පාර්ලිමේන්තු ප්‍රකාශන මාලා අංක **222**

ආයතනයේ නම **සබරගමුව පළාත් සභාව**

පාර්ලිමේන්තුවේ රජයේ ගිණුම් පිළිබඳ කාරක සභාව විසින් සභාගත කරන ලද වාර්තා සම්බන්ධයෙන් ස්ථාවර නියෝග අංක119(4) යටතේ ගරු අමාත්‍යවරයාගේ නිරීක්ෂණ හා ගනු ලබන පියවර පාර්ලිමේන්තුව වෙත ඉදිරිපත් කිරීම

பாராளுமன்ற வெளியீட்டுத் தொடர் இலக்கம் 222

நிருவனத்தின் பெயர் **சபரகமுவ மாகாண சபை**

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

Parliamentary Series No **222**

Name of the institution:
Sabaragamuwa Provincial 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 No.119(4)

Parliamentary Series Number 222

Sabaragamuwa Provincial Council

Shortcomings identified by the Committe	Action taken by the institution to rectify the shortcomings/ current status
Note of the Auditor General - paragraph No. 2.1 (Hon.Governer's office reference number 2022, 1.5.1 (a)) When there are no provisions in the Circular of the Presidential Secretariat No. PS/CSA/00/1/4/2 dated 12th October 2018 transfer the fuel allowance of someone to another , the fuel allowance of the Hon.Governer worth of Rs.725,000 had beeen paid to her.The Secretary to the President had informed the Secretary of the Sabaragamuwa Provincial Council to recover the said payment from the officers who approved and certrified it. **Recommendations** The A.O stated that the Hon.Governer instructed him on	During the investigation conducted to recommend the recovery to the government of the monthly fuel allowance paid to his personal secretary while former Governor Tikiri Kobbekaduwa was overseas, it was recommended to recover 100% of the allowance from H.D. Sisira, the Secretary to the Governor who approved the allowance. Accordingly, by letter dated 25.07.2025, he was informed to pay the said amount to the government. (Attachment 01) In response to that, he sent a letter dated 04.08.2025 to former Governor Tikiri Kobbekaduwa, with a copy to the relevant parties. (Attachment 02) Accordingly, the amount of Rs. 725,000.00 payable by H.D. Sisira was deposited by former Governor Tikiri Kobbekaduwa on 06.08.2025 into the account bearing No. 1016461 at the Sabaragamuwa Provincial Council branch of the Bank of Ceylon, on behalf of the Governor's Secretary, and this was informed by letter dated 06.08.2025. (Attachment 03) As confirmed by the bank statement (Attachment 04) that the said amount has been credited to the office account, a receipt was issued in the name of Tikiri Kobbekaduwa. (Attachment 05) Accordingly, the relevant amount of Rs. 725,000.00 has now been recovered to this office. As per the directive of the Committee on Public Accounts (COPA) meeting held on 05.08.2025, although I was instructed to file a complaint with the Commission to Investigate Allegations of Bribery or Corruption regarding this matter, since the fuel allowance paid has now been recovered to the Provincial Council as mentioned above, I kindly request instructions on the course of action to be taken in this regard.

04.08.2022 that the fuel allowance for the period during which the Hon.Governer was abroad be paid to his Private Secretary who was to cover his duties during the period. Further, as it was revealed at the Committee that the Chief Secretary had replied to the above letter sent to him by the Secretary to the President, the Committee directed the C.A.O/A.O to take the necessary steps after the Secretary to the President replied to it.	

note- paragraph No. 2.1 (Hon.Governer's office reference No. 2022. 1.5.1 (a)) Even though a vehicle of the Governer's secretary' office had met with an accident in 2020 and repaired, the insurance claim of Rs. 5,983,937 pertaining to the repair had not been obtained from the Insurance Company. **Brief Note of the Auditor General – paragraph No.4.2** Despite the insurance Company's agreement to pay a sum of Rs.25 Million by considering the damage caused to a vehicle belonging to the Chief Ministry in 2017 as a full damage, the then Chief Secretary had turned down that compensation and handed over the vehicle to a private garage in 2018 and got the said Insurance company to pay a sum of Rs. 3,063,690 to the private garage in March 2019 in contravention of the procurement guidelines. However, four years since then,	dated 25.07.2025 (Attachment 06), directing to take further necessary action in accordance with Cabinet Decision No. 18/Misc(019) dated 31.05.2018 under the inter-institutional legal procedure titled "Taking legal action to recover insurance compensation amounts from the Sri Lanka Insurance Corporation", the Secretary to the Ministry of Public Administration, Provincial Councils and Local Government has forwarded a letter dated 31.07.2025 to the Secretary of the said Ministry for taking further action in this regard. (Attachment 07) The prepared report is submitted herewith (Attachment 08), and a committee of inquiry has also been appointed for this purpose. I wish to inform you that arrangements will be made to submit it as soon as the report of the inquiry committee is received.

the vehicle has not been brought back to the Provincial Council and the insurance compensation too had not been obtained. **Recommendations** The C.A.O/A.O was recommended by the Committee to submit a report about the two vehicles belonging to the Governer'e Secretary's office and the Chief Ministry to the Committee within a month (before 25.09.2023).	
– paragraph 2.2 (Provincial Council Secretariat – Referance number 2022, 1.5.2(b)) Though there are 22 employees attached to the Provincial Council Secretariat a lot of work including the Committees have come to a standstill with the dissolution of Provincial Councils. However, the excess employees who have been there for 5 years have not been deployed in other offices until the Council resumes. **Recommendations** The Committee directed the C.A.O to inform the decision of the Ministry of Public	Regarding this matter, the Secretary to the Ministry of Public Administration, Provincial Councils and Local Government, vide letter No. PL/6/7/NPC dated 17.07.2025, has informed the Chief Secretary that a proper work study should be conducted to determine the required cadre, and accordingly, a provincial council cadre review is being carried out. It has also been stated that, with the intervention of the Ministry of Public Administration, Provincial Councils and Local Government and with the support of the Asian Foundation, such cadre reviews for provincial councils have been conducted during the period from 17.01.2024 to 27.11.2024 under the guidance of the Secretary to the Ministry of Finance, Economic Stabilization and National Policies. Furthermore, the Management Services Department commenced the cadre review programme on 07.03.2025 and has completed the training programmes at the provincial level. The study of the staff proposals of the Eastern Provincial Council was scheduled to be conducted from 11.08.2025 to 15.08.2025, while the relevant activities for the other provincial councils are to be carried out in the near future. (Annex 09) Accordingly, the Management Services Department conducted a provincial council cadre review programme for this provincial council on 08, 09, 10, and 11 September 2025. The reports prepared on the cadre revisions that came to attention during the programme have been submitted to the Chief Secretary. Accordingly, future actions will be taken in line with the instructions to be provided. With reference to the above matter, by letter no PL/6/7/NCP dated 17/7/2025,the Chief Secretary has been informed by the Secretary to the Ministry of Public Administration, Provincial Council and Local Government that the Secretary to the Ministry of finance,

Administration Home Affairs, Provincial Councils and Local Government in relation to deploying the excess employees of the dissolved Provincial Councils in a meaningful manner within the province, before 24.10.2023.	Economic Stabilization and national Policies had been informed by letter dated 17/01/2024 and 1/03/2024 to carry out a proper work study in order to determine the necessary staff and to review the carder of provincial council, and that programs to make provincial Council Officers aware of the guidelines to be adhered to during the staff review process were conducted from 20.08.2024 to 27.11.2024 under the patronage of the of the Asian Foundation with intervention Of the ministry of Public Administration, Provincial Council and Local Government and that the study of the staff proposal submitted by the Eastern Provincial Council is scheduled to be conducted during the period from 11/08/2025 to 15/08/2025 and that the relevant functions relating to other provincial Councils are expected to be carried out in due course. (annexture 09). Accordingly , the staff review programs were conducted by the Department of Management Service in this Provincial Council as well from 08.08.2025 to 11.08.2025 the Report highlighted therein, pertaining to the carder amendments were prepared and submitted to the chief Secretary and measures will be implemented following the future instructions provided. However, 03 of the Management Service Officers of this office have been assigned to Ministry of Provincial Education, chief ministry and Ministry of Industry from 15.02.2024 to effectively manage the existing staff as pointed out by the Audits and since one of the said officers has been received a Teaching Post, she has been released from the office of Management Service. Moreover, it has been taken steps to assign 05 of the Development Officers to the Chief Ministry and to the Deputy Chief Secretary (Finance Management) Office. Further, two of the KKS s have been assign to the deputy chief secretary (Finance Management) and to the The department of the probation and child care one of Development Officers has taken no pay local leaves for 5 years. As above, the staff have been managed to the best and since the general office affairs such as establishment, administration, accounts, procurement, building maintaining except the affairs of Council Division have to be carried on after implementing, the relevant duties have been handed over to the remaining staff and are conducting effectively and actively. Moreover, I do hereby kindly inform you that it is necessary to put a sufficient staff to the service of this office since the Provincial Council shall be implemented as previously after the Election of Provincial Councils and since there is no set notice has been given regarding the specific dates of the observance of the election and since we have to be in the anticipation with regard to conducting the election and establishing the council afterwards. The below mentioned details are on the no. of staff in this office as at 09.10.2025.

Rank	Allocated no. of Officers	Staff as at the day that the discussion of the COPA held on 24.08.2023	No.of staff as at 09.10.2025	Existing Vacancies	Assigning to other institutes	Local Leace taken 5 years
Develsopment Officers	09	08	02	01	05	01
Management Service Officers	10	10	07	01	02	-
KKS	05	04	03	-	02	-
Total	24	22	12	02	09	01

Note of the Auditor General – paragraph 2.4	• The relevant ministries and departments have been instructed to complete the relevant projects in a manner that enables them to be put into use/operation.

(Office of the Deputy Chief Secretary (Engineering Services) Ref. No. 2022, 1.5.5(a))

As per the National Budget Circular No.03/2022 dated 26.04.2022, even though the essential parts of the partly completed projects have to be completed 40 constructions worth of Rs. 524,613,811 in Kegalle, Dehiowita, and Rambukkana have been stalled.

Recommendations

The committee directed thew C.A.O/A.O to follow up the partly completed projects and make arrangements to utilize them efficienty and subit a report in that regard to the committee within a month (before 25.09.2023).

- From 2023 to 2025, actions are being taken to include it in the action plan every year and to obtain allocations under several phases/stages.
- Following formal procurement procedures, selecting bidders and awarding the relevant contracts.
- Taking action to settle bills/payments for completed works.
- Putting into use/operationalizing the successfully completed and handed-over projects.

Details of the project	Ministry				Number of projects
	Ministry of Education, Information Technology and Cultural Affairs	Chief Ministry	Ministry of Social Welfare, Probation and Child care, Rural Development and Rural Industries	Provincial Director of Education (Gatangama)	
Number of projects completed	22	05	02	02	31
Number of projects in progress	04	-	01	03	08
Projects in the evaluation process to select a bidder	-	01	-	-	01
Total					40

I present the current status of the above industries through Annexure 10.

Note of the Auditor General – paragraph 2.5 (Provincial Revenue Department – Ref.No. 2022, 1.5.6(a) ii)

The provincial revenue department has not assessed the accuracy of the

Regarding the above matter, at the discussion held on 22 November 2023 at the Ministry of Provincial Councils and Local Government, the weaknesses in the method of obtaining information from the relevant Land Registrar's Offices for the purpose of collecting stamp duty were discussed. On that occasion, the Wayamba Province Revenue Commissioner presented views regarding the online method that had been prepared by the Southern Province Revenue Department at a research level for implementation. Even at that time, we had developed a computer program using Google Sheets software to connect online with the Land Registrar's Offices in the Sabaragamuwa Province. However, due to the Land Registrar's Offices continuously failing to provide data, it has become inoperative. (Annex 11)

Subsequently, letters were sent on multiple occasions to the Land Registry Offices in the Sabaragamuwa Province regarding this matter on the following dates: 08.11.2022,

stamp duty charged for 59 deeds of Gift of Rs.95,400,000 registered in the years 2019 and 2021 and 3004 deeds of more than Rs.05 lakhs worth registered at the Ratnapura land registrar's office in 2021. **Recommendations** The C.A.O/A.O of the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government was directed by the Committee to prepare a suitable programme to assessing the number of gift deeds registered in all 09 provinces and the accuracy of the stamp duty charged for the registered gift deeds, the amount of additionally calculated fees should be properly obtained and a suitable program should be prepared to increase the revenue in the provinces and report to the committee before 24.10.2023	20.12.2022, 15.02.2023, 29.08.2023, 07.05.2024, 29.05.2024, and 30.09.2024. However, no response has been received to date in this regard. (Attachment 12) Despite this situation, the online computer program that has been implemented by us since 2019 — which was created by the Southern Province Revenue Department — was further modernized. A new computer program enabling online connectivity with the Land Registry Offices was studied on 23.05.2025. The next steps for purchasing this computer program are currently being implemented in accordance with the instructions of the Provincial Council Treasury. (Attachment 13) Additionally, regarding the aforementioned matter, a decision taken at the Provincial Council Ministry on 22 November 2023 included the following: "For each Provincial Revenue Department to fully generate its provincial revenue, the respective department must prepare and submit a proposal within 02 weeks, containing details such as: the minimum required staff, facilities needed to implement an online system, the current number of deeds being examined, the number of deeds that could be examined if facilities are available, the current revenue earned, and the potential revenue that could be earned." This was duly communicated. Accordingly, the prepared justification report was submitted to the Management Services Department on 01 December 2024, but no response has been received to date. (A copy was also submitted to the Provincial Council Ministry.) (Annex 14) Furthermore, in accordance with the 2025 staff review programme, an assessment report including the requirement for valuation officers has also been prepared and submitted. (Annex 15) However, even though information related to approximately 35,000 deeds registered annually at the Sabaragamuwa Provincial Land Registrar's Office can be obtained in the future through the online system by this department, we once again clearly state that we have no capacity whatsoever to examine all those deeds to verify the accuracy of their valuation. The 11 valuation officers currently approved within the staff cadre are in no way sufficient to examine and verify correct valuations for stamp duty payments on the transfer of immovable property in 29 local government institutions. Although annual revenue collection in this department has increased, there has been no increase in the number of revenue collection officers since 2009. This is a very serious issue, and it was also revealed during the discussion held on 02 April 2025 at the Ministry of Finance with all Revenue Commissioners. (Annex 16) Nevertheless, in order to increase **stamp duty revenue**, by utilizing the limited existing staff more productively and efficiently, **Circular No. 04/2023** of the Commissioner General was issued, effective from **15 October 2023**. (Annex 17) Through this, by invoking **Section 54** of the **Finance Act**, a process was initiated to refer to this Department deeds presented by the general public to **local authorities** and **banking institutions** for confirmation of the correct value. Through this new measure, it has been possible to increase the opening of files, and as a result, **stamp duty revenue** has been significantly increased compared to before. (Annexes 18, 19) However, due to the existing shortage of **valuation officers**, it has not been possible to examine a larger number of deeds based on the information received from **Land Registrar's offices**. This is because assigning excessive workload to officers has made

	it necessary to update the daily tax imposition process, and providing a very prompt and efficient service to the tax-paying public is an essential factor. Nevertheless, by applying some solution to this as well, through **digitalization**, in every possible instance without physical inspection of properties, by utilizing technology (such as **Street View, Google Maps**, and relying on existing data in the data system), it has been possible to enhance the capability and efficiency of valuation officers in inspecting properties. In addition, **Section 6** of the **Notaries (Amendment) Act No. 21 of 2022** was amended, along with **Section 62** of the **Finance Act** (obtaining the valuer's certificate regarding the value of the property). It has also been proposed to the Ministry of Public Administration and Provincial Councils to mention the correct value before registering a deed under compulsory registration, and letters have been sent in this regard. (Attachment 20) However, even though the number of files opened annually for checking the correct value can be increased by implementing all these steps, due to the non-increase in the number of valuation officers relative to that, the speed of revenue growth remains further limited. Considering all the above matters as a whole, although revenue can be increased through the maximum contribution, efficiency, dedication of the limited number of officers, moving towards modern technology, and implementing new ideas, the shortage of valuation officers continues to be a severe problem in further increasing the contribution of this department to establish financial self-stability in provincial administrative institutions, and no solution has been received for this so far. Current Progress In the years 2019 and 2021, out of 59 gift deeds registered for a total value of Rs. 95,400,000, stamp duty of Rs. 1,754,500/- has been paid at the time of registration for 56 deeds, and 3 deeds have been excluded as they belong to other provinces. The progress of checking the accuracy of the stamp duty charged on those 56 deeds is shown in Attachment 21.
Note of the Auditor General – paragraph 2.6 (Auditor General's Ref. No 2019, 5.6) The Provincial Ministry spent Rs.120,710,188 for the construction of a five-storey dormitory at the Pussella Training Center in 2019, after which the construction was abandoned and	The foundations provided to the State Engineering Corporation (Development Design and Construction Authority) for the construction of the new hostel building at the Pussalla Training Center have been fully settled as of 25 July 2024. The first phase of the construction of the five-storey building has been completed as of 31 December 2024 under the provisions of the Chief Secretary's Office and under the supervision of the Deputy Chief Secretary (Engineering Services) Office, while the activities of the second phase are currently in progress. Following an inquiry regarding the current progress of this building, the report prepared and submitted by the Deputy Chief Secretary (Engineering Services) Office is attached hereto. (Annex 22)

Rs.24,702,328 of the advance payments given to the contractor had not been collected until now, and no action was taken against the contractor. Also, it was not possible to settle the balance due due to the lack of security for the work of Rs.6,035,509 for this center. **Recommendations** The A.O was directed to submit a full report on this incident including the abandonment of the construction of the building and the unpaid advances from the contractor.	
Note of the Auditor General – paragraph 2.7 (Department of Health Ref.No 2022, 1.5.8(a)) According to the Private Medical Institutions Registration Act No. 21 of 2006, 68 unregistered medical institutions have been established and maintained in the province even though private medical institutions must be registered with the Private Health Services Regulatory Council and the income earned from the regulation of those	Out of the 68 unregistered institutions, 35 institutions have now been registered with the Private Health Services Regulatory Council. At present, 23 institutions are not in operation. It was identified that 4 institutions do not fall under the purview of the Private Health Services Regulatory Council, and that the names of 3 institutions are indicated at the same location. An application for registration has been submitted for the Gamlath Medical Laboratory operating at No. 73/A, Bulathkohupitiya. Only 2 institutions have not yet completed the registration process, and further actions in this regard are currently being taken. At present, 50% of the revenue due to the Sabaragamuwa Provincial Council from the registration of private medical institutions is being credited to Account No. **0001016298** maintained at the Super Grade Branch of the Bank of Ceylon, in the name of the Provincial Chief Secretary. (Annex 23) An amount of **Rs. 1,165,359.56** that was available in the account previously maintained by the Provincial Department of Health has been credited to the Provincial Council Fund on **24.09.2024**. (Annex 24) Accordingly, there is no remaining balance in the said old account. Fuel, telephone, and postal expenses of the Commission Section responsible for the registration of private medical institutions have been paid through the Departmental Expenditure Head. An amount of **Rs. 1,000,000.00** relating to the year 2023 has been credited to the Chief Secretary's account. With regard to the funds relevant to the year 2024, the Commission stated at the previous meeting that the amounts will be credited to the Provincial Council accounts within the next few months.

institutions has not been properly remitted to the provincial council. **Recommendations** The Committee recommended to the C.A.O/A.O to submit a report regarding the problems of regulating unregistered medical institutions and private medical institutions in the province should be submitted to the committee before 2023.09.01.	
<u>Note of the Auditor General – paragraph 2.9 (Co operate Development Department- Ref.no 2021, 1.5.6 (c))</u> The Committee observed that the Co operative Department charges an arbitration fee from the Co operative societies to settle disputes and the Co operative Development officers who are involved in settling disputes are paid an arbitration payment. In the year 2021 a sum of Rs. 4,276,848 had been paid as arbitration allowances and a sum of Rs. 1,863,515 had	

been paid as incentives for the officers involved in law enforcement duties.	
<u>**Note of the Auditor General – paragraph 2.10 (Local Government Department-ef.No. 2019, 5.4(a))**</u> The committee noticed that the local government department had approved a monthly fuel allowance subject to a limit of Rs. 5000 while a monthly quota of fuel is made available to the heads of Local Government institutions. **Recommendations** Act a local government body has the power to approve allowances subject to the approval of the Minister in charge of the subject and such an expense approved by the Minister shall not be rejected by the Auditor General the C.A.O was directed by the Committee to provide a legal interpretation on the power over the said matter and the power a Governor, the Board of Ministers of a provincial council (when a provincial	• Considering the facts revealed by the **National Audit**, the fuel allowance that had been provided to people's representatives in local government institutions as well as to Mayors and Chairpersons was **abolished** by the Provincial Councils Commissioner Circular No. 03/2012(V) dated **14.11.2023**. (Annex 25) • All circulars related to the payment of fuel allowance to the heads and members of local government institutions have been **abolished** by my letter No. CLG/AD/1/8/9/Circular and the letter dated **27.06.2025**. (Annex 26) • Regarding the payment of allowances to members, the provisions notified by His Excellency the Governor in the **Extraordinary Gazette** No. **2440/21** dated **12.06.2025** apply to **Municipal Councils** (Annex 27), and the rules notified by His Excellency the Governor in the **Extraordinary Gazette** No. **2438/63** dated **30.05.2025** apply to **Urban Councils** and **Pradeshiya Sabhas** (Annex 28). • The fuel limits for the official duties of Mayors of **Municipal Councils** and Chairpersons of **Urban Councils** and **Pradeshiya Sabhas** have been imposed based on the decisions of the respective council's main assembly, and accordingly, a fuel allowance of **Rs. 5,000.00** is **not** paid.

council is functioning) a Local Government Body has in relation to approving such allowances.	
Note of the Auditor General – paragraph 2.11(Provincial Ministry of Road Development, Tourism, Rural Infrastructure and Sports and Youth Affairs – Ref. No. 2022, 1.5.12(b)) The advance of Rs. 4,812,643 given by the Provincial Ministry of Roads to start industries had not been settled even after 14 years, at the end of 2021. **Recommendations** The Committee recommended the C.A.O/A.O to submit a full report of such unsettled advances.	Despite numerous notices being sent on multiple occasions to the addresses provided by the said contractors to the Ministry for the purpose of recovering these **advance/earnest money** amounts, it has not been possible to obtain definite information regarding their residence. The contractors themselves had filed cases in the **Sabaragamuwa Provincial Civil Appellate High Court** in August 2008 under case numbers **WA 79/2008, WA/85/2008, WA/87/2008, WA/81/2008, WA/107/2008, WA/108/2008, WA/109/2008**, and judgments in those cases were delivered in the year **2009**. Subsequently, appeals were filed again in relation to this matter in the **Court of Appeal** starting from 2009 under case numbers **CA/PHD/185/2009, CA/PHD/186/2009, CA/PHD/187/2009, CA/PHD/188/2009, CA/PHD/190/2009, CA/PHD/191/2009, CA/PHD/192/2009**, and the hearing of these cases continued until **31 August 2016**. Even in the cases filed in the Court of Appeal, these contractors did not appear. Due to this situation, it has not been possible for a prolonged period to hold discussions with the contractors or to contact them to proceed with further actions. On 2020.07.03, discussions were held with the Attorney General's Department to obtain advice regarding the future course of action to be taken in relation to this issue. Following those discussions, the Attorney General's Department, vide letter No. E/84/2020/PCSP dated 2021.01.07, advised to proceed with arbitration against the contractors for the recovery of the outstanding mobilization advance payments due from them. (Annex 29) In accordance with that advice, on 2021.02.22, a request was made to the Attorney General to provide necessary legal assistance to initiate arbitration proceedings against the contractors for non-payment of the outstanding mobilization advances. The required information and documents for this purpose were forwarded to the Attorney General's Department on 2022.01.26. (Annex 30) Since three bills related to these three projects are still held by the Ministry of Provincial Roads, a letter dated 2023.12.15 was sent requesting legal advice as to whether a portion of the outstanding balance could be recovered by set-off against those unpaid bills. However, no response has been received regarding this matter. (Annex 31) Letters were sent to the Chief Legal Officer's Unit on 2023.04.28 and 2023.09.14 inquiring about the current status of this matter. Since the progress on this issue is required to be submitted to the Committee on Public Accounts, a further letter was sent to the Chief Legal Officer's Unit on 2023.11.30 inquiring about it again. Since no response had been received on this matter so far, a letter was sent again to the Secretary on 2025/05/22 inquiring about the progress.

	In this regard, the Secretary referred a letter to the Legal Unit inquiring about the progress. (Attachment 32). At the Audit and Management Committee meeting held on 2025/07/08 at the Ministry of Roads, after extensive discussion regarding these three projects, since the three bills related to these three projects are held by the Provincial Roads Ministry, a proposal was made by the Secretary to obtain a decision through a committee as to whether a portion of the outstanding advance balance could be settled. Accordingly, a request was made on 2025/07/17 to appoint the said committee. (Attachment 33). In response to that request, the Secretary granted approval to make a decision through the committee and to appoint the committee. Accordingly, the committee was appointed on 2025/07/18. (Attachment 34). Since the three bills related to these three projects are held by the Provincial Roads Ministry, a proposal was made by the Secretary to obtain a decision through a committee as to whether a portion of the outstanding advance balance (Rs. 2,329,185.77) could be settled. Accordingly, the committee was appointed on 2025/07/18 and its report was submitted on 2025/07/31. (Attachment 35). According to the committee report, since there is no outflow of provincial council funds (as it is only an adjustment between accounts), it is recommended to make the first part of the payments by settling a portion of the bill value from the imprest money, subject to the decisions taken after conducting a full loss and damage assessment. Accordingly, on 2025/08/12, a request was made to the Secretary to appoint committee members for this loss and damage assessment. On 2025/08/22, the committee was appointed under the chairmanship of Director Roads P.R.S. Palihawadana. (Annex 36) Since the Chief Accountant and Assistant Secretary (Ministry of Roads) who were appointed as committee members in that loss and damage committee have been transferred, a request was made to the Secretary to appoint committee members in their place. In their stead, the Chief Accountant (Budget) and Assistant Secretary (Ministry of Industries) were appointed as committee members. (2025/09/30). (Annex 37) On 2025/11/04, the full loss and damage committee met at the Ministry auditorium under the chairmanship of P.R.S. Palihawadana, and during that meeting, a decision was taken regarding Bibele Oya (or possibly "Bibilioya", likely referring to a location such as Bibele Oya/Bibele stream/area). A request was made to obtain the files related to • the construction of the bridge on the Nawala road, • the construction of the Kirihena Madawala road, • the construction of the Panawala Maniyangama road through the Executive Engineer's offices (Rambukkana and Dehiowita). (In other words: "It was requested to provide the files for the construction of the Nawala road bridge, Kirihena–Madawala road, and

Note of the Auditor General paragraph 2.14 (Department of Industries Development) Ref. No. 2022, 1.5.15.1(a)) Land and buildings worth Rs.6,200,000 remained idle between 2007 and 2017 due to the closure of 03 meat processing centers in Kegalle district. **Recommendations** The A.O stated before the Committee that one Textile Center is run as a Batik training center and the Divisional Secretary has been informed in writing to take over the other two centers. The Committee recommended to the C.A.O/A.O to make arrangements to utilize the idling buildings usefully and report about it to the Committee.	• **Puwakdeniya Vocational Training Institute** Operating in accordance with the approval granted by the letter dated 20.07.2020 of the Secretary to the Ministry of Social Welfare, Probation and Child Care, Rural Development and Rural Industries of the Sabaragamuwa Province, the land and building were handed over to the Kegalle Divisional Secretary on 20.03.2024. At present, this building is being used for batik-related production activities and craft-related production. • **Hewadiwela Vocational Training Institute** In December 2015, this building along with the land was handed over to the Rambukkana Divisional Secretary. Furthermore, at present, the Semawul Bima Mal Cooperative Society has initiated a Bima Mal (ground flower/soil-related flower?) project in this building and land. • **Aerewpolamulla Vocational Training Institute** In accordance with the approval of the Secretary to the Ministry of Social Welfare, Probation and Child Care, Rural Development and Rural Industries of the Sabaragamuwa Province, it was handed over to the Ruwanwella Divisional Secretary on 12.09.2023. Additionally, the Divisional Secretary of Ruwanwella has informed that the roof of the building has been renovated and arrangements are being made to utilize it for a government public purpose.
Note of the Auditor General – paragraph 2.15(Ministry of Education, Information Technology and Cultural Affairs – Ref.No 2020, 1.5.13(a)) The Provincial Ministry of	Advance amount given = 6,249,934.74 Amount paid from bills No I to III Bill no I = 654,684.45 Bill no II = 598,897.86 Bill no III = 930,036.80 = 2,183,619.11 Outstanding advance amount subject to audit inquiry = 4,066,315.63 Amount paid from the bill no IV = 1,403,574.02 Amount paid from the bill no V = 361,245.08 10% Retention = 883,825.81 The amount of the price escalation = 373,978.44 Settled amount by the contractor = 1,043,691.28

Education spent Rs.8,977,624 to construct a building at Kegalle/Ambepussa Maha Vidyalaya until 2019 and then abandoned the construction and the performance guarantee of Rs.1,041,656 expired in October 2019 and the advance guarantee in March 2020. Also, non recovery of Rs.4,066,315 from paid advances. **Recommendations** The committee recommended to A.O. to submit to the committee before 24.10.2023 about the uncollected advances and the plan to use the abandoned college building.	4,066,315.63 This building is currently being used to meet the classroom needs of students' of the school.
<u>Note of the Auditor General – paragraph 2.16 (Department of Education) Ref.No. 2022, 1.5.17(h))</u> 475 principal posts, 67 deputy principal posts, 116 assistant principal posts are vacant in the province and 14 deputy principal posts are in excess in the Mawanella Zonal Education Office.	Suitable schools have been identified in the province for the placement of additional principals, and recommendations have been sent to the Provincial Ministry of Education accordingly. The ministry has taken the necessary steps to deploy those officers.
<u>Note of the Auditor General – paragraph 2.17</u>	• Currently, essential surveying requirements at the Divisional Secretariat levels are referred to the Survey Department by the Divisional Secretariats.

(Department of Commissioner of Lands) Ref.No. 2022, 1.5.19(c)) Although 615 measurement requests received between the years 2019-2022 in the Sabaragamuwa province were forwarded to the measurement officer of the department in each year, the measurement of 526 requests had not been done by September 2022. **Recommendations** Furthermore, the committee recommended that the tax revenue that should be collected from the land given for the hydroelectric power plants in the province should be recovered and priority should be given to those that generate income.	According to the Divisional Secretary division level data for the Ratnapura Distrcit, 220 measurement requests have been carried out, and for the Kegalle District, 46 measurements have been carried out by the District Surveyor's office from 2023 to 30.06.2025.(Apendix 38)
Note of the Auditor General – paragraph 2.19(Department of Animal Production and Health - Ref.No. 2022, 1.5.21(a)) While it was revealed that a sum of Rs. 4,213,900 had been paid from 1993 to 2022 for 4 Veterinary offices maintained in private buildings as	The veterinary facility (or service) in Pelmadulla has been operating in a rented premises since 1993. From 2003 until 30 June 2025, repeated requests were made to various state institutions in the area for land or a building to be allocated for this purpose. On 30 June 2025, the Pelmadulla Divisional Secretary finally gave a positive written response to the Pelmadulla Veterinary Officer regarding this matter. (Refer to Annexes/Attachments 39,40,41,42,43,44,45,46,47,48,49,50,51,52,53) **Bulathkohupitiya** – It has been operating in a rented house since 2011. For this purpose, requests have been made from 2011 up to 27.06.2025 to state institutions in that division to obtain land or a building. Among those, on 02.12.2024, the Veterinary Surgeon identified a land for the veterinary office and made a request to the **Land Reform Commission** to obtain ownership of it.

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<td>the rent, the Committee recommended the A.O to look into the possibility of running them in government buildings</td>
<td>However, by the letter dated 06.01.2025, it has been informed that since there is an ongoing court case regarding that land, it is not possible at present to take any action in that regard.

(Attachments54,55,56,57,58,59,60,61,62,63,64,65)

Nivithigala - Since 2007, it has been operating in a rented house, and for this purpose, requests have been made to state institutions in the said division from 2014 up to 2025.06.24 to obtain land or a building. Accordingly, based on the request made in the letter dated 2024.06.11, the Nivithigala Divisional Secretary has expressed consent to allocate a portion of land. (Annexes 66,67,68,69,70,71,72,73,74,.)

"The building in which the Rakwana office was being operated had its walls cracking and the roof was on the verge of collapsing. Additionally, since the relevant building did not belong to us, it became necessary to move to a rented building from 2022 onwards. At present, procedures are underway to acquire that portion of land. Inquiries have been made as to whether there are government buildings available for operating the office. (Annexes 75,76,77,78)

Current Status

1. Pelmadulla At present, the veterinary office is being operated in a rented building. The Pelmadulla Divisional Secretary, through a letter dated 2025.06.30, has indicated two land portions, and action is being taken to obtain one of them.
2. Bulathkohupitiya Up to now, it has not been possible to obtain a government building or land. Therefore, arrangements are being made to identify and acquire a private land.
3. Nivithigala The Nivithigala Divisional Secretary has given agreement to allocate land within the Yakdehiwatta Grama Niladhari Division, and surveying / land measurement activities are being carried out for that purpose. By the letter dated 2024.07.02, it has been referred to the Senior Surveyor General (Ratnapura).
4. Rakwana — At present, Section 4 of the Land Acquisition Act is being implemented, and actions are also being taken under the interim procedure of Section 38(a) of the Land Acquisition Act to obtain possession. (Annexures 79, 80)</td>
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<td><u>Note of the Auditor General – paragraph 3.1 (Development Design and Machinery Authority- Ref.No. 2022, 1.5.7.1(b) i)</u></td>
<td>Finally, the following committee appointed by the Chief Secretary to the Ministry on 30.04.2025has completed its preliminary investigation. The final report is being prepared.

1. E.L.Chandrasena - Chairman
Retired Secretary to the Ministry of Lands, Provincial Irrigation, Agriculture, Animal Health and Fisheries

2. H.A.K. Dyaratna – Member
Technical Officer (Retired)</td>
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According to the preliminary investigation report issued in January 2022 regarding the Sabaragamuwa Development Design and Machinery Authority by the Provincial Chief Ministry Secretary, Rs. 54,394,444 damages were not taken to be recovered from the responsible officials. **Recommendations** Accordingly, the committee ordered the C.A.O/A.O to submit a report containing the damages identified, responsible officials and matters related to the recovery of the money before 24.10.2023.	3. S.W.S.N. Amarasinghe - Member Investigating Officer, Local Government Department
<u>Note of the Auditor General – paragraph 3.1(Development Design and Machinery Authority- Ref.No. 2020, 1.5.4.2(a))</u> 02 preface production machines worth Rs.29,900,000 received as a grant to the Development Design and Machinery Authority have been idle since the date of acceptance in 2015.	**<u>Asphalt plant – Thoranagoda</u>** A buyer was selected to self the machines by calling for bids through a newspaper advertiecement. The valuation department has carried out the caluation' After the procurement process , the nuyer has been informed to take the machines. **<u>Asphalt plant – Undugoda</u>** There is a delay in providing the valuation report by the Valuation Department. Due to this, the Technical Committee has not been able to provide technical evaluation reports. Once the valuation report is received. The procurement decision can be completed very quickly.

Recommendations The committee ordered the A.O that a report be submitted to the committee before 24.09.2023 regarding the effective use of the idle machines under an alternative method.	
<u>Note of the Auditor General – paragraph 3.2(Industries Development Authority – Ref.No. 2021, 1.5.9.1(a))</u> Outstanding balance of Rs.5,564,032 more than one year old related to Balavinna Precast Concrete Yard has not been settled. **Recommendations** The committee recommended to the C.A.O/A.O . to submit a report to the committee before 24.09.2023 that includes the program related to the recovery of the debtor balance and the amount of money to be recovered (Outstanding Balance).	Institutional action has been initiated with regards to recovering this money. In that, as per the letter dated 2023.11.20, a report on the progress of recovering outstanding loan balance was submitted to the Committee on Public Accounts. A balance of Rs. 1,896,790.00 out of the outstanding balance of 2,030,679.65 that was to be recovered on the date.
<u>Note of the Auditor General – paragraph 3.3 (Pre Childhood Education Development</u>	At present, the 87 preschool teachers who had not previously completed the diploma have now completed the preschool teacher training course.

Authority-Ref.No. 2022, 1.5.16.1) Only 1450 teachers out of 1537 pre-schools have completed the diploma course related to early childhood development as per the provincial charter. **Recommendations** The committee also recommended to the A.O. to prepare and implement a training program related to the development of early childhood education for the teachers of 87 pre schools who have not completed the diploma.	
Note of the Auditor General – paragraph 3.4 (Road Passenger Transport Authority- Ref.No 2022, 1.5.7.4.(b) iii) The outstanding Log Sheet income of Rs. 7,462,850 from 74 Bus Stations belonging to the Road Passenger Transport Authority in 2021 and 2022 and inter provincial entrance fee of Rs. 1,134,500 have not been recovered from 46 buses **Recommendations**	Here is the English translation of the provided Sinhala text. It appears to be an excerpt from an audit report, financial statement, or revenue collection shortage summary (likely related to vehicle revenue licenses/vehicle registration fees in Sri Lanka, given terms like "ලොග් පතු" referring to log sheets or revenue license records for vehicles): **Log Sheet revenue inarrears for the year 2022 Rs. 7,702,300.00** **Total amount collected Rs. 1,095,850.00** **Exemptions granted Rs. 79,150.00** **Incorrectly recorded Rs. 132,550.00** **Without a license Rs. 187,650.00 (Annex 81)** **Rs. 6,162,150.00 Rs. 7,662,600.00** **Amounts to be collected in the future (Annex 82) Rs. 39,700.00** **Inter-provincial entry fees of Rs. 871,400 not collected from 46 buses**

The committee recommended to theC.A.O./A.O. to submit a document containing the information of the inter provincial buses running without permission from the Road Passenger Transport Authority before 24.09.2023.	
<u>Note of the Auditor General – paragraph 3.5 (Sabaragamuwa Library Board – Ref.No. 2022, 1.5.7.3 (b))</u> Though the Library Services Board has been established with 17 objectives, it has failed to achieve them. Despite the payment of Rs.5,545,424 from 2015 to 2022 as allowances the objectives of the board have not been achieved and although the Board has purchased 20651 books to the tune of Rs. 8,800,000 in 2016 7028 of them had not been put to use and had been stacked in a hall in the library for 8 years.	The Sabaragamuwa Provincial Library Services Board was establishedunder the Sabaragamuwa Library Services Board Statute No. 02 of1998 to develop, support, promote, and enhance the quality of libraries in the Sabaragamuwa Province. It was formed to establish a regional library services board to implement procedures for these objectives and other related or ancillary matters. On 24.08.2023, during the 4th session of the 10th Parliament, the Committee on Public Accounts discussed the inability of the Sabaragamuwa Provincial Library Services Board to achieve the objectives under Order 29. However, this situation has now been rectified. According to the statute, the Library Services Board should fulfill 17objectives listed alphabetically from අ ' to 'ඪ' (as per Annex 01). Under the current situation, the Board has taken steps from 2023 to 2025 to achieve these objectives by implementing various programs, training workshops, literary events, etc., for public, school, special religious institutions, volunteer, rural volunteer organizations, and estate sector libraries. Accordingly: 1. Annex 02 – Programs conducted by the Library Services Board in 2023 2. Annex 03 – Programs conducted in 2024 3. Annex 04 – Programs conducted so far in 2025 In addition to the above, the following library science-related activities have been initiated by the Library Services Board: ⍰ Annual purchase of author publications – Objective (ඖ) ⍰ Purchase of new publications from 2025 onwards – Objective(ඖ) ⍰ Launch of Indian Corner – Objective (ඊ) ⍰ Introduction of interlibrary loan services (2025) – Objectives (ආ, ඇ) ⍰ Providing auditorium facilities at concessionary rates for literary events to encourage authors in Sabaragamuwa (2025) – Objective (ඊ) ⍰ Providing discounts to authors under the incentive program: (ඊ) o No discount for books priced under Rs. 500 o 10% discount for books priced between Rs. 500 – Rs.2000 o 20% discount for books priced above Rs. 2000 ⍰ Identification and registration of rural volunteer organizations, voluntary libraries, and estate sector libraries under the statute (2023) – Objectives (අ, ආ, ඇ, ඉ) o 35 rural volunteer organization libraries, 6 voluntary libraries, and 1 estate sector library have been identified ⍰ Training workshops in 2024 for library custodians of the above libraries on library science and best practices – Objectives (අ,ආ,ඇ,ඉ). Printed training manuals were distributed during these sessions

	⍰ Establishment of the book binding unit (2023) – Objective (ට) ⍰ "Book Discussion" literary review program under the theme Granthasankathana to promote works by local authors (2025) – Objective (ඹ) ⍰ Launch of an official Facebook page under the name of the Library Services Board to promote literacy programs like "Pæhæsera Aruna" live across the country (2023) – Objective (ඍ) ⍰ Launch of a WhatsApp group under "Pæhæsera Aruna" to retain a regular audience within the province (2025) – Objective

E. K. A. Suneetha
Chief Secretary
Sabaragamuwa Province