Parliamentary Series No. - 489

Name of the Institution - Department of Irrigation

Submission of the 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) Parliament.

Parliamentary Question Series No. 489

Submission of observations and actions taken regarding the reports of the Committee on Accounts tabled in Parliament.

	Main points discussed	**Current progress**
	Department of Irrigation (Contents included in the Auditor General's Reports for the years 2020, 2021 and 2022 and current performance) Date of audit - 07 August 2024	
01	The payment procedure followed by the Irrigation Department does not comply with government financial regulations. The audit pointed out that there is a high risk of financial irregularities due to the fact that non-accountant Engineer Assistant Service officers are responsible for ensuring payments, ensuring supplies, and making payments in 52 regional offices of the Irrigation Department.	In accordance with the approval received from the Public Service Commission to amend the Service Charter by removing the powers related to payments, the Service Charter of Engineering Assistants has been referred to the Director General of Institutions, Ministry of Public Administration. (Annexure - 01)
02	The inclusion of delegations of authority regarding payments in the service regulations of the Engineering Assistant Service.	In accordance with the approval received from the Public Service Commission to amend the Service Charter by removing the powers related to payments, the Service Charter of Engineering Assistants has been referred to the Director General of Institutions, Ministry of Public Administration. (Annexure - 01)
03	Establishing a proper system to ensure payments in the Regional Irrigation Engineering Offices	To certify payments exceeding Rs. 02 million, the accountants are also certifying payments below Rs. 02 million, and necessary steps are being taken to implement the recommendations of the committee report in this regard. (Annexure - 02), (Annexure - 03)
04	The bid of Rs. 2.093 million submitted by the contractor for the Basnagoda Reservoir construction project was increased by Rs. 254 million based on the recommendations of the Technical Evaluation Committee.	The officers of the Technology Assessment Committee were consulted in this regard and a report containing their observations on this incident was submitted to the Public Accounts Committee on 18.10.2024. (Annexure - 04)
05	With the increase in the value of the Basnagoda Reservoir construction project, an additional amount of Rs. 1085 million is scheduled to be paid. The audit department pointed out that this problem arose due to the fact that the project company had entered into an	Although the release of the retention money is a task that is done after providing a bank guarantee corresponding to the value of that money, the retention money has not

	agreement without identifying and acquiring the lands relevant to the project when the agreement was signed for the project.	been released so far. The National Water Supply and Drainage Board (NWS&DB) has so far given an amount of Rs. 1085 million to the contractor as additional payments related to price variations. The National Water Supply and Drainage Board has agreed to the additional payments mentioned in the relevant Cabinet Memorandum. Accordingly, the National Water Supply and Drainage Board (NWS&DB) has so far paid an amount of Rs. 1085 million to the contractor as additional payments in relation to price variations. (Annexure - 05)
06	Gin Nilwala Project It was revealed before the Committee that in 2014, an advance of USD 690 million was paid to the contractor for this project and that the relevant agreement was amended in 2017 to conduct a feasibility study in accordance with the advance amount paid. It was also revealed that 08 months had been given to conduct this feasibility study, but 07 years have now passed. Due to the non-implementation of this project, the amount spent on the pre-feasibility study of the project and the Rs. 29989 million spent on other project activities including salaries and allowances of the project staff over a period of 5 years. The audit department pointed out that the amount of Rs. 27 had been a wasteful expenditure and that although steps had been taken to suspend the project on May 26, 2015, no steps had been taken to deduct the advance payment from the bond amount.	(Annexure - 06)
07	Matters contained in the Auditor General's Summary (Audit paragraphs not discussed at the meeting held on 07.08.2024)	(Annexure - 07)

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