මුදල්, ක්‍රමසම්පාදන සහ ආර්ථික සංවර්ධන අමාත්‍යාංශය
நிதி, திட்டமிடல் மற்றும் பொருளாதார அபிவிருத்தி அமைச்சு
Ministry of Finance, Planning and Economic Development

පාර්ලිමේන්තුවේ පොදු ව්‍යාපාර පිළිබඳ කාරක සභාව විසින් සභාගත කරනු ලබන වාර්තා සම්බන්ධයෙන් ස්ථාවර නියෝග අංක 120(4) යටතේ ගරු අමාත්‍යවරයාගේ නිරීක්ෂණ හා ගනු ලබන පියවර පාර්ලිමේන්තුව වෙත ඉදිරිපත් කිරීම

පාර්ලිමේන්තු ප්‍රකාශනමාලා අංක 393

பொது தொழில்முயற்சிகள் குழுவினால் பாராளுமன்றத்தில் சமர்ப்பிக்கப்பட்ட அறிக்கைகள் தொடர்பாக நிலையியற் கட்டளை இல. 120(4) இன் கீழ் கௌரவ அமைச்சரால் எடுக்கப்பட்ட அவதானிப்புகள் மற்றும் நடவடிக்கைகளை முன்வைத்தல்.

பாராளுமன்ற வெளியீட்டுத் தொடர் இல. 393

Presenting the observations and action taken by the Honorable Minister under Standing Order No. 120(4) regarding the reports tabled by the Committee on Public Enterprises in Parliament

Parliamentary Series No. 393

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பாராளுமன்ற வெளியீட்டுத் தொடர் இல. 393

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நிதி, திட்டமிடல் மற்றும் பொருளாதார அபிவிருத்தி அமைச்சு

Ministry of Finance, Planning and Economic Development

Parliamentary Series No. 393

The Tenth Parliament of the Democratic Socialist Republic of Sri Lanka

(First Session)

Seven Report of the Committee on Public Enterprises

(Observations of the Treasury on the Auditor General’s reports relevant to the financial statements submitted by the Mahapola Trust Fund for the years **2022** and **2023** and the report on the proceedings of the Committee on Public Enterprises held on **09.07.2025** in relation to the current performance)

Seventh Report of the Committee on Public Enterprises

Observations of the Treasury on the Auditor General's reports relevant to the financial statements submitted by the Mahapola Trust Fund for the years 2022 and 2023 and the report on the proceedings of the Committee on Public Enterprises held on 09.07.2025 in relation to the current performance.

Matters discussed	Recommendations made by the Committee on Public Enterprises	Observations of Hon. Minister, Ministry of Finance, Planning and Economic Development
1.3 Meetings of the Board of Trustees Board of Trustees meetings had been conducted inconsistently, and in certain years, no meetings had been held.	i. Preparation of appropriate guidelines for the conduct of Board of Trustees meetings.	• The Ministry of Trade, Commerce, Food Security and Cooperative Development has informed that steps have been taken to conduct regular monthly meetings. It has further informed that guidelines for the Board of Trustees are being prepared in line with Public Enterprises Circulars.
1.4. Holding Audit and Management Committee Meetings Although Audit and Management Committee meetings are required to be held at least once per quarter, only one meeting was held in each of the years 2022 and 2023, and no meetings were held in 2024 and 2025.	i Take necessary action to make the Audit and Management Committee fully operational. ii. Ensure that a suitably qualified and competent individual is appointed as Chairperson of the Audit and Management Committee.	• It has been informed that a new Internal Auditor was appointed with effect from 22.12.2025 and that the Audit and Management Committee meeting for the last quarter of 2025 was held on 02.01.2026. • The Ministry of Trade, Commerce, Food Security and Cooperative Development has informed that the Secretary to the Ministry of Education, Higher Education and Vocational Education has been appointed as Chairperson of the Audit and Management Committee.
1.5 Corporate Plan & Strategic Plan Although the Mahapola Trust Fund had prepared a corporate plan for the years 2024 - 2026, it had not been updated for the year 2025.	i. Update the Strategic Plan in alignment with current Government policies.	• The Ministry has informed that preparation of the Strategic Plan commenced after filling senior management vacancies by December 2025 and that it will be completed and submitted expeditiously.

1.6 Composition of the Staff There were 09 vacancies in the total number of employees, including vacancies in 1 senior management position, 03 middle management level positions, 03 management assistant positions and 02 primary employee level positions.	i. Prioritize recruitment to ensure the smooth functioning of the Mahapola Trust Fund and complete the process promptly.	• The Ministry of Trade, Commerce, Food Security and Cooperative Development has informed that recruitment has been completed for 1 senior management position and 03 middle management positions. Interviews have been conducted for 03 Management Assistant positions. Approval has been sought from the Review Committee appointed by the Prime Minister's Office for 02 Primary Level positions and one Driver vacancy.
1.7 The position of Internal Auditor remaining vacant The Internal Auditor appointed on 04.04.2022 resigned on 30.07.2023. Thereafter, the Accountant of the Department of Commerce was appointed on an acting basis from 10.10.2023 but resigned on 30.04.2024. Accordingly, the position remained vacant from that date.	i. Prioritize recruitment to ensure the smooth functioning of the Mahapola Trust Fund and complete the process promptly.	• It has been informed that A new Internal Auditor has been appointed with effect from 22.12.2025.
03. Progress in implementation of recommendations of the Committee on Public Enterprises held on 8th January 2021 3.1 Recommendation No. 10 – Losses incurred by the subsidiaries of Mahapola Trust Fund. Subsidiaries concerned: • Nat Wealth Corporation (Pvt) Ltd. • Nat Wealth Securities Limited	i. Conduct a comprehensive forensic audit and submit findings to the Criminal Investigation Department or the Commission to Investigate Allegations of Bribery or Corruption based on its recommendations.	• The Ministry has informed that the forensic audit scope includes the activities of the Fund's subsidiaries and further work is expected to be carried out after receiving the relevant report. Bid evaluation activities are currently underway.

3.2 Recommendation No. 11 – Ownership of Sri Lanka Institute of Information Technology	i. Appoint a fully empowered Commission to investigate alleged fraud in the privatization process and take action against responsible parties based on the findings revealed. ii. Take necessary legal action to re-establish Sri Lanka Institute of Information Technology (SLIIT) as a subsidiary of the Mahapola Trust Fund. iii. If reconsideration is required to retransfer this institution to the Fund, seek advice from the Attorney General's Department. iv. If a review is required regarding the decision of retransferring the this institution, submit a Cabinet Memorandum through the Hon. Minister, holding the Chief Accounting Officer and Accounting Officer accountable.	• It has been informed that The forensic audit includes activities relating to SLIIT from 1999 to 2024 and Bid evaluation is ongoing. • The Ministry of Trade, Commerce, Food Security and Cooperative Development has informed that since the vesting of this institution back to the government is a government policy decision, a Cabinet memorandum is to be submitted in this regard. • The Attorney General has stated that any opinion on the relevant legal position depends on a decision of the Cabinet of Ministers. The Ministry of Trade, Commerce, Food Security and Cooperative Development has informed that such opinion should be sought from the Cabinet of Ministers.
3.3 Recommendation No. 09 – Re-launching the Online Lottery - 2021	i. Expedite investigations by the Commission to Investigate Allegations of Bribery or Corruption. ii. Provide additional information as required.	• The Ministry of Trade, Commerce, Food Security and Cooperative Development has informed that a case is pending under the Anti-Corruption Act No. 9 of 2023 (Case File No. AC/2279/2024/B-46).

04. The findings in the audit reports of the years 2022 and 2023 and the current status 4.1. Selection of eligible students and delays in Mahapola Scholarship Payments	i. Address fluctuations in student numbers as well as delays in payments and instructed to expedite the payment mechanism to ensure eligible students receive scholarships without delay. ii. Take steps to promptly recover amounts due from the Government.	• The Ministry has informed that scholarship amounts are determined based on available funds and are expected to increase proportionately with fund growth. • Action has been initiated to introduce an information system to expedite payments. Provisions have been made for the years 2022–2025.
4.3. Mahapola Trade Fair A Trade Fair was held at the Ja-Ela Municipal Council Stadium from 13–14 December 2023 to generate funds. However, according to the submitted income statement, a loss of Rs. 29,046,884 was incurred.	i. Include this matter in the forensic audit and report on actions taken.	• It has been informed that the forensic audit scope includes this matter and bid evaluation for forensic audit activities are currently underway. • A complaint has also been lodged with the Financial Crimes Investigation Division of the Criminal Investigation Department, and investigations have commenced by the Bribery and Corruption Investigation Commission.
4.4. Recruitment of officers on contract basis in the year 2023 In 2023, 05 Trade Fair Coordination Officers and 03 Management Assistants were appointed on a two-year contract basis. However, acceptable documentary evidence regarding legality, recruitment process, and basis of allowances, assigned duties, reporting structure, and supervision was not submitted for audit. Salaries were paid from July 2023 to February 2024.	1. Include this matter in the forensic audit.	• It has been informed the forensic audit scope includes this matter and bid evaluation for forensic audit activities are currently underway.

4.5 Millewa Watta Land The Fund paid approximately Rs. 200 million to the Urban Development Authority for land at Millewa Watta, Horana, intended for an International University Village. It was later revealed that ownership is vested with the Padukka Divisional Secretary and that the Urban Development Authority has no entitlement over the land and Mahapola Trust Fund had paid money for a land of which the ownership is interrupted.	1. Include this matter in the forensic audit.	• It has been informed the forensic audit scope includes this matter and bid evaluation for forensic audit activities are currently underway. • Further, as per a decision of the Board of Trustees, steps will be taken to recover the advance paid to the Urban Development Authority together with reasonable interest.