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March 24, 2011

Mr. Helkena Anni
Registrar
Land Registration Authority

Dear Mr. Anni:

In planning and performing our audit of the financial statements of the Land Registration Authority (the Authority) as of and for the year ended September 30, 2008 (on which we have issued our report dated March 24, 2011), in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, we considered the Authority's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting. However, in connection with our audit, we identified, and included in the attached Appendix I, deficiencies related to the Authority's internal control over financial reporting and other matters as of September 30, 2008 that we wish to bring to your attention.

We have also issued a separate report to the Board of Directors, also dated March 24, 2011, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The definition of a deficiency is also set forth in the attached Appendix I.

A description of the responsibility of management for establishing and maintaining internal control over financial reporting and of the objectives of and inherent limitations of internal control over financial reporting, is set forth in the attached Appendix II and should be read in conjunction with this report.

This report is intended solely for the information and use of the Board of Directors, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

We will be pleased to discuss the attached comments with you and, if desired, to assist you in implementing any of the suggestions.

We wish to thank the staff and management of the Authority for their cooperation and assistance during the course of the audit.

Very truly yours,

Junior Patrick
Auditor-General

SECTION I –DEFICIENCIES

We identified, and have included below, deficiencies involving the Authority's internal control over financial reporting as of September 30, 2008 that we wish to bring to your attention:

(1) Accounting System Backup

We noted that the accounting system was updated and changed after the financial statements were provided for audit. However, no updated financial statements were provided for the changes made as all accounting data in the accounting system were inadvertently deleted. No backups were available to facilitate the timely recovery of accounting data, thus the accounting records were re-constructed manually by a Consultant, using the Excel program rather than utilizing the existing accounting system that LRA previously paid $2,000 for another consultant to maintain. We recommend that the Authority establish policies and procedures requiring the periodic back up of accounting data to facilitate timely recovery of data and to minimize disruption in the event of data loss.

(2) Revenues/Receipts

Cash receipts issued in FY 2007 in the amount of $112.00 were not deposited until July 11, 2008 and cash receipts issued in FY 2008 (CR#118-124) in the amount of $26.00 were not deposited until October 3, 2008, and were not recorded as revenues in the correct fiscal year due to the lack of timely deposit of cash receipts. We recommend that the Authority establish policies and procedures requiring the timely deposit of cash receipts and ensuring revenues are recorded in the correct fiscal year. This matter was discussed in our previous letters dated August 10, 2009, July 11, 2008 and October 11, 2007.

(3) Revenues/Receipts

Cash transmittal forms are not being utilized to batch total cash receipts being deposited. Furthermore, cash is being received without cash receipts issued. We recommend that management establish policies and procedures requiring cash transmittal forms to be utilized to batch total cash receipts deposited to bank. Furthermore, we recommend that cash receipts be issued for all cash received.

(4) Travel Claims

We noted a payment in the amount of $345.00, (Check #1582) that was not supported by appropriate supporting documents such as trip report. We recommend that travel advances be made in accordance with RepMar travel policies and procedures and that the liquidation of travel advances be supported by appropriate travel-related documentation. This matter was discussed in our previous letter dated July 11, 2008 and our previous report on internal control dated October 11, 2007.

(5) Expenditures

Expenditures should be supported by valid invoices, contracts, approved travel request forms and other relevant documentation. Of thirty nine (39) payments tested, we noted one payment that exceeded the actual amount of the invoice.

Check No.	Payment Amt.	Invoice Amt.	Variance
1545	421.15	359.64	61.51

We recommend that management establish policies and procedures to ensure that disbursements are made only for valid invoices, contracts and other relevant documentation.

SECTION II – DEFINITIONS

The definition of a deficiency that is established in AU 325, *Communicating Internal Control Related Matters Identified in an Audit*, is as follows:

A *deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when (a) a properly designed control does not operate as designed, or (b) the person performing the control does not possess the necessary authority or competence to perform the control effectively.

MANAGEMENT'S RESPONSIBILITY FOR, AND THE OBJECTIVES AND LIMITATIONS OF, INTERNAL CONTROL OVER FINANCIAL REPORTING

The following comments concerning management's responsibility for internal control over financial reporting and the objectives and inherent limitations of internal control over financial reporting are adapted from auditing standards generally accepted in the United States of America.

Management's Responsibility

The Authority's management is responsible for the overall accuracy of the financial statements and their conformity with generally accepted accounting principles. In this regard, management is also responsible for establishing and maintaining effective internal control over financial reporting.

Objectives of Internal Control over Financial Reporting

Internal control over financial reporting is a process affected by those charged with governance, management, and other personnel and designed to provide reasonable assurance about the achievement of the entity's objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Internal control over the safeguarding of assets against unauthorized acquisition, use, or disposition may include controls related to financial reporting and operations objectives. Generally, controls that are relevant to an audit of financial statements are those that pertain to the entity's objective of reliable financial reporting (i.e., the preparation of reliable financial statements that are fairly presented in conformity with generally accepted accounting principles).

Inherent Limitations of Internal Control over Financial Reporting

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.