Democratic Socialist Republic of Sri Lanka

First Session of Tenth Parliament

Parliamentary Series No. 489

6th Report

of the

Committee on Public Accounts

(Examinations Conducted during the Period from 10.05.2024 to 08.08.2024)

Presented by Hon. Kabir Hashim, M.P.,
Chairman of the Committee on Public Accounts,
on 6th March 2026

Ordered to be printed by Parliament of Sri Lanka on 6th day of March 2026

Presenting the observations regarding the report of the Committee on Public Accounts which were tabled in Parliament and the steps that were taken.

The Standing Order of Parliament 119 (4) stipulates as follows:-

"A report of the Committee on Public Accounts, once tabled in Parliament shall be referred to the Minister in charge of the subject of Finance and the Ministers in charge of the institutions and the respective Minister shall submit the observations and actions taken in that regard to Parliament within eight weeks, and also submit a statement of actions proposed to be taken with regard to the observations or if the Minister is of the view that particular recommendations may not be fulfilled, the Minister shall explain the reasons in writing and indicate alternative actions, the Minister proposes to take to ensure the proper usage of public finance. If the Committee requires, the committee may invite the relevant Minister to explain the position in person and to answer the questions that arise as to such matters within eight weeks. When Parliament so decides, the report concerned may be referred to the Attorney- General for his observations and necessary action."

Parliamentary Series No. 489

NINTH PARLIAMENT – FIFTH SESSION
Composition of the Committee on Public Accounts

Period Mention in the Report

1. Hon. Lasantha Alagiyawanna, M.P. - Chair of the Committee
2. Hon. Mohan Priyadarshana de Silva, M.P. Attorney at Law
3. Hon. Prasanna Ranaweera, M.P.
4. Hon. K. Kader Mastan, M.P.
5. Hon. Diana Gamage, M.P.
6. Hon. Chamara Sampath Dassanayake, M.P.
7. Hon. Tissa Attanayake, M.P.
8. Hon. Vajira Abeywardena, M.P.
9. Hon. A. L. M. Athaullah, M.P.
10. Hon. Jayaratne Herath, M.P.
11. Hon. Kabir Hashim, M.P.
12. Hon. Wimalaweera Dissanayake, M.P.
13. Hon. Niroshan Perera, M.P.
14. Hon. J. C. Mr. Alawathuwala, M.P.
15. Hon. Ashok Abeysinghe, M.P.
16. Hon. Jayantha Ketagoda, M.P.
17. Hon. Sivagnanam Sritharan, M.P.
18. Hon. Hector Appuhami, M.P.
19. Hon. M. Udayakumar, M.P.
20. Hon. (Dr.) Major Pradeep Undugoda, M.P.
21. Hon. Karunadasa Kodituwakku, M.P.
22. Hon. (Dr.) Upul Galappaththi, M.P.
23. Hon. Isuru Dodangoda, M.P.
24. Hon. Premnath C. Dolawatta,, M.P.Attorney-at-Law
25. Hon. Muditha Prishanthi, M.P.
26. Hon. M. W. D. Mr. Sahan Pradeep Withana, M.P.
27. Hon. Madura Withanage,M.P. Attorney at Law
28. Hon. D. Weerasinghe, M.P.
29. Hon. Weerasumana Weerasinghe, M.P.
30. Hon. Manjula Dissanayake, M.P.
31. Hon. (Dr.) Harini Amarasuriya, M.P.

Parliamentary Series No. 489

TENTH PARLIAMENT – FIRST SESSION

Composition of the Committee on Public Accounts

1. Hon. Kabir Hashim, M.P. - Chair of the Committee
2. Hon. Anton Jayakody, M.P.
3. Hon. Major General (Retd.) Aruna Jayasekara, M.P.
4. Hon. Sugath Thilakaratne, M.P.
5. Hon. Sundaralingam Pradeep, M.P.
6. Hon. Nalin Hewage, M.P.
7. Hon. Mr. Aravinda Senarathne, M.P.
8. Hon. (Dr.) M.L.A.M. Hizbullah, M.P.
9. Hon. Rohitha Abeygunawardena, M.P.
10. Hon. J.C. Mr. Alawathuwala , M.P.
11. Hon. Mr. Chamara Sampath Dassanayake, M.P.
12. Hon. Mr. Hector Appuhami , M.P.
13. Hon. Mr. Kavinda Heshan Jayawardena, M.P.
14. Hon. Mr. Kavindiran Kodieswaran, M.P.
15. Hon. Ms. Sagarika Athauda,M.P.Attorney-at-Law
16. Hon. Mr. Manjula Suraweera Arachchi, M.P.
17. Hon. K. Mr. Ilankumaran, M.P.
18. Hon. Mrs. Oshani Umanga, M.P.
19. Hon. Mr. Ajantha Gammeddege , M.P.
20. Hon. Mr. Ruwanthilaka Jayakody, M.P.
21. Hon. Mrs. Thushari Jayasinghe, M.P. Attorney-at-Law
22. Hon. Mr. T.K. Jayasundara, M.P.
23. Hon. M.A.M. Mr. Tahir, M.P.
24. Hon. Mr. Susantha Kumara Navaratne, M.P.
25. Hon. Mr. Lal Premanath, M.P.
26. Hon. Mr. Chanaka Madugoda , M.P.
27. Hon. Mr. Sunil Ratnasiri, M.P.
28. Hon. Mr. Dinindu Saman Hennayake, M.P.

29. Hon. Mr. Chandana Suriyarachchi, M.P.
30. Hon. (Dr.) Janaka Senarathne, M.P.

Current Staff of the Committee Secretariat

- Mr. Sanath Wijegunawardena - Committee Secretary/ Assistant Director (Administration)
- Mrs. Chamila Rupasinghe - Principal Officer
- Mrs. R. A. D. N. Geyowanee - Deputy Principal Officer
- Mr. J. T. L. P. Sameera - Assistant Principal Officer
- Ms. G. D. J. H. Ayeshmanthi - Parliamentary Officer
- Mrs. G. M. Kallegoda - Parliamentary Officer
- Ms. M.L.A.D.M. Kumari - Parliamentary Officer

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Chair of the Committee Note

I hereby present the report of the Committee on Public Accounts, which includes the examinations conducted by the Committee on Public Accounts during the Fifth Session of the Ninth Parliament from 10.05.2024 to 08.08.2024. I would like to state here that the Committee on Public Accounts is paying more attention to guiding institutions to avoid past shortcomings in the future, as it is more effective to actively prevent inefficiencies while providing solutions to the weaknesses identified during the post-audit process.

Accordingly, I would like to state that, at present, in parallel with the examination of public institutions by summoning them to Parliament, the Committee on Public Accounts is also successfully carrying out the process of annual evaluation of all public institutions through the online information management system. I am of the opinion that this will enable the Committee's examinations to be carried out in a more up-to-date manner and will also provide the opportunity to identify the weaknesses and shortcomings existing in the institutions and provide guidance to correct them through timely and important policy decisions.

My long experience in working in Committees has convinced me that it is necessary to correct the shortcomings and errors identified in the examination of institutions, enhance the existing positive characteristics and trends, and protect the dignity of public officials when conducting Committee meetings.

The success of the Committee on Public Accounts is the result of the cooperation of all stakeholders who contribute to it. Therefore, I gratefully appreciate the support provided to me by all members of this Committee- irrespective of whether they belong to the government or opposition - in the follow-up process on the proper implementation of the public finance mechanism.

Furthermore, I would like to state that the Committee expresses its gratitude and appreciation to the Auditor General and her staff, the officers of the Treasury, the Secretary-General of Parliament and all the officers of the office of the Committee on Public Accounts for their support in carrying out the work of the Committee efficiently, despite various challenges.

Kabir Hashim
Chair
Committee on Public Accounts

Concise Report

This report contains the matters discussed, explanations made by the Chief Accounting Officers and recommendations made by the Committee in relation to the institutions examined by the Committee on Public Accounts during the Fifth Session of the Ninth Parliament.

The institutions examined by the Committee on Public Accounts from 10.05.2024 to 08.08. 2024 and the relevant Auditor General's reports

	Institution	Auditor General's Reports and Matters Considered	Date of Examination
01	Western Provincial Council	Matters contained in the Auditor General's reports for the years 2020, 2021 and 2022 and the current performance.	04th June 2024
02	Department of Sri Lanka Railways	Matters contained in the Auditor General's reports for the years 2020, 2021 and 2022 and the current performance.	05th June 2024
03	Local Government Institutions under the Western Provincial Council	Audit reports issued by the Auditor General regarding the Local Government Institutions of the Western Province for the financial years 2020, 2021 and the current performance of those Local Government Institutions.	06th June 2024

	Institution	**Auditor General's Reports and Matters Considered**	**Date of Examination**
04	National Intellectual Property Office	Matters contained in the Auditor General's reports for the years 2020, 2021 and 2022 and the current performance	06th June 2024
05	Department of Census and Statistics	Auditor General's reports for the years 2020, 2021 and 2022 and the current performance	07th June 2024
06	Department of Export Agriculture	Matters contained in the Auditor General's reports for the years 2021 and 2022 and the current performance	18th June 2024
07	Department of Agrarian Development	Matters contained in the Auditor General's reports for the years 2021 and 2022 and the current performance	18th June 2024
08	Department of Labour	Matters contained in the Auditor General's reports for the years 2021 and 2022 and the current performance	19th June 2024
09	Gampaha District Secretariat	Matters contained in the Auditor General's reports for the years 2020, 2021 and 2022 and the current performance	20th June 2024
10	Local Government Institutions under the Western Provincial Council	Reviewing the progress of implementing the recommendations made at the meeting of the Committee on Public Accounts held on 06.06.2024	10th July 2024

	Institution	**Auditor General's Reports and Matters Considered**	**Date of Examination**
	Building Department	Auditor General's reports for the years 2020 and 2021 and the current performance	23rd June 2024
12	Department of Ayurveda	Auditor General's reports for the years 2018,2019,2020,2021 and 2022 and the current performance	23rd July 2024
13	Department of Forest Conservation	Matters contained in the Auditor General's reports for the years 2020, 2021 and 2022 and the current performance	25th July 2025
14	Department of Irrigation	Matters contained in the Auditor General's reports for the years 2020, 2021 and 2022 and the current performance	07th August 2024
15	National Intellectual Property Office	Progress and current performance of the recommendations made at the meeting of the Committee on Public Accounts held on 06.06.2024 to examine the performance of the National Intellectual Property Office of Sri Lanka.	08th August 2024

Special Observations

The Committee on Public Accounts observed the following common issues in relation to the institutions examined during the relevant period and made the following recommendations in relation to each institution.

1. Absence of internal audit units and not conducting audit and management committee meetings.

1.1 *Local Authorities* coming under the Western Provincial Council

The Committee recommended that the Audit and Management Committee meetings that should be held quarterly should be held within the Local Authorities itself with the participation of all relevant officers.

The Committee was of the view that the establishment of a separate Internal Audit Unit in Local Authorities to conduct an independent audit would help minimize irregularities in the institutions.

1.2. Department of Agrarian Development

The Committee emphasized that it is the responsibility of the Ministry to properly conduct Audit and Management Committee meetings and recommended that Audit and Management Committee meetings be held within July 2024, involving relevant officers in all 25 district offices, and that this process be continued with the coordination of the line ministry.

1.3. Gampaha District Secretariat

The Committee stated that the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government should intervene to monitor the proper conduct of

Audit and Management Committees in the Divisional Secretariats.

2. Staff Vacancies.

2.1. Department of Sri Lanka Railways

It was revealed that there are a number of vacancies in the Department of Railways as a whole, including 328 tertiary level vacancies, which have not been filled.

2.2. Department of Agrarian Development

It was revealed before the Committee that there are many vacancies in the Agrarian Development Department. The Auditor General pointed out that there is a shortage of higher positions compared to the lower level employees in this department and that the organizational structure of the department should be properly adjusted following a scientific analysis.

2.3. Department of Buildings

The AO stated that the total number of approved posts in the Buildings Department is 613, of which 494 posts have been filled as of 30.06.2024, and out of the 24 approved posts at the tertiary level in the department; only 3 posts have been filled so far.

3. Delay in collecting the revenue due to the government on the due date.

3.1. The Local Authorities under Western Provincial Council

It was revealed before the Committee that there are arrears of revenue of Rs. 777 million in the Provincial Revenue Department, Rs. 11 billion in the Provincial Motor Traffic

Department and Rs. 905 million in the Provincial Land Commissioner's Department, and that due to the fact that property valuations have not been carried out in certain Urban Council and Municipal Council areas in the Western Province for many years, the assessment rates have not been updated resulting a significant loss in tax revenue.

3.2 Department of Forest Conservation

The Committee recommended to the CAO/AO that, after issuing final notices to the 143 institutions that have not paid the outstanding charges related to quarry licences issued by the Department of Forest Conservation, those institutions that fail to make the required payments should be blacklisted and that any other licences obtained in the names of the relevant licence holders, if any, should also be cancelled. The Committee further recommended that the relevant communication companies in respect of communication tower charges be summoned on the same day, a final date for the settlement of the relevant charges be fixed, and that they be informed to make the payments by that date.

4. Existence of problems in the effective use of information technology systems.

4.1. Department of Export Agriculture

It was revealed in the Committee that although an expenditure of over Rs. 12,500,000 had been incurred to obtain Geographical Indications (GI) for pepper and cinnamon in Sri Lanka and to develop a computer software to register farmers, suppliers and traders, and to purchase 300 tab computers, the expected results have not been achieved from it.

4.2 Local Authorities coming under the Western Provincial Council

The Committee inquired about the non-implementation of the data system developed to computerize and streamline the valuation activities carried out by the Valuation Department of the Western Provincial Council, its status, and the issues that have caused delays in its implementation. The AO of the Valuation Department stated that the implementation of the data system is in its final stages.

4.3. Department of Forest Conservation

The Committee drew its attention to the need of maintaining a centralized data system for the Department. The CAO/AO stated that separate data systems are currently maintained in the eight technical divisions of the Department and that additional separate data systems exist in the administrative, institutional, and research divisions. It was further stated that a cloud system with a capacity of eight terabytes has been purchased to store these data systems.

5. Lack of proper coordination between institutions.

5.1. Department of Census and Statistics

It was revealed that all the data collected by the Department of Census and Statistics through the Population and Housing Census data collection form is also being collected by Grama Niladharis under the “e-Grama Niladhari” (e-GN) Project using a separate form. The Committee emphasized that the repeated collection of the same data by multiple government institutions from time to time places an unnecessary burden on the public and results in increased government expenditure as well as the wastage of time and labour.

5.2. Department of Labour

The CAO/AO stated that, although it was expected that only the Department of Labour would be digitalized initially, all the activities based on the Department of Labour would be digitalized through the proposed National Labour Market Information System. It was discussed at this point that it would be more appropriate for the Central Bank of Sri Lanka and the Department of Labour to be linked through a single data system and the Committee instructed the CAO/AO to submit proposals to take policy decisions in this regard.

Key issues identified in each of the entities investigated observations, and recommendations

	Main Points Discussed	- **Clarification by the Chief Accounting Officer (CAO) / Accounting Officer (AO)** - **Observations/ recommendations of the Committee**

Western Provincial Council

(Contents of the Auditor General's Reports for the years 2020, 2021 and 2022 and Current Performance)

Date of Investigation - 04 June 2024

Institutions summoned -

- **Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government**
- **Office of Chief Secretary- Western Provincial Council**
- **Public Service Commission (PSC)**
- **Ministry of Roads, Transport, Cooperative Development and Trade, Housing and Construction, Estate Infrastructure, Industries and Rural Development of Western Province**
- **Ministry of Health, Indigenous Medicine, Probation and Child Care Services and Council Affairs of Western Province**
- **Ministry of Local Government, Economic Promotion, Power and Energy, Environmental Affairs, Water Supply and Sewerage and Tourism of Western Province**
- **Ministry of Agriculture, Irrigation, Lands, Animal Production and Health, and Agrarian Development of Western Province**
- **Road Development Authority (Western Province)**
- **Road Passenger Transport Authority (Western Province)**

	Main Points Discussed	- **Clarification by the Chief Accounting Officer (CAO) / Accounting Officer (AO)** - **Observations/ recommendations of the Committee**
	• Industrial Development Authority (Western Province)	
01	**<u>Western Provincial Council Revenue and Expenditure</u>**	An analysis on this matter was conducted by the Chief Accounting Officer (CAO)/Accounting Officer (AO) of the Western Provincial Council. Accordingly, the value of the deposit held by the Provincial Council is Rs. 38.5 billion. The total stamp duty and fines payable to the local government institutions is Rs. 48 billion. **<u>Observations/ Recommendations</u>** The Committee, which drew attention to the fact that the amount due from the Provincial Council to the Local Government Institutions exceeds the deposited amount, recommended to the CAO/CEO to submit a computer presentation on the income and expenditure of the Provincial Council at the next meeting, along with the reasons for this difference. It was further

	Main Points Discussed	- **Clarification by the Chief Accounting Officer (CAO) / Accounting Officer (AO)** - **Observations/ recommendations of the Committee**
		recommended to discuss this matter with the Department of National Budget.
02	**<u>Recovery of outstanding revenue</u>** It was revealed before the Committee that there are arrears of revenue amounting to Rs. 777 million in the Provincial Department of Revenue, Rs. 11 billion in the Provincial Department of Motor Traffic, and Rs. 905 million in the Provincial Department of the Land Commissioner.	The Committee recommended to the Chief Secretary to prepare a formal mechanism to take decisions on matters such as the recovery of outstanding revenue to be received by the Provincial Council from the Department of Provincial Revenue, Provincial Land Commissioner's Department and Provincial Motor Traffic Department, determining their target revenue, and how the revenue is invested.
03	**<u>The audit revealed a number of irregularities, including a shortage of printing stocks worth about Rs. 41 million, at the Vespro Printing Press, which operates under the Economic Promotion Bureau.</u>**	The CAO informed that a special committee is conducting an investigation into this matter. **<u>Observations/Recommendations</u>** The Committee recommended to the Chief Secretary of the Provincial Council to appoint a committee headed by the Chief Secretary to investigate the frauds and irregularities that have occurred due to the poor administration and

	Main Points Discussed	- **Clarification by the Chief Accounting Officer (CAO) / Accounting Officer (AO)** - **Observations/ recommendations of the Committee**
		supervision of the Economic Promotion Bureau and to submit a report thereon to the next meeting. **The relevant report has been submitted by the Chief Secretary of the Western Province vide letter No. CSWP/FIN-AP/01/FI/18 (C) dated 2024.06.13.**
04	**Failure to conduct regular assessments**	**Observations/Recommendations** The Committee advised that steps be taken to amend the relevant ordinances, if necessary, to avoid delays in the assessment activities of the Municipal Councils and Urban Councils.
05	**Problems faced by people purchasing lands/houses from housing schemes and lands that are auctioned off** The Chairman pointed out that some sellers have mortgaged the relevant properties to the bank, and the bank is taking steps to acquire those properties due to non-payment of loan installments,	The Committee discussed this matter at length and decided to summon the Urban Development Authority to the Public Accounts Committee meeting to be held on June 6, 2024, as the Urban Development Authority will have a major role to play in finding a solution to this issue.

	Main Points Discussed	- Clarification by the Chief Accounting Officer (CAO) / Accounting Officer (AO) - Observations/ recommendations of the Committee
	causing inconvenience to the people who purchased those properties.	
06	**<u>SANASA societies have become inactive.</u>** It was revealed that registered cooperative societies and SANASA societies in the Colombo and Gampaha districts have become inactive due to the fact that they have continued to issue loans and make investments without following the prescribed procedure.	**<u>Observations/Recommendations</u>** The Committee pointed out that due to this, a large number of depositors who had invested money in those societies have been unable to get their deposits back and have become helpless, and that the major reason for such a situation is the weak regulation of the Cooperative Development Department. The Committee, which discussed at length the reasons for the collapse of the cooperative movement and the measures to be taken to revive it, also emphasized that it is the responsibility of everyone to protect the cooperative concept from being destroyed.
07	**<u>Appointment of unqualified officers on an acting basis for 02 Deputy General Manager posts of the Road</u>**	The CAO/AO stated that a staff of 818 had been recruited for the Road Passenger Transport Authority with the approval of the Department of Management Services, according to

	Main Points Discussed	- **Clarification by the Chief Accounting Officer (CAO) / Accounting Officer (AO)** - **Observations/ recommendations of the Committee**
	<u>Passenger Transport Authority</u> The audit pointed out to the Committee that in addition to the General Manager post, 3 Deputy General Manager posts were created for the Road Passenger Transport Authority and that two officers who did not meet the qualifications had been appointed for 2 of these posts on an acting basis.	a staff review conducted by the Sri Lanka Development Administration Institute in the year 2013 he stated that out of the 818, there were 03 Deputy General Manager posts and in the year 2016, due to the vacancies of the Deputy General Manager (Finance) and Deputy General Manager (Operations), two internal officers were attached to those posts on an acting basis. The AO further stated that an overpayment of salaries had occurred due to an oversight in the calculation of salaries for those officers, and that the said amount had been notified to be refunded to the Road Passenger Transport Authority. **<u>Observations/Recommendations</u>** The Committee recommended to the Chief Secretary to examine whether the officers appointed on an acting basis for these 02 posts have fulfilled the required qualifications as per the recruitment procedure, whether any of the recruited officers have

	Main Points Discussed	- Clarification by the Chief Accounting Officer (CAO) / Accounting Officer (AO) - Observations/ recommendations of the Committee
		submitted false certificates, and the action taken regarding the payment of excess salaries to those officers and submit a report to the Committee at the next meeting. **The relevant report has been submitted by the Chief Secretary of the Western Province vide letter No. CSWP/FIN-AP/01/FI/18(C) dated 2024.08.26.**
08	**Issuing special transport permits to buses that have been granted permits to operate on other roads to operate on the expressway.**	In this regard, the AO of the Road Passenger Transport Authority stated that buses scheduled to operate on other routes would be used to operate on the expressway depending on passenger demand. He also stated that the special transport permit would be used as a permit for that purpose.
09	Out of the 6161 passenger service permits issued as of 31.12.2022, 5064 (82%) permits were issued without a tender procedure.	The AO stated that road permits are issued only according to the tender procedure after 2007, such permits had been issued prior to the establishment of the Road Passenger Transport Authority in 2007.

	Main Points Discussed	- **Clarification by the Chief Accounting Officer (CAO) / Accounting Officer (AO)** - **Observations/ recommendations of the Committee**
10	Use of GPS technology to regulate bus operations on the expressway.	The Chairman informed the Committee that a software developed by the University of Moratuwa would be used for this purpose and that it is planned to be used on buses running on the expressway from Kadawatha as a pilot project. The Chairman stated that this would provide the necessary information to the passengers as well as the authorities and added that the progress of the project would be considered at the next Committee meeting.
Sri Lanka Railways **(Contents of the Auditor General's Reports for the Years 2020, 2021 and 2022 and Current Performance)** **Date of Investigation- 05 June 2024**		
Institutions summoned - • **Ministry of Transport and Highways** • **Department of Sri Lanka Railways**		
01	**<u>Installation of Bells and Light Systems and its Current Status</u>**	The CAO/AO of the Ministry of Transport and Highways stated that the procurement activities would have been probably carried out with

	Main Points Discussed	- **Clarification by the Chief Accounting Officer (CAO) / Accounting Officer (AO)** - **Observations/ recommendations of the Committee**
	The audit authorities pointed out that 44 Bell and Light Systems are currently in a non-functional state and that a loss of about Rs. 213 million has been incurred by the Railway Department. The Committee also drew attention to the fact that a centralized monitoring system was not included at the time of procurement of the system and to the damage caused to public safety due to the breakdown of the Bell and Light Systems.	due consideration to the limited financial allocations based on the need that arose at the time as this project was initiated in 2013. **<u>Observations/Recommendations</u>** The Committee stated that it could not be satisfied with the hypothetical answer given that the reason for designing the structure without a centralized system was the limited allocations received for the project since the Bell and Light project was a project carried out with foreign assistance. The Committee recommended to the C.A.O. /A.O. of the Ministry of Transport and Highways to prepare a report on the procedure followed in selecting the relevant company to install these Bell and Light systems, the number of currently installed and properly functioning systems, the reasons for the lack of proper maintenance and supervision of this system, and the establishment of a centralized operating system for the

	Main Points Discussed	- **Clarification by the Chief Accounting Officer (CAO) / Accounting Officer (AO)** - **Observations/ recommendations of the Committee**
		Bell and Light system and submit it to the Committee by 5th July 2024. The relevant report has been submitted by the Secretary to the Ministry of Transport and Highways vide letter No. MT/04/14/03/02-2024 dated 17.07.2024.
02	**The existence of numerous vacancies in the entire department, including the failure to fill 328 tertiary level vacancies in the Railway Department**	The CAO/AO of the Ministry of Transport and Highways stated that recruitment to technical departments had not been carried out as required in the past few years due to the government policy of suspending recruitment to the public service. He further pointed out that the current number of drivers is only 272 although the approved number of posts for the post of engine driver is 458, and that no recruitment has been made for the post of engine driver since 2017. **Observations/ Recommendations** The Committee advised to carry out forthwith all essential recruitments including Train Controller, Engine Driver and to carry out the internal

	Main Points Discussed	- **Clarification by the Chief Accounting Officer (CAO) / Accounting Officer (AO)** - **Observations/ recommendations of the Committee**
		promotion process properly. The Committee recommended the CAO/AO to remove the obstacles in recruitment and promotion in the Railway Service and to formulate an appropriate programme in consultation with the Department of Management Services and the Public Service Commission to carry out recruitments expeditiously. The relevant report has been submitted by the Secretary to the Ministry of Transport and Highways vide letter No. MT/04/14/03/02-2024 and dated 2024.12.23.
03	**Promoting railway services as a more efficient and cost-effective means of transporting goods**	The CAO of the Ministry of Transport and Highways stated that attention has been focused on establishing a freight transport network via railways, that a committee has been appointed within his ministry to conduct a study on this, that a World Bank grant of USD 7.5 million is also expected to be received for this purpose, and that a pilot freight train

	Main Points Discussed	- **Clarification by the Chief Accounting Officer (CAO) / Accounting Officer (AO)** - **Observations/ recommendations of the Committee**
		from Beliatta to Colombo will also be launched this month.
04	**<u>Non-implementation of the orders given at the previous Committee meeting</u>** The recommendation made at the previous Committee meeting (paragraph 8.2 of the Committee Minutes dated 21.06.2019) to submit copies of the written order allegedly issued by the Director General of Establish regarding the methodology for paying employee overtime to the Auditor General and the Committee on Public Accounts was not implemented.	It was stated before the Committee that the payment of overtime in the railway service has been made in contravention of Chapter 8 of the Establishments Code and that the Director General of Establishments has not issued a letter as mentioned above to implement the overtime payment method as before. The AO of the Ministry of Transport and Highways stated that overtime payments are currently being made subject to the instructions and restrictions set by the General Manager of Railways from time to time. **<u>Observations/Recommendations</u>** The AO of the Ministry of Railways stated that the Director General has not issued a letter regarding the overtime payment method. The Committee recommended that the CAO of the Ministry of Transport and Highways submit a report to the Committee within 2 months, stating

	Main Points Discussed	- **Clarification by the Chief Accounting Officer (CAO) / Accounting Officer (AO)** - **Observations/ recommendations of the Committee**
		who the officer who misled the Committee was, the reasons for making such a statement, and the current status of the audit inquiry discussed at the Committee meeting held on 21 June 2019, as it is apparent that the statement made by the AO of the Ministry of Transport and Highways misled the Committee in the previous Committee meeting. The relevant report has been submitted by the Secretary to the Ministry of Transport and Highways vide letter No. MT/04/14/03/02-2024 dated 2024.12.23
05	**Preparation of a Cabinet paper to strengthen the Information Technology sector within the Railways Department.** The Committee expressed its displeasure that although the COPA Committee had identified the need for this in 2019 and made the necessary	The AO of the Ministry of Transport and Highways stated that an online information system has been developed for the leasing out of properties owned by the Railway Department and that steps are being taken to regularize the relevant leased properties by 15th July 2024. **Observations/Recommendations**

	Main Points Discussed	- **Clarification by the Chief Accounting Officer (CAO) / Accounting Officer (AO)** - **Observations/ recommendations of the Committee**
	recommendations, no action had been taken to date.	The Committee, which advised that necessary steps be taken to establish an Information Technology Division in the Railway Department, recommended that the CAO/AO of the Ministry of Transport and Highways to submit a report to the Committee by 05th August 2024 on the expected future steps to be taken by the Railway Department in this regard. **The relevant report has been submitted by the Secretary to the Ministry of Transport and Highways vide letter No. MT/04/14/03/02-2024 and dated 2024.07.17.**
06	**Obtaining updated information on the lands/assets owned by the Railway Department and about those leased out** The Auditor General pointed out that the computerization of the lands of the Railway Department has not been carried out as per the	The CAO of the Ministry of Transport and Highways stated that the lands belonging to the Railway Department scattered across the country have been identified, a project has been initiated to computerize those lands in collaboration with the Asian Development Bank, properties in major cities have already been

	Main Points Discussed	- Clarification by the Chief Accounting Officer (CAO) / Accounting Officer (AO) - Observations/ recommendations of the Committee
	recommendations given at the meeting of the Committee on Public Accounts held on 21st June 2019 and that the Department has not received an amount of Rs. 79 million related to land leases	included in the computer system, and residents of properties owned by the Railway Department have been given a registration period until July 15, 2024. He further stated that legal action is expected to be taken against the identified unregistered and unauthorized residents accordingly. **<u>Observations/Recommendations</u>** The Committee recommended to the C.A.O./A.O. of the Ministry of Transport and Highways to submit a report on the establishment of an information system containing data on the lands/assets owned by the Railway Department to the Committee by 5th August 2024 and to submit a complete report on the number of unauthorized settlements and registrations on the lands owned by the Department to the Committee by 15th September 2024. The relevant report has been submitted by the Secretary to the Ministry of Transport and Highways vide letters No. MT/04/14/03/02-

	Main Points Discussed	- **Clarification by the Chief Accounting Officer (CAO) / Accounting Officer (AO)** - **Observations/ recommendations of the Committee**
		2024 and dated 2024.08.05 and 2024.10.02.
07	**Unauthorized construction of a 14-room building on land belonging to the Railway Department near Weligama Railway Station**	The Committee expressed its displeasure over the fact that the Chief Accounting Officer had attempted to absolve himself of responsibility by transferring the relevant responsibility to the relevant officers without taking proper action against them. **Observations/Recommendations** The Committee recommended to the CAO/AO of the Ministry of Transport and Highways to take disciplinary action against the relevant stationmasters regarding these unauthorized constructions and unauthorized land acquisitions and to take steps to prevent such incidents from happening in the future.
08	The Committee also noted that the Railways Department had made payments worth Rs. 95 million to suppliers	The CAO of the Ministry of Transport and Highways also informed the Committee that it was an incorrect procedure used in the

	Main Points Discussed	- **Clarification by the Chief Accounting Officer (CAO) / Accounting Officer (AO)** - **Observations/ recommendations of the Committee**
	without confirming receipt of goods and that there was an unusable stock of goods worth Rs. 298 million in warehouses by the end of 2020.	past to release the entire amount to the suppliers without receiving the goods from the relevant suppliers, and that the Railway Department adopted that procedure to obtain priority for the relevant supplies due to the purchase of goods in small quantities, and that at present, a recommendation was made to make only 80% of the relevant amount of money before receiving the goods. **<u>Observations/Recommendations</u>** The Committee advised the CAO of the Ministry of Transport and Highways to follow a more formal procedure regarding the importation of railway spare parts and stock management.
09	The Committee noted that the import of 10 locomotives under Indian loan assistance was discussed at the meeting of the Public Accounts Committee held on 21 June 2019 and that several of the	The CAO of the Ministry of Transport and Highways stated before the Committee that it is not practical to fulfil all technical issues in such imports, that certain agreements were reached with the suppliers regarding non-conformities, and that a supplier had to be selected from among the

	Main Points Discussed	- **Clarification by the Chief Accounting Officer (CAO) / Accounting Officer (AO)** - **Observations/ recommendations of the Committee**
	locomotives imported were not put into use. The attention of the committee was drawn towards the fact that the locomotives could have been obtained from the United States for a lower price, and that 17 out of 46 technical specifications for the imported engines were non-compliant, resulting in a loss of Rs. 1905 million to the government through the entire transaction.	suppliers nominated by them in accordance with the loan conditions imposed by the Indian Bank that provided the relevant credit facility. Also, the CAO of the Ministry of Transport and Highways stated before the Committee that one of the imported locomotives had a serious accident and is at the Ratmalana Railway Yard until spare parts are imported, and that all the remaining 9 locomotives are in running condition, and that 4 of them have been stopped for wheel replacement due to wear and tear.
10	**Matters contained in the Auditor General's brief note (Audit paragraphs not discussed at the meeting on 05.06.2024)**	**Observations/Recommendations** The Committee recommended to the C.A.O. /A.O. of the Ministry of Transport and Highways to submit to the Committee by 05 August 2024 a detailed response report on the audit queries contained in the Brief Note submitted to the Committee by the Auditor General for the meeting on 05.06.2024, but not discussed today.

	Main Points Discussed	- **Clarification by the Chief Accounting Officer (CAO) / Accounting Officer (AO)** - **Observations/ recommendations of the Committee**
		The relevant report has been submitted by the Secretary to the Ministry of Transport and Highways vide letter No. MT/04/14/03/02-2024 and dated 05.08.2024.
11	**The need to prepare a programme to expand train repair yards to accommodate maintenance work on newly imported locomotives.**	The CAO of the Ministry of Transport and Highways informed the Committee that the Cabinet has appointed a committee to provide proposals for the restructuring of the railway service, its report has been submitted to His Excellency the President, a report has been requested from another committee regarding its implementation, after submitting that report to the Cabinet, which is scheduled to be presented to the Cabinet next week.
12	**Establishing an information technology system in the Railway Department, managing human resources and promoting the freight transport by rail**	**Observations/Recommendations** The Committee recommended to the C.A.O./A.O. of the Ministry of Transport and Highways to submit a report prepared by the Committee on the future steps expected to be taken by the Railway Department

	Main Points Discussed	- **Clarification by the Chief Accounting Officer (CAO) / Accounting Officer (AO)** - **Observations/ recommendations of the Committee**
		regarding the establishment of an IT system in the Railway Department, management of human resources and promotion of freight transport by rail by 05 August 2024. The relevant report has been submitted by the Secretary to the Ministry of Transport and Highways vide letter No. MT/04/14/03/02-2024 and dated 05.08.2024.

Local Authorities in the Western Province

(Audit Reports issued by the Auditor General on the Local Authorities of the Western Province for the financial years 2020, 2021 and the current performance of the said Local Government Institutions)

Date of Examination - 06 June 2024

Institutions summoned –

- ❖ Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government
- ❖ Office of the Chief Secretary, Western Province
- ❖ Ministry of Local Government (WP)
- ❖ Provincial Department of Revenue (WP)
- ❖ Department of Local Government (WP)
- ❖ Negombo Municipal Council

<table>
<tr><td colspan="3">
❖ Kalutara Municipal Council
❖ Kaduwela Municipal Council
❖ Sri Jayewardenepura Kotte Municipal Council
❖ Peliyagoda Urban Council
❖ Maharagama Urban Council
❖ Mahara Pradeshiya Sabha
❖ Kalutara Pradeshiya Sabha
❖ Beruwala Pradeshiya Sabha
❖ Urban Development Authority
❖ Government Valuation Department
</td></tr>
<tr><td>01</td><td><u>Allocating land for public purposes when partitioning lands for sale</u></td><td><u>Observations / Recommendations</u>

The Committee pointed out that it is observed that the lands allocated for public purposes when partitioning lands for auction are in conditions that cannot be utilized. Accordingly, the Committee recommended to the Accounting Officer of the Department of Local Government of the Western Province to conduct a survey on the current condition of the lands that have been allocated for public purposes when partitioning lands for sale during the last 20 years.

The required information has been submitted by the Senior Assistant Secretary to the Ministry of Local Government of the Western Province through the letter No.</td></tr>
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		CMWP/ACC 3/9/2 – 2023 dated 08.07.2024.
02	**Issues faced by buyers due to fraudulent practices of sellers of lands and house**	**Observations / Recommendations** The Committee emphasized that the people who buy the lands and houses sold by many auctioneers face serious issues as auctioneers have mortgaged such lands and houses to banks, and recommended that a set of proposals be prepared to find solutions to this issue by a committee consisting of representatives from the Ministry of Provincial Councils and Local Government, the Chief Secretary (WP), the Department of Local Government (WP) and the Urban Development Authority and that the same be submitted to the Committee by 10 July 2024. The Committee also recommended that the set of proposal for solutions prepared by the said committee should include the following: • Proposals to prevent people who purchase houses from housing schemes or lands from auctioneers from facing problems due to fraudulent actions of the sellers.

		• Measures that can be taken regarding the proper establishment of infrastructure facilities including water and electricity in housing schemes and auction lands. • Allocation of suitable lands for public purposes when partitioning lands for sale. The required information has been submitted by the Senior Assistant Secretary to the Ministry of Local Government of the Western Province through the letter No. CMWP/ACC 3/9/2 – 2023 and dated 08.07.2024.
03	**Introducing a common methodology for all local authorities when approving building plans**	The Accounting Officer of the Urban Development Authority gave a description before the Committee regarding the proposed online system to be introduced by the Urban Development Authority for the approval of building plans. **Observations / Recommendations** The Committee directed that the proposed system be implemented expeditiously as it is a very timely and effective system that can minimize irregularities. The Committee recommended to the Chief Accounting Officer of the

		Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government that the necessary circulars should be issued to the local government institutions by the Local Government Commissioners in coordination with the Ministry of Local Government and the Urban Development Authority and that copies thereof should also be submitted to the Auditor General. A copy of the letter No. PL/7/4/8/2 – 2024 dated 2024.07.05 of the Additional Secretary to the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government addressed to the Director General of the Urban Development Authority has been sent in this respect. In addition, the Committee also recommended to the Chief Accounting Officer of the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government to send to the Auditor General copies of the circulars already issued by the Ministry to the local government institutions instructing them to use online system for all services

		provided by local government institutions from the year 2024. A copy of the letter No. PL/7/4/8/2 – 2024/ dated 2024.07.05 of the Additional Secretary to the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government, through which copies of the relevant circulars were submitted to the Auditor General has been sent to the Committee. The Committee emphasized that the Secretaries of Local Government Institutions in the Western Province and the relevant Local Government Commissioners who do not comply with those circulars should take responsibility for it and that they will be summoned before the Committee once again on 09 August 2024, and that the Committee will examine the progress made in implementing this programme by 18 September 2024.
04	**Delay in valuation of property.** It was revealed before the Committee that, as valuation of property in certain urban councils and municipal council in the Western	The Chief Valuer of the Government Valuation Department stated that, although a property valuation should be carried out every 5 years, his department could not carry out the valuation without a request from the relevant local government institution. It was also revealed that

	Province has not been done for many years, the rates have not been updated, and this has resulted in a significant loss of tax revenue.	the shortage of officers required for that has also caused the delay in carrying out the valuation, and that steps are being taken to recruit 196 new officers. It was also revealed at this point that the required data system has already been prepared in accordance with the agreement reached with the International Monetary Fund requiring that all the activities of the Government Valuation Department should be computerized by the end of 2025. **Observations / Recommendations** The Committee recommended to the Chief Secretary of the Western Provincial Council to discuss with the officials of the Valuation Department and to prepare a methodology to enable the valuation of properties of local government institutions to be carried out within the prescribed time intervals. The Committee further recommended to the Chief Accounting Officer of the Valuation Department to submit to the Committee before 11.06.2024 a report on the current situation of the

		data system prepared for computerizing the valuation work carried out by the Valuation Department and the factors that have prevented it from operating at its full capacity so far. The said report has been submitted by the Chief Valuation Officer of the Government Valuation Department through his letter No. CV/01/25 dated 12.06.2024.
05	**Holding meetings of the Audit and Management Committee**	**Observations / Recommendations** The Committee pointed out that it is not an effective method to convene representatives of all the local government institutions in the district to the Office of the Assistant Commissioner and to hold Audit and Management Committee meetings, and recommended that the Audit and Management Committee meetings, which should be held quarterly, should be held within the local government institution itself with the participation of all the relevant officers. Details of communication of the said information has been provided to the Committee by the letter of the Senior Assistant Secretary to the Ministry

		of Local Government, Western Province through the letter No. CMWP/ACC 3/9/2 – 2023 dated 08.07.2024.
06	**Internal audit activities of local government institutions**	The Committee pointed out that an independent audit cannot be expected by appointing an officer in charge of a subject in local government institutions to conduct internal audits. The Committee was of the opinion that the irregularities occurring in the institutions can be minimized by establishing a separate internal audit unit for this purpose. The Chief Accounting Officer of the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government stated that his Ministry has made written requests to the Department of Management Services on several occasions regarding this matter, but no solution has been provided so far. The need to conduct a staff review at provincial level was also emphasized. **Observations / Recommendations** After a lengthy discussion on this matter, the Committee

		recommended to the CAO to find a suitable solution to the request made to establish an internal audit unit within the Department of Local Government for the internal audit activities of local government institutions taking the existing legal provisions into account the.
07	**Conducting an audit on the projects implemented within the area of the Kaduwela Municipal Council** The Committee paid its attention to the irregularities that have occurred in several projects implemented within the area of the Kaduwela Municipal Council.	**Observations / Recommendations** The Committee recommended to the Auditor General to carry out the following activities and to submit a report to the Committee on the same by 10 July 2024. i. To conduct an audit on the irregularities that have occurred in the construction project of the Crematorium in Pore, of which the construction work has been started at a cost of about Rs. 16 million, but the construction work has not been completed; ii. To conduct an audit on the financial irregularities that have occurred in the construction of the Ranpelessa Waste Recycling Centre, which has not benefited the people as against the amount spent, iii. It was also recommended to investigate whether the Local

		Government Institution of Kaduwela, too, has approved provisions for the same project that was implemented by the Kaduwela Divisional Secretariat as well out of the projects implemented in the last 05 years. At meeting of the Committee held on 10.07.2024, the Auditor General presented the following information in this regard: i. According to the audit, it has been confirmed that no financial loss has been caused to the government due to this although the construction work has been stopped halfway. ii. It has been pointed out by the audit that, at the time of the audit, the work of this project had been temporarily suspended for repairs, that this is a model project implemented to solve the issue of garbage disposal, and that this will generate a considerable amount of electricity as well.
08	**Recovering outstanding rates**	The Committee noted that the collection of outstanding rates is

		progressing very slowly, and emphasized the need to expedite the collection of outstanding rates by the local government institutions. It was revealed by the Audit that the total amount of the outstanding rates as at 31.12.2023, excluding stamp duty, in the Western Province alone exceeded Rs. 12 million. The Committee also discussed the possibility of outsourcing personnel if there is a shortage of officers for revenue collection. Further, the Committee also discussed the recruitment of personnel for the approved cadre of the Fire Department of the Sri Jayewardenepura Kotte Municipal Council.
09	**Submission of reports on the matters mentioned in the Report of the Auditor General that were not discussed at the meeting of the Committee held on 06.06.2024**	**Observations / Recommendations** The Committee recommended to the Chief Secretary of the Western Provincial Council to submit a report to the Committee by 10 July 2024 a report containing details separately on each audit query contained in the brief report prepared by the Auditor General for this day's discussion, but could not be discussed at the meeting.

<table>
<tr><td></td><td></td><td>The said answers have been submitted by the Chief Secretary of the Western Province through the letter No. CSWP/FIN-AP/01/FI/18 (C) dated 10.07.2024.</td></tr>
<tr><td colspan="3">National Intellectual Property Office

(Audit Reports for the Financial Years 2020, 2021 and 2022 and Current Performance of the National Intellectual Property Office)

Date of Examination - 06 June 2024</td></tr>
<tr><td colspan="3">Institutions Summoned -

❖ Ministry of Trade, Commerce and Food Security
❖ National Intellectual Property Office</td></tr>
<tr><td>01</td><td><u>Vacancies in the National Intellectual Property Office</u>

The Committee observed that there are currently 32 vacancies in the National Intellectual Property Office and inquired about it.</td><td>The CAO/AO stated that the approved cadre of the National Intellectual Property Office at present is 110, that professionally qualified officers are required to perform the duties of the office, that the duties of the post of Intellectual Property Officer are currently performed by Development Officers who have already been recruited by the government under the graduate appointments, and that, nevertheless, necessary steps are being taken to make recruitments for the posts of Intellectual Property Officer and Patent Examiner, but the Public Service Commission has not</td></tr>
</table>

		given approval to provide training to the Development Officers who have already been recruited and to absorb them to the posts of Intellectual Property Officer and Patent Examiner and the Public Service Commission has given approval to recruit those officers through an open competitive examination, and that the Department of Examinations has been requested to hold an open examination to fill the vacancies in the said posts and the arrangements to hold the examination are currently in the final stage. When contacted on telephone, the Commissioner General of Examinations confirmed that arrangements have been made to hold the said examination in August 2024. It has been informed by the letter No. MT/ADM/03/CoPA of the Secretary to the Ministry of Trade, Commerce and Food Security dated 31.07.2024 that vacancies for recruitment to the post of Intellectual Property Officers have already been advertised in the Gazette and that the notice calling for applications to make recruitments through an open

		competitive examination for the posts of Patent Examiners will be sent to the Department of Examinations.
02	**Project to establish a repository, a marketing promotion centre and a training centre.** The Committee inquired as to why the amount of Rs. 22,978,101/- spent on the construction of a repository, a marketing promotion centre and a training centre for the National Intellectual Office has not been reimbursed so far by the Ministry of Defence and Urban Development.	The AO of the National Intellectual Property Office stated that the Cabinet decided to stop the project to establish a repository, marketing promotion centre and a training centre for the National Intellectual Property Office as the premises belonging to Sathosa, where this project was expected to be implemented, were later used for a mixed development project, and that, although requests were made to the Ministry of Defence and Urban Development to get the funds refunded, no refund has been made so far.
03	**Digitization Project of the files in the National Intellectual Property Office** It was revealed before the Committee that 88,797 applications for trademarks have been received from 2015 to 2023, of which 54,520 have been registered, and that official work of the National	The AO stated that a file-scanning project has been scheduled to be implemented under the assistance of the World Intellectual Property Organization, and that it has been difficult to commence the said scanning project due to insufficient space to store the files, and the CAO stated that arrangements have been made to provide space so that sets of files can be temporarily stored for

	Intellectual Property Office is also carried out using files in addition to using a data system.	this project. The CAO of the National Intellectual Property Office stated that, however, since the files are constantly used for official purposes, it is not possible to take the files to the relevant location in different sets. **<u>Observations / Recommendations</u>** The Committee recommended to the CAO of the Ministry of Trade, Commerce and Food Security to submit to the Committee before 20.06.2024 a written report on the number of files currently available at the National Intellectual Property Office and the Action Plan with timeframes for completing the scanning project to, and to provide the necessary assistance to the National Intellectual Property Office to scan the said files. The CAO/AO stated that the facility for accepting applications through the online system can be made available within one year after completing the scanning project. **The said report has been submitted by the Director General of the National Intellectual Property Office in its letter No.**

		2/4/8 VOL III and dated 20.06.2024.
04	**Contract to purchase a server from the Information and Communication Technology Agency of Sri Lanka (ICTA).** The Committee observed that Rs. 32.5 million had been paid as per the contract for the purchase of a server from the Information and Communication Technology Agency of Sri Lanka (ICTA) for the National Intellectual Property Office, and enquired as to why the server had not been provided and no refund had been made.	The CAO/AO stated that, when the Attorney General's Department was consulted in this regard, the Attorney General had advised to discuss with the said institution, and that, although discussions were held between the Secretaries to the relevant ministries, neither the server nor the money had been received, and that, since the procurement process for the purchase of a server from the Sri Lanka Information and Communication Technology Agency has already been initiated, there is a problem in initiating a new procurement process for the purchase of a server from another institution, and that, however, a new server machine is required in order to protect the data (Data Repository). The CAO of the Ministry of Trade, Commerce and Food Security further stated that he would look for the obstacles in initiating a new procurement process for the purchase of a server machine.

05	**Conducting a space audit of the National Intellectual Property Office**	**Observations / Recommendations** The Committee recommended to CAO of the Ministry of Trade, Commerce and Food Security to appoint a committee to audit the space of the Intellectual Property Office and submit a report on the same to the Committee before 10.07.2024. **The said report has been submitted through the letter No. MT/ADM/03/CoPA of the Secretary to the Ministry of Trade, Commerce and Food Security dated 2024.07.15.**
06	**Sending the files of the National Intellectual Property Office to the Department of National Archives**	**Observations / Recommendations** Although there is a large number of files in the National Intellectual Property Office, since the space facility is limited, the Committee recommended to the Director General of the National Intellectual Property Office to take steps to send the old files to the Department of National Archives and the Committee recommended to the CAO of the Ministry of Trade, Commerce and Food Security to make the necessary interventions in that regard.

07	**Trademarks, patents and industrial designs of which registration has been delayed.** It was revealed before the Committee that, out of 3,762 applications for trademarks that had been registered as at 31.12.2023, 892 applications had been submitted during the period from 1995 to 2013, and that it has been discovered through a sample examination of 27 applications that it had taken a period of 2 to 28 years for that, and the Committee inquired about the delay of such a long period.	The AO of the National Intellectual Property Office stated that most countries in the world take at least one year to register trademarks. The AO further stated that these delays are mainly due to the shortage of officers in the institution, in addition to that, due to the delays caused by applicants, objections filed by third parties during trademark registration, ex parte examinations, and the need to fulfill the obligations under international conventions in relation to international applications.
08	**Payment on a piece rate basis to prevent delays in registration of trademarks** The Committee enquired about the solutions that can be adopted to expedite the registration of applications for trademarks of which registration has been delayed.	The CAO of the Ministry of Trade, Commerce and Food Security stated that, although the National Intellectual Property Office intended complete fulfilling this backlog of work under the piece rate system approved by the Ministry of Public Administration, there was some backlog as the daily payment under that system was not sufficient, and therefore it was appropriate to obtain the approval of the Ministry of

		Public Administration to pay a higher rate under the piece rate system, and that, however, since the amount of backlog is very big, it is not possible to specify a specific date for its completion, and that, in order to prevent such delays in future, it is appropriate to accept only correctly completed applications. The AO of the National Intellectual Property Office stated that reasons such as non-payment of charges on time also contribute to such delays. **<u>Observations / Recommendations</u>** The Committee recommended to the AO of the National Intellectual Property Office to submit to the Committee on or before 20.06.2024 a report containing information on the number of files assigned to each officer for the completion of the work under the piece rate system, the name of the officer, the designation of the officer and the amount of money paid to each of those officers, and to submit to the Committee on or before 20.07.2024 a report on the age analysis of trademarks, patents and industrial designs of which registration has been delayed as per the data system

		of the National Intellectual Property Office. The said report has been submitted through the letter No. 2/4/8 VOL III of the Director General of the National Intellectual Property Office dated 20.06.2024.
09	**Registration of Geographical Indications**	The AO of the National Intellectual Property Office stated that geographical indications were initially registered under trademarks and that the National Intellectual Property Act was amended in 2022 to make provisions for registering them under a new system. However, it was revealed before the Committee that the relevant regulations have not been publish in the gazette so far, and the CAO of the Ministry of Trade, Commerce and Food Security stated that necessary steps would be taken to submit it to the next meeting of the Ministerial Consultative Committee and to publish it in the gazette.
10	**Madrid Project of the National Intellectual Property Office**	Although a sum of Rs. 78 million was allocated in the 2016 budget for the Madrid Project of the National Intellectual Property Office for the international registration of trade and service marks, it was pointed by

		the audit that the international registration of trademarks had not been implemented as the access to the Madrid Protocol had not been completed even by the end of 2023.

Department of Census and Statistics (Reports of the Auditor General and the Current Performance for the Financial Years 2020, 2021, 2022) Date of Audit – 07th June 2024		
Institutions summoned - ❖ Ministry of Finance, Economic Stabilization and National Policies ❖ Department of Census and Statistics		
01	**Population and Housing Census - Year 2021**	AO of the Department of Census and Statistics stated that the Census of Population and Housing was planned to be conducted in 2021, but the Covid pandemic in 2020 and the economic conditions in the country in 2022 hampered the process of purchasing the tablet computers required for the census. The AO stated that the Census of Population and Housing will be conducted in 4 phases and under the first phase, the entire island would be divided into "census categories" and mapped. Under its first phase, the entire island has been included in

		a digital data system, all Grama Niladhari divisions have been digitized using GIS technology (Geographic Information System) and the census groups, identified within it have been digitized. AO stated that the process of listing all buildings, currently in use was initiated in 2023 under the second phase of the census. It was also revealed that there has been some delay in the process of listing buildings due to the factors such as the delay in the process of purchasing tablet machines, the non-compliance of certain officers with the 2018 payment circulars during the year 2023 which led to the need to increase those payments, and the need to assign other officers for the purpose due to the resignation of some officers. The Committee inquired about the date on which the preliminary report to be prepared after the Population and Housing Census could be released and the AO stated that it is expected to prepare and complete the preliminary report in September 2024.

		Recommendations The Committee recommended to the CAO of the Ministry of Finance, Economic Stabilization and National Policies and the AO of the Department of Census and Statistics to submit a report to the Committee before 14.06.2024, on the projected dates on which the final report will be prepared, and the respective steps related to the Population and Housing Census. The period for the 2024 Population and Housing Census has been presented by the letter No. MF06/10/C & S/CoPA/2024 dated 24.06.2024 of the Secretary to the Ministry of Finance, Economic Stabilization and National Policies. Accordingly, it has been informed that the final report of this programme, which will commence with the training of enumerators from 01.07.2024 will be published by 31.03.2025.
02	**Not conducting the Population and Housing Census-2021, Economic Census, Household Income and Expenditure Survey**	The AO stated that other censuses/surveys were also delayed with the delay in the Population and Housing Census and that since the Household Income and Expenditure Survey (HIES Survey) should be

	(HIES) and Demographic and Health Survey (DHS).	conducted in a year when the living and consumption patterns are at a normal level and since the housing structure has changed a lot by now, the consultants advised not to conduct the HIES Survey according to the census framework prepared in the year 2011. It was also revealed that since the data from the HIES Survey is used for many surveys; a Quick Survey was conducted in the year 2023 to meet the data requirement.
03	**"e-Grama Niladhari" Project (e-GN Project)** It was revealed that all the data collected by the Department of Census and Statistics through the data collection forms related to the Population and Housing Census is also collected by the Grama Niladhari officers for the "e-Grama Niladhari" project using a different form, and that in addition to the data collected for the Population and Housing Census, only a small amount of additional data is collected by the Grama	The Committee pointed out that the collection of the same data by several government institutions from time to time is troublesome for the public, and it emphasized that it increases government expenditure and wastes labor and time. The Committee observed that it is more effective to collect the common data required by each institution through a single form by one institution and provide access to that data to other institutions as needed. AO further stated that The Secretary to the Ministry of Finance is currently working to prepare a "Strategy for the Development of Statistics in Sri Lanka" and the

	Niladharis for the "e-Grama Niladhari" project.	Steering Committee for this is chaired by the Secretary to the Ministry of Finance. Not only the Department of Census and Statistics but also other government institutions are working together to establish the Statistical System, and there is the possibility of using the data by another institution , through this, The AO stated that work has now begun on drafting a new bill to provide the Department of Census and Statistics with the necessary legal authority to collect and securely maintain administrative data required for the development activities and that it is in the final stages. **Recommendations** The Committee recommended the CAO/AO to submit a report to the Committee before 14.06.2024, detailing the proposed new Bill, the date of its referral to the Legal Draftsman, the date of its referral to the Cabinet, and the date of its presentation and passage in the Parliament. This timeline has been presented by the Secretary to the Ministry of

		Finance, Economic Stabilization and National Policies, by the letter No. MF06/10/C & S/COPA/2024 dated 24.06.2024 and accordingly, it has been stated that the proposed new draft Bill will be submitted to the Department of Legal Affairs on 24.06.2024 The Committee recommended to the CAO of the Ministry of Finance, Economic Stabilization and National Policies to prepare a programme to conduct censuses/surveys for the collection of similar data by state institutions, minimize unnecessary expenses, and establish coordination with relevant state institutions to conduct such censuses/surveys. . The CAO stated that there is a programme implemented by the Ministry of Technology for this purpose, and that according to the digital strategies currently presented, one institution is to be established to provide the necessary consultancy services for the data systems, required by all government institutions, and that necessary discussions are being held in this regard.

		It has been reported that in the letter No. MF06/10/C & S/COPA/2024 dated 04.07.2024 of the Secretary to the Ministry of Finance, Economic Stabilization and National Policies, that since the information collected through the e-Grama Niladhari project cannot currently be used for the needs of the Department of Census and Statistics, instructions have been given to exchange this data in the next census to be held in 2031 and to work in agreement between the relevant institutions for this purpose. Furthermore, the Committee recommended the Secretary of the Committee to send a letter to the CAO of the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government, informing them to work in coordination with the Department of Census and Statistics in collecting data related to the e-Grama Niladhari project. The above letter No.**ර.ගි.කා.ස./09/05/2024**dated 14.06.2024, has been forwarded by the Secretary of the Committee on Public Accounts to the Secretary of

		the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government.
04	**Information and Communication Technology Plan 2016 - 2025**	The AO stated that the Demographic and Health Survey (DHS) was conducted for the first time in 2016, a report was issued using tablet computers and the press releases on the reports issued by the department, have been published through the website. In addition, that the Sri Lanka Labour Force Survey and the Household Income and Expenditure Survey planned to be conducted next year, are expected to be conducted using tablet computers. The progress of the report submitted by the Department of Census and Statistics, including the planned information technology and communication activities for the period 2016-2025, was also discussed at the Committee. The Committee observed that the base year of price indices changes from time to time as human consumption patterns change over time and that the base year of the Colombo Consumer Price Index is 2021. The Committee also discussed

		the methodology for collecting commodity prices covering the entire island.
05	**Per capita household expenditure**	The AO stated that the average monthly per capita household expenditure is about Rs. 17,000 and that there are some differences depending on each district, and that the per capita expenditure will be announced at the district and national levels in accordance with the National Consumer Price Index released on the 21st of every month. The AO further stated that it is expected to prepare the necessary indicators for making short-term decisions using the 2024 Population and Housing Census data and the 2025 Household Income and Expenditure Survey data. The AO stated that the results of a survey conducted in 2023 to examine how the recent economic crisis affected the household economy and the strategies adopted by households to address those issues have been released. **Recommendations** The Committee recommended the CAO/AO to submit a comparative

		report to the Committee within a week on how household unit expenditure in 2022 changed from household unit expenditure in 2023. This report has been submitted by the Secretary to the Ministry of Finance, Economic Stabilization and National Policies by the letter No. MF06/10/C & S/COPA/2024 dated 24.06.2024.
06	**Commencing office operations, after building a 12-storey building was constructed for the department in 2015 with World Bank assistance and government funds.** The audit observed the shortcomings such as the management not having taken steps to obtain the complete report and warranty certificate related to the construction of the building from the contractor, payment of 88% of the retention money, i.e. Rs. 35,673,850, to the contractor two weeks prior to the completion of the construction work, and water leakage on the upper floors	It was revealed that the total payments related to the construction of the building have been made and the retention fee has been released. The Minister also stated that the Cabinet has approved the final payment for the building. The AO stated that about 05 million was credited to the government revenue from the retention fee and that the retention fee had been released on the recommendation of a private consultant (Engineering Consultants Limited). The AO stated that in the first phase, deep piling work was carried out for the construction of the building under the World Bank credit assistance and Rs. 109 million was spent and in the second phase, the building was constructed using government funds

	during rainy days and water flowing into the internal office premises.	and about Rs. 1070 million was spent on it. Although discussions were held with the contractor regarding the existing deficiencies, they have not responded and it was revealed that the agreement with the contractor has now ended. **Recommendations** The Committee recommended the CAO/AO to submit a detailed report to the Committee, including who prepared the estimate for the construction of the head office building and signed the contracts for the building, how payments were made and the retention money was released on the recommendation of a private consultancy firm without the recommendation of a government agency. The AO stated that the CECB provided an estimate for the year 2020 to conduct a technical audit, but it could not be carried out due to lack of funds at that time, and it is expected to be carried out this year. An estimate has now been received from the Department of Buildings for the repairs to be made to prevent water leakage in the building and water flowing into the office

		premises, and the relevant procurement activities have already been carried out. The Committee recommended the CAO/AO to obtain a relevant estimate for the main building from the Department of Buildings or the CECB, and to submit a report on the steps to be taken to rectify the deficiencies in the building, and recommended that steps be taken to immediately rectify the deficiencies in the building. It has been reported that steps will be taken to submit reports containing this information expeditiously through the letter No. MF06/10/C & S/CoPA/2024 dated 24.06.2024 of the Secretary to the Ministry of Finance, Economic Stabilization and National Policies. The Committee recommended the CAO to blacklist the private consulting company that had issued the certificate recommending the construction of the above building, as it had not issued a correct certificate regarding the building in question. A report on the above matters has been submitted by the Director

		General of the Department of Census and Statistics, by the letter No. DCS/ACC/F13/04 dated 18.12.2024.
07	**<u>Deficiencies in the printing unit and the old office premises</u>** The audit revealed that the printing unit was not planned to be established in the new building of the department when it was designed. The Committee inquired about the possibility of bringing the printing unit to the new building premises where the department is located.	AO pointed out that since the printing unit has a large number of machines; it is problematic having that unit with the other units when the machines are in operation. **<u>Recommendations</u>** The Committee recommended that the building where the printing department is located be utilized effectively. The AO stated that necessary steps are being taken to renovate the building and maintain the department in a proper manner.
Department of Export Agriculture (Reports of the Auditor General for the years 2021 and 2022 and Current Performance) Date of Audit – 18th June 2024		
Institutions summoned - ❖ Ministry of Agriculture and Plantation Industries ❖ Department of Export Agriculture		
01	<u>Implementation of the recommendations made at the meeting of the Committee on</u>	AO of the Department of Export Agriculture stated that a new plan has been prepared up to the year

	<u>Public Accounts held on 11th March 2016.</u> **<u>Preparation of plans to achieve export revenue targets</u>** Although the CAO had stated in the previous committee meeting that the plans had been made to increase the export earnings from $0.5 billion in 2016 to $1 billion by 2020, the Auditor General revealed that the target had not been achieved. The Auditor General also pointed out that the lack of a proper planning and the proper supervision could be the reason for this situation.	2030, even if a plan had been prepared and it was realized that it was not sufficient to achieve the desired goals. He also stated that according to the plan, suitable lands for each crop are identified and cultivation activities are expected to be carried out accordingly. The CAO/AO also stated before the Committee that in addition, it is expected to increase export income by identifying new lands to expand the area of cultivated land and by adding value to the products and importing them. **<u>Recommendations</u>** The Committee recommended the CAO of the Ministry of Agriculture to prepare a plan for the promotion of crop varieties identified as suitable for cultivation at the level of the Agricultural Service Divisions on a scientific basis and to achieve targeted export earnings and submit it to the Committee before 31st July 2024. **The relevant plan has been submitted by the Director General of Export Agriculture by the letter No. 08/01/40/2024 and dated 29.07.2024**

02	**Exporting Wallapatta (Agarwood) plants** Since a large amount of foreign exchange can be earned from the export of wallapatta (Agarwood) plants, instructions were given in the previous committee meeting to focus on promoting the cultivation of the plant on a legal basis. However, the Auditor General pointed out to the committee that the Department of Export Agriculture had not taken any action regarding the cultivation or export of wallapatta plants.	**Observations** The Committee pointed out that in addition to the 14 crops currently identified as export crops by the Department of Export Agriculture, new crops that have a demand in the foreign market should be focused on. The CAO/AO pointed out that the relevant Act defines export crops as “annual crops other than tea, coconut, rubber and cashew, which are exported at least 50% of their annual production”. Therefore, there is no provision in the Act for the cultivation of crops for export, which are not annual crops. **Recommendations** The Committee recommended the CAO of the Ministry of Agriculture to formulate relevant legal provisions to designate all crops that can earn foreign exchange through export, including Wallapatta, as export agricultural crops or plantation crops and to submit a report on the matter to the Committee before July 31st, 2024. The relevant report has been submitted by the Director General of

		the Export Agriculture, by the letter No. 08/01/40/2024 dated 29.07 2024. The relevant report states that the task of legalizing the Wallapatta plant has been assigned with the Department of Forest Conservation, and that once the Export Agriculture Promotion Act is amended, the Wallapatta plant can be included in designating relevant crops.
03	**Failure to take action to acquire 29 pieces of lands belonging to the government and the private sector.** The audit pointed out that the steps had not been taken to acquire 29 plots of land, totaling more than 350 acres, belonging to the government and the private sector.	The CAO/AO stated that there were 49 land plots belonging to the government and the private sector, of which 31 land plots have been acquired by now, and that the relevant institutions are jointly taking steps to acquire the remaining land plots. The Committee recommended CAO/AO of the Ministry of Agriculture to submit a report to the Committee regarding the current status of the land acquisition activities. The relevant report has been submitted by the Director General of Export Agriculture, by the letter No. 08/01/40/2024 and dated 29.07.2024

		The activities related to the acquisition of land plots are at different stages, and the current status of those acquisitions is reported therein.
04	**Although a large amount of money was spent on purchasing 300 tablet computers and developing computer software, the expected results were not achieved.** The Committee noted that despite the expenditure of over Rs. 12,500,000, on obtaining Geographical Indications (GI) for pepper and cinnamon in Sri Lanka, for developing a computer software to register farmers, suppliers and traders, and purchasing 300 tablet computers, the expected results were not achieved.	The AO stated that since it is essential to register the farmers to obtain Geographical Indication (GI) for pepper and cinnamon, this software was designed with that purpose and that over Rs. 12.5 million was spent on purchasing tab computers and developing the computer software to enter the farmers' information which was provided to the field officers. He further stated that due to the delay in uploading the data when entering a large amount of data, the relevant software company (Software Developer) repaired the system on several occasions, but the desired results were not achieved. **Recommendations / instructions** Pointing out that a huge waste of money has occurred due to the initiation of such projects without proper planning, the Committee recommended the CAO of the Ministry of Agriculture to submit a report to the Committee before July

		31st, 2024 on the steps that can be taken to use this software effectively. The relevant report has been submitted by the Director General of Export Agriculture, by the letter No. 08/01/40/2024 dated 29.07.2024.

Department of Agrarian Development ***(Review of matters included in the Auditor General's Reports for the years 2021 and 2022, and current performance)*** **Date of investigation – 18 June 2024**		
Institutions summoned - ❖ Ministry of Agriculture and Plantation Industries ❖ Department of Agrarian Development		
01	**Responding to audit queries and conducting audit and management committee meetings** A discussion was held on providing answers to audit queries. It was revealed that the number of audit queries to which this department has not responded since 2019 is 98.	The Committee pointed out that it is the responsibility of every institution to provide timely responses to audit queries. The Accounting Officer (AO) of the Department of Agrarian Development stated that his department received 407 audit queries since 2019, and that they have responded to most of them. **Observations/ Recommendations** The Committee emphasized that it is the responsibility of the Ministry to

		properly conduct Audit and Management Committee meetings. The Committee also recommended that the Audit and Management Committee meetings be conducted by July 2024 with the participation of relevant officers from all 25 district offices. In addition, the Committee recommended that dates be scheduled for Audit and Management Committee meetings for the remaining two quarters of the year and that this process continue with the coordination of the line ministry. **The report containing the dates on which the Audit and Management Committees were held and scheduled for the year 2024 has been submitted by the Commissioner General of Agriculture, vide letter No. DAD/FIN/PRO/04/COPA-ii and dated 15.07.2024.**
02	**<u>Employee Vacancies</u>** It was revealed that there are a number of vacancies in the Department of Agricultural Development.	**<u>Observations</u>** The Auditor General pointed out that there is an imbalance in the staffing structure of the department, with a shortage of higher-level

		positions compared to lower-level employees. He also emphasized that a scientific analysis should be carried out in that regard and the organizational structure adjusted accordingly. Furthermore, the audit highlighted that opportunities for promotion are very limited for regional officers serving in positions such as Development Officer. In response to the requests concerning the filling of employee vacancies, the officials of the Department of Management Services, stated that the Department of Agrarian Development has been informed to submit requests for the requisite staff, following an employee review scheduled for this year.
03	**Tabling of annual performance reports** It was revealed that there is a considerable delay in the submission of the annual performance reports of the Department of Agrarian Development.	The CAO/AO stated that there was a delay in submitting performance reports due to certain reasons such as the transfer of officers etc., He also stated that all performance reports up to the year 2023 have already been prepared.

	The Auditor General stated that annual performance reports have not been submitted since 2019.	
04	**<u>Establishment of Agrarian Development Councils</u>** The Committee expressed its strong displeasure over the failure to take action to establish Agrarian Development Councils, despite 24 years having passed since the enactment of the Agrarian Development Act No. 46 of 2000.	The CAO/AO stated that the establishment of the councils has not been possible to date, as the relevant regulations for the Agrarian Development Councils have not yet been prepared. He also stated that the work of preparing the regulations would be completed in 2024. **<u>Recommendations</u>** The Committee recommended that the CAO of the Ministry of Agriculture consult with the Hon. Minister regarding the preparation of regulations for the establishment of Agrarian Development Councils and submit a report to the Committee by 15 July 2024, including the expected completion dates for the work. The Committee recommended that discussions be conducted with relevant stakeholders, including farmers' organizations and associations of agricultural research

		and production assistant officers, in this regard. It has been informed by the Commissioner General of Agriculture, vide letter No. DAD/FIN/PRO/04/COPA-ii dated 15.07.2024, that the final draft in this regard was approved by the Hon. Minister at a meeting held on 27.06.2024 and that the relevant Gazette Notification will be issued promptly.
05	**Poor performance of the Agrarian Banks**	**Observations** It was revealed that although 559 agrarian banks are operational, loans are provided to only a small group of farmers, representing approximately 1% of those who cultivate paddy. The Auditor General pointed out that the financial statement formats of these banks are not accurate, and that the accepted accounting standards have not been followed in preparing them.
06	**Numerous financial irregularities have occurred in the construction of the Kurunegala District Office of the Department of Agrarian Development.**	The Auditor General revealed that payments of more than Rs. 3.5 million has been made for work that is incomplete. The Auditor General also pointed out that no action has been taken against the responsible officials in this regard.

		The CAO/ AO stated that this incident occurred during the period 2018 and 2019, and that charge sheets have been handed over to the responsible officers. He also intimated that disciplinary investigations are being conducted accordingly.
07	**Environmental impact resulting from tank renovation activities** It was revealed that tank renovation work is being carried out in the North Western Province in a manner that is causing damage to the environment.	**Observations/ Recommendations** The Auditor General stated that there are approximately 5,000 minor irrigation canals in the Kurunegala District, and that due to the absence of proper supervision over the excavation of these tanks, the activity has effectively turned into a sand mining business. It was also stated that the North Western Provincial Environmental Authority has issued nearly 237 permits for sand mining. It was also revealed that both the Department of Agrarian Development and the Provincial Irrigation Department are carrying out tank renovation work. The Committee recommended that the Provincial Ministry, the Ministry of Agriculture, the North Western Provincial Irrigation Department, and the North Western Provincial Environmental Authority be

		summoned to the next meeting of the Committee on Public Accounts (COPA) of the Department of Agrarian Development to develop a methodology for minimizing environmental damage during tank renovation and to clarify issues related to tank ownership.
08	**Illegal reclamation of paddy lands**	**Observations** The Committee revealed that, following the reclamation of paddy lands, certificates had been issued recognizing them as reclaimed lands, after which the paddy lands were subsequently removed from the register. The Committee observed that it would be appropriate to conduct a comprehensive survey of paddy lands, to distinguish between cultivable and uncultivable paddy lands, and to grant permission to utilize uncultivable paddy lands for other productive purposes. The Chief Accounting Officer/ Accounting Officer (CAO/AO) stated that they earlier received complaints related to the matters highlighted by the committee. He also stated that a plan has been

		formulated to prevent such activities. He further intimated that steps have been taken to digitally survey and computerize all paddy lands across the island, with around 95% of the lands having been surveyed so far. **Recommendations** The Committee pointed out that illegal land reclamation was taking place in Kurunegala, Gettuwana, Ratnapura, Namaldeniya, and Mahara Divisional Secretariat Division of Gampaha District. Accordingly, the Committee has made the following recommendations. i. To submit a detailed report to the Committee, including the names of the officers who recommended the said reclamations, the dates of approval and their current status before 15 July 2024, ii. To submit to the Committee the list of lands for which permission was granted for paddy land reclamation in the 25 districts over the past year. A report has been submitted by the Commissioner General of

		Agriculture, vide letter No. DAD/FIN/PRO/04/COPA-ii dated 15.07.2024, including the names of the officers who recommended the reclamation of these paddy lands, the dates of approval and their current status.
09	**Issues regarding the purchase of paddy** The audit pointed out that the funds provided by the Treasury to purchase paddy from farmers in the Puttalam and Polonnaruwa districts during the 2021 Yala season have not been utilized for the relevant purpose. The Auditor General pointed out that the audit query has revealed that Rs. 214 million provided for the purchase of land in the Polonnaruwa District has not been used for the relevant purpose and that the money has not been returned to the Treasury.	The Chief Accounting Officer (CAO) of the Ministry of Agriculture stated that this matter is not within the purview of his Ministry, and it is appropriate to seek clarification from the Secretary to the Treasury. The Committee stated that the relevant paddy purchases can be carried out through cooperatives or district secretariats and directed the Ministry of Public Administration, Home Affairs, Provincial Councils, and Local Government to submit a report in that regard.
10	**Construction Project of 400 Cultivation Wells** The Auditor General pointed out that loans were provided	The CAO/AO stated that 75% of the loan amount of Rs. 200,000 provided for this task was given as an advance (Rs. 150,000/-) to the

	to farmers under the construction project of 400 cultivation wells in 2019. He also added that some of them have neither constructed the wells nor settled the loans.	farmers before the well was constructed and the remaining 25% was given after the well was constructed. However, he also noted that some farmers have received the advance payment, but have not constructed wells. **<u>Recommendations</u>** It was recommended that a report with the recommendations of the Agricultural Research and Production Assistant on the list of farmers who were given loans under this project, the amounts of money that have not been paid, and the progress of the construction of those wells be submitted to the Committee before 15 July 2024. **A report has been submitted by the Commissioner General of Agriculture, vide letter No. DAD/FIN/PRO/04/COPA-ii dated 15.07.2024, containing the names of farmers who were provided assistance, the amounts of money that have not been paid, and the progress of the construction of cultivation wells.**

<table>
<tr><td colspan="3">Department of Labour
(Review of matters reported in the Auditor General's Reports for the years 2021 and 2022, and current performance)

Date of Investigation: 19 June 2024</td></tr>
<tr><td colspan="3">Institutions summoned –
❖ Ministry of Labour and Foreign Employment
❖ Department of Labour</td></tr>
<tr><td>01</td><td><u>Problems related to Employees' Provident Funds</u></td><td><u>Observations</u>

The Committee observed that the amendment of the Employees' Provident Fund Act has not yet been carried out as recommended at the meeting of the Committee on Public Accounts held on 07.04.2016.

The CAO/AO stated that although it had earlier been decided to amend the Employees' Provident Fund Act on the basis that proceedings could not be instituted under the certificate system in terms of Section 38(2) of the Act, subsequent judgments of the Supreme Court and the Court of Appeal have confirmed that the Labour Commissioner is empowered to institute proceedings under the Employees' Provident Fund Act through the certificate system. Accordingly, he added that there is no necessity to amend the Act as the relevant issue has been</td></tr>
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		resolved. The CAO/AO also stated that a report on this matter has been submitted to the Auditor General. The Committee inquired about the methodology for specifically identifying institutions that do not collect provident funds, and the CAO/AO stated that employers should remit provident funds to the Central Bank of Sri Lanka through "C" reports after registering with the Department of Labour, and that institutions that do not pay provident funds are identified based on the updated data provided to the Department of Labour by the Central Bank of Sri Lanka every six months and through field inspections by the officers of the Department. He also stated that information about these institutions can be checked through the supervisory database of the Department of Labour. It was also informed that online registration of members has begun through regional offices in accordance with the new amendments to the Employees Provident Fund Act. The Committee observed that Rs. 241 million in 2021, Rs. 75 million

		in 2022 and Rs. 240 million in 2023 have been provided as provisions for database related activities, but only Rs. 37 million, Rs. 35 million and Rs. 22 millions of the relevant provisions have been spent in each of those years respectively. Initially, it was expected that only the Department of Labour would be digitized, but the CAO/AO stated that all activities under the Department of Labour will be digitized through the proposed National Labour Market Information System. It was discussed that it would be more appropriate for the Central Bank of Sri Lanka and the Department of Labour to be integrated through a single database. Accordingly, the Committee instructed the CAO/AO to submit proposals to take policy decisions in this regard. The Committee also recommended that a discussion be held with the Central Bank of Sri Lanka and all relevant officials of the Department of Labour in this regard. The Committee also noted that, although there were 5,923 inactive cases relating to the non-receipt of

		employee entitlement benefits as at 31 December 2023, adequate steps had not been taken to reactivate those cases. The CAO/AO pointed out that the above cases have become inactive and have open warrants due to the directors of the institutions having gone abroad, the institutions having been closed by the date of the investigation, or the change of address. He also stated that a programme has been initiated to check the current permanent residential addresses of the employers through the Grama Niladhari Officers, the Election Commission and the Department of Immigration and Emigration. The Committee also pointed out that a system should be developed to prevent delays in the disbursement of funds to beneficiaries arising from deficiencies in members' information in the beneficiary applications. The CAO/AO stated that this problem is caused by mismatches in the information provided by institutions when registering members with the Department of

		Labour and when paying contributions to the Central Bank of Sri Lanka. He also added that as a solution to this, an e-service has been launched under the new website of the Department of Labour to check and correct the information currently provided online, and steps will be taken to make the public aware of the service promptly. **<u>Recommendations</u>** The Committee recommended that a report be submitted to the Committee on or before 19 July 2024 containing, at the district level and on a year-wise basis, details of: the number of institutions that have paid Employees' Provident Fund contributions to date; the institutions making such payments without issue; the institutions experiencing difficulties in making Employees' Provident Fund payments; the number of employees affected; and the amount of arrears payable, stated separately for each relevant year. The Committee further emphasized that district officers should be held responsible for this task.

		Relevant information has been reported at the district office level, vide letter No. ML/AC/01/37/02-2024 dated 17 July 2024, issued by the Secretary to the Ministry of Labour and Foreign Employment.
02	**Further action regarding the vehicle that was lost in a kidnapping in 2002.**	The CAO/AO stated that a notification has been issued to cancel the registration of the aforementioned vehicle; subsequently, the Committee instructed the CAO to take steps to provide the relevant details to the Audit Division
03	**Progress in the Implementation of Activities in the Women's and Children's Sector**	The CAO/AO stated that, as the National Child Protection Authority lacks the capacity to initiate legal action against child labourers, complaints concerning child labour submitted to the Authority have been redirected to the complaint management system of the Department of Labour.

04	**Weaknesses identified in the registration of factories in accordance with the provisions of Extraordinary Gazette No. 2142/90 dated 27 September 2019.**	Pointing out that factory registration was not required under the Factories Ordinance, the CAO/AO stated that field inspections had been conducted periodically from 1950 to 2019 and that 32,948 factories had been documented during this period.

	The Committee drew attention to the fact that, out of 32,948 registered factories as at 31 December 2023, 28,555 factories had not been registered in compliance with the provisions of Extraordinary Gazette No. 2142/90 dated 27 September 2019, and emphasized the importance of registering these factories in order to ensure that there is no risk to the safety of workers.	It was further stated that action is currently being taken, through the District Factory Inspection Engineering (DFIE) offices and the District Labour Offices, to register the establishments that are presently in operation, and that the relevant institutions are being issued with the necessary reminders and awareness notices. The CAO/AO also stated that, under the new laws, approval of building plans through the Department of Labour is mandatory when registering factories. Although delays in the registration process occurred due to the prevailing conditions in the country since 2019, steps have now been taken to complete this task. The CAO/AO further stated that it would take approximately three years to complete the inspection of all factories. **Observations/Recommendations** Pointing out that the existing officers of the Department of Labour are insufficient to collect the information required for the registration of all factories, the

		Committee instructed the CAO/AO to deploy Development Officers or Human Resource Development Officers of the Department of Labour for this purpose. Accordingly, the Committee further indicated that, as required, it would be appropriate to assign Development Officers attached to Divisional Secretariats to this task, through the Secretary to the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government, on the basis of payment of an allowance. The Committee recommended that a format for obtaining the required information and a programme for the registration of all factories be prepared and submitted to the Committee on or before 19.07.2024, and that all District Labour Commissioners be involved in this process. The Committee further recommended that the necessary steps be taken to issue a circular to make such registration mandatory when issuing annual licences to institutions.

		The planned mechanism for deploying departmental officers to increase factory registration has been set out, together with the relevant formats, in the letter No. ML/AC/01/37/02-2024 dated 17.07.2024 issued by the Secretary to the Ministry of Labour and Foreign Employment. The key measures of this mechanism include, in addition to registering factories through the standard procedure, the introduction of mobile registration programmes and the closure of files relating to inactive factories. The said letter further states that steps have been initiated to formulate a mechanism, with the concurrence of the relevant ministries under which the government and semi-government institutions responsible for issuing licences operate, to make registration under the Factories Ordinance a mandatory requirement when issuing licences to operate factories.
05	**Paragraph No. 1.6.1 (b)(i) of the Auditor General's Report for the year 2021**	The CAO/AO stated that the remaining amounts have now been settled, except for approximately Rs. 62 million in respect of which

	The Committee drew attention to the fact that, as at 31 December 2023, an amount of approximately Rs. 352 million received pursuant to court orders in respect of outstanding provident fund contributions, employees' compensation and gratuity had not been paid to the relevant beneficiaries, as noted in paragraph 1.6.1 (b)(i) of the Auditor General's Report for the year 2021.	instalments ordered by court have not yet been fully paid. The CAO/AO further stated that arrangements have been made to credit Employees' Provident Fund contributions to members' accounts on a pro rata basis, in accordance with the instalments received.
06	**<u>Issues relating to women's hostels established in Investment Promotion Zones</u>** The Committee inquired into the current status of women's hostels in the Investment Promotion Zones, noting that the Biyagama Women's Hostel has been closed since 15 June 2018, and that, although funds had been allocated for renovations to the toilet facilities at the Koggala and Katunayake Women's Hostels, these	Pointing out that the maintenance of hostels does not fall within the purview of the Department of Labour, the CAO/AO stated that the building housing the Biyagama Women's Hostel was closed in 2018 following a report from the Engineering Division declaring it hazardous. The Committee instructed that the necessary steps be taken to transfer these buildings to the institutions that own the land on which they are situated.

	works have not yet been carried out.	
07	**Current Information on Private Employees' Provident Funds**	The CAO/AO stated that, since 2 February 1996, no registration of private Employees' Provident Funds has been carried out, and that 117 private Employees' Provident Funds registered prior to 1976 are currently in operation. The CAO/AO further stated that, under the existing law, there is no restriction on recruiting employees to these funds. The CAO/AO also informed the Committee that these funds have been established under Section 27 of the Employees' Provident Fund Act, which pertains to approved provident funds. **Observations/Recommendations** The Committee emphasized the importance of ensuring that the governing boards of private Employees' Provident Funds regulate their investments and the distribution of benefits, in order to safeguard the rights of employees. The Committee recommended that the CAO/AO submit a comprehensive report to the Committee on or before 19 July 2024, detailing the institutions that

		manage private Employees' Provident Funds, the current status of each fund, the administrators of each fund, the services provided, and the interest rates paid. The Committee also recommended that, if necessary, steps be taken to prepare new regulations governing these funds. **The current status of 107 funds that have been inspected to date has been reported in letter No. ML/AC/01/37/02-2024 dated 17.07.2024, issued by the Secretary to the Ministry of Labour and Foreign Employment.**
Gampaha District Secretariat ***(Contents included in the Auditor General's Reports for 2020, 2021 and 2022, and current performance)*** **Date of review: 20 June 2024**		
Institutions summoned - ❖ Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government ❖ Gampaha District Secretariat		
01	<u>**Conducting Audit Management Committees and other district and regional committees**</u>	<u>**Observations/Recommendations**</u> The Committee observed that, although the Gampaha District Secretariat had demonstrated high performance in previous years in

		evaluating the financial compliance and operational performance of state institutions, provincial councils, and local government institutions through the online information management system, there has been a relative decline in the scores obtained recently. The Committee noted that the irregular convening of audit and management committees contributed to this decline. It further stated that the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government should intervene to oversee the proper conduct of audit and management committees in the Divisional Secretariats. The Committee also noted shortcomings in the convening of other district committee meetings and recommended that the Chief Accounting Officer (CAO)/Accounting Officer (AO) submit a report to the Committee on or before 20 July 2024. The report should include the types of committees held at the district and divisional levels, the minimum requirements for convening each committee, the officials responsible for coordinating with the relevant

		ministry for each committee, and whether the circulars issued regarding the conduct of committees need to be updated to reflect current requirements. **The above report has been forwarded to the District and Regional Audit and Management Committees by the Secretary to the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government, under letter No. HA/F/MA/02/PAC-GAM dated 19.07.2024.**
02	**Effectively define the vision, mission, and functions of all District Secretariats.**	**Observations** The Committee noted that it had also addressed this issue in previous discussions with the Ministry of Finance and emphasized that it would be appropriate to provide guidelines for effectively defining the vision, mission, and functions of each District Secretariat in a manner suited to its specific context.
03	**Issues Related to Project Implementation**	**Observations/Recommendations** The Committee noted that project implementation in the districts takes a considerable amount of time, resulting in high costs for these

		projects. It further observed that, even after funds are allocated through the budget, the responsible institutions often fail to complete the project work within the stipulated timeframe, and that there are deficiencies in the process of delivering projects to community societies. The Committee recommended that a report be prepared, in coordination with the Ministry, by the Secretary to the Ministry of Finance, Economic Stabilization and National Policies, and the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government, on the issues relating to the provision of projects to community societies and the allocation of funds for partially completed projects. The report should be submitted to the Committee on or before 20.07.2024. The Committee also recommended that, in preparing this report, it would be appropriate to obtain the views of public representatives from the District Coordination Committees.

		An information report has been submitted by the Secretary to the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government, under letter No. HA/IA/Unfinished Constructions/2024 dated 23.07.2024, regarding constructions being carried out in the 25 District Secretariats and all the Divisional Secretariats under them, which remain incomplete due to insufficient funding. The Committee recommended that reports be obtained from each Divisional Secretariat concerning partially completed projects and that a programme be prepared to prioritize these projects in the coming years. Accordingly, the Committee recommended that a report, including the project start date, the amount of funds expended, the current status, and an assessment of the practicality of continuing the project, be submitted to the National Audit Office with a copy forwarded to the Committee on Public Accounts.

		Information on partially completed projects in the Gampaha District has been compiled at the level of each Divisional Secretariat, and a report has been submitted by the Secretary to the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government, under letter No. HA/F/MA/02/PAC-GAM dated 19 July 2024.
04	**Irregularities and Issues in the Payment of Pensions**	**Observations** The Committee noted that irregularities in pension payments are occurring due to negligence and fraud by public servants, with a higher frequency of such irregularities reported in the pensions of tri-service members. It was further revealed that adequate measures have not yet been taken to prevent these issues. The Committee instructed the Director General of Pensions to enable pensioners living abroad, as well as other pensioners, to update their information via the Department of Pensions' website. The Committee also recommended preparing a standard format to collect pensioners' information to promptly resolve practical problems arising during the preparation of

		pensions due to administrative shortcomings or errors by pensioners. In this context, the Committee emphasised the importance of adopting a national programme integrated with digitalisation.
05	**Incident of Rs. 1,082,245 missing from the safe of the Mahara Divisional Secretariat in 2014.** According to the investigation report on this incident, the Committee noted that the full amount has not yet been recovered from the four officers involved, namely the Divisional Secretary, Accountant, Finance Assistant, and Sarap.	**Recommendations** The District Secretary stated that it has been recommended to recover the missing funds related to this incident. The Committee further recommended that reminders be sent again to the institutions where the four officers—namely the Divisional Secretary, Accountant, Finance Assistant, and Sarap—are currently serving, to recover the loss attributable to them, and that the responses received be reported to the Committee. The amounts recovered to date have been reported in the letter No. HA/F/MA/02/PAC-GAM dated 19.07.2024 from the Secretary to the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government, and it has been noted that reminder letters were sent again on 09.07.2024.

06	**Incident of a Management Assistant at the Minuwangoda Divisional Secretariat defrauding public assistance funds amounting to Rs. 1,400,429 between 10 February 2011 and July 2013.**	**Observations/Recommendations** **Observations/Recommendations** The Committee observed that no legal action has been taken against the officer concerned and that the full amount has not yet been recovered. The Committee also expressed the view that it is inappropriate to recover the embezzled amount in instalments rather than as a single payment. The Committee observed that disciplinary action has not been taken to adequately address the negligence, fraud, and corruption of public officials, noting that this sets a harmful precedent. The Committee recommended that the Secretary to the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government examine the current status of recovering funds from public officials responsible for embezzlement of public money and prepare a methodology for the prompt recovery of such funds without instalments, and report to the Committee by 20 July 2024.

		It has been reported that, in his letter No. HA/F/MA/02/PAC-GAM dated 19 July 2024, the Secretary to the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government has instructed the Ja-Ela Divisional Secretary to take steps to recover the full remaining amount from the officer in one instalment, if any balance is still due to the government after deducting the loss from her pension gratuity and any arrears from her pension.
07	**Idling of a large number of government-owned vehicles and buildings.**	**Observations/Recommendations** The Committee observed that a large number of vehicles, which do not meet the requirements of the institutions, are lying idle in the Divisional Secretariats, and that a significant number of government-owned buildings and lands are also unused. The CAO/AO stated that information reports on idle government vehicles and buildings across the country have been prepared and that action has been taken accordingly. The Committee recommended that the CAO/AO

		submit these reports on idle vehicles and buildings to the Committee. **It was noted that the above reports have not yet been submitted.**
08	**<u>Further action to be taken in respect of the Mitsubishi cab bearing registration number PF 9743 involved in an accident.</u>**	The CAO/AO stated that the vehicle has been sent for repair and noted that there are issues regarding the amount of compensation to be paid by the relevant insurance company. The Committee instructed the CAO/AO to develop a clear methodology for the payment of insurance compensation for government vehicles in coordination with the Ministry of Finance, Economic Stabilization and National Policies, the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government, and the Insurance Regulatory Commission.
09	**<u>Instances where written cheques were not issued until after the expiry of their validity period.</u>**	**Observations** The Committee observed that there were instances where written cheques were not issued until their validity period had expired, due to goods not being received or work not being completed by the due date. It emphasized that issuing cheques at the end of the year contravenes

		financial discipline and that measures should be taken to minimize such delays.
10	**Rural water projects in an inactive state.**	The Committee emphasized that a policy decision should be made to address the existing problems in this regard. It also stressed that, when selecting development projects to be implemented using a community participation approach, greater attention should be given to areas that should be prioritized within the jurisdiction.
11	**Schools that have been closed not being put to effective use.**	**Recommendations** The Committee recommended that a report be prepared on the list of closed Provincial Council schools in the Gampaha District and on how these schools can be effectively utilised, and that it be submitted to the Committee by 20.07.2024. A detailed report on the current status of measures taken to effectively utilise the closed schools in the Gampaha District has been submitted by the Secretary to the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government, vide letter

		No. HA/F/MA/02/PAC-GAM dated 19.07.2024.
12	**Non-conduct of inspections covering all Grama Niladhari offices in the Gampaha District and non-implementation of scheduled transfers of officers.**	The Committee noted that in 2022, inspections had not been conducted to cover all Grama Niladhari offices in the Gampaha District. The CAO/AO stated that Divisional Secretaries have now been instructed to inspect all offices at least once every three months. The Committee also highlighted that a large number of officers who had been serving at the same location for over five years in the Gampaha District Secretariat and 13 Divisional Secretariats had not been transferred. It instructed the CAO/AO to take steps to ensure the transfer of such officers in the future.
13	**Societies established in 2017 under the Grama Shakthi People's Enterprise Programme**	The CAO/AO stated that the Registrar of Companies has been notified to cancel the registration of inactive societies among these and that the funds in their accounts are expected to be transferred either to the active societies or to the government.
14	**Preventing flood disasters in the Gampaha District.**	The Committee emphasized that special attention should be given to

		implementing appropriate measures to prevent flood disasters in the Gampaha District. The CAO/AO stated that, about two weeks ago, a plan to minimize floods had been prepared by a committee jointly established by the Ministry of Urban Development and Housing, the Urban Development Authority, the Land Reclamation and Development Corporation, and local government institutions.

Local Authorities of the Western Provincial Council ***Examination of the progress in implementing the recommendations made at the meeting of the Committee on Public Accounts held on 06.06.2024)*** **Date of Investigation – 10th July 2024**
Institutes summoned - ❖ Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government ❖ Chief Secretary's Office, Western Province ❖ Ministry of Local Government (W.P) ❖ Department of Local Government (W.P) ❖ Negombo Municipal Council ❖ Kalutara Municipal Council ❖ Kaduwela Municipal Council ❖ Sri Jayewardenepura Kotte Municipal Council ❖ Peliyagoda Urban Council

	❖ Maharagama Urban Council ❖ Mahara Pradeshiya Sabha ❖ Kalutara Pradeshiya Sabha ❖ Beruwala Pradeshiya Sabha ❖ Economic Development Bureau ❖ Urban Development Authority	
01	**Progress in implementing the recommendations made at the meeting of the Committee on Public Accounts held on 06.06.2024** **Order No. 1.** Conducting a survey on the current status of lands allocated for common purposes during the subdivision and sale of lands in the Western Province over the past 20 years.	As per the recommendation of the Committee, the information of the survey conducted by the Department of Local Government of the Western Province was submitted to the Committee. The report only included numerical data on the land plots allocated for common purposes in the auctioned lands of the three districts of the Western Province. Having stated that merely allocating land plots is not sufficient for common facilities, the Committee emphasized that the fact that most of those land plots are not in a condition suitable for use for common purposes is an issue. The Accounting Officer (AO) of the Department of Local Government stated that this matter was discussed with the Urban Development Authority as well and that the Planning Committee decided that it was appropriate to conduct a field

		inspection when granting approval for lands allocated for common purposes. The Accounting Officer of the Urban Development Authority stated that, in accordance with the agreements reached during the relevant discussion, a circular containing the regulations to be followed when subdividing and auctioning lands is being drafted. **Observations/Recommendations** After considering the matters presented, the Committee recommended that the Commissioner of Local Government of the Western Province submit a report to the Committee containing information as to whether the planning committees of the relevant Local Authorities have granted approval for the land plots allocated for common purposes in the auctioned lands of Mahara Blue Mountain and Gampaha Prime Lands, and as to the officers who have served as members of those planning committees.

02	**Progress in implementing the recommendations made at the meeting of the Committee on Public Accounts held on 06.06.2024** **Order No. 2.** Preparation of a proposal of solutions which includes measures to be taken to protect consumers from the fraudulent actions of land auctioneers.	The Committee pointed out that before obtaining preliminary approval for the auction of a land, auctioneers publish advertisements and commence development activities on the land, and stated that this leads people to purchase land plots while they still lack even basic facilities such as electricity and water. In addition, the Committee also stated that a system should be developed to enable the consumer public to be informed about the clarity of the land deed. The Accounting Officer of the Urban Development Authority has stated that the above circular that is drafted has included regulations to address these issues. Several regulations included in the said circular were presented before the Committee by the Accounting Officer as per the order of the Committee. It was revealed that regulations have been included to allow relevant local authorities to take legal action regarding unauthorized land auctions within their local government area.

		Observations/Recommendations Having instructed to prepare the relevant circular after consulting the legal Officers, the Committee recommended to the Director General of the Urban Development Authority to submit the final draft of the draft circular to the Committee by 22 August 2024 before issuing it. **The relevant draft circular has been submitted through the letter dated 09.08.2024 of the Director General of the Urban Development Authority.**
03	**Progress in implementing the recommendations made at the meeting of the Committee on Public Accounts held on 06.06.2024** **Order No. 3** Issuance of the necessary circulars by the Ministry of Local Government in collaboration with the Urban Development Authority to local Authorities regarding the online system developed by the Urban Development	The Accounting Officer of the Ministry of Local Government stated that several local Authorities are currently using the online system for the process of approving building plans. Having stated that that there is no security in the online systems developed by each institution at its own discretion, the Accounting Officer of the Urban Development Authority mentioned that the system proposed to be introduced by his institution was one that was developed under the supervision of experienced officers of a recognized

	Authority for the approval of building plans.	IT institution. He further stated that there should be a common system for all institutions for the purpose. The Accounting Officer of the Urban Development Authority pointed out that his authority approves building plans of more than 9000 square feet in urban areas, and that the online system has been used for this since 2018. He further stated that it enables to check the current status of a building application submitted by an individual at any time. It was further revealed that only minor improvements to the system are required to include Local Authorities in this system. **Observations/Recommendations** Having considered the matters presented, the Committee recommended to the Director General of the Urban Development Authority that the Urban Development Authority, the Ministry of Local Government and the Western Provincial Council jointly conduct an analysis and prepare a common methodology acceptable to all institutions, and submit a report to the Committee

		including the dates for the implementation of the programme, prior to 22nd August 2024.
04	**<u>Progress in implementing the recommendations made at the meeting of the Committee on Public Accounts held on 06.06.2024</u>** **<u>Order No. 04</u>** Non-implementation to date of the data system prepared to computerize the valuation activities carried out by the Valuation Department in order to streamline the same, the current status of the said data system, and the issues that have caused the delay in its implementation.	The Accounting Officer of the Valuation Department, while joining via Zoom technology, stated that according to the current system, a significant amount of time is spent daily recording valuation information in books, and that since the implementation of this system saves time, the time so saved can also be used for valuation activities. He also stated that this will make the currently delayed valuation activities more efficient, and that the implementation of the data system is in the final stage
05	**<u>Progress in implementing the recommendations made at the meeting of the Committee on Public Accounts held on 06.06.2024</u>** **<u>Order No. 06</u>**	The Accounting Officer of the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government stated that since internal audits are not carried out systematically due to the absence of an internal auditor in many Local Authorities, requests have been made to the Department of Management Services to make

	Establishment of Internal Audit Units for Local Authorities.	arrangements to establish an internal audit unit within the Department of Local Government, but no action thereof has been taken so far. The Accounting Officer of the Department of Management Services stated that discussions were held with the Finance Commission in this regard and that a discussion is scheduled to be held again on 23rd July 2024, when a final decision is expected to be taken on this matter. The Auditor General was also of the view that it is essential to have a strong internal unit in the Local Authorities. Having stated that, out of the 49 Local Authorities in the Western Province, an unqualified opinion was received for only four institutions last year, and that more than 90% of local authorities received a non-clean opinion, the Auditor General added that this was due to the fact that a proper audit of the accounts of those institutions had not been carried out.
06	**Progress in implementing the recommendations made at the meeting of the Committee on Public**	The information about the Audit carried out by the Auditor General as per the recommendation made by the Committee to conduct an audit with regard to the irregularities that

	Accounts held on 06.06.2024 **Order No. 07** Conducting an audit on projects implemented within the local Government Area of the Kaduwela Municipal Council.	have occurred in the project of constructing the Crematorium at Pore was presented to the Committee. The audit pointed out that the project was started in late 2021, the contract was cancelled midway due to the negligence of the relevant contractor, and that the government did not suffer any financial loss from this. The Accounting Officer stated that the approval of the Governor of the Western Province has been sought to resume the construction of this crematorium by calling tenders again. The Accounting Officer further stated that, according to the new estimate, about Rs. 80 million is required and, therefore, the construction is expected to be carried out according to the old estimate **Observations/Recommendations** The Committee recommended to the Chief Secretary of the Western Provincial Council to provide the necessary support to resume the construction of this crematorium.

		Furthermore, the audit revealed that the Ranpalessa Waste Recycling Centre is currently in a non-functional state due to renovation work, and that a certain amount of electricity is generated from this. The Committee advised that this project be continued as it is an exemplary project in concept. In addition, the Auditor General stated before the Committee that the audit revealed that no double payments had been made for projects implemented by the Divisional Secretariat, Kaduwela or the Municipal Council, Kaduwela in the last 04 years.
07	**Matters arising from the Auditor General's report** The audit revealed that 4 out of the 6 machines used for laying carpets on roads purchased by the Municipal Council, Kaduwela for Rs. 66 million are not being used for any purpose and are deteriorating.	The Accounting Officer stated that these machines were purchased by the then Municipal Council administrators in 2017 without any feasibility study, and that only 2 of them are being used, while the remaining 4 machines are parked. The Accounting Officer also stated that discussions have been held with the relevant supply company regarding the resale of these machines.

Department of Buildings ***(Examination of the Audit Reports for the Financial Years 2020 and 2021 and the Current Performance of the Department of Buildings)*** **Date of Investigation – 23rd July 2024**		
Institutes summoned - ❖ Ministry of Urban Development and Housing ❖ Department of Buildings		
01	**Approved positions and available vacancies in the Department of Buildings**	The Accounting Officer of the Building Department stated that the total number of approved positions in the Building Department is 613, of which 494 posts have been filled as of 30.06.2024 and those officers/employees are serving in 7 Zonal Offices, out of which 96 positions are senior level positions, there are 79 engineers, 13 architects and 6 Accountants in addition to the Director General and Additional Director General positions in those 96 positions, out of the 24 approved positions at the tertiary level in the department, only 3 posts have been filled so far, and the tertiary level refers to the Special Grade officers of Technical Officers and the Special Grade officers of Planning Officers, 258 Development Officers

		and Management Assistant Service Officers which is the secondary level and employees of 137 positions of Labourer and Tourist Bungalow Caretaker, the primary level positions are currently serving in the department.
02	**Role of the Department of Buildings**	The Accounting Officer of the Buildings Department stated that the functions of his institution include providing necessary consultancy services in the construction, maintenance and renovation of buildings of government and semi-government institutions, preparing and updating the annual Building Schedule of Rates (BSR), conducting quality inspections of construction projects of client institutions, providing reports requested by the courts regarding construction of government and semi-government institutions, providing quality reports for existing buildings of government and semi-government institutions, providing chartered training and non-residential training as required to students passing out of universities and technical institutes, and issuing certificates that

		condominium properties are safe for residence. **Observations/Recommendations** Having discovered that the mere publication of the annual 'Building Schedule of Rates (BSR)' on the Department's website, which is a major function of the Department of Buildings, does not have a binding legal effect on other government institutions to apply those rates in their construction activities and that, therefore, other government institutions generally do not use those rates, the Committee recommended to the Chief Accounting Officer and the Accounting Officer that a committee be appointed in this regard, with the involvement of the Ministry of Finance as well; that all government institutions be informed that the prices provided annually in the Building Schedule of Rates must be applied in their construction activities, thereby giving legal validity to the Building Schedule of Rates; and that the process currently being implemented by all Provincial Councils for that purpose be studied

		and an appropriate methodology be devised; and further recommended to the Chief Accounting Officer that a report on the progress of the said committee be submitted to the Committee within one month." Furthermore, since updating the Building Schedule of Rates is a major responsibility of the Department of Buildings, the Department of Buildings was recommended to pay special attention to it and immediately publish the Building Schedule of Rates for this year on the Department's website.
03	**Irregularities related to contracts.** The Committee inquired into the fact that, without implementing, as it is, a recommendation made by the Public Accounts Committee on 09.09.2014 to blacklist a contractor who abandoned a contract midway, the Department of Buildings merely did not issue procurement documents to that contractor for a period of one year; that another	The Director General of the Department of Buildings informed the Committee that his institution had initially taken steps to not blacklist contractors and not to issue procurement documents to them for a period of one year; that when measures were taken to blacklist them, the process was postponed, as inflation and other economic difficulties in the country had also affected the contractors; that blacklisting of contractors has been re-implemented from 2024; that contractors who have defaulted on work have been informed in writing

	contractor who abandoned two contracts awarded in 2017 and who should have been blacklisted was subsequently awarded a contract worth Rs. 81 million in 2018; and that the contract awarded to R. D. Builders in 2019 was abandoned midway, yet contracts were still awarded to them in subsequent years	to show cause for the same; and that the decision not to blacklist contractors, contrary to the Committee's recommendation of 2014, was taken at the sole discretion of the then Director General. **<u>Observations/Recommendations</u>** Having decided that it was a serious mistake committed by the then Director General not to blacklist the contractors who had been recommended for blacklisting in 2014, the Committee recommended to the Chief Accounting Officer to immediately submit a detailed report on this matter to the Committee, because the Director General may need to be questioned on this matter, if necessary, in a future Committee meeting, even though he is now retired
04	**<u>That there are delays in issuing certificates that condominium properties are safe for residence in accordance with the Apartment Ownership (Special Provisions) Act No. 23 of 2018.</u>**	The Building Department's Accounting Officer stated that safety certificates have been issued for 2,302 of the above 2,352 requests so far, and that only 50 houses in the condominium property called "Saunder’s Place" remain, those houses could not be inspected within

	It was revealed at the committee meeting that out of the 2,352 requests submitted for certificates confirming that condominium properties are safe for residence, which must be issued by the Department of Buildings in accordance with the above Act, certificates have been issued for only 1,017, and therefore, due to the absence of such safety certificates, it has not been possible to issue deeds for the remaining condominium properties	the stipulated time due to the "Covid-19" situation prevailed in the country and the submission of incomplete documents from some Divisional Secretariats, and that a date has now been requested from the administration to conduct a physical inspection of those houses as well. Furthermore, the Chief Accounting Officer informed the Committee that this specific responsibility was assigned to the Department of Buildings for a period of five years to inspect buildings constructed after the tsunami disaster and ensure that they are safe for habitation, and that, since the period granted expired on 18th August 2023, the approval of the Cabinet of Ministers must be obtained to continue this work, and once that approval is received, safety certificates can be issued for the remaining houses as well. **Observations/Recommendations** The Committee recommended to the Chief Accounting Officer of the Ministry and the Accounting Officer of the Buildings Department that, in order to resolve the issue of incomplete documents being submitted by the Divisional

		Secretariats regarding condominium properties, a specific application and guidelines be prepared for accepting documents from the Divisional Secretariats in the future
05	**The steps taken by the Department to date in terms of assessing the continuous change in international standards in building construction industry's technologies and establishing Sri Lankan standards for raw materials, labor, etc., as per the Corporate Plan prepared for the years 2021 - 2025.**	The Accounting Officer informed the Committee that the Department is already working on this matter and that appropriate steps will be taken to further update the work in the future.
06	**That the performance of the Department of Buildings is not satisfactory and that the Department of Buildings has become one of the institutes that received the lowest scores under the database for allocating marks established by the Committee.**	Having emphasized that one of the reasons the performance of the Buildings Department is not satisfactory, and that the Buildings Department has become one of the institutions receiving the lowest scores in the scoring system established by the Committee, is the minimal level of intervention by the Ministry of Urban Development and Housing in the affairs of the Department, the Committee advised the Chief Accounting Officer to pay

		greater attention to the Department's affairs in the future and to intervene in it.
07	**<u>Progress on other matters included in the Auditor General's brief dated 23.07.2024</u>**	The Committee recommended to the Chief Accounting Officer of the Ministry to report to the Committee within a month on the progress made on the matters included in the Auditor General's brief dated 23.07.2024 but not discussed on that day.

Department of Ayurveda
(Examination of the audit reports for the financial years 2018, 2019,2020, 2021 and 2022 and the current performance of the Department of Ayurveda)
Date of Examination - 23 July 2024

Institutions summoned -

- ❖ Ministry of Health
- ❖ Department of Ayurveda

01	**<u>To review the progress in providing the necessary human and physical resources to the Internal Audit Division of the Department, with special attention to strengthening it, in accordance with the recommendations made by the Committee on Public</u>**	The Internal Auditor of the Department explained that an Internal Auditor has been appointed to the Internal Audit Division, one of the remaining three vacancies has been filled, 4 Audit and Management Committees have been held as scheduled for the years 2022 and 2023, and 2 Audit and Management Committees have been held so far for

	Accounts held on 09.08.2017.	the year 2024, and accordingly, the activities of that division are currently being successfully carried out.
02	**Issues include delays in providing internship training for Ayurvedic medical students, the absence of a common syllabus for all universities of indigenous medicine, and the enrollment of students for courses in certain universities where curricula have not been approved.**	The Chief Accounting Officer of the Ministry informed the Committee that all Ayurvedic medical students graduating from universities will be provided with internship training and registered with the Medical Council, that 418 Ayurvedic medical students are currently undergoing internship training, that as per the instructions of the University Grants Commission, steps have been taken to provide internship training without delay in a manner that does not harm anyone’s seniority, that instructions have been given to create a common seniority register by using one common examination paper for clinical evaluations in all four universities of Indigenous Medicine to resolve the issue of the seniority register, and that the issues of the absence of a common syllabus and the recruitment of students for courses where curricula in certain universities have not been approved are being discussed and resolved with the said

		universities and the University Grants Commission.
03	**<u>The facts that although approval was given for a project to preserve traditional knowledge and promote indigenous medicine at a cost of Rs. 350 million, the media section required for that purpose has not been established in the proper manner, and that audio-visual equipment worth Rs. 5.5 million purchased with the funds from the said project is currently missing.</u>**	The Accounting Officer of the Ayurveda Department of Ayurveda informed the Committee that although the establishment of a media unit for the department and the recruitment of staff for its service on a contractual basis was approved in 2018, that the recruitment of the staff has not been carried out so far due to various technical reasons, including policy decisions taken by the government from time to time, but the duties of the said unit are currently being carried out by deploying several officials of the Ministry on a temporary basis, and that the services expected from that unit are already being performed with the participation of other government institutions, and that the camera mentioned under audio-visual equipment worth Rs. 5.5 million has not been misplaced and has been used for the activities of the media unit of the Ministry by now, and that certain equipment had been sent for repair when the annual inventory survey was conducted. **<u>Observations/Recommendations</u>**

		The Committee recommended the CAO and the CA to submit a report to the Committee within two weeks on the list of goods purchased for the project and their current status, the whereabouts of any missing goods, if any, and the actions taken by the institution in that regard. **It has been stated in the report of the Commissioner of Ayurveda AVU/I.AU/03/05/03/COPA and dated 19.09.2024 that a special goods inspection board consisting of officers with technical knowledge was appointed and a goods inspection was conducted on 03.08.2024 and that no shortage of goods was identified in the goods and that since the shortages indicated were goods that had been sent for repairs, steps will be taken to prevent such omissions from happening in the future.**
04	**<u>Depositing the money received from sponsors for the "AyurEx Colombo 2023" International Conference into the Department's Welfare Account and incurring irregular expenses from</u>**	The Chief Accounting Officer of the Ministry of Health explained to the Committee that although the methodology was followed at that time due to technical issues, such methodologies will not be approved or followed in the future.

	that money outside the prescribed and approved fiscal procedures	**Observations/Recommendations** The Committee recommended to the Chief Accounting Officer and the Accounting Officer to conduct an investigation into this matter and submit an account report of the Employees' Welfare Association regarding the receipt of the said funds and the expenditure incurred therefrom to the Committee within two weeks. It has been stated in the report of the Commissioner of Ayurveda AVU/I.AU/03/05/03/COPA and dated 19.09.2024 that based on the Treasury Secretary's circular No. 3/2022 and dated 2022.04.06 for government expenditure control and with the aim of promoting indigenous medical entrepreneurship in the country, and in accordance with the statutory objectives of the Welfare Association, of which more than 95% of the employees of the Department are members, the project was implemented after obtaining the approval of the relevant Minister in charge of the subject for the concept paper submitted by the said association, and that no money from the Consolidated Fund was used for the project, and that the Ayurvedic

		Drugs Corporation provided Rs. 5,000,000/- from the allocated funds for its promotional activities, and that all the remaining funds were obtained from the sponsors, and that the accounts of the Welfare Association were audited by an authorized auditor, and that necessary equipment for the communication functions of the Department was purchased with the money left over at the end of the project, and as the accounts of the Welfare Association are not an official account of the Department, an investigation team is currently being appointed to conduct an investigation in accordance with the request made to the Ministry to conduct a preliminary investigation in this regard, and that the relevant report will be provided at the end of the investigation.
05	**Construction of a building complex at the Borella Ayurvedic Hospital and failure to utilize the building to its full capacity for hospital activities.**	The Director of the hospital stated that the 8-storey building complex to be constructed at the Borella Ayurvedic Hospital needs to have infrastructure facilities such as sewerage, wastewater drainage, and electrical connections, and that Rs. 450 million has been received as budget allocation for this purpose, and that the construction, which is to

		be carried out under the supervision of the Department of Buildings, is likely to be handed over to the relevant contractors by November 2024, and that the work will be completed and handed over to the hospital by early 2025, and if the construction work is completed, it will be possible to maintain a section with 87 rooms and a ward complex with 354 beds. **Observations/Recommendations** The Committee recommended that arrangements be made to provide other physical facilities and staff at all levels to effectively integrate the ward complex into the hospital system upon completion of this construction. It has been stated in the report of the Commissioner of Ayurveda AVU/I.AU/03/05/03/COPA and dated 19.09.2024 that services can be provided by the installment of 304 beds in this building, that plans have been prepared for the payment of fees that are fair to all, and that a further provision of Rs. 250,000,000/- is required to provide relevant facilities and equipment for the building complex, and that the construction

		work for which the provision has been received is currently being carried out by the Department of Buildings.
06	**Progress on the matters included in the Auditor General's brief dated 23.07.2024**	The progress on the said matters is reported in the report of the Commissioner of Ayurveda AVU/I.AU/03/05/03/COPA dated 19.09.2024.
Department of Forest Conservation ***(Contents and current performance included in the Auditor General's Reports for the Years 2020, 2021 and 2022)*** **Date of Examination - 25 July 2024**		
Institutions summoned - ❖ Ministry of Wildlife and Forest Resources Conservation ❖ Department of Forest Conservation ❖ State Timber Corporation		
01	**Organizational Structure of the Department** The Committee observed that there is a certain problematic situation regarding the division of subject areas among the Heads of the Department. The Committee also pointed out that several subject areas are controlled by one post/position.	The Accounting Officer (AO) of the Department of Forest Conservation stated that there are three Additional Conservator Generals of Forests, namely Additional Conservator General (Administration and Human Resource Management), Additional Conservator General (Education and Research), and Additional Conservator General (Operations and Protection), and they consist of one officer from the Administrative

	The Committee was also concerned that the heads of each division who control the forest conservators in each subject area do not have the scientific knowledge that the heads of each division should possess.	Service and two Special Grade Officers from the Scientific Service. **Observations/Recommendations** The Committee requested the Ministry of Finance, Economic Stabilization and National Policies to pay urgent attention to the said matter and proposed that the approved staff strength be revised or at least two officers from the Forest Conservation Service be appointed as Additional Conservator Generals and that separate units be established under them.
02	**Progress in implementing the recommendation made by the Committee on Public Accounts held on 23rd October 2012 regarding the recovery of outstanding employee loan balances** The Audit Division pointed out that the outstanding loan balance amounts to a large amount of Rs. 13 million.	The Chief Accounting Officer/Accounting Officer of the Ministry of Wildlife and Forest Resources Conservation stated before the Committee that action was taken to recover the said money as per the recommendation of the Committee, and that the measures taken accordingly resulted in the recovery of Rs. 6 million out of it and the current outstanding balance was reduced to Rs. 1.9 million, and that there are employees who have left the service, have been suspended from work and have died in relation to the

		said Rs. 1.9 million, and that further action will be taken to recover money from employees who have left the service, and that it is expected to take action in accordance with Public Administration Circular 01/2024 for those who cannot be recovered in this way.
03	**Gazetting of about 250,000 hectares of forests that have not been gazetted yet.** The Audit Division pointed out that the area of forest land that has been gazetted as reserves and protected areas under the control of 25 district forest offices is 1.4 million hectares. It was stated before the committee that since the survey work of the remaining area has not been completed, illegal land grabbing, timber felling and forest crimes are rampant.	The CAO/AO of the Ministry of Wildlife and Forest Resources Conservation stated before the committee that social problems arose with the gazetting of forests through GPS technology without conducting a land survey between 2012 and 2018. He also stated before the committee that the 137,000 hectares of forests currently identified in the North and East are expected to be gazetted by the end of 2024. **Observations/Recommendations** The Committee recommended to the Chief Accounting Officer (CAO)/Accounting Officer (AO) of the Ministry of Wildlife and Forest Resources Conservation to divide the area of forest to be gazetted, which is 309000 hectares, at the district and zonal levels, prepare a programme, assign its responsibilities to the departmental officers at the district

		and zonal levels, complete the survey work, and outline the programme to be carried out in the next 5 years, and prepare a report with dates and submit it to the Committee before 25 September 2024. **The above report has been referred to in the letter of the Conservator General of Forests No. DFC/HO/ACC/A6/COPA and dated 24.09.2024. Accordingly, it has been reported that the total area of undeclared forests is 305,000 hectares and the total cost to complete the gazetting of these forests within 05 years is Rs. 8,036 million.**
04	**Problems that have arisen in various projects and development schemes due to the lack of specific gazetting of forests in Sri Lanka**	The Committee discussed the failure to obtain permission from the Forest Conservation Department for the Cable Car Project on the Kikiliyamana Mountain, and the CAO/AO of the Ministry of Forest Resources Conservation stated that permission was not granted for the project as it required about an acre of land in the uncultivated montane forest.
05	**Gyrinopswalla (Wallapatta) cultivation**	Facts were presented before the committee that in the said cultivation, what is commercially cultivated

	and obstacles to transporting its timber	extensively is not the native Gyrinopswalla (Wallpatta) plant found in the forests, but the Aquilaria plant, which is of the same genus as the Gyrinopswalla plant imported from foreign countries. However, it was stated before the committee that since the external appearance of both these plants is similar and it is difficult to distinguish between the Gyrinopswalla (Wallpatta) plant found in the forests and the commercially cultivated Aquilaria plant imported from abroad during timber transportation, transportation permits must be obtained. The Chief Accounting Officer/Accounting Officer of the Ministry of Wildlife and Forest Resources Conservation stated that if the Gyrinopswalla (Wallpatta) plant is found in forests, the responsibility for that plant will be transferred to the Forest Conservation Department, and if it is found outside forests, its ownership will be transferred to the relevant institutions. **Observations/Recommendations** The Committee recommended to the Chief Accounting

		Officer/Accounting Officer of the Ministry of Wildlife and Forest Resources Conservation to investigate a scientific methodology in this regard and prepare a report and submit it to the Committee by 25th September 2024. This report has been referred through the Conservator General of Forests' letter No. DFC/HO/ACC/A6/COPA dated 24.09.2024. Accordingly, the Expert Committee appointed to develop a scientific methodology for the differentiation of the two species Gyrinopswalla (Wallpatta) plant and Aquilaria plant, and to develop a methodology for the transportation of cultivated Aquilaria species has made recommendations including that it is not appropriate to abolish the process of obtaining transportation permits for Aquilaria and that a licensing mechanism needs to be developed to control illegal trade.
06	**An adequate program to improve and maintain the eco-tourism industry has not been established even by 2024.**	The Chief Accounting Officer (CAO)/ Accounting Officer (AO) of the Ministry of Wildlife and Forest Resources Conservation stated before the committee that the department currently operates 26 tourist sites and that these sites generated an income

		of Rs. 172 million in 2023 and Rs. 243 million in the first 7 months of 2024 alone. He also stated that the highest number of tourists, about 35,000, had come to visit the Sinharaja Forest in 2024.
07	**Problems that have arisen due to the failure to carry out the forest plantations handed over to the State Timber Corporation for "Clear felling" within the stipulated time.** The Committee inquired about the fact that due to the failure of the Department of Forest Conservation to carry out the proposed forest plantations within the stipulated time, the plants proposed for reforestation as per the Action Plan of the Department were growing large within the nurseries themselves, and that the large sums of money were being spent on their maintenance.	Officials of the State Timber Corporation stated before the Committee that this problem arose due to the allocation of a larger extent of land to the State Timber Corporation for timber felling from the year 2021 compared to the previous year, and the inability to complete the felling of timber during the relevant period due to the Covid pandemic. Officials of the State Timber Corporation further stated that with the implementation of the proposals made in 2020 to remove the cultivation of pine trees from Sri Lanka, the area of land given to the State Timber Corporation for felling timber has also increased, and that the remaining area can be cut down by the end of 2025. The Committee instructed the officials of the State Timber Corporation to prepare a 10-year plan

		for this purpose and carry out felling of tress as necessary.
08	**Although a 42-hectare pine plantation adjacent to the Diyatalawa Army Camp was completely cleared and ready for replanting, the failure to carry out this properly resulted in approximately Rs. 6 million being spent on maintaining the seedlings prepared for replanting, with those seedlings continuing to deteriorate.**	Officials of the Department stated that in accordance with the policy decision taken in 2021 to remove pine plantations from Sri Lanka and replant those areas with indigenous plants within a short period of time, approximately 100 hectares of pine plantation near the said camp were removed and work was commenced to establish forest plantations with indigenous plants, and that since it was a forest plantation located within the area of the Diyatalawa Army Camp, timber felling had to be carried out within limited time frames in compliance with the regulations of the army camp. The Committee instructed that these matters be examined.
09	**Saplings were planted without proper estimates and were not distributed efficiently.** The committee inquired about the large amount of plants remaining in the nursery and the large amount	Officials of the Department stated that endangered plants and medicinal plants are being planted in accordance with the annual plant demand in each area, and that approximately 700,000 plants were produced in the nurseries this year. They further stated that these plants will be provided in accordance with

	of money being spent on their maintenance. The committee also inquired about the expenditure of about Rs. 107 million on the maintenance of these plants from 2020 to 2023.	the requests made by local institutions.
10	**Sand mining in the Yan Oya Delta, Trincomalee**	The Accounting Officer of the Department of Forest Conservation informed the Committee that the process did not harm the mangrove reserve, that sand was excavated in an open area there, and that the Department had issued 5 sand excavation permits, which had also been cancelled this year. The officers also pointed out that cattle encroachment into the forests was also a problem faced by the Department of Forest Conservation.
11	**Following the quarrying of stone under quarry permits issued for stone extraction on a contractual basis, the failure to properly fill the excavated pits has resulted in them becoming water-filled pits, and in certain locations, the dumping of garbage into these pits and other such activities have**	The Committee also inquired about the Kilikonjimale quarry in Trincomalee and the Chief Accounting Officer/Accounting Officer of the Ministry of Wildlife and Forest Resources Conservation informed the Committee that it is still an operational quarry. The Accounting Officer of the Department of Forest Conservation stated that a deposit has been retained

	led to numerous environmental problems.	from the licensees of these quarries and that the pits should be closed before the expiry of the relevant agreement period.
12	**Maintaining a centralized data system for the Department of Forest Conservation**	The CAO/AO of the Ministry of Wildlife and Forest Resources Conservation stated before the Committee that the 8 technical divisions within the department currently maintain separate data systems, and in addition, there are separate data systems in the administrative, institutional and research divisions, and that a cloud system with a capacity of 8 terabytes has been purchased to store those data systems. **Observations/Recommendations** The Committee inquired whether the necessary data system has been prepared for this purpose. The Committee pointed out that the relevant data system should be prepared in a way that the progress of the gazetting programme of the forests mentioned in point 7 above can be reported at the regional level. Accordingly, the Committee recommended to the Chief Accounting Officer/ Accounting

		Officer of the Ministry of Wildlife and Forest Resources Conservation to prepare a report with dates and times for the implementation of a centralized data system so that departmental officers spread across the 25 districts of Sri Lanka can enter and retrieve data and submit it to the Committee by 25 September 2024. **This report has been submitted by the Conservator General of Forests' letter No. DFC/HO/ACC/A6/COPA and dated 24.09.2024. Accordingly, a timeline of 30 November 2024 has been presented for the preparation of a centralized information system, and the officers who will be assigned the responsibility of updating and maintaining the data system have also been reported.**

13	**<u>Recovery of outstanding, arrears of revenue related to quarrying licenses issued by the Department of Forest Conservation</u>**	The AO of the Department of Forest Conservation informed the Committee that, in addition to the "C" license issued by the Department of Forest Conservation for quarrying activities, a mining license is also issued by the Geological Survey and Mines Bureau (GSMB), and that this deficit in

		revenue is occurred with the issuance of gunpowder in accordance with the license issued by Geological Survey and Mines Bureau and that the licensees will not pay the outstanding fees for mining carried out in excess of the "C" license of the Department of Forest Conservation. The CAO/AO of the Ministry of Wildlife and Forest Resources Conservation informed the Committee that a grace period of 36 months and a concession of 75% of the outstanding license fee have been granted through a Cabinet approval. **Observations/ Recommendations** The Committee recommended to the CAO/AO of the Ministry of Wildlife and Forest Resources Conservation to prepare a register of communication towers belonging to the Ministry of Wildlife and Forest Resources Conservation first, and to submit a register of companies that have not paid fees, to the Committee. The Committee recommended to the CAO/AO of the Ministry of Wildlife and Forest Resources Conservation to determine the amount of gunpowder to be issued in relation to quarry licenses in the future and to determine the tax amount accordingly, to adapt an integrated methodology with the Geological Survey and Mines Bureau for the same purpose,

		and to inform the Ministry of Defence in writing, mentioning the recommendation of the Committee on Public Accounts in this regard. The Committee recommended to the CAO/AO of the Ministry of Wildlife and Forest Resources Conservation that, after sending the final notice to the 143 institutions that had not paid the outstanding amounts related to quarry licenses, the institutions that do not make the payments should be blacklisted, that any other licenses obtained in the names of the relevant license holders should also be cancelled, and that the relevant communication companies should be summoned on the same day to set a deadline for the payment of the relevant fees regarding communication tower fees and that the fees be paid by that date. **The following information has been reported in the letter of the Conservator General of Forests No. DFC/HO/ACC/A6/COPA and dated 24.09.2024;** **i. That the final notice has been sent to the quarry license holders on 02.09.2024 to pay the outstanding fees and that necessary steps are being taken to take legal action against the license holders who**

		have not paid the outstanding fees. **ii. Details of the payment of outstanding fees for transmission towers and the deadline given for payment of the arrears have been sent.** **iii. That a committee has been appointed to determine the fee to be charged for the use of access roads and laying electricity cables for transmission towers and that action will be taken to recover the due amount after submitting its recommendations to the Audit and Management Committee of the Department.**
14	**Sustainable harvesting of forest resources.**	The CAO/AO of the Ministry of Wildlife and Forest Resources Conservation stated before the Committee that resources such as kitul, honey, and cane are obtained from forests and that their Department is issuing permits and implementing awareness programmes to harvest them in a sustainable manner. **Observations/ Recommendations** The Committee recommended to the CAO/AO of the Ministry of Wildlife and Forest Resources Conservation to obtain information at the district level and identify the resources that can be harvested from the

		forests of Sri Lanka, their locations and the methods/ guidelines that can be followed for the sustainable harvesting of those resources to be issued to the relevant District offices. **The above instructions have been reported in the letter of the Conservator General of Forests No. DFC/HO/ACC/A6/COPA dated 24.09.2024. It has also been reported that a joint study is to be conducted with the Food and Agriculture Organization of the United Nations on the sustainable use of forest resources.**
Department of Irrigation ***(Contents included in the Auditor General's Reports for the years 2020, 2021 and 2022 and current performance)*** **Date of Investigation – 07th August 2024**		
Institutions summoned - ❖ Ministry of Irrigation ❖ Department of Irrigation		
01	**<u>The payment procedure followed by the Irrigation Department does not comply with government Financial Regulations.</u>** The audit has pointed out that there is a high risk of financial irregularities due to the fact that the certification	The Committee pointed out that the performing the duties of making cash payments to employees recruited on a temporary basis, certifying payments and maintaining payment records by officers of the Engineering Assistant Service who are not Accountants is in contrary to financial regulations and the principles of assigning

	of payments, certification of supplies, and making of payments in 52 regional offices of the Irrigation Department are carried out by officers of the Engineering Assistant Service who are not Accountants.	duties, and that there is a tendency for irregularities. **<u>Observations/ Recommendations</u>** Since realizing the cheques written in the name of the Irrigation Engineer and making payments in cash to the payees is not a correct payment method in making salary payments to employees recruited on a temporary basis, the Committee recommended to the AO of the Department to issue a circular for the payment of employee salaries, advising them to follow a method such as crediting money to an account in the name of the relevant payee, and also informed to report its progress to the Committee along with copies of the said circular. **A copy of the letter of instruction No. CFO/FIN/AMC/01/2023 dated 24.09.2024 issued by the Director General of Irrigation to the relevant responsible authorities to streamline the process of making payments for goods and services to Labourers recruited on temporary basis to perform various duties of the Irrigation Department has been submitted by the Secretary to the Ministry of Agriculture, Lands, Livestock, Irrigation, Fisheries and Aquatic Resources, vide letter No. MI/F-13/ID/COPA/GEN and dated 23.10.2024.**

02	**The inclusion of delegation of powers regarding payments in the Service Minute of the Engineering Assistant Service**	**Observations/ Recommendations** The Committee expressed its strong displeasure over the inclusion of a list of duties to be performed by an Accountant in the Service Minute of the Engineering Assistant Service, which was published in the Extraordinary Gazette Notification No. 2013/31 dated 07 April 2017 in this regard, such as certifying payments, making payments in cash, signing cheques, maintaining records of payments, etc., and the Committee instructed the Secretary of the Committee to inform the Secretary of the Public Service Commission to amend it with immediate effect and further recommended the CAO/AO to take necessary steps. **The Committee on Public Accounts has informed the Secretary of the Public Service Commission regarding the above recommendation by letter No. PAC/9/5/2024 dated 20.08.2024.** **The Secretary to the Ministry of Irrigation, in his letter No. MI/F-13/ID/COPA/GEN dated 31.08.2024, has reported on the amendments currently in force regarding the powers of the Regional Irrigation Engineer and has informed that action will be taken in accordance with it to ensure the smooth functioning of the Irrigation Department**

		until the Service Minute of the Engineer Assistant Service is amended.
03	**Establishing a proper procedure to certify payments in regional Irrigation Engineering Offices.**	**Observations/ Recommendations** The Committee recommended that the Ministry of Irrigation and the Department of Irrigation to jointly appoint a committee and have detailed discussions to identify the Regional Irrigation Engineer Offices located close to the relevant workplaces where Accountants attached to Zonal Irrigation Director Offices can certify payments, in situations where such payment certification is not possible, the offices to which authority to certify payments can be delegated to the Chief Management Services Officer as a temporary solution until Accountants are appointed. The Committee further recommended formulating a suitable mechanism with the involvement of the Ministry of Finance within one month. It also recommended that, following amendments to the Service Minute of the Assistant Engineer Service, the relevant parties be informed through a circular and prior to issuing this circular, forward the copies of the same to the Committee, with a copy sent to the Auditor General.
04	**The bid of Rs. 2,093 million submitted by the contractor for the**	The CAO/AO of the Ministry of Irrigation stated before the Committee that an overestimation of Rs. 254 million had been

	Basnagoda Reservoir construction project has been increased by Rs. 254 million based on the recommendations of the Technical Evaluation Committee.	made based on incorrect calculations by the Technical Evaluation Committee at the beginning, and that an overpayment of Rs. 50 million had been made as an advance of 20% proportional to that amount, and that this amount would be recovered when the advance money is reimbursed. **Observations/ Recommendations** The Committee recommended to the CAO of the Ministry to take steps to recover this money and to take necessary actions against the officers who were on the Technical Evaluation Committee of the project, by summoning them by written notice before 20.08.2024, and to prepare a report including their observations regarding this incident and to submit the report to the Committee before 01.09.2024. **A copy of the report submitted by the officers of the above Technical Evaluation Committee has been forwarded by the Secretary to the Ministry of Agriculture, Lands, Livestock, Irrigation, Fisheries and Aquatic Resources vide letter No. MI/F-13/Project/Gen/2024 dated 18.10.2024.**

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 Division pointed out that this issue has arisen due to entering into an agreement with the project company without first identifying and acquiring the lands relevant to the project at the time of entering into the contract.	**Observations/ Recommendations** The Committee recommended to the CAO/AO of the Ministry to submit a detailed report on the current status of this project, including the amount of money paid so far for this project, the extent of its construction work completed and whether water is currently being supplied through this project, to the Committee before 20.08.2024 **A report signed by the Director General of Irrigation has been submitted on the background and current status of the Basnagoda Reservoir Project.**
06	**Gin Nilwala Project** It was revealed before the Committee that in 2014, a contract for this project was signed for USD 690 million, USD 29.989 million was paid to the contractor as an advance, and that the relevant agreement was amended in 2017 to conduct a feasibility study commensurate with the advance paid. Though 08 months period had been given to conduct this	The CAO/AO of the Ministry of Irrigation stated that the Cabinet approval was obtained for the implementation of the project after the pre-feasibility study and accordingly, the relevant agreements were entered into through the Ministry of Irrigation. Further stated that although both the Gin and Nilwala rivers are included in the project, a project related part of the Gin river is belonged to the Sinharaja World Heritage Forest, the feasibility study was delayed until 2024 due to the inability to obtain approval from the Department of Forest Conservation and UNESCO. The CAO/AO of the Ministry of Irrigation stated that about 95% of the feasibility

	feasibility study, a period of 07 years has already passed. Due to the non-implementation of this project, the amount spent on the pre-feasibility study of the project and the amount of Rs. 27 million spent on other project activities including salaries and allowances of the project staff over a period of 5 years has been a waste of money, and although steps had been taken to halt the project by 26th May 2015, the audit pointed out that the advance payment made for it had not been deducted from the bond amount.	study and geological survey work have been completed so far and that it is expected to resume the project after obtaining Cabinet approval. **Observations/ Recommendations** The audit has pointed out that this situation had arisen due to the agreements being entered into without following the procedure set out in Financial Regulation No.3 and the Committee expressed its displeasure over the signing of agreements related to the project without resolving the issues that had arisen regarding the relevant land extent belonging to the Sinharaja Forest. The Committee stressed the importance of acting in accordance with the Financial Regulations before signing agreements related to such projects in the future.
07	Contents of the Auditor General's Audit Brief Note (Audit paragraphs not discussed at the meeting on 07.08.2024)	The Committee recommended to the CAO/AO of the Ministry of Irrigation to forward to the Committee the responses to the audit queries in the Audit Brief Note submitted by the Auditor General for the Committee meeting on 07.08.2024 which were not discussed on that day.
National Intellectual Property Office **(*Progress and current performance of the recommendations made at the meeting of the Committee on Public Accounts held on 06.06.2024***		

to examine the performance of the National Intellectual Property Office of Sri Lanka)

Date of investigation – 08th August 2024

Institutions summoned -

- Ministry of Trade, Commerce and Food Security
- National Intellectual Property Office

01	**Granting opportunity for Development Officers serving in the Department to apply for the positions of Patent Examiners and Intellectual Property Officers of the National Intellectual Property Office**	The AO of the National Intellectual Property Office informed the Committee that the request made to allow Development Officers serving in the department to apply for recruitment to the posts of Patent Examiners and Intellectual Property Officers of the National Intellectual Property Office has been approved by the Public Service Commission and accordingly, applications have been called to fill 08 vacancies for the posts of Intellectual Property Officers and applications are scheduled to be called to fill 10 vacancies for the posts of Patent Examiners. **Observations/ Recommendations** The Committee recommended to the CAO of the Ministry and the AO of the National Intellectual Property Office to take steps to make the relevant recruitments expeditiously. **The Director General of the National Intellectual Property Office by letter No.**

		2/4/8 VOL III dated 07.11.2024 has informed that the notification related to the open recruitment competitive examination for the posts of Patent Examiner was published in the Gazette on 11.10.2024, the closing date for applications is 13.11. 2024 and the competitive examination for the recruitment to the post of Intellectual Property Officer is scheduled to be held on 10.11.2024.
02	**Transferring the Director of the Patent Division without a replacement**	As the Patent Division is maintained with a limited number of Grade I officers, the transfer of the Director of the Patent Division without a replacement would hinder the process of the file-scanning project (Digitization Project) scheduled to commence in September or October 2024, the AO of the National Intellectual Property Office requested to grant a replacement. **Observations/ Recommendations** The Committee noted that the said departmental position is presently held by an officer belonging to the Sri Lanka Administrative Service who was attached to the institution in 2017 due to the absence of officers within the institution who had completed the requisite seniority. However, considering the fact that there are officers who have completed the required eleven (11) years of seniority and eligibility for

		appointment to the said post within the Department at present, the Committee was of the view that the duties of the post could be assigned to a suitable officer from among the departmental officers by following the due procedure. Accordingly, the Committee recommended to the CAO of the Ministry of Trade, Commerce and Food Security and the AO of the National Intellectual Property Office to discuss the matter with the Public Service Commission and take appropriate action in this regard. **The Director General of the National Intellectual Property Office by letter No. 2/4/8 VOL III dated 07.11.2024 has informed that the relevant Director of the Patent Division has been released without a replacement allowing her to assume duties at the new workstation with effect from 06.11.2024.**
03	**Avoiding the inconvenience caused by delays in registering trademarks, patents and industrial designs.** The Committee inquired about the progress of the previous Committee's recommendation to prepare a time-bound plan to overcome the inconvenience caused by	The AO pointed out that his office is currently tasked with examining approximately **14,000 applications** for trademark registration, **591 patent applications**, and **585 applications** for industrial design registration. Furthermore, he stated that a significant number of other applications are at various stages of the process—ranging from the initial receipt of the application to the

	delays in the registration of trademarks, patents and industrial designs.	issuance of certificates—including those requiring defect reporting and renewals. The DG highlighted the following as the primary reasons for the current delays: **Incomplete Submissions:** A large majority of the applications received by the office contain errors or deficiencies. **Lack of Proficiency:** The technical skills or expertise of the creators/applicants in completing the applications accurately is insufficient. **Applicant Disinterest:** Since these applications remain valid for a period of 20 years from the date of submission, many applicants show a lack of interest or fail to follow up once the initial application is filed.
04	**Steps taken by the National Intellectual Property Office to conserve local and indigenous intellectual property in Sri Lanka.**	In response to inquiries regarding the steps taken by the National Intellectual Property Office to conserve local and indigenous intellectual property in Sri Lanka, the Director General of the National Intellectual Property Office informed that the National Intellectual Property Office has not given any provisions in its Act for the specific preservation of local and indigenous intellectual property in Sri Lanka. **Observations/ Recommendations**

		The Committee instructed the Chief Accounting Officer and the Accounting Officer that this office should work jointly with indigenous medicine, arts, sports and cultural institutions in relation to the said matters. **For this purpose, the Intellectual Property Act, No. 36 of 2003 should be amended and all relevant stakeholders should be consulted. For this purpose, a separate division should be established within the institution and the necessary infrastructure facilities should be provided, as stated in the letter No. 2/4/8 VOL III and dated 07.11.2024 of the Director General of the National Intellectual Property Office.**
05	**The digitization project launched by the World Intellectual Property Organization to scan the files of the National Intellectual Property Office**	The World Intellectual Property Organization (WIPO) has agreed to provide technical assistance of Rs. 70 million for the Digitization Project of the National Intellectual Property Office, and a Sri Lankan company (Data Management Systems) was selected and contracted by the World Intellectual Property Organization for the said purpose, but since the project has not yet received Cabinet approval, the Accounting Officer of the National Intellectual Property Office informed the Committee that the commencement of the said project, which is scheduled to begin in September 2024, has been a problem. The

		Chief Accounting Officer of the Ministry informed the Committee that the problem in applying for Cabinet approval is that the Ministry has not received a written request and agreement for this project from the World Intellectual Property Organization, the lead institution for the project. **Observations/ Recommendations** It was recommended to the Chief Accounting Officer of the Ministry to inform the World Intellectual Property Organization in writing of all the information required to apply for Cabinet approval, obtain the necessary information directly from that organization, and apply for Cabinet approval within two weeks. **It has been informed in the letter No. 2/4/8 VOL III and dated 07.11.2024 of the Director General of the National Intellectual Property Office that the Secretary to the Ministry has applied to the Cabinet for approval.**
06	**Misusing of certain intellectual properties in the country due to the existing loopholes in the Intellectual Property Act.**	**Observations/ Recommendations** The Committee emphasized that the deficiencies in the Intellectual Property Act are leading to the misuse of certain intellectual properties in the country, and recommended to the Chief Accounting Officer and Accounting Officer to take urgent action to update the Act based on

		appropriate international methodologies, and to report to the Committee on the difficulties and obstacles faced by the National Intellectual Property Office in that process.
07	**Progress in implementing the recommendations made at the previous Committee regarding the issue of space at the National Intellectual Property Office of Sri Lanka and the transfer of files in the office to the Department of National Archives.** The Committee inquired about the implementation of the recommendations made at the previous Committee regarding the issue of space at the National Intellectual Property Office and the transfer of files in the office to the Department of National Archives.	The Chief Accounting Officer of the Ministry stated that, according to the Space Audit conducted, the existing space is insufficient to maintain the activities of the National Intellectual Property Office, and that providing office facility for the file scanning project to be initiated in the future also poses a problem. He further stated that discussions held with the Registrar of Companies regarding the provision of additional space within the current building have been unsuccessful, and that since Lanka Sathosa can provide more than 3,000 square feet of space on two floors of its existing building, several departments of the institution could be relocated there. **Observations/ Recommendations** The Committee recommended to the Chief Accounting Officer and the Accounting Officer that the existing space in the building where Lanka Sathosa is located should be used to store the old files of the institution and that unnecessary old files should be disposed of in accordance with the Right to Information Act No. 12 of

		2016. For this purpose, proper procedures should be followed regarding the files that were maintained from 2006 to 2016 but are not currently in use, and that they should be disposed of in a proper manner within the prescribed time frame by publishing advertisements in public newspapers and other appropriate means. Since the Auditor General's reports have confirmed that there is underutilized space on the ground floor and fifth floor of the Department of Registrar of Companies, it is recommended that a request be made to the Registrar of Companies to provide space in the current building itself on a temporary basis or until the completion of the file scanning project. It was further recommended to the Chief Accounting Officer and the Accounting Officer to investigate the methods of managing and maintaining intellectual property offices in other countries in the region and the smart methods that have been used for the said purpose and report to the Committee on the same. **The Department of the Registrar of Companies requested 700 square feet of space, but agreed to provide only 100 square feet and informed the Secretary to the Ministry that the space was not sufficient. The Secretary to the Ministry was informed that the files to be preserved during the file preservation**

		process had been classified and forwarded to the Department of National Archives on 02.08.2024 and that the Secretary to the Ministry was informed to immediately make arrangements to place the files allocated for disposal in the space to be provided by the Sathosa. The Director General of the National Intellectual Property Office, in his letter No. 2/4/8 VOL III and dated 07.11.2024 , stated that steps would be taken to establish the smart methods used for the operation and maintenance of intellectual property offices in India in the future as far as possible.
08	**The programme currently in progress to construct a permanent building for the National Intellectual Property Office.**	When asked about the ongoing programme to construct a permanent building for the National Intellectual Property Office, the Chief Accounting Officer informed the Committee that a building is already being constructed on a land owned by the Ministry in Kollupitiya for several institutions under the Ministry, and that this issue will be resolved once the work on the said building is completed. **Due to the delay in the construction of this building, requests have been submitted to the Secretary to the Ministry to provide an urgent solution to the problem of space in their office, as stated in the letter No. 2/4/8 VOL III and**

		dated 07.11.2024 of the Director General of the National Intellectual Property Office.
09	**<u>Recovery of the amount paid to the Information Communication Technology Agency of Sri Lanka for purchasing a server machine for the National Intellectual Property Office.</u>** The Committee inquired regarding the recovery of the amount of Rs. 32 million paid under the contract with the Information Communication Technology Agency of Sri Lanka in 2016 for purchasing a server machine for the National Intellectual Property Office.	The Chief Accounting Officer and the Accounting Officer stated that although money was given to the Information Communication Technology Agency of Sri Lanka in 2016 for the said purpose, the server machine has not been received by the National Intellectual Property Office to date, and since the money was used to pay the salaries of the institution, the Information Communication Technology Agency of Sri Lanka is unable to repay it. **<u>Observations/ Recommendations</u>** The Committee recommended to the Chief Accounting Officer that due to this serious error committed by the Information Communication Technology Agency of Sri Lanka, it is not the proper method to obtain the said funds from the Treasury and therefore, to take all possible measures to recover the said funds from the Information Communication Technology Agency of Sri Lanka within the next 03 months. **It has been informed in the letter No. 2/4/8 VOL III and dated 07.11.2024 of the Director General of the National Intellectual Property Office that a letter has been sent to the new Secretary to the**

		Ministry on 29.10.2024 requesting him to intervene in the recovery of the amount paid for the purchase of the server machine.
10	**<u>Failure to monitor the performance and annual progress of the Technology and Innovation Support Centres maintained by university research institutes under the National Intellectual Property Office.</u>** The Committee inquired about the failure to monitor the performance and annual progress of the Technology and Innovation Support Centres maintained by university research institutes under the National Intellectual Property Office.	The relevant officials informed the Committee that although their institution has signed MOUs with 27 universities and research institutes and established Technology and Innovation Support Centres (TISC), only a minority of them are currently in operation, and the main reason for this is that no payments are currently being made to the university lecturers employed in those centres. **<u>Observations/ Recommendations</u>** The Committee recommended to the Chief Accounting Officer and the Accounting Officer to conduct a comprehensive study on all aspects in which the National Intellectual Property Office can intervene to further promote these centres in coordination with other government institutions that require their services in order to provide financial support for them, and to submit a suitable proposal and concept paper to the Committee in consultation with the University Grants Commission and the Ministry of Education. **It has been informed in the letter No. 2/4/8 VOL III and dated 07.11.2024 of the**

		Director General of the National Intellectual Property Office that a concept paper is being prepared for this purpose and that a special feasibility study will be conducted in combination with the relevant institutions to avoid problematic situations arising in an environment where officers are constantly transferred.
11	**Delay in submitting for approval by Parliament the regulations to be enacted to implement the amendments made to the National Intellectual Property Act in 2022 regarding the registration of geographical indicators.** The Committee inquired about the delay in submitting for approval by Parliament the regulations to be enacted to implement the amendments made to the National Intellectual Property Act in 2022 regarding the registration of geographical indicators.	**Observations/ Recommendations** The Committee was informed that the delay in obtaining the necessary Cabinet approval was due to the delay on the part of the Legal Draftman's Department, and the Committee recommended to the Chief Accounting Officer to work with the said Department and prepare the draft containing the amendments expeditiously.

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