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Submission of observations of Hon. Minister and steps taken with regard to the reports tabled by the Committee on Public Accounts in terms of Standing Order No.119(4)

Parliamentary Series No : 489

Name of the Institution

: Department of Agrarian Development

Main points discussed	Current progress of the actions taken																																										
01. Response to Audit Queries	Final responses have now been submitted for all 98 outstanding audit queries since 2019 referenced above. Accordingly, out of the 692 audit queries received by the Department from the year 2019 up to 30.05.2026, final responses have been successfully provided for 686 queries. A summary of the total audit queries received by the Department is as follows. <table><tr><th colspan="2">Audit Queries Received by the Department</th><th rowspan="2">Number of audit queries responded to as of 30.05.2026</th><th rowspan="2">Number of audit queries remaining to be answered</th></tr><tr><th>Year</th><th>Number of Audit Queries</th></tr><tr><td>2019</td><td>129</td><td>129</td><td>-</td></tr><tr><td>2020</td><td>110</td><td>110</td><td>-</td></tr><tr><td>2021</td><td>118</td><td>118</td><td>-</td></tr><tr><td>2022</td><td>219</td><td>219</td><td>-</td></tr><tr><td>2023</td><td>54</td><td>54</td><td>-</td></tr><tr><td>2024</td><td>32</td><td>32</td><td>-</td></tr><tr><td>2025</td><td>15</td><td>15</td><td>-</td></tr><tr><td>2026.05.30</td><td>15</td><td>09</td><td>06</td></tr><tr><td>Grand Total</td><td>692</td><td>686</td><td>06</td></tr></table>	Audit Queries Received by the Department		Number of audit queries responded to as of 30.05.2026	Number of audit queries remaining to be answered	Year	Number of Audit Queries	2019	129	129	-	2020	110	110	-	2021	118	118	-	2022	219	219	-	2023	54	54	-	2024	32	32	-	2025	15	15	-	2026.05.30	15	09	06	Grand Total	692	686	06
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Conducting Audit and Management Committee Meetings	The Department of Agrarian Development conducted all four quarterly Audit and Management Committee meetings for the year 2025, as well as the first quarterly meeting for the year 2026. Under the intervention of the Head Office of the Department of Agrarian Development, the district-level Audit and Management Committee meetings were successfully held for all four quarters of 2025, with the exception of the Kandy District fourth-quarter meeting, which could not be convened due to the prevailing cyclonic Ditwah. Additionally, the first-quarter meeting of 2025 for the Mannar District Office was not held due to the vacancy of the Assistant Commissioner position during that period.
02. Staff Vacancies	A revised request concerning the increase and amendment of the approved staff cadre, along with the creation of new positions, was forwarded to the Department of Management Services through the Secretary to the Ministry of Agriculture, Livestock, Land and Irrigation on 07.01.2026. Accordingly, as the Ministry Secretary advised that requests for the creation of new positions should be formally submitted along with F.R. 71 application forms, the relevant forms have been forwarded to the Department of Management Services through the Ministry Secretary. Furthermore, the F.R. 71 forms concerning the creation of the remaining positions are currently being prepared.
03. Tabling of Annual Performance Reports	The Annual Performance Reports from the year 2019 to 2024 have been submitted to the Parliament by the Ministry of Agriculture, Livestock, Land and Irrigation.

04. Establishment of Agrarian Development Councils	In terms of Section 51 of the Agrarian Development Act, No. 46 of 2000, as amended by the Agrarian Development (Amendment) Act, No. 46 of 2011, new amendments relating to Regulation No. 02 on the establishment of Agrarian Development Councils were referred to the Legal Draftsman on 12.11.2025. The new proposals presented regarding Regulation No. 02 by the Legal Draftsman's letter dated 20.01.2026 under reference No. L.D.B.11/2007(III) requested that prepared and submitted in all three languages. Accordingly, the amendments and new proposals relating to Regulation No. 02 were prepared in all three languages and forwarded to the Department of the Legal Draftsman on 23.03.2026. With the objective of expediting the formulation of these regulations, a discussion was held at the Department of the Legal Draftsman on 27.03.2026 to address existing issues. This meeting was attended by the Commissioner General of Agrarian Development, along with officials from the Legal Draftsman and the Ministry of Agriculture, Livestock, Land and Irrigation. It was observed that further amendments to Section 53 of Part II of the Regulations were appropriate, and this was communicated to the Secretary to the Ministry of Agriculture, Livestock, Land and Irrigation on 27.03.2026. Approval for the same was granted via a letter dated 08.04.2026. Accordingly, the relevant amendments have been incorporated, and the document has been referred to the Legal Draftsman on 22.04.2026 under reference number 7/7/2/ගො.සං.ප./නියෝග (VI) for re-drafting to be suitable for publication in the Gazette.
05. Poor performance of Agrarian Banks	➤ Loans were issued to 73,968 farmers for paddy cultivation during the 2022/2023 Maha and 2023 Yala seasons, as a percentage of the total 1,000,000 farmers, this reflects a growth value of 7%. ➤ During the 2023/2024 Maha and 2024 Yala seasons, the number of farmers to whom loans were issued for paddy cultivation was 39,184, representing a percentage of 3.9%,

	➤ During the 2024/2025 Maha and 2025 Yala seasons, the number of farmers to whom loans were issued for paddy cultivation stood at 46,637, representing a percentage of 4.66%. Accordingly, loans have been issued to farmers engaged in paddy cultivation exceeding a percentage of 1%. ➤ Arrangements are being made to establish the necessary facilities to maintain accounts in accordance with accepted accounting practices. ➤ The development of the accounting system for Agrarian Banks is in its final stages and is scheduled to be implemented this year.
06. The occurrence of numerous financial irregularities in the construction of the Kurunegala District Office of the Department of Agrarian Development.	Regarding the above matter, officers were appointed on 06.02.2023 to conduct a preliminary investigation, and the subsequent preliminary investigation report was submitted on 10.01.2024. Due to deficiencies observed in the documentation while drafting charge sheets against the relevant officers, the matter was referred for revision on 21.07.2025, and the revised preliminary investigation report was received on 27.10.2025. The progress of the recommendations in the said report is as follows. I. Charge sheets are currently being drafted against Ms. E.A.I.M. Ekanayake - Technical Officer and Mr. G.R. Sudath Bandara Gonawala - Agrarian Development Officer. II. The matter was referred to the Chief Internal Auditor on 17.04.2026 to conduct a forensic audit whether this building is in a usable condition and to verify its structural standards. III. As the officers responsible for these irregularities—namely Mr. A.A.H.W.M.D. Aberathne (Technical Officer), Mr. B.M.G. Aluthgamage (Regional Engineer), and Ms. Nayana Priyadarshani Buddhadasa (Former Deputy Commissioner of Agrarian Development)—have already retired under Section 2.17 of the Minutes on Pensions, letters are currently being drafted to refer them to the Auditor General to recover the losses in accordance with Section 19 of the National Audit Act, No. 19 of 2018.

IV. Letters are currently being drafted to refer the corrupt practices associated with these constructions to the Commission to Investigate Allegations of Bribery or Corruption, in order to initiate legal action.

➤ To determine the financial loss and identify the responsible officers regarding this irregularity, a Board of Inquiry was appointed under Financial Regulation (F.R.) 104 on 22.10.2024, and the relevant report was submitted on 26.12.2025. In accordance with the recommendations of the said report,

- i. The total deficit amounts to LKR 4,642,566.69, and the matter has been referred to the Secretary to the Ministry of Agriculture, Livestock, Land and Irrigation on 27.03.2026 to obtain the necessary authority to recover the said amount from the relevant officers.
- ii. The relevant officers responsible for this incident have been notified via letters dated 07.03.2026 to settle their respective liabilities; this includes a sum of LKR 1,392,770.01 due from Ms. E.A.I.M. Ekanayake (Technical Officer, currently serving at the Gampaha High Court) and a sum of LKR 19,817.50 due from Mr. J.K. Jayananda (Deputy Commissioner of the Department of Motor Traffic). Accordingly, the amount of LKR 19,817.50 due from Mr. J.K. Jayananda has been settled in full on 15.05.2026 under receipt number R/24 651043.
- iii. It has been recommended to take action under the Offences Against Public Property Act to recover a total sum of LKR 3,229,979.18 from the retired officers responsible for this irregularity; namely, LKR 1,392,770.01 from Mr. A.A.H.W.M.D. Aberathne (Technical Officer), LKR 1,392,770.01 from Mr. B.M.G. Aluthgamage (Regional Engineer), and LKR 444,439.16 from Ms. Nayana Priyadarshani Buddhadasa (Former Deputy Commissioner of Agrarian Development). Accordingly, further proceedings are underway.

07. Environmental damage occurring during tank rehabilitation activities	The Committee recommended that the Ministry of Provincial Councils, the Ministry of Agriculture, the North Western Provincial Department of Irrigation, and the North Western Provincial Environmental Authority be summoned before the Committee on Public Accounts (COPA) alongside the Department of Agrarian Development at its next meeting, in order to formulate a mechanism to minimize environmental damage during tank rehabilitation activities and to resolve the unclear situation surrounding the ownership of tanks.
08. Illegal reclamation of paddy lands	A report containing the names of the officers who recommended the reclamation of these paddy lands, the dates of approval, and its current status has been submitted to the Committee on Public Accounts (COPA) under reference number DAD/FIN/PRO/04/COPA – ii and dated 15.07.2024.
09. Issues in paddy purchasing operations	It is hereby notified, this matter does not related of the Department of Agrarian Development.
10. Project for the construction of 400 agro-wells	A report containing the list of beneficiary farmers, the outstanding payment amounts, and the progress of the agro-well construction has been submitted to the Committee on Public Accounts (COPA) under reference number DAD/FIN/PRO/04/COPA – ii and dated 15.07.2024.