පාර්ලිමේන්තු ප්‍රකාශන මලා අංක : 95

ආයතනයේ නම : කොළඹ මහා නගර සභාව

පාර්ලිමේන්තුවේ රජයේ ගිණුම් පිළිබඳ කාරක සභාව විසින් සභාගත කරන ලද වාර්තා සම්බන්ධයෙන් ස්ථාවර නියෝග 119(4) යටතේ ගරු අමාත්‍යවරයාගේ නිරීක්ෂණ හා ගනු ලබන පියවර පාර්ලිමේන්තුව වෙත ඉදිරිපත් කිරීම

பாராளுமன்ற வெளியீட்டுத் தொடர் இலக்கம் - 95

நிறுவனத்தின் பெயர் - கொழும்பு மாநகர சபை

பாராளுமன்றத்தின் அரச கணக்குக் குழுவினால் முன்வைக்கப்பட்ட அறிக்கை தொடர்பாக நிலையியற் கட்டளை இலக்கம் 119(4) இன் கீழ் கௌரவ அமைச்சரின் அவதானிப்புகளும் மற்றும் அது தொடர்பாக எடுக்கப்படும் நடவடிக்கைகளும் பாராளுமன்றத்திற்கு சமர்ப்பித்தல்

Parlimentary Series No: 95

Name of the Institution : Colombo Municipal Council

Submission of observations of Hon. Minister and steps taken with regard to the reports tabled by the Committee on Public Accounts in terms of Standing Order No119(4)

COMMITTEE ON PUBLIC ACCOUNTS – PARLIAMENT STATEMENTS 95

COLOMBO MUNICIPAL COUNCIL

<table>
<tr><th>Serial No.</th><th>Deficiencies identified by the committee</th><th>Current situation and measures taken to correct deficiencies</th></tr>
<tr><td>01</td><td>Audit and Management Committee Meetings</td><td>The Audit and Management Committees conducted by the Internal Audit Division of the Colombo Municipal Council in the years 2023, 2024 and 2025 are as follows.
Year: 2023
<table>
<tr><th>Committee</th><th>Date held on</th></tr>
<tr><td>Audit and Management Committee - I</td><td>09.05.2023</td></tr>
<tr><td>Audit and Management Committee - II</td><td>27.06.2023</td></tr>
<tr><td>Audit and Management Committees - III</td><td>26.09.2023</td></tr>
<tr><td>Audit and Management Committee – IV</td><td>31.12.2023</td></tr>
</table>
Year: 2024
<table>
<tr><th>Committee</th><th>Date held on</th></tr>
<tr><td>Audit and Management Committee - I</td><td>28.03.2024</td></tr>
<tr><td>Audit and Management Committee - II</td><td>20.06.2024</td></tr>
<tr><td>Audit and Management Committees - III</td><td>30.10.2024</td></tr>
<tr><td>Audit and Management Committee – IV</td><td>03.01.2025</td></tr>
</table>
Year 2025
<table>
<tr><th>Committee</th><th>Date held on</th></tr>
<tr><td>Audit and Management Committee - I</td><td>25.03.2025</td></tr>
<tr><td>Audit and Management Committee - II</td><td>30.07.2025</td></tr>
</table>
</td></tr>
<tr><td>02</td><td>Action Plan</td><td>The annual action plan for the year 2020 had not been prepared.
The annual action plan for the year 2021 had been prepared. However, approval has not been obtained.</td></tr>
</table>

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<table>
<tr><td></td><td></td><td>The annual action plan for the years 2022, 2023, 2024 and 2025 has been prepared in all three languages and has been approved by the council.</td></tr>
<tr><td>03</td><td>Progress in responding to audit queries</td><td>The progress regarding the submission of responses to audit inquiries for the years 2022, 2023, 2024, 2025 is as follows:

<table>
<tr><th>Year</th><th>Number of audit queries received during the year</th><th>Number of audit queries answered during the year</th><th>Number of audit queries currently remaining</th></tr>
<tr><td>2022</td><td>37</td><td>22</td><td>-</td></tr>
<tr><td>2023</td><td>28</td><td>21</td><td>-</td></tr>
<tr><td>2024</td><td>19</td><td>8</td><td>06</td></tr>
<tr><td>As at 11.082.2025</td><td>13</td><td>So far, responses have been sent to 01 audit query.</td><td>12</td></tr>
</table></td></tr>
<tr><td>04</td><td>Arrears of income</td><td>Out of the arrears of Rs. 4,316.8 billion as on 31 December 2022, Rs. 934,040,879.49 have been collected as arrears of assessment tax in the year 2023. The amount collected as of 31.12.2024 is Rs. 1,134,906,711.51. (Annexure 1).
198 properties with arrears of assessment tax exceeding Rs. 100,000/- were gazetted and the arrears collected from 141 of those properties are Rs. 72,747,231.79. (Annexure 2).</td></tr>
</table>

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		• A property survey report was prepared on the basis of the deficit of 2024.06.30, and a survey was conducted on 6816 properties with a deficit of more than Rs. 100,000/- to the revenue inspectors and 73164 properties with a deficit of less than Rs. 100,000/- to the tax collection officers. The verification report on properties that could not be found through the survey (Annexure 3) • Out of 5889 demand notices issued to the revenue inspectors for the recovery of money from the deficit properties, 4433 notices have been distributed and Rs. 352 million has been recovered. There are about 66,000 outstanding properties worth less than Rs. 100,000/- and the 11 outstanding tax collection officers employed to collect the outstanding taxes from these properties are by no means sufficient. So far, 21332 demand notices have been distributed and collected Rs. 99 million. (Annexure 4).
05	The non-payment of assessment tax on 24 properties worth more than Rs. 10 million in the arrears of assessment tax revenue of Rs. 4316.8 million in 2022 continues.	**Current information on properties worth more than Rs. 10 million is presented in Annexure 5.**
06	Due to the inability to find information about the arrears of assessments amounting to Rs. 214,628,001 relating to 193 properties for which arrears assessments were to be paid for the period from 2003 to 2016, the owners of	**Current information regarding properties that had outstanding assessment taxes to pay from 2003 to 2016 is presented in Annexure 2.**

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	those properties and the last claimed deeds and plans, as of 31.12.2020, action had not been taken to write sale certificates in accordance with Section 259 of the Municipal Council Ordinance.	
07	It was stated that an agreement was entered into with a private institution to install parking meters in a selected area, and although the agreement with the relevant institution was suspended on 2021.04.07 due to non-payment of rent since 2016, no action has been taken to recover the outstanding rental income of Rs. 101.77 million due from the relevant institution as of 2021.12.31.	Court proceedings have been initiated to recover the arrears of rent and the arbitration case will be called for hearing at the Arbitration Center on 2025.10.30 at 4.00 PM. The Colombo Municipal Council is carrying out the necessary activities to implement a project related to the digitalization of parking management (Digital Parking Management system) under the Clean Sri Lanka program with a provision of Rs. 40 million, but it has been informed that the Ministry of Public Administration, Provincial Councils and Local Government has prepared this project and planned to provide it to local government institutions free of charge.
08	The property measuring 154.43 perches, located at Assessment No. 43, Barnes Place, Kurunduwatta, has not been transferred to the Municipal Council as the owner has not paid the assessment within a year. Although the purchase certificate was registered at the Colombo Land Registration Office on 07.10.1974 in accordance with Section 263 of the Municipal Council Ordinance, the legal ownership of the property was transferred to the Council, but as of 31.12.2021, no steps	This property was acquired by the Colombo Municipal Council on 07.10.1974 due to non-payment of arrears of assessment tax and the deeds were registered. Cases regarding this property were continuously being heard from the primary courts to the higher courts and after the case filed by the Colombo Municipal Council was concluded in 2014, eviction notices were sent to the residents of the place on 23.08.2016 under the Government Lands (Restoration of Possession) Act No. 07 of 1979 to regain possession of this property. Against those notices, the unauthorized residents of the place filed a case No. CA (Write) 316/2016 in the Court of Appeal. After that case was decided in favor of the Council, the Colombo Municipal Council filed a case

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	have been taken to transfer the possession of the land to the Municipal Council.	No. 63194/5/16 to regain possession of the property. This case is currently closed. The petitioners (who are currently in possession) have filed a case number CA/Appeal/56/2017 in the Supreme Court against the judgment of the Court of Appeal, Case No. CA (Write) 316/2016. The case was scheduled to be heard on 01.04.2025.
09	Although it has been stated that 168 lands are owned by the Municipal Council according to the land register, the necessary information has not been submitted to confirm how the ownership of those lands was transferred to the Council or that the lands belong to the Municipal Council. Although it has been revealed that there are unauthorized occupants of 06 lands, formal action has not been taken in this regard as of 31.12.2021.	Although the Municipal Council is stated to own 168 lands, upon examining the documents, the Council submitted a timeline for surveying 132 lands for which legal documents exist and updating the asset register on 2025.03.03. Accordingly, the progress of land surveying is as follows. Total number of lands – 132 ❖ Survey Department ▪ Number to be delivered - 50 ▪ Number delivered - 41 ▪ Number of lands surveyed - 18 ❖ Authorized Surveying Unit ▪ Number to be delivered - 32 ▪ Number delivered - 26

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		▪ Number of lands surveyed - 08 ❖ Surveying Institutions Registered on 2025.07.02 (02) 1. M /S Saliya Wikramasinghe & Surveyors (Pvt) Ltd 2. M /S Global GIS (Pvt) Ltd ▪ Number planned for delivery - 50 ▪ Number delivered - 39 – (18 + 21) ▪ Number of lands surveyed - 0 ❖ Number not subject to re-survey - 11 ❖ Number assessed - 34 ❖ Number recorded - 27 ❖ Number requested to be taken over by Divisional Secretaries - 16
10	50 perches of the Modara Eli House land belonging to the council had been leased to an institution in July 1992 and it was observed that the remaining 60 perches of	Approximately 50 perches of land belonging to the Colombo Municipal Council, located at No. 531, Aluth Mawatha Road, Colombo 15, has been leased to the Samata Sarana Charity for a period of 30 years from 30.07.1992,

	that land were being used by that institution for its own purposes without permission and no action had been taken regarding such unauthorized uses and unauthorized constructions	pursuant to General Assembly Resolution No. 331 dated 30.07.1992. The lease period will expire on 2022.07.29. In addition to those 50 perches, the institution has been occupying an area of 90 perches without paying taxes, including 40 perches without a contract and another 50 perches without permission, and the council has not been able to collect the taxes and arrears for this, as revealed by letters exchanged since 2022 and discussions held in this regard. Attention is drawn to the decisions taken at the discussion held on 03.05.2025 under the chairmanship of the Municipal Commissioner regarding the collection of outstanding fees. It was decided to consider the settlement of the outstanding fees related to the 50 contractual perches and the provision of 50 unauthorized perches based on the manner of payment of the tax fees related to the 40 perches enjoyed without entering into a contract. The arrears for the 50 plots that were contracted up to 2025.04.30 have been paid. The Samata Sarana Institute has requested a reassessment of the land used without a contract and has forwarded it to the Valuation Department. The Public Accounts Committee meeting held on 25.02.2025 recommended that a fine be imposed for land used without an agreement.

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		1. Deputy Municipal Treasurer (Revenue) (Chairman Mr. E.M.N.R. Bandara) 2. Legal Officer - Member - Mrs. T.K.D. Silva 3. Valuation Examiner - Member - Mrs. Rathna Ranasinghe 4. Deputy Director (Land and Environment Division) - Member – (Mr. K.A.N.P. Nanayakkara) Accordingly, after receiving the committee's report, the council is scheduled to be informed to make a decision regarding this property.
11	Two 6000 square feet two-storey buildings have been constructed illegally on approximately 11 perches of land located in Lot No. 48 of the land plot plan bearing No. 02 on the land where the official residence of the Borella Cemetery Controller is located on Elvitigala Mawatha, Colombo 08, owned by the Colombo Municipal Council, and a funeral service has been conducted in that building without a permission.	The necessary information has been forwarded to the Thimbirigasyaya Divisional Secretary for the acquisition of the land located opposite the Borella Cemetery, where the official residence of the Borella Cemetery Controller is located, which is owned by the Colombo Municipal Council. Advice has been sought from the Commissioner General of Lands in this regard, and it has been informed by letters No.: Thiprale/1/104/101 and dated 2025.06.09, 2025.07.17 that further action will be taken after receiving such advice. It has also been indicated in the letter No.: Thiprale/1/104/101 and dated 2025.08.20 of the Thimbirigasyaya Divisional Secretary that it is

		possible to confirm that this land belongs to the Colombo Municipal Council based on the facts indicated. (Annexure 6) In the case filed by the Colombo Municipal Council in the Colombo Magistrate's Court - Case No. 10715/5/24 regarding the unauthorized construction, the court has issued an ex parte order to demolish the unauthorized construction during the hearing held on 09.09.2025. In addition, a certified copy of the order dated 09.09.2025 has been applied to the court by a motion dated 11.09.2025. (Annexure 7)
12	According to the list of registered establishments of the Sri Lanka Tourism Development Authority, there were 378 hotels, lodges and restaurants registered with the Sri Lanka Tourism Development Authority within the Colombo Municipal Council limits, but only 93 of them had been identified, and no action had been taken to collect license fees from 18 of them, and no action had been taken to verify the remaining 275 establishments to ensure that they were operational or inactive.	It was informed that although the Sri Lanka Tourism Development Authority has been submitting a list of hotels, restaurants and lodging establishments operating within the Colombo Municipal Council limits annually until the year 2023, details of establishments registered with the Sri Lanka Tourism Development Authority will not be submitted as before from the year 2024, and instructions were given to access their website to obtain that information. Accordingly, I kindly inform you that 190 establishments have been identified and listed and fees will be charged in accordance with the Municipal Council Ordinance.

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13	Although the committee had rejected 04 billboard applications as they did not comply with the relevant scale as per By-law No. 1713/10 and Section 9 of the By-law dated 05 July 2011 on the Display of Billboards, they were displayed at the locations specified in the application without approval.	The above-mentioned unpaid billboards generated a revenue of Rs. 11,850,843.07 and steps were taken to remove the billboards that had defaulted on payment. Furthermore, the technical officers of the City Planning Division regularly conduct field inspections of the billboards displayed in those areas and identify the billboards that had not been paid for. Steps were taken to remove the billboards that had not been paid for. Since 2024, a separate team has been deployed under the Municipal Corporation to remove unauthorized billboards, and that team removes unauthorized billboards displayed in the city. As stated here, the billboard revenue for the year 2023 is Rs. 87,379,967 and the previous year's revenue is Rs. 42,699,478. This is an increase of 104 percent compared to the year 2022. Such a growth was shown in one year because measures were taken to charge legally recoverable fees. Due to such measures to charge legally recoverable fees, the billboard revenue in the year 2024 was Rs. 90,024,671.64 and by September 2025, the same revenue has grown annually to Rs. 126,676,785.14. The income received from billboards in previous years was less than Rs. 25 million. It was possible to gradually increase that income because of the measures taken for that purpose. The public was not aware that the relevant

		taxes should be paid and permits should be obtained for advertisements displayed in the city, and the public was informed about it through newspaper advertisements. Furthermore, the officers of the City Planning Division regularly conduct field inspections to identify billboards that have been advertised without paying taxes and inform those premises through letters to obtain the relevant approvals. Despite such awareness, billboards that do not submit applications for obtaining approvals are removed by the team attached to the Municipal Factory. Furthermore, from 2024, advertising agencies were registered with the Colombo Municipal Council. This was expected to streamline the advertising of hoardings in the city. Hoardings in the city of Colombo will only be approved for advertising applications received through those registered agencies. All the registered institutions are brought into a WhatsApp group and information about unauthorized billboards identified by officers during field inspections is forwarded to that group and notified to obtain approval, and steps have been taken to remove billboards that are not approved. Furthermore, records are maintained for approved billboards and billboards for which letters have been sent, and at the end of each year, letters are sent

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		informing them to make the necessary arrangements for paying for previously approved billboards for the new year as well.
14	It has been observed that the Company Street Sewage Pumping Station, which was constructed at a cost of Rs. 481.62 million under the Greater Colombo Wastewater Management Project and handed over to the Colombo Municipal Council on 30.11.2021, is in an inactive state.	This wastewater pumping station has been operational since February 15, 2025.
15	The construction of the wastewater treatment plant project, which began under the Asian Development Bank loan facility, is scheduled to end on June 30, 2023, and the construction of the plant has been abandoned.	A stadium belonging to the Colombo Municipal Council in the Wellawatte area had been identified as a suitable site for the wastewater treatment plant, but due to strong public opposition, many discussions were underway to select another suitable site. In the meantime, as the Asian Development Bank loan agreement had expired, further work could not be carried out.
16	According to the agreements entered into between the National Water Supply and Drainage Board and the Colombo Municipal Council to recover costs for the Colombo Municipal Council under the Institutional Development Consultancy, which is a key component of the Greater Colombo Wastewater Management Project, the Colombo Municipal Council should be	The National Water Supply and Drainage Board has paid part of the amount owed by the Colombo Municipal Council and has agreed to pay the remaining amount in accordance with the agreement.

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		of firefighters and mechanical firefighters in the fire department. In the event of a fire in buildings exceeding 20 floors, joint plans will be implemented for firefighting and rescue.
18	Whether the official residence of the Mayor of the Colombo Municipal Council and the relevant vehicles have been returned to the Municipal Council after the dissolution of the local government institutions.	Following the expiry of the term of office of the members of the Colombo Municipal Council on 19.03.2023, as per the request made by the Honorable Former Mayor to the Honorable Governor of the Western Province, the Honorable Governor of the Province has granted approval to the former Mayor to remain in the official residence until 16.04.2023, until 15.05.2023 and until 20.06.2023 by letter No. GOS/ADM/13-7923 and dated 20.04.20, and until 20.06.2023 by letter No. GOS/ADM/13 and dated 20.06.12. Thereafter, the official residence was formally handed over on 18.06.2023. (Annexure 8,9,10,11) Also, with the end of her term, arrangements have been made to return the vehicles belonging to the Colombo Municipal Council used by the Honorable former Mayor.

Palitha Nanayakkara
Municipal Commissioner
Colombo Municipal Council

Palitha Nanayakkara
Municipal Commissioner
Colombo Municipal Council