පාර්ලිමේන්තු ප්‍රකාශන මාලා අංකය : 393

ආයතනයේ නම: ලලිත් ඇතුලත්මුදලි මහපොළ උසස් අධ්‍යාපන ශිෂ්‍යත්ව භාර අරමුදල

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

பாராளுமன்ற வெளியீட்டுத் தொடர் இலக்கம்: 393

நிறுவனத்தின் பெயர்: லலித் அத்துலத்முதலி மஹபொல உயர்கல்வி புலமைப்பரிசில் நம்பிக்கை நிதியம்

பாராளுமன்ற பொது முயற்சிகள் பற்றிய குழுவினால் சபையில் முன்வைக்கப்பட்ட அறிக்கை தொடர்பாக 120 (4) ஆம் இலக்க நிலையியற் கட்டளையின் கீழ் நிறுவனங்களுக்குப் பொறுப்பான கௌரவ அமைச்சரின் அவதானிப்புக்கள் மற்றும் அது தொடர்பாக எடுக்கப்பட்ட நடவடிக்கைகளை பாராளுமன்றத்திற்கு சமர்ப்பித்தல்

Parliamentary Series No: 393

Name of the institution:Lalith Athulathmudali Mahapola Higher Education Scholarship Trust Fund

Submission of observations of the Hon. Minister in charge of the institutions and steps taken with regard to the reports tabled by the Committee on Public Enterprises in terms of Standing Order No. 120 (4)

Committee on Public Enterprises - 16th Meeting

09-07-2025

	Matter	Recommendation	Progress of Implementation	Current Status
1.6	**Holding of Board of Trustees Meetings** Lack of consistency in holding meetings and failure to hold meetings in certain years.	Establish appropriate guidelines for holding Board of Trustees meetings.	Steps have already been taken to hold formal monthly meetings. A draft of guidelines related to the Board of Trustees is being prepared based on the relevant Public Enterprise Circulars. It is scheduled to be finalized and submitted to the Board of Trustees expeditiously.	In Progress
1.7	**Audit and Management Committee Meetings** Although meetings of the Audit and Management Committee should be held at least once per quarter, only one meeting per year had been held in 2022 and 2023, and no meetings have been held from 2024 to date	i. To take action to activate the conduct of Audit and Management Committee meetings. ii. Ensure the Chairmanship of the Audit and Management Committee is held by the most essential and suitable person.	With effect from 22.12.2025, upon the appointment of a new Internal Auditor, a meeting for the last quarter of 2025 was held on 02.01.2025. Further, the Secretary to the Ministry of Education, Higher Education and Vocational Education, who is a member of the Board of Trustees, has been appointed as the Chairman of the Audit and Management Committee.	Implemented
1.8	**Strategic Plan** Although a Corporate Plan for the period 2024–2026 had been prepared by the Mahapola Trust Fund, it had not been updated for the year 2025	Update the Strategic Plan in line with the new government's policies and report to the Committee with copies to the Auditor General.	Following the filling of vacancies in senior management positions in December 2025, action has been initiated to prepare the Strategic Plan, and is scheduled to be finalized and submitted to the Board of Trustees at the earliest.	In progress

	Matter	Recommendation	Progress of Implementation	Current Status
1.11	**Internal Auditor Vacancy** Following the resignation on 30 July 2023 of the officer appointed to the post of Internal Auditor on 04 April 2022, the Accountant of the Department of Commerce was appointed to act in that post with effect from 10 October 2023; however, as that officer also resigned on 30 April 2024, the post of Internal Auditor of the Fund has remained vacant from that date.	To treat the recruitment of the required officers as a matter of priority in order to ensure the proper functioning of the Mahapola Trust Fund, to complete such recruitment expeditiously, and to report the progress thereof to the Committee with copies to the Auditor General.	A new female Internal Auditor was appointed effective 22.12.2025.	Completed
1.12	**Staff Composition** In terms of the approval of the Department of Management Services dated 20 December 2024, as at 30 April 2025, there existed a total of 09 vacancies in the cadre of the Trust Fund, comprising 01 vacancy at senior management level, 03 vacancies at middle management level, 03 Management Assistant positions, and 02 primary level positions. Further, the post of Director of the Trust Fund has remained vacant since October 2024.	To treat the recruitment of the required officers as a matter of priority in order to ensure the proper functioning of the Mahapola Trust Fund, to complete such recruitment expeditiously, and to report the progress thereof to the Committee, with copies to the Auditor General.	• Senior Management level positions 01 - Recruitments have been made. • Middle Management level positions 03 - Recruitments have been made. • Management Assistant positions 02 – • Primary level positions 02 - Recruitments have been made: 1. Driver - Submitted for approval to the review committee appointed by the Prime Minister's Office. 2. K.K.S. - Recruitment-related activities have not been carried out.	In progress

	Matter	Recommendation	Progress of Implementation	Current Status
Committee on Public Enterprises held on 08.01.2021				
08.	Improvement of the internal status of the institution following amendment of the Mahapola Act and preparation of a plan, and to take action within six months; preparation of a cash flow forecast relating to contributions from the Development Lotteries Board	To act in accordance with the recommendation made at the COPE meeting held on 08.01.2021 and to report progress to the Committee with copies to the Auditor General	Provisions have been introduced through amendments to the Mahapola Act to enable the appointment of a retired Judge of the Supreme Court or a retired Auditor General as Chairman of the Fund. Accordingly, a retired Judge of the Supreme Court has been appointed as Chairman. Further, recruitment to all management level positions has now been completed. In considering the preparation of a cash flow forecast regarding the contribution of the Development Lotteries Board, a problematic situation exists in preparing this cash flow forecast due to the fact that although Section 11(b) of the Development Lotteries Board Act specifies that the profits of that Board should be provided to the President's Fund to be paid to the Mahapola Trust Fund, the President's Fund Act does not specify that such funds must be provided, and this contradiction between the acts creates a problematic situation for preparing this cash flow forecast.	
09.	Cancellation of the initial procurement process and entering into an agreement	i. To take necessary action to expedite investigations of the Commission to Investigate Allegations of Bribery or Corruption	The Commission to Investigate Allegations of Bribery or Corruption is conducting an investigation into the procurement activities for the online	In progress

	Matter	Recommendation	Progress of Implementation	Current Status
	with a second investor in respect of the procurement relating to an online lottery.	ii. To obtain any further information required for such investigations	lottery, and a request has been made to the said Commission to report on its progress. This matter has also been included in the scope of the forensic audit being conducted regarding the Fund. The bid evaluation activities related to the forensic audit are currently underway.	
10.	Recommendation made to the Chief Accounting Officer/Accounting Officer not to liquidate the National Wealth Corporation Ltd. and Net Wealth Securities Ltd., companies which are administered by the Trust Fund, until the parties responsible for the losses incurred by those companies are identified. Instructions have been given to examine the comprehensive report prepared by KPMG and to obtain the necessary court orders.	To conduct a comprehensive forensic audit in this regard and, based on the recommendations arising therefrom, to refer the matter to the Criminal Investigation Department or to the Commission to Investigate Allegations of Bribery or Corruption, and to report the progress thereof to the Committee with copies to the Auditor General.	Since the activities of the companies administered by the Fund have also been included in the scope of the forensic audit being conducted regarding the Fund, it is expected to carry out further actions after receiving the relevant report. The bid evaluation activities related to the forensic audit are currently underway.	In progress
11.	Instructions have been issued to the Chief Accounting Officer/Accounting Officer to submit to the Secretary of the Committee on Public Enterprises, within one month, any new information available with the Ministry and the Fund relating to the ownership of the Sri Lanka Institute of Information Technology (SLIIT), together with the observations of the Ministry thereon.	1. To take action to appoint a fully empowered commission to conduct an investigation into the serious fraud that has allegedly occurred in the process of transferring this institution to the private sector, and to impose appropriate penalties based on the findings revealed through such investigation.	1. The scope of the forensic audit being conducted regarding the affairs of the Fund has included the examination of matters related to the Sri Lanka Institute of Information Technology (SLIIT) from 1999 to 2024. Accordingly, it is expected to proceed with further actions. The bid evaluation process	In progress

	Matter	Recommendation	Progress of Implementation	Current Status
			related to the forensic audit is currently underway.	
		2. To take the necessary legal measures to vest the Sri Lanka Institute of Information Technology (SLIIT) as an institution administered by the Trust Fund. 3. To request the Attorney General's Department to take necessary steps to review its previously issued recommendations in taking note of the recommendations made to take the necessary steps to re-vest this institution back to the Fund. 4. To take necessary steps to have the decision relating to the transfer of this institution reviewed by way of a Cabinet decision.	2. Since the re-vesting of this institution under the Government is a policy decision of the Government, a Cabinet Memorandum is scheduled to be submitted in this regard. 3. The Attorney General has stated that since the opinion regarding the relevant legal status rests with the Cabinet, the Cabinet should be the authority to re-consult that opinion.	In progress
Matters disclosed by the Audit Reports of the years 2022 and 2023				
3.1	Although it was aimed to award Mahapola scholarships to all students admitted to the university and eligible to receive a scholarship, due to the criterion that the annual income earned by parents must be less than Rs. 500,000, scholarships were awarded only to 15,000 and 16,000 students out of the 20,000 and 26,000 students who qualified for Mahapola	Focusing on the fluctuations in the number of students and delays in payment periods, taking steps to accelerate the Mahapola payment mechanism and taking necessary actions to provide scholarships to all students who have qualified to receive them.	The number of scholarships is determined based on the amount of funds available, and it is expected to increase the number of scholarships awarded in the future in proportion to the growth of the fund. Furthermore, steps have been taken to minimize delays in the payment	Action is in progress.

	Matter	Recommendation	Progress of Implementation	Current Status
	scholarships for the 2020/2021 and 2021/2022 academic years respectively, which accounts for only 75% and 61.5% of the students. (Reference to Audit Report; 2022- Paragraph 3.1).		periods, and payment activities have been carried out up to the month of October 2025 as of now.	
3.2	Although monthly scholarship payment lists should be forwarded to higher education institutions by the 30th day of the preceding month, during the period from July to September 2023, the Fund had forwarded lists to 21 higher education institutions on 62 occasions with delays ranging from 67 to 119 days. Furthermore, although the monthly Mahapola higher education scholarship installments should be credited to bank accounts by the 15th day of the relevant month, on 10 occasions from January to December 2023, the monthly scholarship installments were paid with delays ranging from 63 to 126 days.	i. Taking necessary steps to accelerate the Mahapola payment mechanism by focusing on the delays occurring in the payment periods of Mahapola scholarship installments. ii. Taking necessary measures to expeditiously obtain the funds due from the Government.	Activities have been initiated to introduce a Management Information System to accelerate the scholarship payment mechanism, and the instruction letter already issued to obtain information from universities has been updated and forwarded to all universities, educational institutions, and the University Grants Commission.	Action is in progress.
3.3	A Mahapola trade fair was held at the Ja-Ela Municipal Urban Council Ground from December 13 to 17, 2023, with the aim of raising funds; however, according to the income statement submitted in this regard, the trade fair had incurred a loss of Rs. 29,046,884.	i. Including this key matter when conducting the forensic audit. ii. Submitting information regarding the specific key measures taken in this regard to the Committee of Officials, with copies to the Auditor General.	This matter has also been included in the scope of the forensic audit being conducted regarding the Fund. The bid evaluation activities related to the forensic audit are currently underway. Additionally, a written complaint has been lodged with the Financial Crimes Investigation Division of the Criminal Investigation Department, and an investigation is currently being conducted. Furthermore, the Commission to Investigate Allegations of Bribery or Corruption has	Action is in progress.

	Matter	Recommendation	Progress of Implementation	Current Status
			commenced an investigation, and the necessary documents have been handed over to the said Commission.	
3.4	During the year 2023, appointments were granted to 05 Trade Fair Coordinating Officers and 03 Management Assistants on a contract basis for a period of 02 years; however, acceptable written evidence regarding the legality of their appointments, the recruitment process, the basis for determining their allowances, duty assignments, reporting locations for duty, the immediate supervising officer, and the performance of duties was not presented for audit, while the Fund had paid Rs. 1,920,833 as salaries and allowances to these officers for the period from July 2023 to February 2024.	i. Including this key matter when conducting the forensic audit. ii. Submitting information regarding the specific measures taken in this regard to the Committee, with copies to the Auditor General.	This matter has also been included in the scope of the forensic audit being conducted regarding the Fund. The bid evaluation activities related to the forensic audit are currently underway.	Action is in progress.
3.5	Although an advance payment of Rs. 340,200,000 had been paid by the Fund to the Urban Development Authority on December 29, 2021, to purchase a land of 123 acres, 2 roods, and 29.7 perches from the Millewa Estate in Horana for the construction of the proposed International University Village, the said Authority had provided vacant physical possession of only 117 acres, 1 rood, and 22.7 perches as of October 24, 2023. Accordingly, the Fund had lost 6 acres, 1 rood, and 07 perches of land, and an excess payment of Rs. 17,311,224 had been made. Furthermore, in accordance with Section	i. Including this key matter for the forensic audit. ii. Submitting the progress in this regard to the Committee, with copies to the Auditor General.	This matter has also been included in the scope of the forensic audit being conducted regarding the Fund. The bid evaluation activities related to the forensic audit are currently underway. Furthermore, although there was a preliminary agreement to purchase this land of 123 acres, 2 roods, and 29.7 perches, the Urban Development Authority has informed that physical possession was provided for only 117 acres, 1 rood, and 22.7 perches; the reason cited for this is that a portion of 6 acres, 1 rood, and 07 perches had to be reserved for a road network, and	Action is in progress.

	Matter	Recommendation	Progress of Implementation	Current Status
	6(1) of the State Lands Ordinance, a Freehold Grant for the land can only be issued upon the completion of the compensation assessment; however, as the compensation assessment had not been completed in this instance, the Urban Development Authority has not been able to obtain a Freehold Grant.		therefore that extent is not included in the Mahapola Trust Fund. However, since the Government Valuer has recommended a payment of Rs. 2.249 billion for the 117 acres, 1 rood, and 22.7 perches of land, and the Fund is unable to invest such an amount for the said land, the Board of Trustees has decided to recover the advance payment of Rs. 340,200,000 already paid, along with reasonable interest. This decision has been communicated to the Urban Development Authority, and two reminders have also been sent in this regard.	