.11.2013 at the head office of Land Reforms Commission**

Attendance:

01.Mr. P.W. Senaratne	Chairman
02.Mr. M.A.S. Weerasinghe	Member
03.Mrs. Anoma Nandani	Member
04.Mrs. M.R.R.Mallawa	Participation as an observer
05.Mr.T.Narendranathan	Secretary
06. Mr.Senarath Wanigatunga	Member
07.Mrs.Shyamali Rathnayaka	Member
08.Mr.J.W.Hapurachchi	Member
09.Mr. Kumudu Dharmapriya	

At the beginning the Chairman of the Committee made a brief review to the committee on the matters discussed at the previous meeting of the Audit and Management Committee.

**Progress of the meeting of Audit and Management Committee held on 11.06.2013**

- 1) I. Inability faced by the Land Reform Commission due to not confirmation of the claims of declarants of lands

Relevant report was submitted today by the Director, Valuation and Compensation. Accordingly particulars of 104 files have been recorded and obtained recommendations referring them to the Legal Consultant on 05.11.2013. These recommendations have been submitted to the Committee.

Accordingly instructions have been given to District Director, Director, Valuation and Compensation to follow the final recommendation i.e. Identifying relevant lands and to send a report on any claimant within 03 weeks.

03. Discussion conducted to enhance various income received by District Offices

Instructions have been given to Secretary, Director/Management and Human Resources Development, Director/Land Ceiling to study in this regard and to submit a report a proposals containing action to be taken at the next committee meeting.

04. A monthly rental of Rs. 300,000 has to be paid for the building of the Head Office of Land Reform Commission. Discussion on the construction of new building.

Attempt is being land made to find a land.

05. 307 posts have been approved for the Procedure of Recruitment of the Land Reform Commission by the Department of Management Services and it was decided that discussion should be made to get the approval for the remaining posts. Action has been taken to prepare salaries by absorbing all employees as per Management Services Circular No 30.

Action is now being taken.

06. Discussion on the huge expenses which have to be born on vehicles maintenance in the pool of the Head office of Land Reform Commission and vehicles provided to District Offices to increase income and the accidents occurred to them during past time and parking, using vehicles for private purposes etc.

Director/Management and Human Resources Development has been instructed to look in to this matter and to report to next meeting.

Further he was instructed to find the possibility to obtain recommendations of a public officer with mechanical knowledge on vehicle maintenance and to submit recommendations of a commission paper.

07. Discussion on legal actions to be taken on the debtors, Government Institutions and Private institutions

A list is being prepared.

08. Other matters.

A letter has been referred to the Director General, Department of Financial Policies and Planning in this regard on 01.10.2013. However it was shown that the letter has to be referred to Director General, Department of Public Enterprises. (Director, Finance)

- I. Since an approval has further been sought for the purpose by this letter, instructions were given to obtain approval separately for each investment informing requirement for investment.

Decisions of the meeting of the Audit and Management Committee held on 06.11.2013

01. Auditing of District Offices

An internal circular has already been issued in this regard. However it seems that there are problems in the implementation. Chief Internal Auditor has been instructed to submit a full report on the matter. Once it is received it will be considered at the next committee meeting.

02. Collecting targeted income

Director /Income pointed out submitting a report that the total number of lease files is 290 but lease rent is collected only from 202 files. Therefore lease rent is not recovered at present for 88 files.

At this occasion the weaknesses of lease agreements were also pointed out. Accordingly it was decided to obtain recommendations and approval by submitting a commission paper.

03. Minimizing legal expenses

It was decided to discuss with legal officer at the next committee meeting.

04. Preparation of corporate and action plan

Representative from the General Treasury has instructed Director/ Management and Human Resources Development that a sample of corporate and action plan should be submitted and the final document should be prepared by taking only the necessary facts after making a study.

#### Other matters

- Representative from the General Treasury has pointed out that the Secretary of the Commission should also be the secretary of the Audit and Management Committee.
- It was informed that the participation of the Director of Legal and Deeds division is compulsory for next meeting of the Audit and Management Committee.

At this occasion weaknesses of lease agreements have also been pointed out. It was decided to obtain recommendations and approval submitting a commission paper with the inclusion of above matters.

It was decided to hold next meeting of the committee at 2.30 p.m. on 19.12.2013.

Name	Post	Signature
01.Mr. M.A.S. Weerasinghe	Member	
02. Mrs. M.R.R.Mallawa	observer	
03. Mrs. Anoma Nandani	Member	
04. Mr.Senarath Wanigatunge	Member	
05. Mrs.Shyamali Rathnayaka	Member	
06. Mr.J.W.Hapurachchi	Member	
07. Mr. Kumudu Dharmapriya	Member	

**Minute of the 04<sup>th</sup> meeting of the Audit and Management Committee relevant to year 2013, which was held at 2.30 p.m. on 19.12.2013 at the head office of Land Reforms Commission**

Attendance:

01.Mr. P.W. Senaratne	Chairman
02.Mr. M.A.S. Weerasinghe	Member
03.Mrs. Anoma Nandani	Member
04.Mrs. M.R.R.Mallawa	Participation as an observer
05.Mr.T.Narendranathan	Secretary
06. Mr.Senarath Wanigatunga	Member
07.Mrs.Shyamali Rathnayaka	Member
08.Mr.J.W.Hapurachchi	Member
09.Mr. Kumudu Dharmapriya	

At the beginning the Chairman of the Committee made a brief review to the committee on the matters discussed at the previous meeting of the Audit and Management Committee.

**Progress of the meeting of Audit and Management Committee held on 11.06.2013**

01. I. Inability faced by the Land Reform Commission due to not confirmation of the claims of declarants of lands

The letter relevant to this matter has already been prepared and the Director , Valuation and Compensation has informed further that it is expected to obtain answers promptly by sending it to the District Director.

- II. Request for land instead of compensation

Letters have been sent again to relevant persons. It was decided to submit a commission paper to take action to deposit at the Court if answers are not received within 30 days.

III. Unavailability of certificates for acceptance of possession

At present the Commission paper is being prepared.

IV. Non exercising approval for the letter of compensation sent to Declarants and not sending the vouchers after signing them due manner

No necessary

V. Other matters- Number of files-26

Most of the files referred to Land Ceiling division are connecting to cases relevant to provide alternative lands instead of compensation. It has been inquired from Land Ceiling Division in this regard and Director, Valuation and Compensation was instructed to obtain prompt replies and to take further actions.

VI. Number of files on which action is taken to determine compensation by publishing gazette notifications-200

Director, Valuation and Compensation was instructed to complete works of certain files from time to time and to obtain approval for them by commission papers.

VII. Number of files for which gazettes notifications are to be published under section 29 of the Act in relation to pay compensation-670

Action is being taken. Secretary was instructed to conclude them by supervising the task.

02. Discussion on registration of VAT and further activities

It was decided to send reminders again.

03. Discussion on the increase of various income received from District Offices

It was informed to Internal Auditor to submit relevant report at the next meeting.

04. A monthly rental of Rs. 300,000 has to be paid for the building of the Head Office of Land Reform Commission. Discussion on the construction of new building.

Attempt is being land made to find a land.

- 05.307 posts have been approved for the Procedure of Recruitment of the Land Reform Commission by the Department of Management Services and it was decided that discussion should be made to get the approval for the remaining posts. Action has been taken to prepare salaries by absorbing all employees as per Management Services Circular No 30.

Action is now being taken.

06. Discussion on the huge expenses which have to be born on vehicles maintenance in the pool of the Head office of Land Reform Commission and vehicles provided to District Offices to increase income and the accidents occurred to them during past time and parking, using vehicles for private purposes etc.

Director, Management and Human Resources Development has informed that a commission paper has been submitted.

07. Discussion on legal actions to be taken on the debtors, Government Institutions and Private institutions

It was informed that a list has been prepared and it would be submitted at next meeting.

Commission papers which have been discussed at the meeting of Audit and Management Committee held on 17.09.2013

1. Calculating gratuities of officers of the Commission

2. Providing documented particulars for legal obligations relevant to Land Ceiling Division.

Instructed were given to take action communicating with Director/ Land Ceiling

3. Budget estimate report for year 2014

Chief Internal Auditor has informed that at present works relating to 08 district offices have been concluded. It was informed that copies of that reports are to be sent to Auditor General.

Decisions of the meeting of Audit and Management Committee held on 06.11.2013

01. Auditing of District Offices

Chief Internal Auditor has informed that at present works relating to 08 district offices have been concluded. It was informed that copies of that reports are to be sent to Auditor General.

02. Collecting targeted income

It was instructed to refer these matters to Director, Income and to send referred the report to Secretary.

03. Minimizing legal expenses

Acting Director, Legal has made a long clarification in this regard. It was instructed to take the matter to next meeting for further submission.

04. Corporate plan and action plan

Commission papers discussed at the meeting of Audit and Management Committee held on 19.12.2013

01. Discussion on the report of Auditor General for year ended by 31.12.2012

Lengthy discussions have been made in this regard. Director General was instructed to provide necessary directives to relevant divisions to formalize further the structure of the establishment.

Further the Director General was instructed to prepare and submit a commission paper regarding the decisions taken accordingly.

Other matters

Secretary was informed that it was necessary to inform the Commission specifically regarding the role of the committee when the Audit and Management Committee was appointed as per Public Enterprises Circular No 55 of the General Treasury.

Name	Post	Signature
01.Mr. M.A.S. Weerasinghe	Member	
02. Mrs. M.R.R.Mallawa	observer	
03. Mrs. Anoma Nandani	Member	
04. Dr. Mrs. H.M.S.Jayatunga		
05. Mr. T. Narendranathan		
06Mr. Shyamali Rathnayaka		
07. Mr. Kusum Herath		

**Minute of the 04<sup>th</sup> meeting of the Audit and Management Committee relevant to year 2013, which was held at 2.30 p.m. on 19.12.2013 at the head office of Land Reforms Commission**

Attendance:

01.Mr. P.W. Senaratne	Chairman
02.Mr. M.A.S. Weerasinghe	Member
03.Mrs. Anoma Nandani	Member

04.Mrs. M.R.R.Mallawa	Participation as an observer
05. Dr. Mrs. H.M.S.Jayatunga	
06.Mr.T.Narendranathan	
07. Mr.Senarath Wanigatunga	Member
08.Mrs.Shyamali Rathnayaka	Member
0.Mr.J.W.Hapurachchi	Member
09.Mrs. Kusum Herath	

At the beginning the Chairman of the Committee made a brief review to the committee on the matters discussed at the previous meeting of the Audit and Management Committee.

**Progress of the meeting of Audit and Management Committee held on 11.06.2013**

01. I. Inability faced by the Land Reform Commission due to not confirmation of the claims of declarants of lands

First recommendation has been implemented and the results are satisfactory. Accordingly it has been decided to implement the decision of Legal Consultant.

II. Request for land instead of compensation

Director, Valuation and Compensation has informed that it is possible to submit a commission paper in this regard.

III.Unavailability of certificates for acceptance of possession

A commission decision has been obtained in this regard and it is No 8773 dated 25.02.2014. It was informed the Director, Valuation and Compensation to the action accordingly. It was decided to implement the decision and also to refer the matter to Chairman and take a decision calling District Directors

IV.

V. Other matters- Number of files -26

Director, Valuation and Compensation has been informed to study specific reasons on 26 files mentioned under other matters and to include in files from 1-7 which have already been classified.

VI.

VII. Number of files for which gazette notifications are to be published under section 29 of the Act relevant to pay compensation

The Secretary agreed to submit progress of at least 20 files.

02.

03. Discussion on the increase of various income received from District Offices

Director, Finance has agreed to issue an internal circular and Internal Auditor has agreed to submit a progress report on present situation of lease register.

04. A monthly rental of Rs. 300,000 has to be paid for the building of the Head Office of Land Reform Commission. Discussion on the construction of new building

At present a land belonging to Land Reform Commission has been found. Further the consent of the Commissioner of Agrarian Services has also been received. Action is now being taken to obtain approval for the plan from relevant institutions including Urban Development Authority.

05. 307 posts have been approved for the Procedure of Recruitment of the Land Reform Commission by the Department of Management Services and it was decided that discussion should be made to get the approval for the remaining posts. Action has been taken to prepare salaries by absorbing all employees as per Management Services Circular No 30.

Action is now being taken.

05.Discussion on the huge expenses which have to be born on vehicles maintenance in the pool of the Head office of Land Reform Commission and vehicles provided to District Offices to increase income and the accidents occurred to them during past time and parking, using vehicles for private purposes etc.

Approval has been received to the commission paper in this regard.

08.Discussion on legal actions to be taken on the debtors, Government Institutions and Private institutions

Director, Finance has submitted relevant documents. It is due to be discussed at the next meeting after delivering them among committee members. Document submitted by Director, Finance in relation to this matter was observed. Accordingly Director, Finance was instructed to prepare a report containing the particulars such as the year from when relevant amounts are in arrears and the action taken in this regard and to submit the same to next meeting.

**Progress of the meeting of Audit and Management Committee held on 17.09.2013**

01. I. Calculation of the gratuities of the officers of the Commission

Letters have been sent to the Department of Labor requesting necessary instructions.

**Progress of the meeting of Audit and Management Committee held on 16.11.2013**

01.Auditing of District Offices

Internal Auditor was instructed to send audit report ,of which works were completed, to Auditor General.