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of
**The Seventh Parliament of
The Democratic Socialist Republic of Sri Lanka
(First Session)**

THIRD REPORT

(for the period from 08 January 2013 to 23 October 2013)

**From
The Committee on Public Accounts**

Presented by
Hon. (Dr.) Sarath Amunugama
Chairman of the Committee

on 19th May 2015

Composition of the Committee on Public Accounts First Session of the Seventh Parliament

1. **Hon. (Dr) Sarath Amunugama (Chairman)**
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3. Hon. Janaka Bandara Tennakoon
4. Hon. Patali Champika Ranawaka
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6. Hon. Wijeyadasa Rajapakshe,
7. Hon. Akila Viraj Kariyawasam,
8. Hon. Dilan Perera
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14. Hon. Anura Priyadarshana Yapa
15. Hon. Tissa Karalliyadda
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25. Hon. R. Yogarajan,
26. Hon. Tiran Alles,
27. Hon. Manusha Nanayakkara
28. Hon. Buddhika Pathirana
29. Hon. S. Shritharan
30. Hon. M.A. Sumanthiran
31. Hon. Hunais Farook

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Preface

The oversight Committees have gained heightened recognition over the other Committees and are considered as parliamentary pre - eminent Committee while serving on it is considered to be a matter of prestige.

In most of the countries the Oversight Committees are the oldest and the most significant Parliamentary Standing Committees. Even in Sri Lanka the PAC has been the oldest Parliamentary Committee.

The PAC (COPA) was established in Sri Lanka in response to a motion in the Legislative Council on 26 October 1972.

Quote:-

“Since the council has no means of ascertaining that the grants of the council for each financial year , including supplementary grants ,have been applied to the objects which the Legislative council presented and also in view of the fact that any balances that have been left unexpended at the end of the year are not made available to meet the following year’s expenditure, a Standing Committee of Public Accounts be appointed for the ensuring financial year,Viz.1921-1922” (Ceylon Sessional Papers , 1922).Unquote

The Committee was appointed on 05 September 1923 and its first meeting was held on 17 October 1923 and it dealt with the Colonial Auditors report for the year 1921/22.

The Public Accounts Committee in the Parliament of Sri Lanka , it was institutionalized by the Standing order No.125, and gives its mandate as follows.

“125(2) It shall be the duty of the Committee to examine the accounts showing the appropriation of the sums granted by Parliament to meet the public expenditure and such other accounts laid before Parliament to meet the public expenditure as the Committee may think fit, along with the reports of the Auditor – General on local authorities”

The primary duty of a Committee on Public Accounts is to review the audit reports which had been presented in Parliament by the Auditor General as well as the performance of the Government Institutions and examine respective Public Officer to ensure the accountability. At the examinations it expects to focus the attention on acceptability of the reports produced on financial and physical performance, economy, efficiency and effectiveness of operations.

More than 500 Institutions come under the preview of Public Accounts Committee. They are Ministries, Departments, Provincial Councils, District Secretariats, Divisional Secretariats and some Institutions come under the presidential Secretariat and some funds as well as Foreign Funded Projects .

The purpose of having oversight Committees is to assist the parliament to hold the government accountable for its use of public funds and resources by examining public

accounts to ensure that the government complies with the will of Parliament.

Despite the audit which is being conducted by the Auditor General on behalf of parliament, Parliament is the institution tasked with considering the results of the audit to ensure the accountability. Oversight Committees are established and entrusted with the detailed work ,to accomplish this task.

History in a nut shell

From 1977 to date, Chair of the Public Accounts Committee had been borne by the following Hon. Members of Parliament and their commitments to achieve the goals of the Committee are remarkable.

Parliament	Session	Name of the Chairman	No of Report presented	Dates of Presentation
First				24/11/1978 08/08/1979 21/11/1979 03/06/1980 18/11/1980 21/10/1981 19/08/1982
	First	Hon. P.S. Soosaithasan	7	
	Second	Hon. P.S. Soosaithasan	3	02/11/1982 15/12/1983 05/02/1984
		Hon. W.P.B.Dissanayake	-	-
	Third	Hon. W.P.B.Dissanayake	-	-
	Fourth	Hon. W.P.B.Dissanayake	-	-
	Five	Hon. W.P.B.Dissanayake	1	03/12/1985
	Six	Hon. W.P.B.Dissanayake	2	03/06/1986 18/11/1986
	Seventh	Hon. W.P.B.Dissanayake	1	19/11/1987
Eighth	Hon. G. V. S. De Silva	1	27/10/1988	
Total Number of Reports			15	
Second	First	Hon. Chandra Kumara Wijeya Gunawardena	2	18/10/1989 24/11/1989
	Second	Hon. E.P.Paul Perera	2	21/09/1990 21/11/1990
	Third	Hon. E.P.Paul Perera		

Parliament	Session	Name of the Chairman	No of Report presented	Dates of Presentation
	Fourth	Hon. E.P.Paul Perera	4	06/12/1991 12/12/1991 06/10/1992 18/11/1992
	Fifth	Hon. E.P.Paul Perera	3	20/10/1993 17/11/1993 17/11/1993
Total Number of Reports			11	
Third	First	Hon. (Dr.) P.B.G. Kalugalle	-	-
	Second	Hon. (Dr.) P.B.G. Kalugalle	-	-
	Third	Hon.(Prof) Wiswa Warnapala	-	-
Fourth	Second	Hon. Mahindananda Aluthgamage	-	-
Fifth	First-Second	Hon. Anura Priyadharshana Yapa	1	25/09/2003
Sixth	First - Second	Hon. Rauf Hakeem	1 (Interim Report)	29/11/2007
	Third - Forth	Hon. Anura Priyadharshana Yapa	-	-
Total Number of reports			2	
Seventh	First	Hon.(Dr.) Sarath Amunugama	2	25/072013 10/02/2015
Total Number of reports			2	
Total Number of Reports tabled to date			30	

Report

The Committee on Public Accounts (COPA) for the First Session of the Seventh Parliament is pleased to present its Third report to the Parliament.

The COPA for the First Session of the Seventh Parliament was nominated by the Committee of selection in terms of the Standing Orders of the Parliament of Sri Lanka and was announced in the House on 20th May 2010.

The first Committee meeting was held on 08th June 2010, and has been sitting continuously on a regular basis to examine Government Institutions in terms of the Parliamentary Standing Order No.125.

This report covers the findings and recommendations of the Committee on 43 Government Institutions examined during the period from 08th January 2013 to 23rd October 2013.

The following table contains the names of the institutions examined.

TABLE -01

Institutions Examined

No	Institution	Line Ministry	
1.	Department of National Budget	Finance & Planning	08.01.13
2.	Finance Commission		08.01.13
3.	Department of Agriculture	Ministry of Agriculture	08.01.13
4.	Department of Inland Revenue	Finance & Planning	09.01.13
5.	Employees Provident Fund	Finance & Planning & Ministry of Labour and Labour Relations	06.02.13
6.	Ministry of Transport		07.02.13
7.	Department of Agriculture	Ministry of Agriculture	19.02.13
8.	Ministry of Public Administration & Home Affairs		20.02.13
9.	Department of Inland Revenue	Finance & Planning	21.02.13
10.	Ministry of Fisheries & Aquatic Resources		05.03.13
11.	Ministry of Environment &		06.03.13

No	Institution	Line Ministry	
	Renewable Energy		
12.	Ministry of Health		07.03.13
13.	Department of Public Finance	Finance & Planning	19.03.13
14.	Department of Elections		20.03.13
15.	Ministry of Youth Affairs		21.03.13
16.	Department of Inland Revenue	Finance & Planning	09.04.13
17.	District Secretariat Monaragala	Public Administration & Home Affairs	23.04.13
18.	District Secretariat Polonnaruwa	Public Administration & Home Affairs	23.04.13
19.	Ministry of Sports		24.04.13
20.	Ministry of Sports		21.05.2013
21.	Department of Land Settlement	Ministry of Land & Land Development	22.05.13
22.	Department of Immigration & Emigration	Ministry of Defence & Urban Development	04.06.13
23.	Ministry of Sports (Badminton Association)		04.06.13
24.	Department of Registration of Persons	Ministry of Defence & Urban Development	05.06.13
25.	District Secretariat Nuwara Eliya	Public Administration & Home Affairs	06.06.13
26.	District Secretariat Batticaloa	Public Administration & Home Affairs	18.06.13
27.	District Secretariat Ampara	Public Administration & Home Affairs	18.06.13
28.	Ministry of Public Management Reforms		19.06.13
29.	Ministry of Telecommunication		20.06.13
30.	District Secretariat Puttalam	Public Administration & Home Affairs	09.07.13
31.	Ministry of Disaster Management		10.07.13
32.	Department of Meteorology	Ministry of Disaster	10.07.13

No	Institution	Line Ministry	
		Management	
33.	Department of Christian Religious Affairs	Ministry of Buddha Sasana & Religious Affairs	11.07.13
34.	District Secretariat Mullaitivu	Public Administration & Home Affairs	06.08.13
35.	Department of Hindu Religious & Cultural Affairs.	Ministry of Buddha Sasana & Religious Affairs	07.08.13
36.	Department of Muslims Religious & Cultural Affairs.	Ministry of Buddha Sasana & Religious Affairs	07.08.13
37.	Department of Public Enterprises	Finance & Planning	08.08.13
38.	Department of Textile Industries	Ministry of Trade and Commerce	21.08.13
39.	Department of National Botanic Garden	Ministry of Botanical Gardens and Public Recreation	22.08.13
40.	Ministry of Construction, Engineering, housing & Common Amenities		08.10.13
41.	Ministry of Indigenous Medicine		09.10.13
42.	Ministry of National Languages		22.10.2013
43.	Ministry of Parliamentary Affairs		23.10.13

Shedule-01

General Observations on examined Institutions

1. Delay in Presenting Annual Performance Reports.
2. Not taking action to present the Annual Action plan in time according to the Public Finance Circular.
3. Irregular function of Internal Audit Unit and non – establishment of Internal Audit Units mainly due to lack of qualified staff .
4. Irregular conduct of Audit and Management committee meetings.
5. Failure in providing information to the Auditor General at the preliminary level of the queries.
6. Paying inadequate attention to conduct Board of Surveys annually.
7. Remaining of Vacancies in the cadre in spite of many attempts / requests from the Ministry of Public Administration and the Public Service Commission, Department of Management Servicers, Salaries and Cadre Commission
8. Follow up actions had not been taken to implement the directives of the committee within the given period of time.

Schedule -02

Special Observations and Recommendations

Special Observations

Department of Immigration and Emigration

- There is a positive attitude towards the Department of Immigration and Emigration in the current society and it needs to be further enhanced.
- Department of Immigration and Emigration has pioneered in the implementation of the Official Languages Policy.
- It should be appreciated that the ETA methodology which is implemented in this Department has been awarded for its speed, accuracy and flexibility as the best methodology in the Asia- Pacific Region.
- This Department can be recognized as a far leading institution among government institutions in relation to the use of computers.

Department of Christian Affairs.

- Department of Christian Affairs has not made any effort to provide accurate responses in the query stage or in the Para stage prior to finalizing the Auditor General's report, or in the final report .
- Steps have not been taken by the Ministry of Public Administration to do the recommended recruitments to meet the demands made pertaining to the required staff.
- It was in the year 2013 that interviews for the recruitment of accountants have been held after the recruitments done in the year 2008,.The promotions of the Department have become defunct resulted by the long delay regarding recruitments.

Ministry of Indigenous Medicine

- The laboratory of the Homeopathic Hospital is non-operational owing to the dearth of laboratory technicians and the hospital is at the under utilized level.
- The available resources have been destroyed as a result of the dearth of staff.

Ministry of Construction, Engineering Services and Common Amenities

- The fact that internal audit activities have not been carried out in the Buildings Department, the Government Factory and the National Physical Planning Department is a serious concern.
- The shortage of officers employed in the Accounting Service has caused the functioning of the Ministry and the Departments that come under its purview to be inefficient.

Department of Agriculture

- Primarily, the attention of the Department needs to be focused on the successful maintenance of the farms which are popular even in foreign countries and have been instrumental in the education of foreign university student. When assessed in comparison to the Department cadre and provisions that have been deployed, the progress that has been achieved by the farms at present is not satisfactory.

Department of Public Enterprises

- Out of the 114 enterprises that come under the purview of the Department, only 112 enterprises have a Treasury representative in the Board.

Department of Hindu Cultural Affairs

- There is no specific methodology to be followed when selections are made to build or reconstruct Kovils.

Ministry of Environment and Renewable Energy

- Waste management and awareness raising methods adopted by the Ministry of Environment has resulted in improved environmental awareness in our society.

Recommendation

Department of Agriculture

- Action must be taken to investigate and remedy the failure of the farms that are run under the Department of Agriculture
- Attention must be focused on the core objectives of the Department when implementing plans and prioritizing essential tasks
- Agro training schools and agro technical institutes must be established in all farms located in the dry zone

Department of Inland Revenue

- ♦ As the tax revenue that is outstanding from Sri Lanka Telecom has resulted due to a shortcoming in the methodology adopted by the Department of Inland Revenue, a methodology that is correct policy-wise should be adopted in terms of the Act.

Department of Public Enterprises

- ♦ As 70% of the Sri Lankan Airlines is owned by the government, a representative of the Treasury should be appointed to its director board.

Ministry of Parliamentary Affairs

- ♦ The Auditor General should call for observations of the Ministry of Public Administration and Director General of the Combined Services regarding vacancies existing in all the public institutes.
- ♦ It would be appropriate to get the participation of an officer of the Ministry of Public Administration and Home Affairs in every meeting of the Committee so that views regarding the vacancies existing in public institutes can be obtained at the committee stage itself.

Ministry of Fisheries and Aquatic Resources

- ♦ When the productivity of some institute is examined by the Auditor General, implementation of the state language policy by that institute should be taken into consideration as a criterion.

Ministry of National Languages

- ♦ The number of accountants that is sufficient to fulfill the service requirements of public institutes should be appointed.
- ♦ As the salary paid to accountants is not sufficient a new salary structure should be introduced so that these professional receive a reasonable salary.

Schedule - 03

	Major Issues & Problems Identified	Comments & Directives of the COPA
<p>1. Department of National Budget (Ministry of Finance & Planning) 08 January 2013</p>		
1.	<p>The Provisions of Rs. 127,219,460,969/- had been transferred to the other expenditure heads exceeding the provision of Rs. 55,483,698,000/- by Rs. 71,735,762,969/-.</p>	<p>The CAO/AO explained that there was a severe flood at the beginning of the year 2011 and in order to face this unforeseen situation they had transferred money from various other heads.</p> <p>The Auditor General's reference stated that this transaction had made a difference in the consolidated accounts by Rs. 71 billion.</p> <p>The CAO/AO was directed to make necessary amendments to the relevant regulations enabling this kind of unforeseen situation be dealt within a smooth manner without falling into any noncompliance or violation of rules or regulations.</p>
2.	<p>The Committee discussed about the current performance of the Department and questioned about not including the grants given to CPC and CEB as subsidies in the budget.</p>	<p>The Committee directed CAO/AO to report soon to the Committee that when this method was started.</p>
<p>2. Finance Commission 08 January 2013</p>		
1.	<p>Corporate Plan had not been prepared.</p>	
2.	<p>Annual Action Plan had not been prepared.</p>	
3.	<p>The Committee questioned over the deficiencies relating to Public Officers B Account for the year 2011.</p>	<p>The CAO/AO stated that this situation occurred due to the non-availability of the service of an Accountant.</p>

	Major Issues & Problems Identified	Comments & Directives of the COPA
<p>3. Department of Agriculture (Ministry of Agriculture)</p> <p>08 January 2013</p>		
1.	<p>The Committee questioned the reasons for the high working losses incurred by the Department in 2011. It was observed that out of 19 farms, 13 had incurred losses.</p>	<p>The CAO/AO stated that due to the bad weather condition and severe flood losses incurred in many farms in 2011.</p> <p>The Committee did not accepted the answer given and directed the CAO/AO to come before the Committee on 19/02/2013 and explain their future plans in order to uplift the situation of these farms.</p> <p>The Committee drew the attention of the CAO/AO regarding the seed production and establishment of farm schools in every District.</p>
<p>4. Department of Inland Revenue (Ministry of Finance & Planning)</p> <p>09 January 2013</p>		
1.	<p>The Committee enquired the position of the follow up action taken against the suspects of the VAT fraud.</p>	<p>The CAO/AO stated that the inquiry has been started against the officer concerned and the Commissioner general of the Combined services would start the inquiry very soon.</p> <p>The Committee directed to expedite the process of Departmental inquiry and observed that due to delays of the Departmental inquiries, the retired persons had been able to draw their pensions and it was a serious lapse.</p> <p>The CAO/AO was directed to send the details requested by the PSC about the Pensioners without further delay and withhold their pension until the matter comes to an end.</p> <p>The Committee directed the CAO/AO to report back to the Committee within 03 months after taking action, since this long lasting delay was</p>

	Major Issues & Problems Identified	Comments & Directives of the COPA
		unacceptable and also directed to remind the Department of Police frequently to expedite the criminal procedure.
2.	The Committee observed that there were long delays in VAT refunding process.	The Committee suggested to form a tribunal to solve the issues related with VAT refunds and the CAO/AO was directed to identify the amount of arrears and come up with a solution which could overcome it.
3.	The Committee questioned about the land at Sangaraja Mawatha taken from the Building Materials Corporation paying an advance of Rs. 50 million.	The CAO/AO stated that this money was expected to be returned to the Treasury during the first quarter of 2013.
4.	The Committee observed that there was no proper computer system in the Department.	The CAO/AO stated that the phase 1 of the computer network project had been completed and the next step would be started during the first quarter of 2013. The Committee strongly recommended that the Department be fully computerized.
5.	The Committee observed a fraud amounting to Rs. 203 million done by changing computer data with regard to 08 companies.	The CAO/AO stated that two officers responsible had been taken in to custody and system audit was being done as a remedial measure. The Committee directed to summon the officers of the investigation unit of the Department to the next meeting and also directed the CAO/AO to send a report on this fraud within two weeks. The Committee also directed to see whether frauds in same nature had occurred in the past too.
6.	The Committee observed a sum of Rs. 694 million has to be received to the Government from the Telecom.	The CAO/AO agreed to submit a report on this to the next meeting.
7.	The Committee enquired regarding the arrears of revenue amounting to Rs. 232 billion.	The CAO/AO stated that shortcomings in the data entry system were the main reason for this. The Committee suggested to include

	Major Issues & Problems Identified	Comments & Directives of the COPA
		<p>the computer literacy as compulsory requirement when recruiting the officials in the future.</p> <p>The Committee directed the Ministry of Finance to make a serious note on adverse effect of the huge arrears since the responsibility lies upon the Ministry. The Committee wanted to see that the revenue streams were working as best as possible otherwise the Government has to find alternatives to collect the amount due.</p>
<p>5. Employees Provident Fund (Ministry of Labour and Labour Relations , Ministry of Finance and Planning , Department of Labour, Central Bank of Sri Lanka)</p> <p>06 February 2013</p>		
1.	The Committee enquired the current position of the Internal Audit Unit of EPF considering as nearly Rs. one Trillion had been controlled by them.	The CAO/AO stated that there were only 08 officers attached to the Internal Audit Unit due to cadre restrictions and they had covered up 60 District Offices with sub offices. Steps had been taken up to computerize the process of the EPF to better control over its financial management.
2.	The Committee observed that the large number of vacancies in all staff grades of the EPF.	<p>The Deputy Secretary to the Treasury stated that the action had been taken to fill those vacancies.</p> <p>The Committee directed the CAO/AO to inform the Committee to fill the vacancies in three months' time.</p>
3.	The Committee enquired as to what action had been taken to expedite the process of releasing claims to the members or their beneficiaries from the	The CAO/AO stated that the said money were accumulated due to not provided accurate account particulars by the beneficiaries.

	Major Issues & Problems Identified	Comments & Directives of the COPA
	<p>balances of Non- settled Account and Non-claimed beneficiaries Account. The Account balances were Rs. 120,476,638/- and Rs. 13,160,611/- respectively.</p>	<p>The Committee directed the CAO/AO to update required information to avoid delays in releasing the claims and also suggested to publish newspaper advertisements in order to gather updated and relevant information of the members of the fund.</p>
4.	<p>The Committee observed that there was a balance of Rs. 4,671,769,551/- in the contribution account.</p>	<p>The CAO/AO stated that those money had been recovered by the Labour Department and the process would be continued to credit those money to individual accounts by introducing new computerized software.</p>
5.	<p>The Committee enquired the reasons as to why the balance of the General Deposit Account which was Rs. 67,218,224/- in 2006 had been increased up to Rs. 346,697,934/- by the end of 2011.</p> <p>The Committee also enquired what action had been taken against the Board of Directors of the JEDB for misusing the money released by the treasury to settle the arrears of EPF of JEDB workers.</p>	<p>The CAO/AO stated that dues had been recovered from such estates and a plan had been prepared to recover the dues by selling the assets owned by those estates within six months.</p> <p>The CAO/AO accepted that they had not taken legal action against the Board of Directors and further stated that when the legal action were taken the members of Directors were found personally responsible for non-payment of dues to EPF and when such situation was arisen the Board of Directors resigned.</p>
6.	<p>The Committee enquired as to what action had been taken against the labour officer who had credited a sum of Rs. 3,608,667/- of EPF contribution to a personal account.</p>	<p>The CAO/AO stated that the total amount of forged money had been recovered from the responsible officer by taking legal action against him disciplinary action process was being continued.</p>
7.	<p>The Committee considered the workers do not get any compensation when the institution go to liquidation.</p>	<p>The Committee directed the CAO/AO to take steps to amend the Law in order to give preference to payment of compensation to the workers when business go into liquidation.</p>

	Major Issues & Problems Identified	Comments & Directives of the COPA
8.	The Committee observed that the EPF had had a loss of Rs. 1 billion last year by the process of purchasing and selling shares.	The Governor of the Central Bank stated that they had always endeavored to make decisions for the benefit of the economy of the country and assured that those investments would certainly bring value in the long run.
9.	The Committee enquired reasons for non-receipt of any income from the investment of Rs. 500,000,000/- made on an airline company in July 2010.	The Governor of the Central Bank stated that it would take 5 – 10 years to earn a profit from the investment which was invested on Sri Lankan Airline, as it was a long term investment.
10.	The Committee questioned as to why they had not been able to gain a profit from an investment of Rs. 205,489,613/- although they had followed investment plans.	The Governor of the Central Bank stated that the fluctuation of the prices in the share market is the main reason for it.
6. Ministry of Transport 07 February 2013		
1.		<p>The Committee suggested to adopt the following proposals to ;</p> <p>i. Use 12, 15 seater small vehicles to cater less number of passengers for unprofitable routes and use large busses for hubs.</p> <p>ii. Explore the possibility of introducing more freight trains to maximize the usage of railway to transport goods such as fuel and sand.</p> <p>iii. Start a night mail train service to Batticaloa.</p> <p>iv. take policy decisions to overcome the existing issues by the Ministry.</p>
2.	The Committee enquired about the Matara – Katharagama Railway Project and questioned about the construction of 27 Km railway track from Matara to Beliatte spending US\$ 10 million.	The CAO stated that this Railway track includes two tunnels and 4 Km aqueduct.

	Major Issues & Problems Identified	Comments & Directives of the COPA
7. Department of Agriculture (Ministry of Agriculture)		
19 February 2013		
1.	The Committee enquired as to why the 274.65 hectares out of 903.30 hectares of land had not been used for cultivation in the Kundasale, Middeniya, Aluthharma, Bataatha and Karadiyanaru farms.	The CAO/AO stated that the prevailing poor infrastructure facilities and the non-availability of sufficient funds as the main reasons for the underutilization, and action had been taken to utilize the lands. Rs. 700 million had been released by the Treasury for the development of the farms for the next 03 years.
2.	The Committee inquired about the idling of 73 tractors and few other vehicles at 15 farms belongs to the Department.	The CAO/AO stated that action had already been taken to collect all those vehicles and similarly to remove without further delay.
8. Ministry of Public Administration & Home Affairs		
20 February 2013		
1.	The Committee enquired the recruiting process of Notaries.	The CAO/AO was directed to report to the Committee within two weeks having taken necessary steps to streamline the process of recruiting Notaries.
2.	The Committee enquired the reasons for not taking actions to settle the total value of unauthorized working losses amounting to Rs. 2,228,664/- as at the end of the year 2006.	The CAO/AO stated that due to the unavailability of relevant documents the outstanding balance had been remained. The Committee directed the CAO/AO to write-off that balance within one month having obtained the Treasury approval.
3.	The Committee enquired as to why the action had not been taken to submit the final accounts for the year 2011 and the steps had not been carried out regarding liquidation activities of the advance accounts.	The CAO/AO stated that the relevant data had been requested from 25 District Secretaries and position had already been informed to the Treasury. The Committee directed the CAO/AO to wind up the Advance Account and send a detailed report to the Committee within one month's time.

	Major Issues & Problems Identified	Comments & Directives of the COPA
4.	The Committee enquired as to why the action had not been taken to recover the outstanding rental amounting to Rs. 246,663,813/- from 16 Government institutions functioning at the Maligawatte Building Complex.	<p>The CAO/AO stated that some institutions had paid the rental and some other had not paid.</p> <p>The Committee directed the CAO/AO to take action to write-off the balances that could not be recovered obtaining necessary approvals.</p>
5.	The Committee questioned as to why the disciplinary action had not been taken against the officer who was responsible for the loss of Rs. 3,055,780/- caused by sale of house holders lists belonging to the Ministry as waste papers.	The Committee directed the CAO/AO to send a copy of the house holders list with a detailed report to the Committee.
6.	The Committee questioned as to why the provisions had been underutilized in the years 2009, 2010 and 2011 as 44%, 25% and 24% respectively.	<p>The CAO/AO stated that the main reason was that although the provisions were allocated they had not received the imprest.</p> <p>8. The CAO/AO stated that Rs. 45 million had to be paid by the Land Reforms Commission.</p> <p>The Committee directed the CAO/AO to discuss with the relevant Ministry and come up with a solution and send a detailed report to the Committee within one month's time.</p>
7.	The Committee enquired regarding the outstanding rental amounting to Rs. 49,701,311/- and Rs. 55,262,535/- as at 31 December 2011 and 31 December 2012 respectively in respect of the houses owned by the Ministry.	<p>The CAO/AO stated that Rs. 45 million had to be paid by the Land Reforms Commission.</p> <p>The Committee directed the CAO/AO to discuss with the relevant Ministry and come up with a solution and send a detailed report to the Committee within one month's time.</p>
8.	The Committee observed that action had not been taken regarding 33 vehicle accident damages up to 31 December 2012, amounting to Rs. 17,634,055/-.	The Committee directed the CAO/AO to discuss the matter with the Treasury and take early action to write-off those balances.

	Major Issues & Problems Identified	Comments & Directives of the COPA
9. Department of Inland Revenue (Ministry of Finance & Planning)		
21 February 2013		
1.	The Committee enquired the follow up action taken against the suspects of the VAT fraud.	<p>The CAO/AO stated that since few suspects had admitted their fault and expected to acquire their properties.</p> <p>The Committee pointed out that those who were connected to the fraud had been escaped, directed the CAO/AO to inform the Attorney General to take action in this regard and also the IGP to take action through the Interpol and get the matter finalized. Further, the CAO/AO was directed to continue the Departmental action against the officers responsible.</p> <p>The Committee stated that the Treasury should make new rules if the existing rules were not forceful enough to deal with this kind of frauds and corruptions to be caught up.</p>
2.	The Committee enquired the current position of the fraud taken place by changing computer data.	<p>The CAO/AO stated that two officers had been interdicted and the case was being heard.</p> <p>The Committee expressed its dissatisfaction over the way the Department had acted on this fraud and stated the Departments like Customs, Inland Revenue and Excise required and outsider to investigate this nature of frauds since it is very difficult to conduct inquiries of co-officers.</p> <p>Furthermore, the Committee stressed that examinations should be done in depth. The Committee emphasized the importance of New computer system and directed the CAO/AO to expedite the process of system audit and also to do a random check.</p>

	Major Issues & Problems Identified	Comments & Directives of the COPA
3.	<p>The Committee enquired on the wrong procurement procedure followed when implementing the new installation of new computer system funded by the ADB.</p>	<p>The Committee did not accept the explanation given and expressed their dissatisfaction over the operation of the major tax office of the country using outdated software from two decades which facilitates to all sorts of adverse manipulations.</p> <p>The Committee directed the Deputy Secretary to the Treasury to take necessary action to recruit an expert to the computer division of the Department of Inland Revenue.</p> <p>The Committee also directed the CAO to take corrective measures regarding the annual decrease of revenue since the whole system is not functioning properly.</p> <p>The Committee directed the Deputy Secretary to the Treasury to investigate on an undervaluation of Rolls Royce Ghost car in to half price which caused a revenue loss of around Rs. 61 million to the country and also suggested to have core group of people consist of senior officers to monitor these kinds of issues.</p> <p>The Committee decided to re-summon the Department of Inland Revenue for further examinations after one month.</p>
<p>10. Ministry of Fisheries & Aquatic Resources Development</p> <p>05 March 2013</p>		
1.	<p>The Committee questioned regarding the rejection of reimbursement application in connection with Madu River and Negombo Lagoon Project</p>	<p>The CAO/AO stated that the particular withdrawal application was required to be submitted before 31 March 2008, by then Netherlands</p>

	Major Issues & Problems Identified	Comments & Directives of the COPA
	worth of Rs. 73 million.	<p>grant had been closed and 73% of the civil work had been reimbursed by the ADB loan and the rest was settled by Ministry allocations. The CAO further stated that Rs. 350 million had been allocated for the project and it had been decided to buy a dredger due to high tender values received.</p> <p>The Committee considered that the utilizing of funds in a project other than the project for which the funds were allocated as a serious administration weakness.</p> <p>The CAO was directed to appoint a senior officer to do a full and comprehensive study and call explanations from the officers responsible for not reaching objectives and report back to the Committee and stated that this practice cannot be accepted.</p>
2.	The Committee enquired about the dredger bought from the money allocated for two mother vessels and its usage.	<p>The CAO stated that it was being used to remove sand from outfall of rivers and the sand was being sold by the Fishery Harbours Corporation.</p> <p>The Committee considering the Denmark project for cleaning sea sand under the Department of Coast Conservation, directed to summon the Department together with the Ministry in future for further examination and the CAO was also directed to look into the whole procedure and report back to the Committee.</p>
3.	The Committee enquired regarding the failure of purchasing two mother vessels by the agreement with a Singapore firm in 2007 and Rs.68.85 million had been spent by then.	The CAO stated that it had been delayed due to alternation of the design and the supplier had agreed to provide mother vessels after making changes of the agreement.

	Major Issues & Problems Identified	Comments & Directives of the COPA
4.	Action had not been taken to settle two balances of Advances of Rs. 10,056,000/- existed from 2010.	<p>The CAO stated that the said Advances were taken to purchase fish for the Fisheries Corporation and attempts that had taken got to settle this was a failure due to a business matter between the Corporation and the relevant company.</p> <p>The Committee directed to discuss the issue at the Ministerial level and come to a solution and the Ministry of Finance & Planning was also directed to intervene the issue for a solution.</p>
5.	The Ministry had to pay a sum of Rs. 26,258,056/- (Rs. 4,783,457/- and Rs. 10,315,440/- on behalf of Fishery harbours at Panadura and Hikkaduwa respectively with an interest of Rs. 11,159,159/-) to the contractor since the payments had been erroneously calculated by deducting Goods & Services Tax of 12.5% instead of deducting 8% Business Turnover Tax without considering conditions stated in the agreement entered into on 07 December 1997.	The Committee directed the CAO/AO to hold an internal inquiry and find out who was responsible for the issue and report back to the Committee including the action taken.
6.	The Committee enquired about the repairing of Mattakkuliya Boat Yard belongs to the Cey-nor Foundation Ltd, for which Rs. 106 million had been spent up to now out of Rs. 190 million provided.	<p>The CAO stated that a Cabinet approval had been taken to upgrade the Mattakkuliya Boat yard in order to provide repair facility to the vessels come to the Dikovita Harbour while charges are to be obtained by the Cey-nor Foundation.</p> <p>The Committee had not accepted the agreement on charges because the Boat yard is being repaired spending the money of the project and directed the CAO to come to an agreement with Cey-nor for some pay back scheme or pass the benefit on to the fishermen who repair boats and report back to the Committee.</p>

	Major Issues & Problems Identified	Comments & Directives of the COPA
7.	The Committee enquired about Rs. 33 million had been given to the Cey-nor Foundation Ltd; from the provisions allocated to the Dikovita Fishery Harbour Project.	<p>The CAO stated that money had been granted according the Cabinet directive to solve a financial crisis of the Cey-nor and the Ministry had taken action to settle this Advance on the approval of the Treasury and the balance was about Rs. 29 million by then.</p> <p>The Committee directed the CAO to send a detailed report regarding this within 03 months.</p>
<p>11. Ministry of Environment & Renewable Energy</p> <p>06 March 2013</p>		
1.	The Committee considered the allegations leveled against the director who had served in the Global Environment Management Project and enquired as to why the disciplinary action had not been taken against him.	The CAO/AO stated the matter had been handed over to the Commission to Investigate Bribery or Corruption as well as to the Public Service Commission. The CAO/AO was directed to submit a report to the Committee on this matter within one month.
2.	The Committee enquired as to why the action had not been taken to recover the unsettled advances amounting to Rs. 377,000/-.	The Committee directed the CAO/AO to take action against the officer responsible for not returning the balance amounting to Rs. 377,000/-, and report to the Committee within a month.
3.	The Committee observed that the Ministry was using 06 vehicles belonged to the Departments coming under its preview in contrary to the Treasury instructions.	<p>The Committee directed the CAO/AO to regularize the matter and report to the Committee within one month.</p> <p>The Committee directed the CAO/AO to report within one month regarding the matter of transferring duty free vehicles at the completion of projects.</p>
4.	The Committee observed that a loss of Rs. 2.2 million due to the irregular transfer of the ownership of a vehicle to the Ministry of Finance and Planning.	The Committee directed the CAO/AO to send a report to the Committee on this matter.

	Major Issues & Problems Identified	Comments & Directives of the COPA
5.	The Committee questioned about the outstanding loans and advances amounted to Rs. 396,154/-.	<p>The CAO/AO stated that the Treasury had not given consent to write off the loan and alternative was to sell the property for which the advice of the Attorney General was necessary.</p> <p>The Committee considered in detail about the disposal of garbage and related issues, directed the CAO/AO to send information in respect of the place selected in the Kotte Urban area for this purpose.</p> <p>The Committee also directed the CAO/AO to send a report on the present position in relating to the pollution taking place in the Kuru Ganga and the Ellawala Ganga along with the proposals on possible remedial actions which can be taken.</p>
12. Ministry of Health 07 March 2013		
1.	The Committee inquired whether the Ministry could identify the official who involved in the irregularity of Rs. 10.7 million which occurred during transporting the drugs from SPC to Medical Supplies Division.	<p>The CAO stated that an internal investigation had already been held and explained regarding the action taken.</p> <p>The Committee considering the responsible officers had not been identified yet, and not satisfied with the explanation given, directed the Secretary to the Committee to re-summon the Ministry within two months regarding this matter.</p>
13. Department of Public Finance (Ministry of Finance & Planning) 19 March 2013		
1.	The Committee considering the unauthorized working losses of Rs. 560,088,406/- in the Advance accounts of the Department of Marketing	The CAO/AO stated that the attempts taken by them could not be succeeded due to the documents relating to those outstanding balances could not be

	Major Issues & Problems Identified	Comments & Directives of the COPA
	Development, Department of small Industries and the Department of Commodity Purchase as at 31.12.2012, enquired as to why the action had not been taken to write off those amount in the Advance accounts.	found. The Committee directed the CAO/AO to write off those working losses after having obtained the necessary approvals.
14. Department of Elections 20 March 2013		
1.	Action had not been taken to insure the vehicles of the Department through the Sri Lanka Insurance Corporation or the National Insurance Trust Fund.	The CAO/AO agreed to take action to insure the fleet of vehicles of the Department in the Sri Lanka Insurance Corporation as per the recommendations of the Treasury.
15. Ministry of Youth Affairs & Skills Development 21 March 2013		
1.	The Committee enquired regarding the constructions of buildings by incurring the expenditure of the Youth Corps amounted to a sum of Rs. 35, 960,885/- in lands which are not belonging to the Director of Youth Corps.	The CAO stated that the action had been taken to solve the issue and assured the Committee to regularize the matter during the year 2013.
2.	The Committee observed that Rs. 510,000/- had been paid in excess with regard to supply of meals for 37 training centers of Youth Corps violating para No. 2.9.1.of the procurement Guild lines.	The Committee Directed the CAO to report to the Committee within one month after regularizing the issue.
3.	The Committee enquired about the contracts valued at Rs. 116,760,000/- given to 11 institutions to provide meals to training Centre's of the Youth Corps without recommendation of the Technical Evaluation Committee.	The Committee directed the CAO to obtain a report from the procurement committee and submit it to the COPA within one month.
4.	The Committee questioned as to why the vehicles which had been attached to 10 officials of the Youth Corps who were not entitled for official vehicles and also Rs. 1,742,936/- had been paid for fuel and drivers allowances.	The Committee had granted two months' time period to send an answer for the issue, as requested by the CAO.
5.	The Committee enquired about the payment of Rs. 4,801,233/- to the Youth Services Company Limited as hiring charges for vehicles violating the	The Committee recommended to summon Youth Services Company Limited before the COPE to examine those two issues.

	Major Issues & Problems Identified	Comments & Directives of the COPA
	<p>procedures and agreements and Rs. 7,667,078/- had been paid to the Youth Services Company in 2009 and 2010 as establishment fees. It was observed that the accounts of the Youth Services Company Limited had not been audited before 2010.</p>	<p>The CAO was directed to inform the Department of Public Enterprises about the Companies which are not audited by the Auditor General since they were coming under it and the Treasury was also directed to report to the Committee on those Companies.</p>
<p>16. Department of Inland Revenue (Ministry of Finance & Planning) 09 April 2013</p>		
1.	<p>The Committee enquired the regarding the steps that had been taken against the loss of revenue amounted to Rs. 61 million due to undervaluing of a “Rolls Royce Ghost” motor car when importing.</p>	<p>The CAO/AO assured to report to the Committee within a month.</p>
2.	<p>A loss of Rs. 694 million had been occurred due to the implementation of wrong policy by the Department contrary to the provisions of the Inland Revenue Act.</p>	<p>The Committee directed the CAO/AO to follow the correct procedure in the future.</p>
3.	<p>The Committee enquired regarding the accuracy of the present computer system and noted that many shortcomings had been occurred in the revenue collection due to the wrong entries of the audits conducted in the recent past. The Committee emphasized the importance of taking prompt action to rectify such shortcomings as it can lead to more frauds.</p>	<p>The AO assured to take corrective measures regarding the issue and report back to the Committee.</p>
4.	<p>The Committee observed a rapid increase of arrears of revenue to be collected from 2005 to 2011.</p> <p>The Committee also pointed out that the accuracy of the revenue values is questionable as there was a difference between the statement of arrears of revenue prepared by the Department and the Regional Offices.</p>	<p>The AO stated that the difference was generated due to the way of inputting data to the present computer system and a new procedures was being followed to overcome this issue.</p> <p>The Committee directed to send a report on actual position of the arrears of revenue by the end of May 2013.</p>

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<p>17. District Secretariat – Monaragala (Ministry of Public Administration & Home Affairs) 23 April 2013</p>		
1.	The Committee enquired about the Kahukumbura Bio gas Project in the Medagama Divisional Secretaries Division	<p>The CAO/AO stated that the Project was handed over to the relevant Pradesheeya Saba for the implementation.</p> <p>The Committee directed the CAO/AO to take necessary action to complete this task and report back to the Committee.</p>
2.	The Committee enquired regarding the present position of the Mayuragama water supply scheme.	<p>The CAO/AO stated that it had not been functioning as the connection had been damaged.</p> <p>The Committee directed the CAO/AO to take necessary action to resolve this and report back to the Committee within one month.</p>
3.	The Committee enquired as to why the final payment and the retention money had been released before the completion of the construction work of Jana Saba offices at Veheragala, Kahambana, Bopitiya and Thenagallanda.	The Committee directed the CAO/AO to hold a preliminary inquiry and send a report to the Committee within 04 months.
4.	The Committee questioned as to why the action had not been taken to distribute the goods purchased at a total cost of Rs. 3,581,335/- among the Grama Niladharies in Monaragala District.	<p>The CAO/AO stated that those had been found to be low quality goods and had been rejected.</p> <p>The Committee directed the CAO/AO to make an investigation regarding this matter and report back to the Committee within 06 months.</p>
5.	The Committee questioned as to why the action had not been taken to recover Rs. 375,000/- in respect of the damages caused to the double cab belonged to the District Secretariat Wellawaya in the year 2002.	<p>The CAO/AO stated that a special committee had been appointed to investigate the incident.</p> <p>The Committee directed the CAO/AO to make an inquiry to recover the damages and report back to the Committee.</p>

	Major Issues & Problems Identified	Comments & Directives of the COPA
6.	The Committee enquired as to why the action had not been taken to submit the final report with regard to the accident caused to a Jeep belongs to the Ministry of Nation Buildings & Estate Infrastructure facilities on 04 April 2009 even up to 09 March 2011.	The CAO/AO stated that an investigation had been conducted in terms of FR 104. The Committee directed the CAO/AO to appoint a committee regarding this and report back to the Committee within one month.
7.	The Committee observed that although Thanamalwila Divisional Secretariat had spent Rs. 738,750/- for planting trees under the Haritha Gammana Programme by using the provision of the Ministry of Environment & Natural Resources, no trees had been planted.	The CAO/AO stated that the project had not been properly implemented by the Thanamalwila District Secretariat through community based organization. The Committee directed the CAO/AO to conduct an inquiry and report back to the Committee within one month.
8.	The Committee observed that a contract had been awarded at an estimated cost of Rs. 1,950,000/- to 03 Samurdhi Balakayas to construct 26 sales outlets without following the Government Tender guidelines.	The Committee directed the CAO/AO to take immediate action to investigate the incident and report back to the Committee within one month.
9.	The Committee questioned as to why the building constructed as a Common Amenities Centre for the Food Processing Production Centre at Nagahamada which had been handed over to the District Secretariat remained unused till 03 Mach 2011.	The CAO/AO stated that the building had not been completed so far. The Committee directed the CAO/AO to send a report on the current position of the building.
18. District Secretariat - Polonnaruwa (Ministry of Public Administration & Home Affairs) 23 April 2013		
1.	The Committee enquired regarding the occupation of Government Quarters of the District Secretary exceeding the rented period. It was revealed that penalty on rent had not been recovered from the occupants of 11 out of 13 quarters.	The CAO /AO stated that there were only 08 Government Quarters and two of them had been occupied by the date of examination, penalty on rent had also been recovered accordingly. The Committee directed the CAO/AO to send a detailed report to the Committee regarding this.

	Major Issues & Problems Identified	Comments & Directives of the COPA
2.	House rent had not been recovered from two officers occupied in Government Quarters belonging to the Divisional Secretariat, Madirigiriya from August 1984.	The Committee directed the CAO/AO to take action according to the Government Regulations and send a report to the Committee within one month.
3.	The Committee noted that sum of Rs. 1,750,909/- remained idling for over 5 years allocated for weppampura Drinking Water Project.	The CAO/AO stated that the said project had already been completed at present. The Committee directed the CAO/AO to send a detailed report to the Committee regarding this project.
4.	The entire advances paid to various institutions and persons from the advance made to the purchase of paddy during the period from 2001 to 2007 could not be identified due to unsatisfactory accounting procedure.	The CAO/AO stated that the said advance had been taken from the Farmers Trust Fund and it had already been settled completely and also informed to the Auditor General. The Committee directed the CAO/AO to send a report on those advances with a copy of the reply which was sent to the Auditor General.
5	The Committee observed that certain assets including buildings and motor vehicles remained idling or underutilized.	The CAO/AO stated that the valuation process had been done on those assets and the necessary action would be done in the future. The CAO/AO was directed to send a report to the Committee regarding the action taken on those assets.
19. Ministry of Sports (Ministry of Youth Affairs and Skills Development. 24 April 2013)		
1.	The Committee observed that the directive given to rectify the excess of Rs. 3,818,087/- as advance to Public Officers – 2007 and report back was not complied with, since the Ministry of Sports was combined with the Ministry of Youth Affairs and Skills Development in 2006.	The Secretary to the Ministry of Youth Affairs and Skills Development stated that the relevant document cannot be found because this was happened in 2006. The Committee did not accept the reply and expressed its great dissatisfaction over the irresponsible answer.

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2.	The Committee observed that no reply had been furnished to the directive given to get clarification from the Attorney General with regard to the construction of buildings in lands not vested under the Director of Youth Corps.	The Committee directed the Secretary to the Ministry of Youth Affairs and Skills Development to send a reply within one week.
3.	The Committee enquired whether the Ministry had taken action to amend the regulations passed recently indicating sports associations can be audited by private auditors under the supervision of the Auditor General since 1994.	The CAO assured to correct all shortcomings in the existing regulations and submit the amendments to the Parliament within 03 months.
4.	The Committee questioned as to why the Rs. 1,469,540/- which was outstanding sponsorship money in 2006, had been written off in the income statement of 2005, 2006 and 2011 after obtaining the approval of the interim committee /executive committee. The Committee also enquired the action that had taken against the relevant parties in this regard.	The Committee had not accepted the explanation given by the Treasurer, Sri Lanka Cricket and directed to enter into agreements with sponsors without any delay and follow up action be taken to monitor whether the money is received according to the agreement if not take action against the officer responsible. The Committee directed to write to the Directors of 08 companies that owe the money in question and take every possible action to recover the money and finally follow the proper procedure to write off.
5.	Call charges which exceeded the maximum limit by Rs. 2,476,444/- in 2006 had not recovered from the officers concerned.	The Committee directed the CAO/AO to recover the money and report back within 03 months.
6.	The Committee observed that the Sri Lanka Cricket, functions under the Ministry of Sports, had not followed the Government Regulations as directed by the COPA.	The Committee emphasized that the Sri Lanka Cricket had been established under the Sports Act, should comply with Government Regulations and directed the Chairman, Sri Lanka Cricket to attend to this and inform the Committee and the Auditor General as to what steps should be taken to ensure this to happen, within 03 months. The Committee directed the CAO to obtain views from relevant parties and ensure to have a proper set of

	Major Issues & Problems Identified	Comments & Directives of the COPA
		guide lines to be followed by all sports Associations when appear before the COPA after 03 months.
7.	The Committee enquired regarding the payment of advances amounted to Rs. 3,732,401/- to contractors before signing the agreements.	The Chairman, Sri Lanka Cricket assured to send a report regarding the issue within three months.
8.	The Committee observed that the Sri Lanka Cricket had failed to submit a detailed report regarding the two transactions done without calling quotations; Computers – Rs.1,873,465/- and a motor vehicle – Rs. 5,598,773/- as directed.	The Chairman, Sri Lanka Cricket assured the Committee to report regarding this within three months.
9.	The Officials of Sri Lanka Cricket had failed to comment for understatement of ticket income of Rs. 118,089/- of a tournament held in 2005 and shortage of stocks valued at Rs. 2,020,933/-.	<p>The Chairman, Sri Lanka Cricket agreed to report regarding this within three months.</p> <p>The Committee expressed its dissatisfaction over the way the Chairman, Sri Lanka Cricket answered to the questions raised by the Committee and lack of professionalism.</p>
10.	Badminton Association – 2005	The Committee seriously considered the absence of Mrs. Jayamini Ileperuma, Treasurer, Sri Lanka Badminton Association before the Committee to answer the queries pertaining to them and directed to summon her on 21 May 2013 and also directed to submit the Fixed Assets Register of the Badminton Association on that day.
11.	The Committee observed that the report, with regard to Rs. 500,000/- which was given to a council not registered in the Athletic Association to put up a building at Kilinochchi, had not been submitted as directed.	<p>The Chairman, Sri Lanka Athletic Association stated that the building had been constructed by the date of examination.</p> <p>The Committee directed the CAO/AO to submit a report by confirming the completion of construction work with a photograph without delay.</p> <p>The Committee directed the CAO/AO</p>

	Major Issues & Problems Identified	Comments & Directives of the COPA
		to submit a report regarding the construction of school building by giving Rs. 4,418,384/- to an unqualified contractor.
12.	The Committee observed that the officials of Sri Lanka Cricket failed to give satisfactory explanations for the issues mentioned by the Auditor General.	The Committee expressed its dissatisfaction over this situation and directed the CAO/AO to give explanations on those issues when the Ministry of Sports summoned after 03 months.
13.		The Committee considering the lack of knowledge in accounting of the most officials of the Sports Associations, directed the CAO to conduct a work shop for the office bearers of all the 52 Sports Associations on policies, rules and regulations need to be followed and submit a detailed report within 03 months.
20. Ministry of Sports 21 May 2013		
1.	The Committee questioned as to why the Sri Lanka Badminton Association had not taken action to prepare a Fixed Assets Register for the year 2005 as directed by the COPA and also enquired the reasons for not being able to prepare Fixed Assets Register since the year 2005.	The Committee directed the CAO/AO to intervene for preparation of a proper Fixed Assets Register of the Badminton Association after having a detailed investigation with the participation of officers of the Ministry and Departments concerned and submit it to the Committee within 03 months.
2.	The Committee questioned as to why the explanations for 06 Audit queries of 2011 had not been sent.	The CAO/AO failed to provide reasons for not sending explanations. The Committee directed the CAO/AO to present before the Committee again with the explanations for all Audit queries and expressed that if they fail to do so the Committee would take stern actions against the present office bearers and former

	Major Issues & Problems Identified	Comments & Directives of the COPA
		office bearers of the Sri Lanka Badminton Association.
21. Department of Land Title Settlement (Ministry of Land & Land Development) 22 May 2013		
1.	1167 vacancies had not been filled while the approved cadre had been increased by 1134 in the year 2012 .	The CAO explained that although the cadre had been increased in order to fill the vacancies of the posts of District offices and the Divisional offices, the required number of personnel had not been provided.
2.	21 retired officers in the Posts of Assistant Commissioner, Deputy Commissioner and also another 07 officers had been deployed on contract basis without the approval of the Public Services Commission.	The CAO stated that the covering approval had already been granted for 06 months.
3.	Targets of the Department had not been mentioned in the prepared Action Plan.	The CAO revealed that a revised Action Plan had already been prepared and the Commissioner of the Department had been appointed as the Land Settlement Officer to look into the matter.
4.	<p>Unsatisfactory progress of the number of title settlements executed during the period 2007 to 2012 had been observed.</p> <p>The progress of gazetted lands remain at a low level although a sum of Rs.45 million had been paid as incentives to the Department of Title Settlement in the year 2010.</p>	<p>The CAO emphasized the necessity of implementing a new incentive scheme as the prevailing one hinders the expected progress.</p> <p>The Committee directed the Auditor General to summon all relevant parties for a discussion and formulate a new incentive scheme.</p>
5.	13 title deeds had been registered with name of other persons instead of the actual owner.	The CAO accepted the situation and suggested to amalgamate the private licensed surveyors into the “Bimsaviya” Programme as a measure to expedite the process. He further pointed out the requirement of introducing a system to standardize the plans prepared by private surveyors. requirement of introducing a system to standardize the plans prepared by private surveyors.

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22. Department of Immigration and Emigration (Ministry of Defence and Urban Development) 04 June 2013		
1.	The Committee pointed out that the number of foreigners who had over stayed from 01 st January to 31 st December 2012 had been recorded as 57,138/= although it had been directed to develop an effective investigation system.	The CAO explained that after the new visa system was introduced, it had helped to minimize this situation and accurate data could be obtained from next year onwards with the implementation of the new foreigner tracking system .
2.	The Committee inquired the progress on awarding dual citizenship.	The CAO stated that the awarding of dual citizenship had been discontinued temporarily and a bill had been drafted and sent to the Legal Draftsmen for necessary action for the implementation of a new system.
3.	The Committee inquired as to why an additional sum of Rs.50,000/= per month had been paid to the security firm whereas a tender for Rs. 443 200/= per mensum had been awarded.	The CAO explained that the additional charges had been paid to the said selected security firm due to the requirement of the additional staff to Maththala Air Port and Mirihana call center.
4.	The Committee questioned the continuous utilization of the building at Battaramulla used as the Disaster Recovery Facility Center even after the agreement had been expired without any future plans.	The AO explained that a Technical Evaluation Committee had been appointed to decide on the necessity of the continuation of the occupation of this building.
23. Ministry of Sports – (Badminton Association) 04 June 2013		
1.	The Committee stated that the Fixed Assets Register which had been produced to the Committee could not be accepted as a Fixed Assets Register and enquired whether CAO/AO had taken action to prepare the same under the supervision and guidance the Sports Ministry as per the directive given by the Committee at its meeting held on 21.05.2013.	<p>The CAO/AO stated that they had submitted the Fixed Assets Register after making necessary amendments to the previous one.</p> <p>The Committee did not accept even the amended Fixed Assets Register because it only contained the information relevant to the period 2011 – 2013, though the association had been established 15 years ago.</p>

	Major Issues & Problems Identified	Comments & Directives of the COPA
2	The Committee stressed the importance of a physical verification by a committee under the guidance of the Sports Ministry for preparation of the Fixed Assets Register.	CAO/AO stated that he had given required instructions to the relevant officials and a specimen of the format of a Fixed Assets Register had also been made available to them.
3	The Committee had observed serious lapses in the financial administration of the association and stressed the importance of adhering and being accustomed to the government financial regulations.	CAO/AO assured to streamline the procedures in order to avoid repetition of lapses in future
4	The Committee stated that the explanations submitted by the association for each audit query for the period 2009 - 2011 were not acceptable.	<p>CAO/AO revealed that as the information pertaining to the period under discussion were not available due to improper maintenance of records, the current office was not in a position to provide complete and accurate explanations for the audit queries.</p> <p>The Committee directed the CAO/AO to appoint a committee to make a comprehensive probe into this matter first and then take action against the officers who were responsible for violation of regulations and committed negligence and produce a report to the Committee in three months time.</p>
5	The Committee also stressed the importance of conducting periodic audit inspections by the Ministry.	the CAO/AO were directed to formulate a suitable methodology for the inspection of the accounts of all sports associations continuously through the internal audit unit of the Ministry.
6		<p>The CAO/AO pointed out that if the previous office bearers were not cooperative, the requested report by the Committee could not be prepared satisfactorily within three months.</p> <p>The Committee stated that the CID could be directed to initiate</p>

	Major Issues & Problems Identified	Comments & Directives of the COPA
		investigations against such officers if the Committee so decided.
24. Registration of Persons (Ministry of Defence and urban Development) 05 June 2013		
1.	The Committee having observed that a Corporate Plan had not been prepared for several years in the past.	The CAO/AO also stated that the Corporate Plan could be submitted to the Auditor General and the Committee within a period of one month. The Committee directed the CAO/AO to submit the Corporate Plan within one month.
2.	The Committee observed that the Annual Action Plan not been properly prepared.	The Committee directed CAO/AO to submit the revised Annual Action Plan to the Auditor General.
3.	The Committee observed that the Annual Audit Plan had not been submitted to the Auditor General.	The CAO/AO stated that they had already established the Internal Audit Unit and had requested the relevant authorities to fill the existing vacancy for an Accountant.
4.	The Department had not conducted Audit and Management Committee for a long period of time.	The Committee directed the CAO/AO to conduct meetings quarterly in future.
5.	The Committee enquired the action had been taken to fill the vacancies exist in the Department.	The CAO/AO stated that they had already recruited 800 graduates in view of the implementation of the new identity card system near future
6.	The Committee enquired the reasons as to why the Computerized Identity Card project had not been fully implemented even though a sum of Rs.314.2 million had been spent .	The CAO/AO stated that they had spent that money for establishment of the provincial units in several districts. He further pointed out that there had been some inevitable delays in obtaining Cabinet approvals and preparing tender documents etc. which caused the delays in over-all project.
7.	The Committee having observed that Rs.192,224,459/= had been estimated for construction of offices in 331 Divisional Secretariats for the electronic identity card project, 311 such offices had not been utilized for the intended purposes for years.	The CAO/AO stated that as those offices were being used to conduct training programs and as centres for collection of information such as photographs, finger prints etc; for the new electronic identity card system, those offices were required to be

	Major Issues & Problems Identified	Comments & Directives of the COPA
		maintained in the future as well.
8.	The Committee enquired reasons for issuing erroneous ID numbers.	The CAO/AO while accepting the lapse, pointed out that the whole process was done manually and hence such human errors were unavoidable. He further assured that once the system was computerized the lapses of this nature would not be repeated.
9.	The Committee pointed out that the department had not maintained a Register of Vehicle Accidents and a Register of Vehicle Repairs as per the Financial Regulation 802.	The CAO/AO accepted the lapse and assured to take steps to maintain those registers in the future.
25. District Secretariat Nuwara Eliya (Ministry of Public Administration and Home Affairs) 06 June 2013		
1	The Internal Audit Reports had been prepared only for 04 Divisional Secretariats for the Year 2013.	<p>The Chairman instructed CAO to provide adequate staff to strengthen the Internal Audit Unit to avoid the delay.</p> <p>The CAO stated that the new posts had been created and also the necessary staff had already been provided.</p>
2	The Committee observed that the official quarters had been allocated to the Assistant Divisional Secretary of the Divisional Secretariat Hanguranketha on a specific rent of Rs.600/ = per month without obtaining an assessment report from the Chief Government Valuer.	The AO stated that the particular officer had been transferred and he had issued an order to the relevant head of the institution to recover that amount from the monthly salary of the relevant officer.
3	The Committee inquired on the action taken against the Divisional Secretary, Ambagamuwa for conducting land Kachcheries in Nallathanniya and adjoining areas which had already been declared as an Urban Development area and obtained the approval from the Land Commissioner to issue the annual and long term permits for the unauthorized occupants.	The AO stated that the relevant Divisional Secretary had been interdicted and the relevant inquiry was pending.

	Major Issues & Problems Identified	Comments & Directives of the COPA
26. District Secretariat Batticaloa (Ministry of Public Administration and Home Affairs) 18 June 2013		
1.	The Committee observed that the District Secretariat had established the Audit and Management Committee in 2008 and held its meetings only in 2010 and 2012.	The AO stated that they had been conducting Audit and Management Committee Meetings monthly and the situation had been improved.
2.	The Committee observed that even though the Internal Audit Unit had been established in 2005, it had not been functioning productively according to a proper audit plan.	The AO revealed that as the Ministry had recently provided new graduates to the Internal Audit Unit, the internal audit process was systematically functioning under the supervision of the Chief Accountant.
3.	The Committee observed a large number of vacancies in the cadre.	The Committee directed the Secretary to the Ministry of Public Administration and Home Affairs to expedite the process of filling vacancies and stressed the importance of having a special concern about the language proficiency of the officers when the selections were made.
4.	The Committee questioned as to why 14 staff quarters constructed at the expense of Rs. 104,357,414 for the use of the Divisional Secretaries had not been occupied by them.	The Committee directed the Secretary to the Ministry of Public Administration to explore the possibility of allocating those quarters.
5.	The Committee observed that the stationery items purchased by incurring Rs.66,695/= had not been received by the stores.	The AO stated that the incident was being investigated and disciplinary action would be taken against the responsible officers.

	Major Issues & Problems Identified	Comments & Directives of the COPA
<p>27. District Secretariat Ampara.(Ministry of Public Administration and Home Affairs)</p> <p>18 June 2013</p>		
1.	The Committee observed that the Corporate Plan, Action Plan and the Procurement Plan in respect of the District Secretariat Ampara and the respective Divisional Secretariats had not been prepared.	The AO stated that all the said documents were being prepared at the time and could be submitted within 03 months.
2.	The Committee inquired as to why the information relating to the presentation of the Annual reports in Parliament had not been made available to the Auditor General .	The AO stated that the Annual Report for the year 2012 could be tabled in Parliament within one week and also agreed to forward same to the Auditor General.
3.	The Committee observed that the functions of the District Secretariat and the activities regarding the audit of 08 Divisional Secretariats had not been included in the Internal Audit Programme prepared for the Year 2012.	The AO explaining the situation stated that the Audit and Management Committee was appointed only on the 10 th of June, 2013 and hence the Internal Audit Programme would be functioning properly in the future.
4.	Fixed Assets Registers in the District Secretariat and the Divisional Secretariats had not been maintained.	The AO stated that those registers were being maintained at the time.
5.	The Committee also pointed out that the Registers of Losses and Damages too had not been maintained in the District Secretariat and the Divisional Secretariats.	<p>The AO explained that due to the war situation prevailed in that area, it had been impossible to maintain such registers.</p> <p>The Committee pointed out that it was not an acceptable reason and directed the AO to prepare those registers and report to the Auditor General as well as the Committee without delay.</p>

	Major Issues & Problems Identified	Comments & Directives of the COPA
6.	The Committee having observed the vacancies that exist in the Secondary Level .	The Committee directed the AO to fill those vacancies recruiting graduates considering their language proficiency.
7.	The Committee observed the shortcomings in purchasing furniture valued for Rs 4,275,624/= by the Divisional Secretary Ampara from the State Timber Corporation in 2007, in contrary to the Procurement Guidelines	<p>The AO stated that the officer who involved with the said transaction had retired from the service and also a report had been requested from the Divisional Secretary Ampara in this regard .</p> <p>The Committee instructed the CAO to conduct an investigation after receiving the said report and report the outcome to the Auditor General and to the Committee</p>
8.	A Laptop Computer and a LC 26" television had been purchased at a cost of Rs.104,500/= and handed over to an Organization named Community Children Fund which had not been registered in the District Secretariat .	The AO stated that this case was under investigation .
9.	a) The Committee observed that 327 number of deeds had not been issued to the respective owners by the Divisional Secretariats at Akkaraipattu, Ninthavur and Aliyadivembu..	The AO stated that some of the deeds were very old and impossible to trace the ownership by any means and agreed to take suitable action in this regard.
10.	The Committee observed that provisions for administrative cost of the Gama Neguma Programme amounting to Rs.322,000/ = had been paid as allowances to the officers without obtaining approval.	The Committee directed AO to recover that amount from the relevant officers.
11.	A sum of Rs 169,893/= had been overpaid for a Road had not been concreted.	The Committee directed the CAO/AO to conduct an investigation in this regard and report to the Committee as well as the Auditor General.
12.	The Committee revealed that 27 motor vehicles were lying idled at the premises of the District Secretariat for several years.	<p>The AO explained that he had already requested the approval to auction those vehicles from the Ministry of Public Administration and Home Affairs.</p> <p>The Chairman instructed the CAO to look into this matter and complete</p>

	Major Issues & Problems Identified	Comments & Directives of the COPA
		this process within 03 months.
13.	Four government quarters had been allocated to non public servants in contrary to the provisions of the Establishment code.	<p>The AO explaining the situation stated that since no public servants had applied for those quarters, they were given to non public service officers.</p> <p>The Committee directed the AO to regularize the system of granting quarters to the appropriate officers.</p>
<p>28. Ministry of Public Management Reforms</p> <p>19 June 2013</p>		
1.	The Committee observed that no Audit and Management Committee meetings had been held in the year 2013.	<p>The CAO explained that as the Ministry was not provided with an Internal Auditor.</p> <p>The Chairman stressed that the Ministry of Finance should pay more attention regarding sending of their representatives to Audit and Management Committee meetings without fail.</p>
2.	The Fixed Assets register had not been prepared.	<p>The CAO explained that they had prepared a fixed assets register containing only the details of the vehicles owned by them as they did not own any other fixed assets such as lands, buildings etc.</p> <p>The Committee CAO to include similar items owned by the Ministry into the Fixed Assets Register.</p>
3.	The Chairman appreciated the progress achieved by the Ministry regarding the Service Minutes, and discussed about the future activities on the same.	

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29. Ministry of Telecommunication and Information Technology		
20 June 2013		
1.	At the very outset the Committee observed that the Corporate Plan had not been reviewed, amended and updated.	The Committee directed the CAO to produce the same within 03 months.
2.	The Committee questioned on non preparation of the Action Plan for the year 2013.	The CAO agreed to forward the same within 03 months.
3.	Non establishment of an Internal Audit Unit..	The CAO explained that the required officers had not been provided with by the Treasury despite the several requests had been made including for an Accountant.
4.	The Committee observed that the Ministry had continued to pay a higher monthly rental of Rs.1.1 million instead of finding a suitable venue to the Ministry although it had been so directed at the previous meeting.	<p>The CAO explained that, the building had been fully utilized by then and also stated that it was not possible to find another building which was suitable for the Ministry at a lower rental.</p> <p>The Committee directed the CAO to inform this situation to the Committee in writing within two weeks and also to have a discussion with the Auditor General.</p>
5.	A sum of Rs.592, 750/= had been paid to an outside institute for the purchase of 07 wooden doors and frames for the construction of the Reading Hall of the HARDI Advanced Technology Institute in Ampara violating the agreement entered into.	<p>The CAO stated that the investigations were being conducted by the Criminal Investigations Department and agreed to provide the information to the Committee.</p> <p>The CAO added that the relevant officer had also been transferred to the Ministry of Public Administration on the same day when this incident was reported, and he had been imprisoned .</p>
6.	The Committee inquired on the excess cost amounting to a sum of Rs.3, 675,000/= incurred in constructing temporary toilets at the Deyata Kirula Exhibition premises due to the cancelation of the bid and awarding	The CAO explained that the Ministry had to bear such an excess cost as the construction of toilets had to be completed early with the approval of the Procurement Committee.

	Major Issues & Problems Identified	Comments & Directives of the COPA
	same to another contractor.	
7.	The Committee inquired on the noncompliance of Procurement Procedures with regard to the purchase of furniture valued at Rs.1, 473,107/=.	The CAO explained that the furniture had been purchased for that house and for the Deyata Kirula Secretariat which was established in Colombo. both the house and the furniture had been handed over to the District Secretary Ampara.
8.	The Committee observed that the Ministry had not carried out the seven activities identified in the Corporate Plan of the year 20011.	The CAO stated that all seven activities mentioned in the Corporate Plan had been implemented with the Deyata Kirula Exhibition. The Committee directed the CAO to enlighten the committee with a report in this regard.
30. District Secretariat Puttlam (Ministry of Public Administration and Home Affairs)		
09 July 2013		
1.	Corporate Plan, the Annual Action Plan and the Procurement plan had not been prepared from the year 2005.	The AO accepted the lapse and informal the Committee that they had prepared the said documents for the year 2013 .
2.	The Committee enquired whether the Internal Audit Process had been strengthened in the District Secretariat.	The AO stated that though they had an Internal Audit unit, there was a vacancy for class 1 Accountant to the post of Chief Internal Auditor.
3.	Four government quarters in Puttalam and Anamaduwa areas had not been utilized for over 5 years.	The AO explained that those houses were older than 60 years and could not be utilized without being refurbished completely.
4.	Nineteen projects valued at Rs.6,411,579/= which had been estimated under the provisions of "Gama Neguma" in 2012, had not been completed even by 30 June 2013.	The AO revealed that those were projects of 2013 and the allocations for them were received only in the month of April and stated that most of the projects had already been completed.
5.	The Committee observed that An advance of Rs.3,187,181/= could not be recovered due to the reason that no agreement or bond was available.	The AO revealed that State Finance Department had agreed to write off this amount.

	Major Issues & Problems Identified	Comments & Directives of the COPA
6.	The number of vehicles that had been abandoned from using and whether those vehicles had been insured.	The AO explained that except the 13 new vehicles the other vehicles had not been insured as they had not received the allocation for that purpose.
31. Ministry of Disaster Management 10 July 2013		
1.	The Committee observed that the Corporate Plan had not been prepared for the years 2011 and 2012.	The CAO accepted the fact and stated that the Corporate Plan had been prepared for the period 2013 – 2015.
2.	The Committee also observed that the Action Plan for the year 2012 had not been prepared to achieve the objectives of the Ministry.	The CAO accepted the situation and replied that the Action Plan for 2013 was being prepared according to the requirements.
3.	Vacancy for an Internal Auditor was remaining from June 2012 and an Internal Audit had not been carried out in accordance with the audit programme presented.	The CAO explained that Ministry had not been replaced an Internal Auditor after the retirement of the previous one.
4.	The Committee observed that the Fixed Assets Register had not been maintained in terms of the relevant Circular.	The CAO agreed to take appropriate action to maintain the Fixed Assets Register.
5.	The Committee observed that the particulars of expenditure relating to the water tanks procured for 8 District Secretariats at a cost of Rs.8,210,000/= , had not been furnished to the center up to 30 th June 2013.	The CAO stated required reports could be submitted within three months.
6.	The Committee inquired regarding the action that had been taken to recover the outstanding balance of a sum of Rs.188,614/= as at 31 st December 2012 in the advances to Public Officers Account.	The CAO stated that the action had been taken to recover the outstanding balances.
7.	The Committee inquired the reasons for the closure of the Briefing Counter of the Meteorological Office, at Katunayake Airport .	The CAO stated that the Department had requested another location as the existing location was not spacious. She further stated that the action would be taken to re- open the counter within one month.

	Major Issues & Problems Identified	Comments & Directives of the COPA
32. Department of Meteorology (Ministry of Disaster Management) 10 July 2013		
1.	The Committee observed that the Action Plan for the year 2012 had not been prepared as to achieve the objectives of the Department.	The CAO accepted the situation and stated that it would be submitted within 03 months.
2.	The Committee questioned as to why the Performance Report for the Year 2012 had not been tabled in Parliament although it had been prepared.	The CAO agreed to table it in parliament within two weeks.
3.	The Committee questioned as to why the internal audit of the Department was carried out by the Internal Audit Unit of the Ministry and also inquired as to why the Internal Audit Programme had not been prepared and submitted to the Auditor General.	The CAO stated that the Internal Auditor of the Ministry had to carry out the internal audits of the Department as the Department had not been provided with an Internal Auditor.
4.	The Committee enquired on the action that had been taken to fill the existing vacancies in the Department.	<p>The relevant authorities such as Public Service Commission, Department of Management Services and the Ministry of Public Administration and Home Affairs had been requested to provide necessary approvals for appointments and promotions need to be done.</p> <p>The CAO pointed out that the professionals cannot be retained with the existing salary scales.</p>
5.	The lightning Safety System and the Doppler Radar System had not been completed although the provisions of Rs. 1,028.02 million had been allocated to purchase the Doppler Radar System and for the construction of the 23 meter concrete tower only a sum of Rs. 378.0 million had been utilized.	<p>The CAO stated that the actual provision received was Rs. 400 million and out of that a sum of Rs.378.0 had been utilized and this task could be completed by 2015.</p> <p>The Committee was not satisfied with the explanation given by the CAO and expressed its disappointment.</p>
6.	The Committee observed that the Fixed Assets Register had not been maintained.	The CAO agreed to take appropriate action to maintain the Fixed Assets Register.

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33. Department of Christian Religious Affairs(Ministry of Buddha Sasana and Religious Affairs) 11 July 2013		
1	The Committee observed that no programs had been proposed in the Action Plan to develop the churches in the Island, and enquired the amounts of the Financial Assistance were to be provided to the churches and the plan how those monies were to be spent	The AO explained that the provisions received by the department for development of churches had to be distributed among all the 12 diocese in Sri Lanka
2	<p>(i) A vehicle had been repaired twice incurring an additional cost of Rs. 296,150/=. The approval of the tender board had not been obtained for the repairs.</p> <p>(ii) Although a repair work to an amount of Rs.134,500/= had not been carried out, a technical officer had submitted a forged certificate indicating that the repairs to the vehicle had been done satisfactorily.</p> <p>(iii) A vehicle which had been purchased and repaired at a total cost of Rs.2,357,144/= had been condemned after an accident and the indemnity received from the insurance had been only Rs.1,000,000/=.</p>	D stated that as per the instructions received from the treasury in 2008, they had purchased one of the ceased vehicles from the Dept. of Customs. As the vehicle had not been in good condition they had obtained an estimate for repairs from the agent, M/S Associated Motors. As their estimate had amounted to Rs. 1,800,000/= a second estimate had been obtained from the technical officer who was then attached to the Ministry.
34. District Secretariat Mullaitivu .(Ministry of Public Administration and Home Affairs) 06 August 2013		
1.	The corporate plan had not been prepared for the years 2011, 2012 and 2013	The AO stated that they had already prepared the Corporate Plan and Action Plan for the period 2013 – 2015 and produced copies to the Committee.
2.	Annual Procurement Plans for the years from 2006 to 2011 had not been prepared in terms of National Budget Circular.	

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3.	The Committee observed that the Fixed Assets Register had not been maintained in terms of the instructions of the Treasury Circular.	The Committee directed the CAO/AO to submit a report to the Auditor General explaining the reasons as to why the Fixed Assets Register could not be maintained and the losses during the period of war.
4.	The Committee that there had been a large number of vacancies in the secondary level positions and some vacancies in the senior level and tertiary level positions exists.	The CAO explained that they had taken action to fill the vacancies especially in the Northern and Eastern provinces and assured that those vacancies could be filled without further delay.
5.	The Committee observed that there had been outstanding loan balances due from officers who had been transferred, retired, dismissed, dead or vacated the post.	The Committee directed the AO to send a report with detailed explanation of the difficulties in recovering the dues.
6.	The Committee observed that the District Secretariat had not conducted a Board of Survey for the year 2005.	The AO stated that they could not carryout Board of Survey as they had been displaced due to war and they had conducted Board of survey after 2010.
7.	<p>a) An age analysis in respect of the balance of the General Deposit Account amounting to Rs. 69,911,025/= had not been provided until 31 December 2012.</p> <p>b) Security Deposit amounting to Rs.165,000 received from the taverns had been deposited in the bank account of the District Secretariat instead of depositing that in the Department of Excises in terms.</p> <p>c) Business registration charges amounting to Rs.194,000/= in 100 instances had been kept in the Deposit Account instead of sending them to the Department of Inland Revenue.</p> <p>d) Liquor license fees amounting to Rs.543,689 had been kept in the</p>	The Committee directed the AO to take action to rectify them and report to the Auditor General.

	Major Issues & Problems Identified	Comments & Directives of the COPA
	Deposit Account instead of sending them to Department of Inland Revenue.	
8.	The Committee observed loan balance of Rs.296,963/= and Rs.609,286/= to be recovered from the officers.	The Committee directed CAO/AO to take every possible action to recover those balances.
9.	Action had not been taken under FR 109, regarding the loss amounting to Rs. 261,500,000/=, caused by the Tsunami and the theft.	The AO revealed that they had lodged an entry in the Police and assured to take action to write off the losses. The Committee directed the CAO/AO to provide the information about the losses due to Tsunami and theft to the Auditor General separately.
35.	<i>Department of Hindu Religious & Cultural Affairs. (Ministry of Buddha Sasana and Religious Affairs)</i> <i>07 August 2013</i>	
1.	The Committee observed that the Corporate Plan had not been prepared to achieve the Department's objectives and Goals.	The Committee the A/O to give explanation for that situation and submit the Corporate Plan within 03 months.
2.	Department had not prepared the Annual Procurement Plan,	The Committee directed the CAO to find provisions to facilitate and streamline the work of the Department immediately.
3.	No proper criteria had been adopted for selecting the Hindu Temples for construction and renovation work.	The Committee pointed out the necessity of formulating a criteria to determine such and directed the CAO/AO to provide such criteria to the Committee within one month.
4.	The Physical Performance of Hindu Temples reconstruction had not been examined and verified .	The CAO/AO was directed to submit the Physical Performance Reports for the years 2010, 2011 and 2012 to the Auditor General within three months.

	Major Issues & Problems Identified	Comments & Directives of the COPA
36. Department of Muslims Religious & Cultural Affairs.(Ministry of Buddha Sasana and Religious Affairs) 07 August 2013		
1.	The Corporate plan up to the year 2013 had not been prepared.	The Committee directed CAO to submit the Corporate Plan to the Committee and the Auditor General within three months.
2.	The Department had not tabled annual reports in terms of the Treasury Circular No. 01/2004.	The CAO accepted the lapse and assured to submit the reports in three months.
3.	The Committee observed that the Internal Audit of the Department had not been carried out properly.	The CAO revealed that they did not have a post of Internal Auditor in their cadre The Committee directed the CAO to take action to create an Internal Audit Unit in the Department
4.	The Department had raised funds various reasons without a formal approval .	The Committee directed the CAO/AO to send a detailed report to the Committee after regularizing the fund within two months.
5.	The Department had charged Rs.200/= for issuing a certificate for Sri Lankan Muslims who traveled to Saudi Arabia	The Committee directed the CAO/AO to ensure that the revenue be credited to the Consolidated Fund, and to regularize all monetary operations of the fund.
37. Department of Public Enterprises (Ministry of Finance and Planning) 08 August 2013		
1.	The Committee inquired on the non-utilization of certain Capital provisions allocated for the period 2005 to 2009 and on the saving of the entire provision of one object in the year 2012.	The Committee directed the CAO/AO to provide explanations on that to the Committee.
2.	The Committee observed that a large variance between the estimated revenue and the actual revenue.	The CAO stated that the difference between the estimated values and the actual values would be inevitable.

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3.	The Committee inquired on the non furnishing of the Half Yearly Statements of Arrears of Revenue to the Audit in terms of Financial Regulation 128(2) for the year 2012 .	The Committee directed the CAO/AO and other relevant officers to discuss with the Auditor General's Office and to amend either the accounting system or the relevant circular in order to meet the requirements.
38. Department of Textile Industries (Ministry of Trade and Commerce) 21 August 2013		
1	The Committee having observed that the Department had not submitted the corporate Plan.	The AO stated that the Corporate plan had been prepared for 2013 to 2015
2	The Committee questioned whether Internal Audit unit had been established in the Department.	The CAO pointed out that according to the approved cadre there was not a position for an Internal Auditor.
39. Department of National Botanic Garden (Ministry of Botanical Gardens and Public Recreation) 22 August 2013		
1.	The Committee inquired on the existing vacancies in the Department.	The AO explained the new recruitment procedure for the r posts was due to be submitted for the approval of the Public Service Commission with the required amendments. The Committee directed CAO/AO to expedite the implementation of the recruitment procedure and to complete the recruitments before the end of the year.
2	The Committee observed that suitable action had not been taken against the illegal acquisition of 20 hectares of land belonging to the Hakgala Botanic Gardens.	The AO stated that the Department had planned out to declare new demarcations The Committee directed the CAO/AO to complete this task before the end of the year.
3.	The Committee inquired on the non -utilization of the "Haritha Piyasa" Training Center in Meegalewa	The AO stated that the Department had received provisions for the maintenance of the buildings only in

	Major Issues & Problems Identified	Comments & Directives of the COPA
	effectively and the unsatisfactory maintenance of the buildings in that land.	present year.
40. Ministry of Construction ,Engineering, Housing & Common Amenities 08 October 2013		
1.	The Committee observed that the internal audit had not been carried out in National Physical Planning Department, Buildings Department and Government Factory.	The CAO/AO stated that had happened due to the lack of qualified officers.
2.	The Committee observed that no corrective measures and follow up actions had been taken by the Audit and Management Committee meetings.	The CAO had agreed to work with the Government Audit Unit and to give his maximum corporation to bring the acceptable solutions.
3.	The Committee observed that 09 deposits amounting to Rs. 1,438,230/= remaining over two years without taking action according to the FR 571.	The CAO/AO stated that except the “Sisu Nena Pola” fund all other deposits had been transferred to the treasury. The “Sisu Nena Pola” fund had been created by the Minister to give scholarships for the needy children
4.	The Committee observed that a loan balance of Rs. 71,670.00 remained outstanding.	The CAO/AO stated that the legal action also had already been taken on the matter and it was reported that the officer who took the loan had been missing from the year 2003.
5.	The Committee observed that a lot of problems such as inability to complete the works of the contracts, inability to make the payments for the final bills, inability to release the retention money etc. had been created due to the delay of the respond of the Standing Technical Committee.	The CAO/AO stated that the delay was incurred due to the lack of Technical officers and action had been taken to recruit retired technical officer to clear the back log.
6.	The Committee observed that a lot of problems such as inability to complete the works of the contracts, inability to make the payments for the final bills, inability to release the retention money etc. had been created due to the delay of the respond of the Standing Technical	The CAO/AO stated that the delay was incurred due to the lack of Technical officers and action had been taken to recruit retired technical officer to clear the back log.

	Major Issues & Problems Identified	Comments & Directives of the COPA
	Committee.	
7.	The committee emphasized that the Ministry should prepare a proper plan and work accordingly to coordinate the all institutions under them.	
41. Ministry of Indigenous Medicine 09 October 2013		
1.	No audit queries had been issued for the years 2012 and 2013 with regard to the performance of Ayurvedic Medical Council, Homoeopathic Medical Council and the Ministry of Indigenous Medicine.	The CAO explained the post of Chief Internal Auditor had been vacant since 2012. The Committee directed the Secretary to the Public Accounts Committee to explore the possibility of summoning of the Accountancy Service Board before Public Accounts Committee to discuss all related issues.
2.	The Committee enquired about the current position of the existing vacancies in the staff of the Ministry.	The CAO explained that he had requested the Ministry of Public Administration and Home Affairs to fill the vacancies from the Combined Service.
3.	The Committee directed the CAO to submit a detailed report on shifting of the office of the Ministry at Nawinna to the Borella Teaching Hospital.	
4.	The Committee observed that the Board of Survey had not been conducted by the Ministry for the year 2012.	The CAO explained that due to lack of staff conducting of the Board of Survey had been delayed.
5.	The Committee enquired as to why no action had been taken to bring the Homeopathic Medical Council to an active position.	The CAO revealed that the action had already been taken to re-establish the Homeopathic Medical Council in terms of the provisions in the proposed new act, which was in the

	Major Issues & Problems Identified	Comments & Directives of the COPA
		draft stage as at the date of examination.
6.	The Committee directed the CAO to submit a detailed report on each of the 15 herbal gardens under the purview of the Ministry.	
42. Ministry of National Languages & Social Integration 22 October 2013		
1.	The Committee observed that internal audit had not been carried out and the Audit and Management Committee meetings too had not been conducted since 2012.	The CAO explained that the Ministry could not carry out internal audit activities as the post of Chief Internal Auditor had been vacant since the end of 2011.
2.	The Committee enquired as to what action had been taken in relation to the excess allowances obtained by the Language Consultant, Chairman of the National Institute of Languages Education and Training.	The CAO stated that the Attorney General had taken action to file a court case against him.
43. Ministry of Parliamentary Affairs 23 October 2013		
1.	The Committee enquired regarding the vacancies that exist in the carder of the Ministry.	<p>The CAO explained that he had requested the Ministry of Public Administration and Home Affairs to fill the vacancies from the Combined Service since 2010.</p> <p>The Committee directed the Secretary to the Committee to summon the officials of the Ministry of Public Administration and Home Affairs, the Department of Combined Service and the Salaries and Cadre Commission before the Committee to discuss this matter.</p>

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	<p>The Committee observed that 10,523 copies of books out of 13000 which had been printed in the year 2012 by spending Rs.2,862, 620 under the Skilled Development Training Programme had been remained at the stores of the Ministry.</p>	<p>The CAO stated that the Ministry had planed to handover 5000 copies to a school and to keep the balance for distribution of the for forthcoming Deyata Kirula Exhibition.</p> <p>The Chairman suggested distributing the books among the temples depending on the availability.</p>

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