ආයතනයේ නම	:	ශ්‍රී ලංකා දුම්රිය දෙපාර්තමේන්තුව
පාර්ලිමේන්තු ප්‍රකාශනමාලා අංක	:	**491**

පාර්ලිමේන්තුවේ රජයේ ගිණුම් පිළිබඳ කාරක සභාව විසින් සභාගත කරන ලද ශ්‍රී ලංකා දුම්රිය දෙපාර්තමේන්තුවට සම්බන්ධ වාර්තාව සම්බන්ධයෙන් ස්ථාවර නියෝග අංක 119(4) යටතේ ගරු මුදල්, ක්‍රමසම්පාදන සහ ආර්ථික සංවර්ධන අමාත්‍යවරයාගේ නිරීක්ෂණ සහ ගනු ලබන පියවර පාර්ලිමේන්තුව වෙත ඉදිරිපත් කිරීම

நிறுவனத்தின் பெயர்	:	**இலங்கை புகையிரதத் திணைக்களம்**
பாராளுமன்ற வெளியீட்டுத் தொடர் இலக்கம்	:	**491**

பாராளுமன்ற பொது கணக்கு குழுவால் பாராளுமன்றத்திற்கு சமர்ப்பிக்கப்பட்ட இலங்கை புகையிரதத் திணைக்களம் தொடர்பான அறிக்கை தொடர்பாக கௌரவ நிதிஇ திட்டமிடல் மற்றும் பொருளாதார அபிவிருத்தி அமைச்சர் அவர்களால் நிலையியல் கட்டளை இலக்கம் 119(4)-இன் கீழ் எடுக்கப்பட்ட அவதானிப்புகள் மற்றும் நடவடிக்கைகள் சமர்ப்பிப்பு

Name of the Institution	:	**Sri Lanka Railways**
Parliamentary Series	:	**491**

Submission of the observations and measures taken by Hon. Minister of Finance, Planning and Economic Development under Standing Order No. 119(4) regarding the report on the Sri Lanka Railways tabled by the Committee on Public Accounts of Parliament, to the Parliament

මුදල්, ක්‍රමසම්පාදන සහ ආර්ථික සංවර්ධන අමාත්‍යාංශය
நிதி, திட்டமிடல் மற்றும் பொருளாதார அபிவிருத்தி அமைச்சு
MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

මහලේකම් කාර්යාලය, කොළඹ 01, ශ්‍රී ලංකාව. | செயலகம், கொழும்பு 01. இலங்கை. | The Secretariat, Colombo 01. Sri Lanka.

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ඔබේ අංකය / உமது இல. / Your No.:
දිනය / திகதி / Date: 25 .05.2026

Through Hon. Leader of the House of Parliament
Hon. Speaker of Parliament
The Parliament of Sri Lanka
Sri Jayewardenepura Kotte

Submission of observations and actions taken by the Minister in charge of the subject of Finance, regarding the report presented to Parliament by the Committee on Public Accounts (COPA) concerning Ministries, Departments, Provincial Councils, and Local Authorities.

Parliamentary Series No. 491 Report of the Committee on Public Accounts – Sri Lanka Railways.

Following the investigation of the affairs of Ministries and Departments by the Committee on Public Accounts as per the revised Standing Order No. 119(4) of the Parliament of the Democratic Socialist Republic of Sri Lanka, the Minister in charge of the subject of Finance is required to submit to Parliament his observations and the steps taken regarding the observations, recommendations, and orders contained in the report presented to Parliament by the Committee on Public Accounts (COPA).

Accordingly, the report compiled by the Committee on Public Accounts (COPA) based on the investigation into the Sri Lanka Railways, which was conducted during the First Session of the Tenth Parliament, is contained in Parliamentary Series No. 491. I hereby present the report containing my observations and the measures being taken on the matter, in my capacity as the Honorable Minister of Finance, Planning and Economic Development

Sri Lanka Railways has reported its progress regarding the recommendations of the Committee on Public Accounts (COPA) and the direct responsibility for this matter lies with the Ministry of Transport, Highways and Urban Development and the attention of the Honorable Parliament is hereby drawn to the fact that the observations and measures taken with regard to the matters falling within the purview of the Ministry of Finance, Planning and Economic Development, in relation to the contents of the report, have been included herein.

Sgd.
Anura Kumara Dissanayake
Minister of Finance, Planning and Economic Development

Parliamentary Series No : 491

Name of the Department : Sri Lanka Railways

Submission of the observations and measures taken by Hon.Minister of Finance, Planning and Economic Development under Standing Order No. 119(4) regarding the report on the Sri Lanka Railways tabled by the Committee on Public Accounts of Parliament, to the Parliament

No	Recommendations of the Committee	Measures taken by the Institute to implement the recommendations/ Present Status
01	**Conducting audit and management committee meetings.**	In accordance with Circular No. DMA/01/2019 and the subsequent Circular No. DMA/1/2025 issued by the Department of Management Audit, the Chief Accounting Officer/Accounting Officer is vested with the responsibility of conducting at least four (04) Audit and Management Committee meetings for the current year, at the rate of one meeting per quarter, across Ministries, Departments, District Secretariats, and Special Spending Units. In this regard, the Department of Management Audit shall only ensure the participation of a representative to the respective committee. Accordingly, with regard to the observation regarding the failure of the Sri Lanka Railways to conduct Audit and Management Committee meetings as scheduled, it is kindly informed that the primary responsibility for holding such Audit and Management Committee meetings lies with the respective Department, while the Department of Management Audit is responsible for nominating officers to represent the Department at those meetings and providing the necessary guidance to improve internal control systems.

02	**Delayed Tabling of Annual Reports in Parliament** **<u>Recommendations of the Committee</u>** • The Committee recommended to the Accounting Officer of the Department that annual reports should be submitted in future without delay. • The Committee further decided to summon the former General Managers of Railways and Secretaries to the Ministry who had served during the relevant period to the next meeting in order to inquire into the reasons for the delays. The Committee also recommended to the Secretary to the Committee to obtain the necessary information and summon the relevant officials before the Committee.	To provide guidance to Ministries, Departments, Provincial Councils, and Local Government Institutions on the preparation and tabling of Annual Performance Reports in Parliament, the provisions set out in Paragraph 12 of Public Finance Circular No. 02/2020 dated 28.08.2020, together with Guideline No. 14 relating to the formats to be used in preparing such reports, have been issued. Due to the Covid-19 global pandemic situation that prevailed in the country during 2021, only a limited number of officers reported for daily duties in government institutions. Accordingly, by Letter No. PFD/RED/REG/02/CC/01/2021 dated 12.05.2021 issued by the Ministry of Finance, the deadline for tabling the Annual Performance Reports for the year 2020 in Parliament was extended until 30.06.2021. Further, by Letter No. PFD/RED/REG/02/CC/2022 dated 26.05.2022, the deadline for tabling the Performance Reports for the year 2021 in Parliament was extended until 30.06.2022. Furthermore, under the provisions of Section 47(4) of the Public Financial Management Act, No. 44 of 2024, every public entity covered under subparagraphs (i) and (ii) of paragraph (a) of subsection (2) of Section 3 of the said Act is required to publish a performance report/ annual report, including accounts and other financial statements among other documents, within a period not exceeding one hundred and eighty days after the end of each financial year in order to comply with the requirements specifically stated in the relevant written laws and orders made thereunder. In that context, Public Finance Circular No. 02/2025 dated 30.05.2025 was issued amending the deadline for submitting the Performance Report to Parliament from "before the lapse of 150 days after the end of

		the financial year" to "before the lapse of 180 days after the end of the financial year."
03	**Non-responding to audit inquiries.**	As these matters are not directly related to the purview of the Ministry of Finance, no further observations are offered. This is a responsibility vested in the respective Chief Accounting Officer / Accounting Officer.
04.	**04. Failure to Obtain Approval for the Annual Procurement Plan and Failure to Respond to Audit Queries** **Recommendations of the Committee** • The Committee decided to summon the former General Managers of Railways, Secretaries to the Ministry, and other responsible officers who had served during the relevant period to the next meeting in order to inquire into the reasons relating to this matter. The Committee also recommended to the Secretary to the Committee to obtain the necessary information and summon the relevant officials before the Committee. • The Committee recommended to the Accounting Officer that the Procurement Plan relevant to the year 2025 should be submitted to the Ministry of Finance, Planning and Economic Development	Paragraph 04 of Public Finance Circular No. 02/2020 dated 28.08.2020 provides for the requirement for all Ministries, Departments, and District Secretariats to prepare Annual Procurement Plans for the implementation of recurrent and capital programmes for the ensuing year and to obtain the approval of the Chief Accounting Officer. Guideline No. 13 has also been issued regarding the formats to be used for this purpose. The Procurement Guidelines - 2024 for Goods, Works, and Non-Consultancy Services, approved by the National Procurement Commission and effective from 01.01.2025, includes provisions relating to the preparation and approval of the Master Procurement Plan, Annual Proposed Procurement Plan, and Detailed Annual Procurement Plan.

	within one week (by 16.05.2025). The Committee, having drawn attention to the underutilization of expensive machinery, workshops, and equipment purchased by the Department due to weaknesses in the procurement process, recommended to the Accounting Officer of the Department to submit a report to the Committee on whether proper feasibility studies had been carried out and the prescribed procurement procedures had been followed in relation to such purchases made since 2012.	
05.	**Action Plan** **<u>Recommendations of the Committee</u>** • The Committee did not make any recommendations in respect of this audit matter.	The provisions relating to the preparation of Action Plans, including the formats to be used and guidelines for data entry, have been issued under Paragraph 03 of Public Finance Circular No. 02/2020 dated 28.08.2020 together with Guideline No. 12 issued for that purpose.
06	**The non-utilization and consequent deterioration of old sleepers and rails, dismantled and removed for the railway track reconstruction along the Maho to Omanthai line**	As these matters do not directly fall within the scope of the Ministry of Finance, no further observations are made in this regard.
07	**The signaling system of the section from Maho to Anuradhapura**	As these matters do not directly fall within the scope of the Ministry of Finance, no further observations are made in this regard.
08	**Wild elephants colliding with trains.**	As these matters do not directly fall within the scope of the Ministry of Finance, no further observations are made in this regard.
09	**Recovery of arrears of revenue due to the Department.**	It can be pointed out that the recovery and follow-up of this revenue is a responsibility vested in the

		Accounting Officer
10	**Failure to establish a database containing lands/properties owned by the Sri Lanka Railways and improper documentation of properties**	As these matters do not directly fall within the scope of the Ministry of Finance, no further observations are made in this regard.
11	**Implementation of a joint project on the railway line by Hutchison Telecommunications Lanka (Private) Limited and the Sri Lanka Railways**	As these matters do not directly fall within the scope of the Ministry of Finance, no further observations are made in this regard.
12	**Engine and power sets being parked for nearly 01 to 08 years within the premises of the Ratmalana Chief Mechanical Engineer's Office and at railway stations.**	There is no committee recommendation.
13	**Thefts occurring inside trains and within railway yards**	As these matters do not directly fall within the scope of the Ministry of Finance, no further observations are made in this regard.
14	**Frequent breakdowns of railway services and the inefficiency of the department.**	As these matters do not directly fall within the scope of the Ministry of Finance, no further observations are made in this regard.
15	**Staff composition of the department.**	There is no committee recommendation.
16	**Existing issues on the railway track.**	There is no committee recommendation.
17	**Construction and replacement project of the old Kelani railway bridge**	There is no committee recommendation.
18	**The accumulation of underutilized machinery and scrap material within the premises of the Ratmalana Chief Mechanical Engineer's Office**	There is no committee recommendation.
19	**Purchase and maintenance of M - 11 train engines.**	As these matters do not directly fall within the scope of the Ministry of Finance, no further observations are made in this regard.
20	**The agreement with Mobitel regarding train seat reservations.**	There is no committee recommendation.
21	**Recovery of dues for providing engines and drivers for the transportation of limestone by rail**	There is no committee recommendation.

22	**Making payments to suppliers without certifying whether the ordered goods have been received in the correct standard and requested quantities, and failing to recover the amounts due for incomplete delivery of goods.**	There is no committee recommendation.
23	**Transportation of goods by rail.**	As these matters do not directly fall within the scope of the Ministry of Finance, no further observations are made in this regard.
24	**Railway accidents.**	As these matters do not directly fall within the scope of the Ministry of Finance, no further observations are made in this regard.
25	**Recruitments and promotions of the Sri Lanka Railways.**	As these matters do not directly fall within the scope of the Ministry of Finance, no further observations are made in this regard.
26	**Online train seat reservation.**	There is no committee recommendation.
27	**Implementation of a joint project on the railway line by Hutchison Telecommunications Lanka (Private) Limited and the Sri Lanka Railways**	As these matters do not directly fall within the scope of the Ministry of Finance, no further observations are made in this regard.
28	**Railway transportation and onboard facilities**	As these matters do not directly fall within the scope of the Ministry of Finance, no further observations are made in this regard.

Information regarding the observations and the measures taken by the Honorable Minister of Finance, Planning and Economic Development, in respect of the reports presented by the Committee on Public Accounts under Standing Order No. 119(4) concerning the Sri Lanka Railways for Parliamentary Series No. 491, is hereby kindly submitted.

Sgd.
Dr. Harshana Suriyapperuma
Secretary
Ministry of Finance, Planning and Economic Development