

**First session of the Eighth Parliament  
of  
the Democratic Socialist Republic of Sri Lanka**

**Parliamentary Series No 99**

**First Report**  
of the  
**Committee on Public Accounts**  
(from 01.01.2016 to 07.04.2016)

*Presented by*  
**Hon. Lasantha Alagiyawanna**  
Chairman of the Committee on Public Accounts

on 22<sup>nd</sup> of September 2016

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**Composition of the Committee on Public Accounts  
First Session of the Eighth Parliament**

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## **Chairman's Message**

The Committee on Public Accounts, which is an Oversight Committee, directly assists in implementing the fiscal control vested in Parliament by the Constitution. I am very much glad about the opportunity given me to hold the Chair of the Committee on Public Accounts at a time when utmost importance has been given to the government audit function in terms of the Nineteenth Amendment to the Constitution.

As the timely amendments to the powers of the COPA have to be done, steps are taken to make the Committee more powerful by submitting proposals to amend the relevant Standing Orders while making the optimum use of the existing powers to move towards its established objectives.

The Committee on Public Accounts is one which has been composed to include representatives from all political parties represented in Parliament. I wish to emphasize that it is because of the cooperation and commitment on the part of everyone that the Committee has been able to deliver with one accord the financial responsibility vested in it, abiding by the collective responsibility moving beyond the consensus between the two major political parties of the government.

Long experience in Committees convinces the need to rectify the mistakes identified during the examination of institutions, enhance the positive traits and trends and protect the dignity of public officials in guiding them. Rather than giving solutions to weaknesses identified during the posterior process called auditing, the Committee is more focused on guiding the institutions to prevent past shortcomings in the future since it is more fruitful to prevent inefficiencies proactively.

Having identified the timely need to move towards a new direction in the face of the new financial and management trends, the Committee adopted specific methodologies in order to achieve that objective.

- Appraising the institutions based on a selected criteria
- New methodology of summoning institutions
- Reactivation of the summoning of the Provincial Councils and Local Authorities
- Improving the use of computer software programmes.

During the many preceding years, Provincial Councils and Local Authorities had not been summoned before the Committee on Public Accounts giving them less priority. At the workshop conducted with the objective of making the process of summoning the Provincial Councils and Local Authorities efficient to which officials of these institutions were summoned, the new course of action of the

Committee on Public Accounts was explained to them and it was stressed that serious attention of the Committee on Public Accounts would be drawn to the financial control of the Provincial Councils and Local Authorities and they would also be summoned before the Committee on Public Accounts in future.

The Committee on Public Accounts has also focused its attention on establishing Sub Committees based on the needs. A Sub Committee has already been appointed to forward recommendations with regard to the resolving of the problems associated with the use of computer applications at major government institutions which contribute largely to the government revenue, improving their use and minimize misacts and irregularities that could occur through preparing a procedure relating to computer networks between institutions, and to consider the potential to increase the government's revenue.

I wish to make this an opportunity to express our gratitude on behalf of all the Members of the Committee on Public Accounts to His Excellency the President, Hon. Prime Minister and Hon. Speaker, who enable me as its Chairman and all the members of the Committee to steer the Committee towards its intended goals in an independent and impartial manner.

The success of the Committee on Public Accounts means the outcome of the cooperation of all stakeholders who contribute to it. I greatly appreciate the commitment by the officers of Parliament including the Secretary General of Parliament, Deputy Secretary General of Parliament, Assistant Secretaries General of Parliament and officers of the Office of the Committee on Public Accounts as well as the Auditor General and his staff and officers of the General Treasury who have, together, though amidst various challenges extended their unstinted cooperation which I expect of them.

I wish to state at this juncture that the Committee will function in its full vigour in making a contribution that will enable the government to make its service an effective one through the massive role planned for the coming year and thereby fulfill the objective of crowning the true meaning of good governance.

## **Introduction**

It is the Committee on Public Accounts which was established for the financial oversight claims the longest history as a Committee of Parliament. It was established on 5 September 1923 and held its First Meeting on 17 October 1923.

The Committee on Public Accounts is empowered by Standing Order 125 and its function is described as follows:

**“125 (2) It shall be the duty of the Committee on Public Accounts 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 as the Committee may think fit, along with the reports of the Auditor General on local authorities.**

**The Committee shall, from time to time, report to Parliament on the accounts examine, the finances, financial procedures, performance and management generally of any Department, local authority and on any matter arising therefrom.**

**The Committee may when it considers necessary appoint Subcommittees of its own members to examine and report to the Committee on all accounts, finances and management of such Departments or local authorities as the Committee may direct.**

**The Committee or any of its Subcommittees shall for the performance of its duties have the power to summon before it and question any person and call for and examine any paper, book, record or other document and to have access to stores and property.”**

On behalf of the Parliament, the audit activities on government institutions are performed by the Auditor General and Parliament is assigned the task of considering the outcomes of the audit for the purpose of ensuring financial accountability. The Committee on Public Accounts has been appointed for the purpose of assisting Parliament in this task and hence the Committee on Public Accounts happens to be the structure of utmost importance in exercising through an Oversight Committee the power vested in Parliament by Article 148 of the Constitution to control government’s finances.

The audit queries included in the reports submitted to Parliament by the Auditor General in respect of financial and physical performance, efficiency and effectiveness of any government institution are examined by summoning the Chief Accounting Officer/ Accounting Officer of the institution concerned.

The Committee puts serious emphasis on the fact that it is the responsibility of every Head of an institution to maintain the financial management and administration of the institution in a balanced manner and implement the state policies efficiently. The Committee has acted to focus on the present performance of the institutions examined, in addition to the facts revealed by the Report of the Auditor General.

The scope of the Committee on Public Accounts encompasses 842 state institutions and main sub institutions. These include Ministries, Departments, Provincial Councils, Local Authorities, District Secretariats, Divisional Secretariats, certain institutions functioning under the Presidential Secretariat, independent institutions which do not fall under any Ministry, Commissions, Funds as well as projects implemented under foreign financing.

The Committee always seeks to achieve the objectives for which provisions are allocated and thereby gain maximum benefits within the limits of such provisions allocated under each Head annually through the Budget in Parliament, through the identification of management and financial deficiencies, irregularities and inefficiencies of the institutions examined and through directing the institutions to implement the recommendations given by the Committee.

## **Summary of the Report**

The Committee on Public Accounts submits its First Report for the First Session of the Eighth Parliament today.

The Committee on Public Accounts for the First Session of the Eighth Parliament comprising twelve Members of Parliament nominated by the Committee of Selection in terms of Standing Order 125 of the Standing Orders of Parliament of Sri Lanka was announced by the Hon. Speaker on 23 October 2015 and later increased numerically to 26 Members of Parliament as per the revisions made by the Committee of Selection on three subsequent occasions.

The Committee on Public Accounts first met on 26 November 2015 and elected Hon. Lasantha Alagiyawanna as its Chairman uncontested. There onwards, the Committee met regularly to examine the accounting activities and performance of government institutions as per the Standing Orders of Parliament.

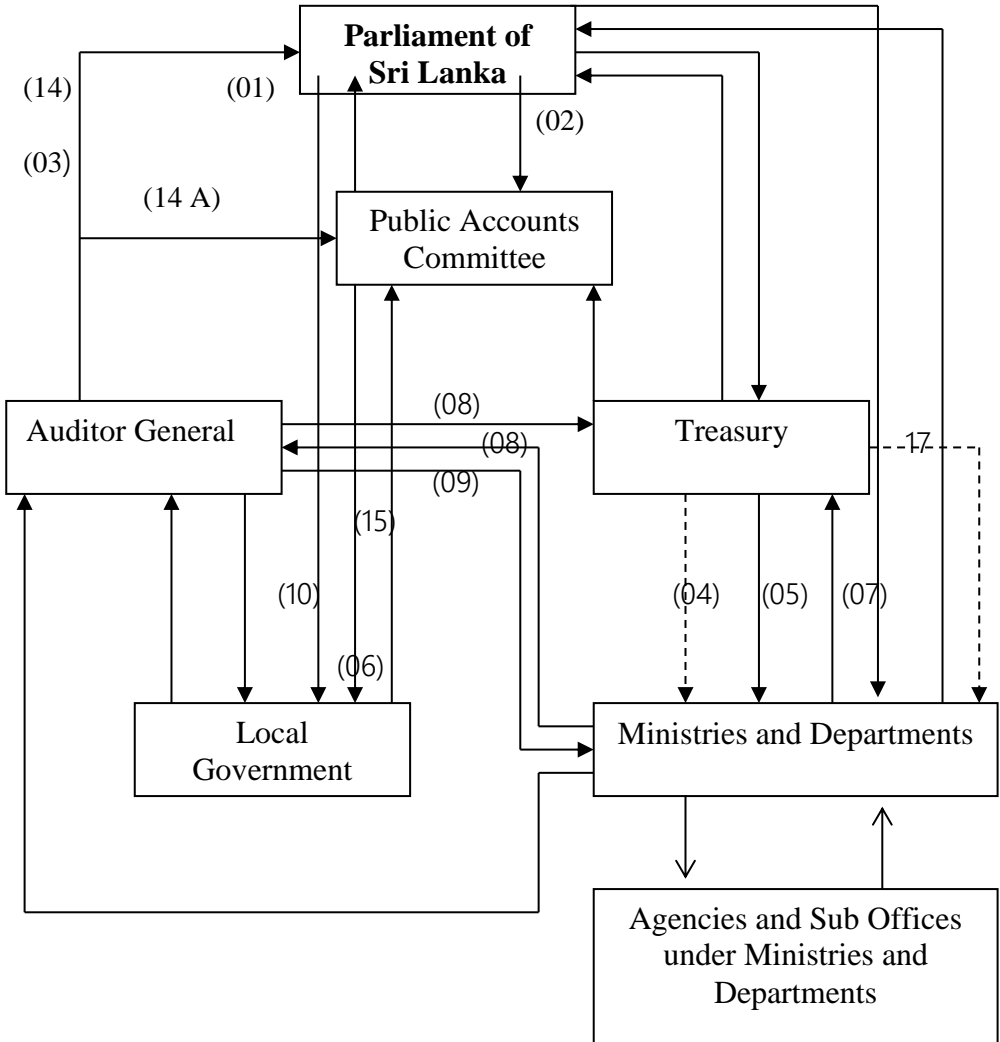
This report contains the facts unveiled by the Committee within the three months from 9 January 2016 to 7 April 2016, through 41 investigations pertaining to 38 state institutions summoned before the Committee on account of the Reports of the Auditor General issued in respect of the years 2005 to 2013.

The Committee decided to perform their functions in a more efficient and effective manner through a new course of action leading the way to win the challenge of examining all the 842 government institutions and sub institutions and making recommendations within a limited timeframe and the report contains the new measures taken to achieve those objectives.

**Institutions and Sub institutions coming under the purview of the Public  
Committee on Public Accounts**

<b>Institution</b>	<b>Number</b>
<b><u>Institutions</u></b>	
• Special Spending Units	19
• Ministries	51
• Departments	89
• District Secretariats	25
• Local authorities	335
<b>Total</b>	<b>519</b>
<b><u>Sub institutions</u></b>	
• Provincial Councils	09
• Divisional Secretariats	314
Total	323
<b>Total number of institutions</b>	<b>842</b>

**Inter-relationship between the COPA and other state institutions**



1. The Parliament appoints the PUBLIC ACCOUNTS COMMITTEE and empowers it's with part of over sight functions of Parliament.
2. The Ministry of Finance and the General Treasury receives its authority to collect funds and disburse funds from Consolidated Fund and other funds belonging to the Government, on annual Appropriation Bill and other Special Laws approved by the Parliament.
3. The Auditor General is vested with required authority by Constitution itself to carry out audits on all Government Organizations, reports back to Parliament on any irregularities, non-compliances, frauds or underperformances by

Government entities, which have some material value for reporting, in his opinion.

4. Local Authorities receives its authority to collect rates and taxes under the base legislations passed by the parliament.
5. Parliament approves annual expenditure estimates for all Ministries, Departments, District Secretariats, Special Spending Units and part of the expenditure of Provincial Councils as annual grants. It also approves revenue estimates for each Revenue Accounting Officer and fix expenditure and receipts limits for each advance accounts run by Government Ministries and Departments.
6. Finance Ministry/General Treasury appoints Accounting Officers and Chief Accounting Officers for each expenditure heads and revenue heads. It also fix Imprests limits ( cash withdrawal limits) for each spending unit and give specific instructions needed for implementation of the budget and release cash on need analysis basis. Oversee the functions on financial management and controls as the custodian of all finances belonging to Government and also the custodian of Financial Regulations.
7. Auditor General carry out continuous audit programs and special audit inquiries on the activities of Ministries, Departments, District Secretariats, Provincial Councils and Local Authorities including the examinations/auditing of Appropriation Accounts, Final Accounts and other accounts. Auditor General can call information, make inquiries, raise audit queries, and assess the answers. If not satisfied send draft audit paragraphs to the respective accounting officers, chief accounting officers to obtain their views and take the final decision whether the matter should be reported to the parliament or not.
8. The Treasury, Government Ministries, Departments, Special Spending Units, Provincial Councils and Local Authorities submit their Annual Accounts, provide information requested by Auditor General, answer audit queries and give their views proposed audit paragraphs.
9. Ministries and Departments delegate allocate budgetary provisions and cash for the carry out of their activities and monitor.
10. Agencies and Sub offices report back to their respective agencies.
11. Auditor General submits his periodical reports and special reports to the Parliament and Committee on Public Accounts.
12. Public Accounts Committee after reviewing the reports by Auditor General decides which organization to be called before the Committee on the order of

priority, and do so by calling respective CAO/AO before the Committee along with other relevant officers. Also calls for other information relating to the performance of the entity and the updated position of the issues raised by the Auditor General.

13. Ministries, Departments, Local Authorities and agencies coming under them respond to the directive presents before the Committee together with additional information requested.
14. Public Accounts Committee examine the officers present before the Committee, along with written explanations submitted by them decides the further actions needed if Committee is not happy with regard to the explanations given by respective officers. Accordingly the Committee issue special directions and submit its report to the Parliament along with its recommendations.
15. The Treasury prepares Treasury Minutes on the basis of Committee recommendations and issued to all Government agencies, including any amendments required to existing financial regulations and Treasury circulars needed to address the issues.

## **Functions and the new vision of the Committee on Public Accounts**

### **01. Grading and the evaluation of Public Institutions on the basis of submission of Financial Statements and the performance**

The ongoing Committee on Public Accounts has started a new method since it is a practically difficult task to summon all the 842 state institutions that come under the purview of the Committee on Public Accounts before the Committee.

Therefore it was decided to grade all the state institutions using an accepted specific methodology and to call the respective state institutions before the Committee based on the evaluation results gained from the grading system. Arrangements have been made to prepare an institutional evaluation system using two questionnaires (Annexures I and II) prepared by the expertise from the officers in the Auditor General's Department, Sri Lanka Examinations Department and Productivity Secretariat (one questionnaire for the Ministries/Departments/District Secretariats/ Provincial Councils and one questionnaire for Local Authorities).

These questionnaires have been prepared to evaluate the performances of the management of human, financial and physical resources in state institutions.

This is implemented as a pilot project to grade state institutions and those questionnaires have been directed to the state institutions and the Secretariat on Committee on Public Accounts has now received the answers. All the institutes have been evaluated and graded by now and it will be included in the next report. (The answers for the questions will be referred to the Auditor General in order to verify them once the grading is finished)The relevant Minister will be informed about the position of the institute and all the Ministerial Secretaries will be summoned before the Committee on Public Accounts to make them fully aware of the process.

Determination of the priority to summon the Ministries and Departments before the Committee, based on this evaluation had been started.

### **02. Conduct an awareness programme regarding the summoning of Local Authorities before the Committee on Public Accounts.**

A programme was conducted on 31 March 2016 under the patronage of the Hon. Speaker emphasizing the importance of Provincial Councils and Local Authorities and its financial responsibility and all the Provincial Governor's Secretaries, Provincial Councils' Chief Secretaries, Provincial Councils' Deputy Secretaries (Finance), Provincial Council's Secretaries, Local Authorities' Secretaries, Commissioners of Municipal Councils, Secretaries in Urban Councils and Secretary to the Ministry of Provincial Councils and Local

Government were summoned to the Parliament to raise awareness among them about summoning them before the Committee on Public Accounts in Parliament with a view to get ideas about the problems and weaknesses in those institutions.

When the Local Authorities are summoned in the future Auditor General's opinion (Annexure V) on the financial status of those institutions will be taken as one indicator.

### **03. Public Accounts Committee and Public Relations.**

A new computer programme has been prepared with the support of the Department of Information Systems and Management in Parliament for the people to get direct access to obtain information from the Committee and to provide direct access to the Committee to obtain people's ideas and proposals. This process enables the Committee to function effectively and the final intention is to have a paperless office.

### **04. Summon the Government Ministries and the Departments under the said Ministry together to the Committee on Public Accounts.**

This helped to discuss and solve the problems effectively that are inter connected in similar fields and the Committee was able to submit more productive recommendations.

### **05. Improvements in the use of computer applications in government institutions.**

A discussion was conducted on 24 March 2016 to solve the problems in main state institutions which generates income with regard to the use of computer applications, its improvements and to minimize the defects, faults and irregularities by formation of a computer networking system within the institutions and to consider the possibility to increase the government revenue.

The Committee recommends that since there is no joint computer information technology data exchange programme among the main institutions that has the largest contribution to the government revenue (Annexure IV) it is important to focus attention on those institutions.

In that case the committee took steps to summon the Bank of Ceylon, People's Bank and National Savings Bank that are in the lead in using computer applications and Lanka Clear (pvt) Ltd, and ICTA that are experts in this field to obtain their contribution.

**06. Appointing a Sub Committee on Information Communication Technology.**

The Committee on Public Accounts examined the use of information technology in state institutions and appointed a Sub Committee on 23<sup>rd</sup> March 2016 consisting of four Committee Members with the Chairmanship of Hon. Eran Wickramaratne with a view to achieve the goals mentioned in the above

**Sub Committee**

Composition of the Sub Committee appointed by the Committee on Public Accounts to submit recommendations regarding the possibility of minimizing shortcomings and increasing revenue by improving the IT usage and co-ordination of the improvement of matters pertaining to Computer Information Technology in institutions which bears the highest stake towards the state revenue.

Hon. Eran Wickramaratne (Chairman)

Hon. Bandula Gunawardana

Hon. Seyed Ali Zahir Moulana

Hon. (Dr.) Nalinda Jayathissa

Hon. (Dr.) Kavinda Heshan Jayawardana

**07. Strengthening the follow up activities.**

The Committee on Public Accounts functions with a view that every institution should be summoned before the Committee at least once a year and once these institutions are examined great deficiencies and inefficiencies have been revealed and the need to summon those institutions again to check the progress of the implementation process of the given orders was identified. Therefore the Committee is of the view that those institutions should be summoned before the Committee once in 03 months time. Based on this Department of Customs, Ministry of Education and the Department of Motor Traffic, and were summoned two times before the Committee.

**08. Conducting spot inspections.**

In view of the powers vested in the Committee, if the Committee cannot be satisfied with the information furnished by an institution and it deems it necessary to practically inspect that institution it can decide to do so.

### Institutions Examined

No	Name of the Institution	Line Ministry	Date of the Examination	Page
01.	Sri Lanka Customs	Finance	09.01.2016	25
02.	Department of Motor Traffic	Transport and Civil Aviation	09.01.2016	25
03.	Department of Inland Revenue	Finance	26.01.2016	27
04.	Excise Department	Finance	26.01.2016	27
05.	Ministry of Skills Development and Vocational Training	-	26.01.2016	28
06.	Ministry of Education	-	27.01.2016	30
07.	Ministry of Lands	-	27.01.2016	32
08.	Department of Immigration and Emigration	Internal Affairs, Wayamba Development & Cultural Affairs	28.01.2016	32
09.	Department of Examination	Education	28.01.2016	33
10.	Department of Valuation	Finance	09.02.2016	34
11.	Department of Import and Export Control	Development Strategies & International Trade	10.02.2016	35
12.	Divineguma Development Department	Social Empowerment & Welfare	11.02.2016	37
13.	Ministry of Education	-	12.02.2016	41
14.	District Secretariat, Kurunegala	Home Affairs	12.02.2016	42
15.	District Secretariat, Kandy	Home Affairs	23.02.2016	43

No	Name of the Institution	Line Ministry	Date of the Examination	Page
16.	Department of Prisons	Prison Reforms, Rehabilitation, Resettlement & Hindu Religious Affairs	24.02.2016	45
17.	Department of Railways	Transport and Civil Aviation	25.02.2016	46
18.	Employees Provident Fund	Labour & Trade Union Relations/ National Policies & Economic Affairs	26.02.2016	47
19.	Ministry of Sustainable Development and Wild Life	-	08.03.2016	48
20.	Department of Wildlife Conservation	Sustainable Development and Wild Life	08.03.2016	48
21.	Department of National Zoological Gardens	- Do -	08.03.2016	50
22.	Department of National Botanical Gardens	- Do -	08.03.2016	52
23.	Department of Educational Publications	Education	10.03.2016	53
24.	Department of National Archives	-Do-	10.03.2016	55
25.	Department of Land Settlement	Land	10.03.2016	55
26.	Survey General's Department	- Do -	10.03.2016	56
27.	Ministry of National Co-existence, Dialouge and Official Language	-	10.03.2016	57

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<b>No</b>	<b>Name of the Institution</b>	<b>Line Ministry</b>	<b>Date of the Examination</b>	<b>Page</b>
28.	Department of Official Languages	National Reconciliation, Dialouge and Official Language	10.03.2016	58
29.	Ministry of Industry and Commerce	-	11.03.2016	58
30.	Department of Commerce	Industry and Commerce	11.03.2016	59
31.	Department of Registrar of Companies	- Do -	11.03.2016	60
32.	Department of Measurement Units, Standards and Services	- Do -	11.03.2016	61
33.	Department of Export Agriculture	Primary Industries	11.03.2016	62
34.	Sri Lanka Customs	Finance	23.03.2016	63
35.	Department of Motor Traffic	Transport and Civil Aviation	24.03.2016	64
36.	Ministry of Labour and Trade Union Relation	-	07.04.2016	66
37.	Department of Labour	Labour and Trade Union Relations	07.04.2016	67
38.	Department of Manpower and Employment	- Do -	07.04.2016	68
39.	Ministry of Agriculture	-	07.04.2016	69
40.	Department of Agriculture	Agriculture	07.04.2016	70
41.	Department of Agrarian Development	- Do -	07.04.2016	71

## **Common observations, conclusions and recommendations**

### **1. Auditing of the sub institutions is not sufficient.**

The Committee observed that there is a practical difficulty faced by the Auditor General when the Ministries and Departments are audited because it is very difficult to audit all the sub institutions under those institutions at length.

For example when the Ministry of Health is audited it is practically difficult that all the main hospitals that come under it to be audited separately and audit observations in this regard are not mentioned in the Auditor General's reports.

Accordingly, it has been revealed that the resources possessed by the Auditor General are not sufficient to audit all the sub institutions in detailed manner and the Committee recommends that this Department should be strengthened in physical and human resources.

The Committee recommends that internal audit sections should be strengthened and made efficient to find a solution for the above problem of auditing those sub offices.

### **2. The use of information technology in state institutions at a weak level**

It has been revealed that although a large amount of money had been allocated for computer information technology programmes in state institutions those computer programmes have not been finalized on many occasions and the way the government institutions have used information technology is not at a very satisfactory level.

For example, the institutions that run without a software data system store their data in files. In most institutions misplacement of documents and keeping files in an irregular manner are common. The inefficiencies caused by this can be prevented by using a computer software system.

It is appropriate to take a policy decision to make the use of information technology compulsory in state institutions within the next two years or within a specific period of time in an effective and efficient manner.

One reason for this situation is not having persons who have a professional knowledge to carry out work using information technology and it is important to recruit persons with knowledge on information technology to every institution.

**3. Non adequacy of Performance Appraisal of the institutes/Staff.**

The Committee observed that in some institutions performance appraisals of the institute and staff is not done in a proper manner.

Each institution can get a more productive service by evaluating the performance of the staff annually because the employees get a motivation from those evaluations.

Annual institutional Appraisal paves the way for an institute to identify its weaknesses and strengths making it easier to achieve its targets.

**4. Implementation of the recommendations made by the Committee is at a weak level.**

There were instances of recommendations made by the Committee not been implemented even at the time some institutions appeared before it for the second time. In such circumstances, the relevant institutions are summoned before the Committee and examined repeatedly within a limited period of time. If there is no progress in implementing the recommendations made by the Committee, it is included in the report of the Committee on Public Accounts and tabled in the Parliament.

The C.A.O./A.O. has to pay more attention with regard to the recommendations and the implementation of the recommendations made by the Committee and the efficiency of the institutions can be enhanced by following them up.

**5. No timely amendments to the Acts and non- compliance with the Acts**

There were instances of inconsistencies among aims, expected functions and certain activities being handled by some institutions.

For example, the Department of Customs had not made provisions to completely implement the Excise Tax (Special Provisions) Act, No. 13 of 1989 causing the country to lose significant income. The Excise Department too had not implemented certain powers of the Tobacco Tax Act.

It is essential to comply with the existing Laws while expeditious steps be taken in the event of an Amendment.

**6. Conferring the responsibilities of the positions and handing over documents in the proper manner.**

It was observed that conferring of responsibilities and handing over of documents do not take place in the proper manner when officers are transferred from one place of work to another resulting in officers being unable to respond to relevant Audit Queries when summoned before the Committee and their

knowledge on the functions of the institute is not enough making it difficult for them to work with understanding in rectifying the irregularities taking place in institutions.

As a remedial measure, it is essential to hand over the responsibilities and files under the supervision of a senior officer in writing and to make the new officer aware of the functions of the office.

### **7. Shortcomings of internal inquiries**

Although there are instances that inquiries pertaining to the corruption and irregularities, misappropriation of public funds, mismanagement and wrong administrative activities practised in institutions are conducted by external institutions (Police), the Committee observed that in certain circumstances the internal inquiries are not conducted at all or are not conducted properly. Therefore, it is not possible to identify and rectify the structural and organizational deficiencies existing in an institution. A proper programme should be devised to conduct inquiries more accurately and systematically with the intervention of the CAO in order to rectify this matter.

### **8. Job Security for public officers**

The Committee observed that there are instances that the public officials are not able to carry out their duties and responsibilities properly in the issue of misappropriation of public funds due to the political and other interferences. In such situations, the Committee is of the view that a proper mechanism should be set up that legal and administrative protection is ensured to the public officials in fulfilling their responsibilities.

### **09. Shortcomings in recovery of money / equipment / assets at vacation of service.**

It was observed that the recovery of money / equipment / assets do not take place properly when public servants retire, are dismissed from service, in a death or vacate of the service.

It is important to formulate a common procedure and a strict legal framework in this regard and also to implement the law strictly.

### **10. Following up by the Ministry of Finance. (Treasury)**

Instances of allocation made to an institution for specific purposes being utilized for other purposes were observed.

The Committee on Public Accounts emphasize that it is essential for the Treasury to follow up when allocations are made to public institutions. This will

prevent misappropriation of funds while ensuring the completion of the relevant activities within the specified period of time in the proper manner.

### **11. Delay in filling Vacancies in the staff**

It was observed that the successful implementation of activities of state institutions are hampered owing to the existence of vacancies in institutions over a long periods of time and at times making it necessary to recruit employees on contract basis and leaving them to work for longer periods incurring a large amount of expenditure.

It is important for the Public Service Commission, the Department of Management Services and the Ministry of Public Administration and the relevant institution to jointly initiate an expeditious and proper arrangement in filling vacancies in the state institutions. In preparing Annual Plans of Action, it is important to pay attention to the expected human resources as much as to the expected targets and objectives.

### **12. Under utilization of allocations/resources**

It was observed that there were under utilization of annual allocations/resources in many institutions which makes a negative impact on the implementation of the development policies of the country.

In order to prevent this situation, it is essential to formulate short-term and long-term plans utilizing the expertise having considered the objectives and targets of the institution.

Further, if there is a under utilization of alloactions due to unexpected circumstances, remedial measures should be initiated after having made the General Treasury aware in this regard and it is essential to pay attention to the Action Plans, to be in conformity with the relevant Financial Circulars in preparing the annual estimates.

### **13. Problems caused in Settlement of Retention Balances**

It was observed that numerous situations of problematic nature occur in the settlement of retention balances for contractors owing to reasons such as stalling the construction work on the way and the non completion of work within a specific period of time.

In selecting the contractors, their professional experience, work capacity and credibility must be considered and a special attention must be paid to the legality and the conditions of the agreements when entering into agreements. Common policy decisions must be taken in regard to this.

**14. Unsatisfactory replies to Audit Queries.**

It was observed that there were many issues relating to submitting replies to audit queries such as non submission of replies within a given period of time, non submission of replies at all and non submission of replies to the satisfaction of the Auditor General.

The Heads of Institutions should ensure that audit queries for specific periods of time are properly checked and replies submitted to the Auditor General and it is important that an Internal Audit section to exist.

**15. Not Conducting adequate number of Audit Committee meetings**

Even though it is compulsory to hold 4 annual meetings in accordance with the Management Audit Circular DMA / 2009 (1) of 09/06/2006, it does not happen so in most of the institutions.

It is compulsory to hold 4 annual meetings of the Management Audit Committee and submit the reports to the Chief Accounting Officer so that he is able to identify the shortcomings and take remedial measures without delay.

**16. Non adequacy of the powers vested in the Committee on Public Accounts of the Parliament.**

There has been observed that the orders given by the Committee on Public Accounts are not sometimes implemented effectively as in accordance with the Standing Order 125, the Committees do not have the authority to issue strict orders. Therefore it is essential to amend the existing Standing Orders to give more powers to the Committees.

## **Specific Observations**

### **Employees Provident Fund.**

It was observed that the relationship, awareness and cooperation between the Department of Labour and the Central Bank with regard to the Employees Provident Fund was not sufficient at certain occasions.

It is important for the inter relationship between the Central Bank and the Department of Labour to be enhanced through a joint committee.

It is important to collect data through an intergrated computer system connecting the institutions and district offices of the Department in addition to collect data through field inspections by the labour officers, which is the formal methodology of obtaining data of the Department of Labour.

It is also important to devise a programme to enable the funds of the Employees Provident Fund to be invested in a more productive manner.

### **Department of Labour**

It was discovered that the relevant Act does not specify a methodology of paying compensation in the event of an accident involving employees and paying/ not paying compensation takes place according to the occasion of the accident.

The relevant Act should be amended as required, so that employees can receive more benefits.

It was discovered that the awareness of the possibility for the dependants to obtain compensation in the event of a client meeting with an accident was low and people should be made aware of scheme of this type in the public institutions through brochures or other alternative means

### **Sri Lanka Customs**

Instances of government losing revenue owing to not amending the existing Acts and regulations such as the Excise Tax (Special Provisions) Act and regulations to suit the present requirements were observed. Therefore the existing Acts should be amended in order to avoid the shortcomings and a computer data network that connects the Sri Lanka and other related institutions will pave the way for minimizing the current shortcomings thereby enhancing government revenue.

### **Department of Official Languages**

The Committee which identified that the translators service is one that deserves more recognition than it receives at present recommends that it is a timely requirement to pay more attention to it and establish National Translators Service

### **Department of National Archives.**

It was observed that vacancies of Assistant Directors have not been filled from 2010 to March 2016 and the activities of the institutions have been hampered as staff vacancies have existed over a long period of time (nearly 53% of vacancies)

At instances of this type speedy steps have to be taken jointly by the Director General of Combined Services and the Salaries and Cadre Commission and other relevant institutions and the Minister concerned too should be informed.

### **Department of Export Agriculture**

As more foreign exchange can be earned by paying attention to the foreign demand and diversifying export agriculture accordingly in addition to traditional exports the government must focus its attention to formulate new laws not inconsistent with existing laws. For example, the promotion of the cultivation of wallapatta.

### **Department of Motor Traffic**

Maintaining and storing of files in a very hazard and irresponsible manner, not submitting the relevant documents pertaining to the audit queries of the Auditor General and misplacing of files were observed and the Committee expressed its grave displeasure over it. The Committee was of the opinion that such practices obstruct the audit process and make room for frauds and corruption and irregularities to take place. The 597 files were called for by the Auditor General for inspection and the only 33 files submitted by the Department. (Annexure III)

The Committee discovered that it was impossible for computerized documents of the institutions such as the Department of Customs to be obtained instantly from the Department of Motor Traffic as the E-motoring project initiated at a huge cost has not been expedited resulting in fraudulent activities taking place through the use of forged certificates at the registration of vehicle.

### **Department of Examination**

The overall performance of this department is at a satisfactory level. Computer data programme, future examination plans, utilization of state of the art technology and conducting examinations in a trustworthy manner show a positive progress. The Department deserve appreciation of the Committee in this regard.

### **Valuation Department**

Existence of 34 vacancies in the senior grade posts out of 87 vacancies in the staff of the Department has caused a delay to issue valuation reports and to pay compensation. The Committee paid its serious attention on the delay caused in the national development activities. The Department has been able to maintain its overall performance at a positive level even amidst vacancies for staff.



## The main issues and observations inquired by the meetings of the Committee on Public Accounts in the Year 2016

	Main issues discussed	Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee
<b>Customs Department 09<sup>th</sup> January 2016</b>		
1	Measures taken to recover the tax balance of Rs. 18,865,901,197/- due from state institutions as at 30 <sup>th</sup> July 2015.	The CAO stated that measures have already been taken to recover those dues and such problems will not arise in future with implementation of the proposal of the last budget
2	Granting tax concession to the total tax amount of Rs. 4,362,899/- receivable from a vehicle assembling company for the period 2003-2006 when only Rs. 2,181,449/- had been paid.	The AO stated that total amount due has now been recovered. The Committee directed the AO to submit a detailed report in relation to those recoveries to the Committee.
3	Not recovering the tax amount of Rs.9.02 million to be paid by a company that had imported 269 vehicle chassis on a bank guarantee as excise tax.	The AO stated that arrangements have been made for the relevant tax amount to be remitted to the Customs Department at the time of sale of the vehicles and that there is a case pending before the Supreme Court in regard to the registration of those vehicles.
4	210 staff grade officers have not furnished their statement of assets and liability on due date.	The Committee directed to submit a list of those officers to the Bribery or Corruption Commission.
<b>Department of Motor Traffic 09<sup>th</sup> January 2016</b>		
1.	Regarding the delay of responding to audit queries during the period from February 2013 to October 2015.	The CAO stated that this situation has arisen as there was a practical difficulty in obtaining data as files could not be maintained and stored properly owing to lack of storing facilities. The committee expressed its grave concern over this answer.
2	Misplace of files containing details of 597 vehicles	The committee directed the AO to conduct a ministerial level inquiry against the officers responsible for this, to submit a report in that regard, to the committee before the 31 <sup>st</sup> of January 2016 and furnish the files containing the details of those vehicles to the Auditor General immediately

	Main issues discussed	Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee
3.	Current state of the E-Motoring project and the delay in its implementation.	<p>The CAO stated that this delay was caused owing to the delay in the report of the Technical Evaluation Committee and certain matters of the Procurement Committee. However, the Rs.740 million allocated for this purpose during the period from 2009-2015, was utilized for other purposes of the Ministry by changing the Heads of expenditure.</p> <p>The committee expressed its displeasure over the inefficiency of the Department and directed the CAO to submit a detailed report with dates on how the program is implemented before the 31<sup>st</sup> of January 2016.</p>
4	Corruptions, frauds and malpractices that have taken place at the registration of 5494 vehicles and measures taken against the officers responsible for them.	<p>The CAO/AO stated that the officers responsible for them have been transferred and investigations are going on against them.</p> <p>The CAO/AO was directed to furnish a detailed report in regard to the investigation of those 5494 vehicles before the 31<sup>st</sup> of January 2016.</p>
5	Measures taken by the Department to recover the additional sum of Rs. 37,303,979/- paid to the supplier of new smart card driving licenses.	<p>The CAO stated that the action has been taken to obtain the advice from the Attorney General's opinion regarding the matter. The Auditor General was directed to conduct a fresh investigation in regard to that and report to the Committee.</p>
6.	Steps taken in regard to 5 Prado vehicles registered by paying less duty	<p>The Auditor General explained the Committee that the letter dated 02.01.2016 has been sent informing that the investigations had to be suspended as the Department of Motor Traffic had not referred the relevant files to the Criminal Investigation Department.</p> <p>The CAO/AO stated that the arrangements have been made to blacklist the relevant vehicles and the process of transferring the ownership of those vehicles has been suspended.</p>
7.	The Committee observed that the activities of the Department were at an unsatisfactory level owing to the negligence and inefficiency of the responsible officers.	<p>The Committee emphasized that more attention should be paid to the lack of use of state of the art technology, lack of human resources and inefficiency.</p> <p>The CAO/AO was directed to pay special attention to maintaining the activities of the Department with close coordination with the Auditor General.</p>

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	<b>Main issues discussed</b>	<b>Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee</b>
8.	<p>1.Criteria used in categorizing motor vehicles.</p> <p>2.The number of vehicles registered from 2010-2015 based on those criteria</p> <p>3.The number of driving licenses issued during the period from 2010-2015</p> <p>4.Income and expenditure of the department during the period from 2010-2015.</p>	The CAO was directed to a furnish a comprehensive report in this regard, to the Committee.
<b>Department of Inland Revenue 26<sup>th</sup> January 2016</b>		
1.	It was observed the difference between the estimated and actual revenue from 2010-2014 had shown as an unusual increase	The Committee which was not satisfied with the submission made by the CAO/AO in regard to that, directed the CAO/AO to submit a detailed report on how the difference has occurred.
2	The integrated computer data network between the department and other institutions.	The CAO/AO stated that 23 institutions have been identified to be included in the computer network and that activities pertaining to that, are in progress while the cooperation from certain institutions was unsatisfactory. The CAO/AO was directed to furnish a report on how other institutions cooperate with this and the progress of the present projects, to the Committee
3	The trend of increasing the overdue annual tax with the amount increasing to Rs.210 billion in 2014 and the measures taken to recover those taxes.	The CAO/AO was directed to appoint a Committee to recover those taxes, waive them off settle them within the existing legal framework and take appropriate measures following a study.
4	Reinstating an officer who was accused of misappropriating a sum of Rs. 203,908,352/- from 8 tax files by forging the computer system of the Department and interdicted.	The AO stated that he was reinstated on the recommendation of the Public Service Commission. Even though advance has been paid to the University of Colombo to obtain a computer report in that regard, the report has not been received on the due date. The CAO/AO was directed to submit a comprehensive report with details, to the Committee before the 15 <sup>th</sup> of February.
5	Value added tax of Rs741,604,539/- had not been recovered from a pre-31.12.2009 tax payers as at 04.12.2015 when there was an outstanding tax of Rs. 99,990,865/- from a tax payer, a refund of Rs. 125,449,380/- of value added tax had been made in 2014/2015 with making adjustments for the outstanding amount.	The CAO/AO stated that audit queries in regard to those transactions were not received and arrangements would be made to submit two reports to the Committee, in that regard.

	Main issues discussed	Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee
<b>Excise Department 26<sup>th</sup> January 2016</b>		
1	The Department has failed to reach the targets, number of raids mentioned in the 2015 Action Plan.	The AO stated that they could be able to reach the target after cadre vacancies are filled by the end of March 2016.
2.	There were 416 vacancies in the approved cadre which is 28%.	The CAO/AO was directed to fill the vacancies immediately and report it to the Committee.
3	Declining of the production of hard liquor and excise income in 2012, 2013 and 2014.	The CAO/AO was directed to submit an analytical report on the decline of the production of liquor and the revenue of excise Department in the relevant years to the Committee within a month.
4	Progress of the process of recovering the excise duty of Rs. 1,451,468,886/- outstanding as at 30 <sup>th</sup> June 2015 along with a late fee of 3%.	The AO stated that a case is pending in court against three companies and recoveries are made from one company while other two companies have agreed to reach a consensus.
5	Loss owing to vehicle accident.	The CAO/AO was directed to submit a report to the Committee with regard to the steps taken to recover the losses from the relevant parties
6	Department has failed to implement certain power of the Tobacco Tax Act.	The CAO/AO was directed to analyze the power enshrined in the relevant Act and submit a report in that regard, to the committee within a month.
7.	When preparing the Annual Action Plan of the Department, it was observed that the following functions had not been implemented. -Establishing an automated link between the statics unit of the department and all excise centers. -Implementing a scheme of issuing licences automatically. -Implementing a scheme of -collecting excise revenue automatically. Establishing a mechanism to obtain updated data from the license unit and excise centers.	The AO stated that a Committee has been appointed to look into these matters.
8.	Inspection of hotels approved by the Tourist Promotion Bureau remaining at a weak level.	The CAO/AO stated that this could not be done properly as there were not enough staff grade officers.
9	The Committee paid its attention on the modernization of the computer data system of the Department in order to carry out its functions properly and establishing a link between the Customs Department and Inland Revenue Department.	The Committee pointed out that the computer data system should be modernized and the work can be done efficiently nad accurately by connecting the system with the computer data system of the Customs Department. The CAO/AO was directed to submit a report on the modernization of the computer systems along with time periods, to the Committee within a month.

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	Main issues discussed	Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee
<b>Ministry of Skills Development and Vocational Training 26<sup>th</sup> January 2016</b>		
1.	Paying an excess amount of Rs. 510,000/- in the procurement process of supplying food to 37 Youth Corps centres to the members of the relevant Technical Evaluation Committee and the Procurement Committee contrary to 2.9.1 of the Procurement Guidelines.	The committee directed the CAO/AO to submit report in that regard before 15 <sup>th</sup> February 2016.
2.	Steps have not been taken to recover the sum of Rs. 516,500/- 5 retired public officers as cost of living allowance who were recruited to the Youth Corps on contract basis contrary to provisions of the Public Administration circular.	The CAO/AO was directed to submit a report in that regard, to the committee
3.	The *youth employment network has not been established as separate institution under the ministry by the Gazette Extra ordinary No.1681/03 dated 22 November 2010, but a sum of Rs. 3,550,000/- had been allocated for 2010-2013 for its implementation.	The CAO was directed to submit a report in that regard immediately, to the Committee.
4.	The Ministry spent a total amount of Rs. 647,197,048/- and the *National Youth Council spent Rs. 2,484,303/- out of its allocation for 2015 on the international youth conference held in 2014. The main aims of the Colombo Declaration on youth which was launched as one of the main activities of that conference, had not been included in the Action Plans of the Youth Development Division of the ministry or its affiliated institutions. There was no means of follow up on the achievement of its targets.	The CAO was directed to submit a report in this regard, to the Committee within a month, and the Chairman of the National Youth Services Council was directed to submit a report explaining how the main aims of the Colombo Declaration and the aims of the youth Services Council are integrated.
5.	The *Youth Welfare Fund has been annulled by the Public Security Act of 1994 and is dormant at present and the following misdeeds have been observed in the institution. -Accounts from 1997-2012 have not been submitted for auditing. -Lands with a value of Rs. 8,715,000/- have not been taken over by the National Youth Services Council. -877 units of gold jewellery worth of Rs. 27,502,301/- (valued and unvalued) which were in the custody of the Central Bank by 1996 were not physically present when checked.	The CAO was directed to submit a detailed report in that regard immediately to the Committee.

	<b>Main issues discussed</b>	<b>Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee</b>
6.	It was inquired as to why the land on which the National Institute of Leadership Trainings belonging to the National Housing Authority located and the buildings thereof in Embilipitiya had not been taken over.	The Committee decided to call for a report in that regard.
7.	The progress of the technical stream introduced for the GCE (A/L) examination of government schools was inquired.	The CAO was directed to submit a report to the Committee with details of the institutions which could be made use of and how qualified teachers could be found.
8.	Even though the contract of Rs. 1,579 million had been offered for purchasing equipment for the university which had been proposed to be established under the Skills Sectoral Development Program, equipment worth of Rs.98.57 million only had been received and the Ministry had opted for the national competitive bidding procedure instead of the international competitive procurement systems.	The CAO was directed to present an Action Plan of the proposed university.
<b>Ministry of Education 27<sup>th</sup> January 2016</b>		
1.	Transfers of special education teachers	The CAO informed that the issue had been resolved as measures had been taken by the end of 2016 to recruit primary teachers for special education units. Accordingly, the Committee ordered the following measures to be taken. i. Explore the possibility of making voluntary teachers permanent ii. Addressing the shortage of Tamil medium teachers. iii. Addressing the shortage of teachers in the Western Province. iv. Effecting transfers taking into account the requirements of schools v. Detailed report on the number of teachers required by subject
2.	Current situation of computer software application of the Ministry	The CAO informed the Committee that the development activities of the second phase of the project were handed over to the Moratuwa University and that it was expected to be finalized by the end of 2016. The CAO was ordered to update the computer system and link it up with the databases of the provincial offices and submit a detailed report on the updating of the computer system to the Committee before 12 February 2016.

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	<b>Main issues discussed</b>	<b>Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee</b>
3.	The Committee expressed displeasure over the insufficiency of measures taken against the fraudulent activities committed by the principals of Ananda College- Colombo, Rahula College –Matara and Dharmapala College-Pannipitiya and other persons.	The Committee expressed displeasure over the insufficiency of measures taken in this regard. The CAO/ AO stated that the Public Services Commission had initiated taking disciplinary action by filing charges in respect of several incidents and the Committee ordered a detailed report to be submitted on the investigation conducted by the Auditor General regarding fraudulent transactions and its current situation.
4.	The Committee paid its attention to the introduction of the technical subject stream for the Advanced Level and its continuation.	It was decided to summon the Ministry of Skills Development and Vocational Training.
5.	<p>i. Disciplinary and legal action constituted since 2005 up to now against principals engaged in fraudulent transactions.</p> <p>ii. The Cabinet which granted approval for ‘Mahindodaya’ 1000 school development programme, the report of the Technical Evaluation Committee and its members, timeframe and the amount spent.</p> <p>iii. Prices of computers purchased for laboratories, the recommendation of the procurement committee and the relevant agreements and documents.</p> <p>iv. The schools to which technical stream was introduced, technical laboratories and the number of students in the stream and the plans of the Ministry to promote this stream.</p> <p>v. School buildings, scholarships and number of pianos and other equipment provided by the Korean government.</p> <p>- The current situation regarding the technical institute established at Homagama by the KOICA fund with the cabinet approval.</p>	The Committee directed to submit a detailed report on the above matter to the Committee within a month.
6.	Purchasing computers from E-Wis Company for computer laboratories of schools.	The CAO stated that the relevant company was selected by the Technical Evaluation Committee on the recommendation of the Moratuwa University and the payments were made by the Treasury with the approval of the Procurement Board of the Ministry.  With a view to encouraging local manufacturers, the Cabinet has granted approval to purchase computers with international brand names from local manufacturers.

	<b>Main issues discussed</b>	<b>Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee</b>
7.	Delay in the registration of Sri Sangabo Special Education School at Pasyala and the disclosure of a bribe of Rs 1.5 million being solicited by a certain official for the registration	The CAO said the preliminary activities for the registration of the relevant school had already been carried out. The Committee directed that a report regarding the present situation of this be submitted to the Committee.
8.	Grade five Scholarships amounting to Rs. 57,482,500/- remain unpaid.	The CAO cited the non-receipt of accurate information from schools as the reason for non payment of these scholarships. It was proposed to the CAO to draw up a programme to make these payments without delay and to the convenience of parents.
9.	Addressing the shortage of English medium teachers in national schools.	The CAO informed the Committee that the recruitment will take place within the next 2 months.
<b>Ministry of Lands 27 February 2016</b>		
1	Data on the extent of total lands owned by the government.	The CAO said that a data system had been installed for the management of state lands and the total number of lands belonging to the government was approximately 12 million plots and added that their target was to enter data on 6 million plots of lands under 2016-2020 programme. The CAO/AO was ordered to submit a report on all state owned lands to the Committee before 31 March.
2	Vacancies in the staff.	The CAO/AO said that the Ministry of Public Administration had been briefed on the matter.
3.	Acquisition of lands	The CAO/AO stated that it was difficult to make a statistical analysis in this regard and proposals had been submitted highlighting the need for amending the existing Acts and Ordinances.
4.	Progress in the submission of a Cabinet Memorandum for the distribution of lands to the landless.	The CAO/AO informed the Committee that not final agreement had not been reached towards this end.
5.	Though a provision of Rs. 3,350 million had been received for the 'Bim Saviya' programme from 2008-2012, only Rs 1,980 million had been expended. Though the target of title deeds was 650,000, only 73,328 had been issued.	The CAO/AO said that this was a collective task of several institutions and the target could not be attained due to objections raised by certain parties.
6.	Though the estimated amount for the acquisition of a land for Ratnavali Balika Vidyalaya, Gampaha in 2014 was Rs. 3,250,000/=, an additional sum of Rs. 9,130,742 had been spent	The CAO/AO was ordered to consult the Department of Valuation and report back to the Committee..

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	Main issues discussed	Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee
<b>Department of Immigration and Emigration 28<sup>th</sup> January 2016</b>		
1	Existing staff vacancies in the Department	The CAO/AO stated that the Management Assistant vacancies were existing as sufficient number of cadre was not allocated by the Ministry of Public Administration.
2	Under utilization of capital provisions allocated to the Department	The CAO said that the allocation was fully utilized for the provision of infrastructure facilities to the staff.
3.	Payment of dual visa fees	The AO said that this was as a result of not forwarding visa applications through ETA during the specified period and the forwarding of applications through fake websites.
4.	The display of the logo of the web designer of Electronic Travel Authorization (ETA) on the webpage of the Department in violation of the agreement and the non-recovery of the contracted payment of Rs. 100,000/- despite it being insufficient.	The Committee ordered action to be initiated to review the relevant agreements and report the present situation to the Committee before 01 March 2016.
5.	Preventing foreigners staying in Sri Lanka without visas.	The AO said that the non use of the same passport for the entry and exit by those having dual passports was the reason for this and pointed out that the recurrence of this could be prevented with the introduction of the new inspection system and after the implementation of the promotion programme introduced by the Sri Lanka Tourists Authority. CAO/AO was directed to report on the progress of the programme to the Committee before 01 <sup>st</sup> March 2016.
6.	Despite a policy decision of the government to suspend the dual citizenship visas with effect from January 2011, the issuance of 2053 dual citizenship visas during the year 2014 with the approval of the Defence Secretary.	The CAO/AO said that the approval of the Cabinet of Ministers had been received for the issuance of dual citizenship visas from March 2015.
7.	Though a land had been acquired from Galagedara area in Munuwangoda at a cost of Rs. 3,927,479/= for the construction of a detention centre, the construction activities had been abandoned.	The AO said that that the construction was abandoned due to public protests and a suitable land for this purpose had been identified from Katana area.
8.	Expediting the process of issuing ordinary passports	It was informed to devise a method for this purpose and submit a report on same to the Committee within a month.

	Main issues discussed	Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee
9.	1.2 million stickers prepared at the Government Press for the Visa Division at a cost of R s. 15,456,000/= had been idling for over a year due to the non-availability of a printing machine	The AO said that the sticker printing could be started
<b>Department of Examinations 28 January 2016</b>		
1.	The progress of the methodology introduced for crediting the evaluation allowances of teachers directly to bank accounts which is a matter to which the previous Committee too paid its attention. The Committee paid its attention to the non presentation of the 2014 annual report to Parliament.	The AO stated that the said programme had some flaws and that it would be regularized in future. The CAO/AO was directed to present Annual Report 2014 to Parliament within a month.
2.	It was revealed to the Committee that the evaluation of answer scripts using Optical Mark Reader was faulty.	The AO said that those machines had not been used since 2011 as they were in a run-down condition and had lapsed the three year guarantee period and that measures would be taken to auction and dispose them in the future.
3.	Though money had been spent on the maintenance of Bolawalana training centre, the facility had not been put to any use.	The AO said that the Ministry of Education had been informed that the building had been used for conducting training programmes and that it was in a run-down condition. The CAO said that the possibility the building being used as a teacher training center was being explored
4.	Additional cost had to be borne as a result of holding the Advanced Level Information Technology examination separately.	The AO pointed out that due to certain technical and administrative issues it was difficult to hold the IT examination parallel to G.C.E. (Advanced Level) examination and added that the conduct of the examination separately was convenient to all parties.
5.	Existence of a large number of cheques in respect of three accounts which have exceeded 6 months as at 31 December 2014 and not dealing with them as financial regulations	The AO stating that this matter had mostly been resolved by now and there remained only one account with this problem at present, said that necessary measures would be taken in the future to credit the payments to the relevant bank accounts as well as to prevent the recurrence of such problems.
6.	Method adopted by the Department of Examinations in preparing examination timetables for the coming years.	The AO stated that timetables for school examinations had been prepared for the next five years and the preparation of timetables for other examinations were based on the information provided by such institutions.

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	<b>Main issues discussed</b>	<b>Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee</b>
7.	The adoption of the analysis of the results of school examinations conducted by the Department of Examinations by the Ministry of Education for the process of education, the promotion of subjects and the performance.	The CAO stated that action had been taken to conduct evaluations at the provincial, zonal and school levels on the basis of examination results. The Committee instructed the CAO to carry out the same process through the subject directors and in-service advisors and obtain performance reports accordingly at various levels.
<b>Department of Valuation 09 February 2016</b>		
1.	Of the 87 staff vacancies, 34 were of senior grades.	The AO stated that the recruitments had been referred to the approval of the Public Services Commission. The officials of the Department of Management Services were instructed to initiate action promptly to make available the staff required to make the activities of the Department efficient.
2.	Difference between estimated and actual incomes	The A.O. said that though the initial estimates had been prepared having regard for the problems and practical situations encountered by the Department in collecting revenue, due to the new methods used in collecting revenue, the actual income had posted a growth well over the presumed amount.
3.	Absence of an efficient scheme of work for the recovery of income arrears in respect of 2010, 2011 and 2012.	The AO said that arrears are mainly due from a few state owned institutions including Sri Lanka Airport and Aviation Ltd and the Urban Development Authority. The Committee directed the CAO/AO to initiate measures to recover the arrears and instructed the representatives of the Treasury to take action towards this end.
4.	Computer database system of the Department.	The AO said that an estimate of Rs. 60 million had been prepared for the computer database to be designed for the institution. The CAO/AO was instructed to submit a report to the Committee before 08 March 2016 outlining the objectives of the automating data, estimated cost, the expected efficiency thereof and its expected contribution for the generation of revenue.
<b>Department of Import and Export Control 10<sup>th</sup> February 2016</b>		
1.	The post of Controller General of Import and Export being an Acting Post	The CAO/AO informed the Committee that since the approval of the Cabinet of Ministers had been received for a permanent appointment, a new Controller General would be appointed from 15 <sup>th</sup> February this year.

	Main issues discussed	Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee
2.	The increase of estimated income by 155% in the year 2015 and the balance capital expenditure being 46% of the provisions.	The Committee was of the view that situations could be averted by presenting amended estimates in the middle of the year.
3.	The present situation with respect to issuing permits for importing vehicles as parts. The policy and method in issuing permits for vehicles past the prescribed period, vehicles imported as dismantled parts and the sprits required for manufacturing liquor.	The CAO/AO stated that permits were issued only to UNIMO and MICRO; the only two companies engaged in assembling vehicles for which purpose they had received BOI approval. The CAO/AO stated that permits for materials required in the manufacturing of liquor were issued on the recommendations of the Excise Department, however since there was no institution for making recommendations in respect of vehicles, permits were issued taking into account the special circumstances. The CAO/AO further informed that the issuance of permits for vehicles and vehicle parts had been totally suspended by now and a proper system was being formulated for that purpose with the coordination of the Department of Motor Traffic.
4.	Efficiency of the computer system of the Department.	The CAO/AO said that permits could be issued with increased efficiency and directly link to the Dept: of Customs under the new computer programme and added that they hoped to exchange information with five important institutions including the Dept: of Motor Traffic, the Telecommunications Regulatory Commission and the Excise Dept: using this computer system.
5	System for issuing licenses for drugs and cosmetics	The CAO/AO said that the permits are issued for drugs on the recommendations made by the Authority and pointed out that there was some confusion regarding the institution from which they had to seek recommendations about cosmetics under the new Act.
6.	Prevalence of many issues regarding the quality, standard and healthiness of the imported fruits.	The Committee ordered the CAO//AO to discuss the matter with all relevant parties and draw up a clear programme in this regard and review the process of issuing permits in importing fruits as well as seeds and plants, mineral water etc and were instructed to submit a report within one month to the Committee.
7.	Tax revenue for the government from the sale of foreign liquor	The CAO/AO stated that though there was no definite system in place for the control of foreign liquor, some control could be exercised by using the taxes imposed on them. The CAO/AO added that it had been proposed to devise a new programme for this purpose by the Excise Department in the future using stickers.

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	<b>Main issues discussed</b>	<b>Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee</b>
8.	As taxes do not have to be paid in exporting items from Sri Lanka to India, dried arecanut, brought from Indonesia exporting to India via Sri Lanka	. The CAO/AO said that permits had not been issued for this purpose. The Committee instructed the CAO/AO to regulate all imports and exports and formulate a suitable programme in this regard as these matters come under the purview of the objectives of the Import and Export Control Department.
9.	Vehicles imported under the reward system subsequently being transferred to various parties.	The CAO//AO stated that since these vehicles were not exempted from duties, permission had only been granted to mortgage them to the banks having considered the requests made by relevant parties. The Committee proposed that such processes should be subject to a follow up after the issuance of permits. Further, the Committee instructed the CAO//AO to formulate a suitable policy and a regulatory mechanism with the involvement of all parties connected with this process and to connect those institutions through a computer networking application.
<b>Divineguma Development Department 11<sup>th</sup> February 2016</b>		
1.	Existence of a number of vacancies in the approved cadre	The CAO/AO stated that steps would be taken in the coming week to secure the approval for the recruitment procedure of Samurdhi Managers and as the recruitment of Samurdhi Development Officers had already been approved, their recruitment could be finalized within the next three months. The CAO/AO was directed to submit a report in this regard with relevant timeframes to the Committee within a month.
2.	Failure of the coir flower vases project, Hettipola implemented in the year 2004 and missing assets.	The CAO/AO said that investigations were being conducted by the Criminal Investigations Department and that an onsite inquiry was launched.
3.	Of the sum of Rs. 230 million granted to a leasing company to provide leasing facilities to Samurdhi employees, recovering Rs. 24.3 million which was to be reimbursed in installments.	The CAO/AO stated that action was being taken to constitute legal action and the Attorney General's advice too had been obtained in this regard.
4.	The Committee inquired about Rs. 2,809,567/= that remained to be recovered out of Rs. 4,005,000/= misappropriated by 19 officers of the Nuwaraeliya Samurdhi Bank.	The CAO/AO stated that all officials involved in the fraud had been dismissed and Rs. 6.9 million of this amount had been recovered and a case had been filed in the Nuwaraeliya Magistrate's court to recover the remaining amount of money.

	Main issues discussed	Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee
5.	Progress of the cases pending in the court about the misappropriation of Rs. 3,789,500/= by 23 officers of the Padiyapelalla bank Union	The CAO/AO stated that a case in this regard had been filed in the High Court, Colombo and that money was being recovered and added that the matter had also been referred to the Attorney General's Department. The CAO/AO was directed to conduct a follow-up in this connection and submit a report to the Committee.
6.	The Committee observed the non-receipt of benefits in respect of Rs. 1,240,000/= invested in 2004 in Sigiri Samurधि Steels Pvt Ltd and ADX Samurधि Pvt Ltd.	The CAO/AO said that it had been difficult to trace the place from which ADX operated. The CAO/AO was ordered to initiate action to constitute legal action against the company
7.	The Committee inquired about the progress of the legal action initiated to recover a loan of Rs. 28 million granted to a private entity to construct a garment factory at Hanguranketha and expenses amounting to Rs. 2.5 million.	The CAO/AO said that it was informed by the Attorney General that there was no possibility of filing suit under the civil law. The CAO/AO was ordered to seek advise again from the Attorney General and to report back to the Committee after conducting an internal inquiry
8.	The Committee made inquiries about the use of a land obtained on lease of Rs. 31,300,000/= in 2004.	The CAO/AO said that preliminary discussions were in progress with the Urban Development Authority for the construction of a Divinegama administrative complex on the said land.
9.	The Committee made inquiries about the non-auditing of the final accounts of the four institutions that were merged in establishing the Divinegama Department. There was no confirmation that the fixed assets had been properly acquired.	The CAO said that the survey of assets was conducted and acquired to the Department using several other documents as per the schedules indicated in final accounts as the other two departments and the two authorities except for the Samurधि Authority had not been properly maintained. He added that a separate accountant had been appointed to look into the assets documents and take necessary action. The Committee ordered the CAO/AO to discuss the entire process of acquisition of assets and liabilities of the institutions brought under the purview of the Divinegama Department with the Attorney General and prepare liquidation accounts and submit a detailed report thereof to the Committee within a month.
10.	Purchasing 32,976 galvanized pipes to the value of Rs. 36,509,127/= for a purpose outside the purview of the Department.	The CAO/AO stated that the relevant payment was made from the capital provisions allocated by the Ministry of Economic Development to meet the expenses of the Divinegama Department
11.	Spending Rs. 54.02 million on six occasions for printing purposes by the Department of Divinegama outside the Financial Regulations.	The CAO/AO was ordered to conduct an internal inquiry in this connection and consult with the Auditor General and submit a report with ministerial level observations.

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	<b>Main issues discussed</b>	<b>Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee</b>
12.	The Committee inquired about the payment of Rs. 5,040,000/= to media institutions by the Divineguma Department on the instructions of the Secretary for two propaganda videos produced by the Ministry of Economic Development on the construction of 1210 rural bridges.	The CAO/AO stated that these activities had taken place under the rural bridge construction project of the Ministry of Economic Development. The CAO/AO was ordered to conduct an inquiry into this and report to the Committee.
13	A sum of Rs. 707,625 had been paid to an advertising firm for three TV spot advertisements without the approval of the Procurement Committee of the Department and the Committee observed that measures had not been taken to air these advertisements	It was stated that the payment had been made under the head of expenditure of the Ministry of Economic Development on the instructions of the Secretary of the Ministry The Committee ordered the CAO to conduct an internal inquiry at the ministerial level regarding the matter.
14.	<p>The Committee focused attention on the following issues.</p> <ol style="list-style-type: none"> <li>1. Purchasing water containers to the value of Rs. 106,873,148/= without inviting bids and without the approval of the Treasury.</li> <li>2. Spending Rs. 2,402,400/= on printing forms to gather information in order to introduce a life insurance scheme and a pension scheme for three-wheeler drivers.</li> <li>3. Conducting Divineguma federation in violation of the provisions of the Act and spending Rs. 16,629,435/= on infrastructure facilities and Rs. 1,954,300/= on the publicity of the convention.</li> <li>4. Audit not confirming the spending of Rs. 29,400,000/= for printing and distribution of 5,000,000 almanacs.</li> <li>5. Non-reimbursement of Rs. 833,237,615/= paid as compensation and gratuity to 826 employees who left the service to Divineguma Community Based Banks.</li> <li>6. Purchasing roofing tiles to the value of Rs. 976,734/= outside the procurement process to be distributed among low income earners.</li> </ol>	The Committee instructed the CAO/AO to consult with the Auditor General and submit a report within a month.

	Main issues discussed	Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee
	<p>7. Payment of Rs 2,992,777,500/= from the funds of Divineguma community based banks under the ‘Isurumath Nivahanak” programme to families receiving subsidies without approval and the payment of Rs. 997,476/= for publicity.</p> <p>8. Not taking action to convert the Social Security Fund into a statutory fund which is subject to the audit of the Auditor General</p> <p>9. Not taking action hitherto to establish Divineguma Community Based Banking Union as per the Divineguma Act.</p> <p>10. Investments made using compulsory savings of Samurdhi beneficiaries, the fund and reserves of the financial sector of the banks without the written agreement of the Treasury or the Department of Samurdhi Commissioner General</p> <p>11. Purchasing roofing tiles to the value of Rs. 9,769,734/= outside the procurement process to be distributed among low income earners.</p> <p>12. Payments being made outside the procurement procedures for the establishment of the Head Office of the Divineguma Development Department</p> <p>13. Not preparing reconciliation statements in respect of the official bank account of the Department.</p>	
15.	<p>Social security fund not being subject to audit and the absence of adequate legal provisions for its auditing.</p>	<p>The Committee proposed that certain amendments have to be made to the Act in that regard.</p> <p>The CAO said that a decision had been made to consult with the Auditor General and identify an audit company and carry out the audit through them after the meeting of the Board of Trustees.</p>

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	<b>Main issues discussed</b>	<b>Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee</b>
<b>Ministry of Education (re-summoning) 12<sup>th</sup> February 2016</b>		
1.	Progress in the introduction of technical subject stream to Advanced Level.	<p>The Committee was of the opinion that the absence of proper coordination between the Ministries of Education and Vocational Training had given rise to problems though a joint programme had been drawn up and financial provisions allocated at the ministerial level. The CAO was instructed to formulate a proper plan for engineering technology in consultation with the Ministry of Skills Development and Vocational Training since there are adequate teachers at present for Bio systems and Technology subject streams.</p> <p>The Committee queried the CAO as to the measures taken by the Ministry of Vocational Training for those who had passed the GCE advanced level but failed to gain entry to universities. The CAO said that NVQ Level 5 courses had been commenced for those who had passed the GCE (A/Level) and NVQ Level 4 courses for others. The Committee directed that a proper programme be formulated jointly by the two ministries.</p>
2.	Computerization of the activities of the Ministry of Education	<p>The CAO said that the second phase of the computerization process had been completed by then and when it was revealed that data pertaining to teachers had still not been entered to the system. The Committee expressed its displeasure over the inordinate delay in that regard. The Committee while stressing the importance of a computer system with data of teachers as well as students, instructed the CAO to draw up an action plan for that purpose and submit a report on the functioning of the current computer system.</p>

	Main issues discussed	Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee
3.	Demolishing seven storied building of Ananda College, Colombo.	The Committee queried as to who ordered the dismantling of the building which could have been conserved and used for a further period of time. The Committee further inquired whether the approval of the Building Research Institute, Central Engineering Bureau or any other institution had been obtained for the demolition of the building. The Committee also directed that a detailed report be submitted on any inconveniences faced by students as a result of the demolition of the building and whether there had been a sale of discarded materials. The Committee also queried whether the funds collected over the past 2 years for purchasing a generator had been deposited in an account of a student society and instructed a report be submitted in this connection as well.
<b>Kurunegala District Secretariat 12<sup>th</sup> February 2016</b>		
1.	Availability of deposits amounting to Rs. 32 million for over two years in the general deposit account and not dealing with this amount as per financial regulations.	The CAO/AO said that Rs. 70 million was available in that account to be used for development of sections of roads which remained undeveloped during road development. The Committee ordered the CAO/AO to take measures to discuss the matter with the Provincial Road Development Authority and complete the work and he was also instructed to submit a report to the Committee in this connection within two weeks with specific timelines.
2.	The Committee inquired about the steps taken to recover the outstanding balances in Advance B Account of the Public Officers	It was stated by the C.A.O./A.O. that action would be taken to recover those loans and that the said situation had emerged as a result of death of debtors, vacation of post, interdiction etc. The Committee directed to take action to recover any amounts due through institutional measures and legal measures, irrespective of the reason.
3.	Provision to Farmers Company, Hiriya in 1999 under a 30 year lease system, funds, machinery and equipment worth Rs.17,383,481/= under Jathika Saviya Gama Neguma project, buildings and infrastructure facilities worth Rs.55,618,000/= transferred by the Board of Investment and the land of approximately 75 acres purchased by the Ganewaththa Divisional Secretariat by paying Rs.37,621,110/= to the Land Reforms Commission.	It was stated by the C.A.O. /A.O. that a seed paddy production programme and two rice mills were in operation in that project at present.

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	<b>Main issues discussed</b>	<b>Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee</b>
4.	The Committee inquired about the felling of 111 teak trees worth Rs.6,386,867/= on the said land, even though permission had been requested from the District Range Forest Officer through the Divisional Secretariat to fell and transport 93 teak trees.	As government supervision becomes mandatory with the bearing of a cost of around Rs.80 million, the C.A.O/A.O. was directed to summon all the parties in collaboration with the Ministry of Development Strategies and International Trade Affairs, Ministry of Finance, Ministry of Home Affairs and the Board of Investment and put up a programme in place to facilitate government supervision of the provision of funds to the said Company and its current operations.
5.	In implementing development programmes with relevance to 2014 as per the Circulars of the Ministry of Economic Development, continuation of 1416 projects with respect to the 30 Divisional Secretariats was questioned by the Committee.	It was stated by the C.A.O/A.O. that the relevant Circular had been revised for 2015.
<b>District Secretariat- Kandy 23<sup>rd</sup> February 2016</b>		
1.	Only Rs.2.1 billion has been spent out of the provisions amounting to Rs.4.3 billion provided to the District Secretariat in 2015 through 43 Ministries.	The C.A.O./A.O.stated that the balance as of 31.12.2015 was less than the said amount, monthly reviews in relation to funds received from Ministries were done with the relevant officer in charge of the subject, funds had been received from only two Ministries by the end of December and that the inability to spend such funds had been informed to the relevant Ministries. The Committee directed the CAO/AO to submit a report to the Committee in that regard.
2.	The Committee enquired about the progress in the recovery in installments the outstanding amount of Rs.3, 971,687/= out of the advance paid to the Co-operative Society of Minipe for purchasing paddy.	The CAO/AO stated that Rs. One million had been recovered by then together with the amounts outstanding in 2015 and that the balance amounting to Rs. 2.791 million was being recovered in installments of Rs.30, 000/=.
3.	Not recovering the loss of Rs.360,435 incurred as a result of a vehicle accident in 2008	It was stated by the CAO/AO that there was a problem with respect to verifying the information about the accident and it had been referred in writing to the Director of Public Finance seeking advice. The CAO/AO was directed by the Committee to submit a report in that regard within one month.

	<b>Main issues discussed</b>	<b>Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee</b>
4	Rs.15, 652,320/= has been utilized for 24 projects such as construction of buildings, access roads and bridges of the Bio diversity Complex, Ambuluwawa, instead of projects that must be implemented for infrastructure development for the rural people.	It was stated by the CAO/AO that the said funds had been approved under decentralized provisions, the relevant approvals had been obtained at the district coordinating committee meetings and that all relevant work had been completed. The CAO/AO was directed by the Committee to submit a report in that regard within one month.
5.	The existence of a balance of 46% or Rs.1, 270,651/= out of the provisions allocated for the programme of providing a glass of fresh milk for school children.	The problematic situation that had emerged in relation to that programme was explained by the CAO/AO. The CAO/AO was directed by the Committee to use an alternative method like kolakenda instead of a glass of milk by working with the Ministry of Health and the Ministry of Women and Child Affairs.
6.	The progress in relation to the provision of nutrition allowance to pregnant mothers not being satisfactory.	The CAO/AO informed the Committee that the said situation had come up owing to reasons such as failure to come forward within the relevant period ,stamps becoming invalid etc. and that that the stamps were returned to the Ministry.
7.	The Committee questioned about the Vocational Training Centre constructed in a land belonging to Uduwara Divisional Secretariat spending Rs.1,500,000/= under the decentralized funds in 2005 being kept closed without using.	It was stated by the CAO/AO that the said project had not been completed and it was possible to complete it subsequent to allocation of funds under the decentralized fund again.
8.	The amount of Rs.1,448,286/= received as compensation for the 20 perch plot of land acquired by the National Water Supply and Drainage Board for the construction of a water tank being kept in the general deposit account without spending it for the said purpose.	The Committee was informed by the CAO/AO that another land had been requested as the earlier one was not suitable, a request had been made from the Department of Valuation to assess the land and send a valuation report and that the relevant work could be commenced subsequent to the receipt of the valuation report.
9.	The Committee inquired about the government quarters for the Additional District Secretary of Kandy which had been released for a period of six months for the use of Sri Lanka Corps of Military Police not being handed back.	It was stated to the Committee by the CAO/AO that they had been informed that the relevant house would be handed back on 16 <sup>th</sup> of April of that year.

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	Main issues discussed	Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee
<b>Department of Prisons 24<sup>th</sup> February 2016</b>		
1.	The Committee observed that a large number of vacancies existed in the Department and questioned specially about the existence of 50% vacancies for senior level officers and also questioned about the overtime payments that had to be made to the current staff as a result of that shortage.	It was stated by the CAO/AO that action was being taken to fill the vacancies and that Rs.300 million had to be paid annually as overtime payments. The CAO/AO was directed by the Committee to reach a speedy solution about the filling of vacancies after discussions with the Ministry of Finance and to submit a report to the Committee regarding the action taken accordingly.
2.	It was observed by the Committee that a balance of Rs.7,069,572/= remained in the general deposit account though that money should have been settled or credited to the government income by 31 <sup>st</sup> December 2015.	It was stated by the CAO/AO that action was being taken to open an account according to specific purposes and credit the other funds to the government income as per the advice received from the Treasury.
3.	The Committee questioned about the amount of Rs.62, 273,889/= to be recovered in the Commercial Advance Account and the measures taken to settle that.	The CAO/AO informed the Committee that a proper arrangement had been made to recover the said amount.
4.	Crediting the income received through the renting of Mahara prison playground to an account of the Sports and Welfare Society in violation of Financial Regulations.	It was stated by the CAO/AO that money required for sports activities of the Department of Prisons was provided with the money received for the playgrounds and the Sports Society as no funds were received from the Treasury for that purpose. The CAO/AO was directed by the Committee to obtain the approval of the Treasury for that.
5.	The Committee questioned about the rewards fund with a balance of Rs.23 million.	The CAO/AO informed the Committee that the rewards fund had been set up under the Prisons Ordinance and that action would be taken to seek the advice of the Treasury regarding the proper maintenance of that fund.
6.	On 23 <sup>rd</sup> September 2011, when the Additional Superintendent of Welikada prison was travelling home using a vehicle belonging to the Department without approval, an accident has occurred and a loss amounting to Rs.400, 000 has been incurred. No action has been taken to recover the amount though 4 years have lapsed.	The CAO/AO informed the Committee that the final report of the inquiry had been received, action had been taken to recover that amount from the Superintendent and that steps had been taken by the Administrative Commissioner to conduct a disciplinary inquiry. The Committee directed the CAO/AO to submit a report in that regard.

	<b>Main issues discussed</b>	<b>Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee</b>
7.	The Committee inquired about the non implementation of the five year plan to expand the space available at prisons, regulate the rehabilitation process and utilize for urban development the urban lands with commercial value where prisons are located by relocating them under the Prison Reforms Process.	It was stated by the CAO/AO that no specific decision had been taken up to then about relocating the prisons.
8.	The Committee also paid attention to the importance of detaining prisoners after classification and conducting health camps	
9.	That attention should be paid to making a payment for the goods produced by prisoners in recognition of their labour.	The AO was directed by the Committee to pay attention to the said matter.
10.	It was observed by the Committee that there were problems related to the quality of the goods purchased by the Department of Prisons	It was stated by the CAO/AO that measures were being taken at that time with experts' advice to purchase goods of high quality for the Department.
<b>Department of Railways 25<sup>th</sup> February 2016</b>		
1.	Being overstaffed by 1588 without approval and filling of vacancies.	The CAO/AO informed the Committee that a recruitment procedure had been prepared on Cabinet approval and submitted for the approval of the Public Service Commission. The CAO/AO was directed to submit the recruitment procedure with the date of appointment, in the form of a report including a time frame.
2.	The Committee observed that the method of making overtime payments to the employees of Sri Lanka Railways was in contravention of the provisions of the Establishment Code.	It was stated by the CAO/AO that making overtime payments to the employees of Sri Lanka Railways was done in accordance with the Railway Departmental Instructions. The CAO/AO was directed to inform the Committee about the institutions and officials from whom approval had to be obtained for payment of overtime.
3.	Existence of an outstanding amount of Rs.1, 277.32 million in revenue through warrants as of 31/12/2014.	The CAO/AO was directed to recover the outstanding revenue and to submit a report to the Committee before the 23 <sup>rd</sup> of March regarding the action taken in that respect up to then. The CAO/AO was directed to devise a suitable programme in order to recover the dues in consultation with the Ministry of Finance..
4.	In 2014 and 2015 Station Masters have cashed 2,691 personal name cheques worth Rs.41 million out of the daily income received by railway stations.	The CAO/AO informed the Committee that steps had been taken to resolve the said situation.

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	<b>Main issues discussed</b>	<b>Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee</b>
5.	The Committee inquired about the total outstanding revenue of Rs.98.30 million by 2014 which comprised of Rs.74.67 million from 13 institutions in 2014 and Rs.23.63 million from 32 institutions from 1980 up to the end of 2013, due for transportation of goods by train.	The CAO/AO informed the Committee that the outstanding revenue was Rs.29 million, that the other outstanding amounts had been fully paid and that the outstanding revenue before 2010 was Rs.20 million.
6.	It was disclosed that out of the 13,980 acres owned by the Department of Railways, 8,616 acres had been used for railway lines, office buildings and warehouses and the rest had been leased out to reserves and various other parties. The measures taken regarding the weaknesses in land and building utilization were inquired by the Committee.	It was stated by the CAO/AO that there were plans with respect to the existing extent of land and that a land area around three times greater than the extent of land leased out was occupied by unauthorized persons. The Committee ordered the submission of a report in that regard immediately after the completion of computerizing the data.
7.	In considering the imposition of speed limits, an increase of 80 speed limits in 2015 compared to the speed limits in 2013.	It was stated by the CAO/AO that the railway lines needed to be improved to reduce the number of speed limits and that plans for the said purpose had been prepared.
8.	Even though the computer network for 141 main railway stations had been introduced from 2010 for train ticket reservations on a joint agreement between the Department of Railways and Mobitel Pvt. Ltd., it was operational only at 40 railway stations.	The CAO/AO informed the Committee that facilities for reserving tickets over the mobile phones had been established at nearly 50 railway stations. The Committee advised to introduce a pre paid system for that and to make improvements considering the practical conditions that prevailed
9.	It was observed by the Committee that 13 train engines had been under repairs at Ratmalana Mechanical Engineering Workshop for over a year.	The CAO/AO informed the Committee that there were great difficulties in obtaining spare parts for repairs as the train engines were of highly advanced technology.
10	The Computer programme	The CAO/AO was directed to submit to the Committee before 20 <sup>th</sup> March 2016 a report on the computer programme due to be implemented by the Department together with the time frame
<b>Employees' Provident Fund 26<sup>th</sup> February 2016</b>		
1.	Internal auditing of this fund amounting to approximately 1.6 trillion being done by the Central Bank through a private company, lack of sufficient security in investing funds and internal auditing of the Department of Labour also being insufficient.	. The CAO/AO informed the Committee that action was being taken to alleviate the shortcomings in internal auditing and conduct it in a proper and regular manner.

	Main issues discussed	Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee
2.	Money received for the Fund from different institutions is kept in a general deposit account without crediting such money to the accounts of the beneficiaries. Accordingly, the Committee observed that the balance in that account by 31 <sup>st</sup> December 2015 was approximately 3.5 billion. Continuous maintenance of that account without settling it.	It was stated by the CAO/AO that there were difficulties in separately identifying those sums, that it was not possible to settle the balance in that account totally as money got credited to and debited from it all the time and that steps had been taken to strengthen the administrative activities to credit those moneys to the relevant accounts speedily.
3.	Investing the money from the Fund to construct an administrative building and the current situation with respect to reimbursing that money.	The CAO/AO informed the Committee that Rs.1482 million had been reimbursed by the Treasury by then and that steps would be taken to obtain the full amount.
4.	PAYE tax on the salaries of the officers attached to the Fund from Central Bank is paid from the Fund without deducting from their salaries but the same procedure was not followed with respect to the officers of the Department of Labour carrying out work of the same Fund.	. It was pointed out by the Governor of the Central Bank that there was a grey area in that respect which called for correcting the methodologies adopted. The Secretary to the Ministry of Labour was directed by the Committee to have discussions with the Secretary to the Ministry of Finance for making necessary arrangements as those methodologies had to be corrected and updated in line with the Public Finance circulars .He was further directed to submit a report to the Committee about the payment of PAYE tax.
5.	Investments done by the Fund in two Companies (P.C. House and Green Elevators) incurring losses	The CAO/AO informed the Committee that a total loss of around Rs.42 million had been incurred through those investments
6.	The Committee inquired about the decision taken as per the 2014 budget proposals to pay a bonus of Rs.06 billion.	It was pointed out by the Governor of the Central Bank that continuing that method of payment involved difficulties. The Committee which advised the drafting of a proper plan for the coming 10 years to continue the affairs of Employees' Provident Fund through a combined effort of all the relevant institutions, emphasized that the affairs of that Fund would be investigated by the Committee on Public Accounts annually.
7.	Information Technology process of the Fund	The Committee recommended looking into the possibility of forming a combined computer programme with the involvement of the Office of the Commissioner of Labour and the Central Bank without compromising the information of the Central Bank.

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	Main issues discussed	Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee
<b>Ministry of Sustainable Development and Wildlife 08<sup>th</sup> March 2016</b>		
1.	New role of the Ministry of Sustainable Development and Wildlife	The CAO stated that Ministry of Sustainable Development and Wildlife had been established with a new institutional structure and direction and explained the strategies adopted by the Ministry to achieve its vision and mission.
<b>Department of Wildlife Conservation 08<sup>th</sup> March 2016</b>		
1.	Failure to fully implement 5 activities under nurturing habitats for wildlife included in the Action Plan of 2015 and using for other projects the sum of Rs.750,000/= allocated for 09 activities under establishment of the network of protected areas.	The CAO/AO stated that the said activities could not be completed due to inclement weather conditions and that the money allocated for those activities had been invested in other projects.
2.	Irregular responding to audit queries.	The CAO/AO was ordered to respond to the audit queries within the due time frame as it was a mandatory requirement.
3.	Existence of a large number of vacancies in the staff	The CAO/AO stated that requests had been submitted to the Ministry of Public Administration with respect to the vacancies for Staff officers and that provisions had been requested for the filling of other vacancies. He also stated that the Ministry was preparing plans to increase the cadre.
4.	The current situation in relation to the damages worth Rs.1.4 million caused to 14 vehicles owned by the Department.	The CAO/AO stated that investigations were under way in that regard. The CAO/AO was ordered to submit a detailed report in that regard within one month.
5.	Not commencing the work of the project to construct the living quarters for the staff, office of the Conservator of Forest and living quarters for the labourers in Mannar, even though Rs.1,933,200/= had been paid as an advance.	The CAO/AO informed that the work could not be completed as a result of the pressure exerted on the activities of the project by external parties and that the contractor had agreed in writing to carry out the work with that year's money according to the estimates of the previous year. The CAO/AO agreed to submit a report to the Committee in relation to that.
6.	It was observed during the audit that 22 elephant calves were in the illegal custody of various businessmen, devalas and temples	The CAO/AO informed the Committee that the Criminal Investigations Department had conducted investigations and obtained court orders for 37 elephants and tuskers, 32 out of them had been taken into the custody of the Department of Wildlife Conservation, steps had been taken to take over another three elephants and that investigations would be conducted again about one elephant

	<b>Main issues discussed</b>	<b>Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee</b>
7	Displacement of a register of elephants as the internal controls process implemented by the Department with relevance to the registration of elephants, specially the measures taken in relation to the safety of documents, had been very weak.	The CAO/AO stated that investigations were underway in that regard and that there was a possibility of obtaining the report on that investigation by the end of March.
8.	Progress in the construction of the electric fence at Horowupathana.	The CAO/AO informed the Committee that the said project had been completed.
9.	Failure to take necessary action with respect to the Hakgala Strict Nature Reserve to prevent 116 encroachments in the area belonging to Nuwara Eliya district and 103 encroachments in the area belonging to Badulla district.	It was stated by the CAO/AO that a committee had been appointed under the Government Agents and that steps would be taken to act according to those committee reports. The CAO/AO was directed to submit a report to the Committee in that regard.
10.	During the audit, verification of facts regarding the manner in which license fees under Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) has been decided, not being possible.	The CAO/AO informed the Committee that the said situation had arisen as regulations had not been made for that Act and that the work was nearing completion. The CAO/AO was directed to submit a report to the Committee regarding the whole process.
11.	The current situation in relation to using a new road within Wilpattu National Park, from Eluwankulama, Kala Oya to Kondachchikuda.	It was stated by the CAO/AO that the said road had been constructed for security measures by the Navy, that cases had been filed in the Supreme Court by 04 nongovernmental organizations in that regard and that further action regarding the said road would be taken based on the ruling given. The CAO/AO was directed to submit a report to the Committee in that regard.
12.	Even though Rs.4, 574,919/= has been spent for the construction of a centre to tame wild elephants and a platform for landing elephants, the centre remaining inactive.	The CAO/AO was directed to submit a report to the Committee in that regard without delay.
<b>Department of National Zoological Gardens</b> <b>08<sup>th</sup> March 2016</b>		
1.	An internal audit unit has not been established by the Department even by 2016.	It was stated by the CAO/AO that one officer of the internal audit branch of the Ministry had been attached for the internal audit unit, cadre had been approved but recruitment had not been completed as there was a shortage of accountants and that measures would be taken to strengthen the internal audit unit within one month.

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	<b>Main issues discussed</b>	<b>Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee</b>
2.	Current situation regarding the obtaining of advice from the Department of the Attorney General about the loss amounting to Rs.4,075,500/= to be recovered from the contractor in relation to reducing the monthly rent of the main restaurant of the zoological gardens by 50% and about the appointment of a special officer to investigate the said matter.	It was stated by the CAO/AO that advice from the Department of the Attorney had not been received up to then despite the requests made on three occasions and that the special officer appointed had sent a letter declining the appointment. The CAO/AO was directed to submit a report to the Committee in that regard before 15 <sup>th</sup> of April 2016 subsequent to a direct investigation conducted by the Ministry in this regard.
3.	Current situation of the construction work at the Safari Park at Hambanthota.	The CAO/AO informed the Committee that it was planned to be opened on 27 <sup>th</sup> March 2016.
4.	The Safari Park at Ridiyagama which is under construction and the new Zoological Garden at Pinnawala ,Wagolla with its first stage completed are under the Department of National Zoological Gardens but not included in the Act.	The CAO/AO informed the Committee that National Zoological Gardens Act had been amended and the said park too had been included after the establishment of the new Ministry.
5.	Non utilization of the funds allocated to construct the Aquarium at Wattala	The CAO/AO stated that the relevant land belonged to the Department of the Public Trustee and that it had not been transferred to the Department of Zoological Gardens. The CAO/AO was directed to submit the relevant plans to the Ministry of Megapolis and Western Development for the provision of suitable land, in case such a land was available.
6.	No action has been taken to acquire land required for the construction of the new Zoological Garden at Pinnawala ,Wagolla, although 13 acres of land had been identified	The CAO/AO stated that the acquisition of the said lands was underway.
7.	Even though the aim was to construct the new Zoological Garden at Pinnawala in line with the international standards, failure to prepare an acceptable primary plan and a detailed plan for proposed total area of 104 acres	The CAO/AO informed the Committee that a rough plan had been prepared for the time being and that action would be taken to prepare a comprehensive plan subsequent to the acquisition of land.
8.	Even though 16.45 hectares had been acquired in 1998 from the agricultural farm at Wagolla under the Department of Agriculture, for the construction of Wagolla Zoological Garden, 4.15 hectares out of the said land has not been utilized for any development purpose even by the end of 2012.	The CAO/AO stated that the relevant land belonged to the Department of Agriculture and that a suitable land had not been found for the Department of Agriculture up to then though it requested another land as the Zoological Garden was constructed on the said land.

	<b>Main issues discussed</b>	<b>Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee</b>
9.	It was observed that the total cost of demolishing and removing the Pinnawala open air Zoo including the cost of raw material, consultancy fees and the futile expenditure of Rs.9,466,569/= charged for demolishing and removing, came to Rs.985,576,787/=.	The CAO/AO informed the Committee that after coming under the Ministry of Economic Development, instructions had been received to change the plan drafted under the former Ministry and that the plan had been changed accordingly.
10.	The estimated cost of the tank construction project in the Hambanthota Safari Park was Rs.9,209,900/= and even though Rs.493,000 had been spent for surveying purposes for the construction of 09 tanks, work has been suspended due to insufficiency of the catchment area to obtain water for one tank that had been completed.	The CAO/AO stated that two tanks had been completed, the tank beds had to get seasoned for retaining water and the tanks had been filled with the water obtained from Walawe river for the said purpose and that it would be possible to hold rain water after that
11.	Even though a feasibility report for the Hambanthota Safari Park had been obtained by the Department of National Zoological Gardens, no mention has been made in those reports about the threat of wild elephants and the safety electric fences have been destroyed by the wild elephants.	The CAO/AO stated that a feasibility report had been submitted, plans had been made to construct an electric fence and a special concrete wall and that the special concrete wall had already been completed.
12.	The balance in the Advance Account of the Public Officers was Rs.3, 321,890/= as of 31 <sup>st</sup> December 2014.	The CAO/AO stated that advice had been sought from the Attorney General to recover the relevant amounts, legal action had been taken in relation to some officers and that steps had been taken to recover all the amounts.
13.	The Committee observed that the number of still births and neo natal deaths remained at a considerable level at the Dehiwala Zoological Garden according to the information provided to the Committee.	The CAO/AO stated that the number was not that great when compared to the death of animals in zoos around the world and also that various steps were being taken to minimize that number. It was stated by the CAO/AO that raw material like polythene had been banned and that action would be taken through a circular in due course to prevent the use of polythene totally.
14.	It was observed by the Committee that sufficient research had not been conducted during the seven year period from 2009 to 2015 while there were 5 Research Assistants serving in the Department.	The Chairman directed the CAO/AO to submit to the Committee the list of researches planned for 2016. The CAO/AO was directed to prepare a primary plan for the Department of National Zoological Gardens with relevance to 5 years and set targets accordingly.

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<b>National Botanical Gardens Department 08<sup>th</sup> March 2016</b>		
1.	Ability to use in Sri Lanka the technology used in Dubai for horticulture.	C.A.O/A.O stated that a huge capital has to be utilized for it. Hon. Chairman gave a directive to the C.A.O/A.O to prepare a plan with regard to the above concept and on how to develop the botanical gardens such as Gampaha and submit the said plan to the Committee.
2.	Current situation with regard to the filling of vacancies before the end of the year.	The C.A.O/A.O stated the following facts;The vacancies which can be filled at departmental level have been filled, the relevant institutions have been informed with regard to the filling of vacancies in all island services and combined services and steps have been taken to fill the vacancies in the Scientific Service.
3.	Current situation of the acquisition of 69 hectares in Haggala Botanical Garden by squatters.	C.A.O/A.O stated that the aforesaid lands are located in Nuwara Eliya and Welimada Divisional Secretariat Divisions and a Committee has been appointed through Divisional Secretaries and action has been taken to take necessary steps through the aforesaid Committee. C.A.O/A.O was directed to submit a report of it to the Committee.
4.	Underutilization of “ Meegalawa Haritha Piyasa” Training Centre.	C.A.O/A.O stated to the Committee that it is being improved as a nursery at present and its building is being repaired and after that it could be used to run a training centre for flower growers.
5.	A sum of Rs.1,053,900/- received as lease income for a canteen which had been run in a building which belongs to Haggala Botanical Garden during the period from August 2007 upto July 2013 had been credited into the fund of the Employees Welfare Society without it being credited into the Consolidated Fund of the government and only the sum of Rs.270,000/- received as the lease income subsequent to the aforesaid date has been deposited in the Common Savings Account.	The Committee mentioned that the total income received as lease rentals has to be credited into the income of the government and the Treasury has to be consulted in this regard and the C.A.O/A.O was directed to submit a report in this regard.

	Main issues discussed	Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee
6.	Not being able to utilize the newly constructed access road to the Gampaha Botanical Garden along with its gate and the ticket counter which had been constructed at a cost of Rs. 2,399,315/- due to the fact that the proposed bridge to have access to the aforesaid Botanical Garden was not constructed within the year under review.	The C.A.O/A.O informed the Committee that this situation had arisen due to the objections made by the Department of Irrigation and a plan will be made for it in the future as approval has been granted for it by now.
7.	Strategic measures undertaken to attract tourists to visit the Botanical Gardens in Sri Lanka.	The C.A.O/A.O informed the Committee that plans have been made to construct a new access road to the Botanical Garden in Mirijjawila and new features are being added to the Hambanthota Botanical Garden whilst steps are being taken to add new features to such other Botanical Gardens.
<b>Department of Educational Publications 10<sup>th</sup> March 2016</b>		
1.	The Committee inquired about the following facts with regard to the printing of school text books for the year 2002- -Giving cheques to a printer value of Rs. 23 million fraudulently -Charging an amount of Rs. 212,595,000/- as compensation for not printing the school text books as per the agreement -Charging an amount of Rs. 39,112,143/- as compensation due from a printer -Disciplinary action taken against the officers concerned.	The C.A.O/A.O was directed to submit a comprehensive report of this incident to the Committee before 01 <sup>st</sup> of April 2016
2.	When making payments for the additional 64 pages than the number of pages mentioned in the specifications of the year 2010, an amount of Rs. 158,526/- has been paid. An amount of Rs. 538,881/- has been paid to a private institution for blank pages without any written request.	The Committee emphasized the fact that it cannot be satisfied with the answer given to this query and the Committee directed the C.A.O/ A.O to submit to the Committee a list of such payments made during the period from 2009 upto 2014 along with the explanations for making such payments.
3.	Text books had been printed in huge numbers without a proper calculation of the requirement of text books and a large number of old text books are kept in stores.	It was informed to the Committee that text books are printed as per the policy decisions of the government and the information of the text books kept in stores could be provided after the survey of goods which is in progress at present.  CAO/AO was instructed to submit a detailed report on the books available in the stores, the books suitable for sale, the unusable books and the usable books before 01 <sup>st</sup> of April to the Committee.

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	<b>Main issues discussed</b>	<b>Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee</b>
4.	Maintaining a debtor balance of Rs. 9,662,075,549/- in accounts by 31 <sup>st</sup> December 2014 without writing off the cost incurred on the books which were distributed free of charge to the approved Advance Account.	The Auditor General emphasized the fact that these accounts shall be recorded accurately. The Committee directed the C.A.O/A.O to take steps to maintain these accounts accurately having obtained the instructions of the Treasury.
5.	Action had not been taken to write off from the accounts the amount of Rs. 303, 469 564/- , the value of the books removed from use which remained in the books of account from 31 <sup>st</sup> December 2009 and the aforesaid amount was recorded in accounts until 31 <sup>st</sup> December 2015.	C.A.O/ A.O stated that the approval of the Cabinet of Ministers has been received to despatch this stock of books which has been disposed of to valachchanai factory and the Committee gave directions to take action accordingly. The Committee paid its attention to the observations made by it having perused the accounting work of the Department and directed the C.A.O/A.O to provide a training to the officers on accounting under the instructions of the Auditor General and take steps to correct the aforesaid situation.
6.	The Committee observed the fact that English medium teachers are not sufficiently provided with text books.	The C.A.O/A.O stated that English medium text books have been issued as per the requirement and remedial measures will be taken if such a situation has arisen having inquired into it.
7	The Committee inquired about the fact of assigning 70% of the printing work to private printers without adhering to the recommendation that the state sector should be given priority in assigning the printing work of school text books.	The C.A.O/ A.O pointed out that there are practical problems in setting text books printed through the presses which belong to the government as they give priority to other assignments of the government. The Committee directed the C.A.O/ A.O to formulate a suitable and efficient methodology to print text books in the future taking the aforesaid situation into consideration.
<b>Department of National Archives 10<sup>th</sup> March 2016</b>		
1	The Department has not established an Internal Audit Unit and the Procurement Plan has not been prepared in a systematic manner.	The C.A.O/A.O stated that action will be taken to establish the Internal Audit Unit in the month of March and steps will be taken to prepare a systematic Procurement Plan and submit it to the Committee. It was directed to submit the amended Procurement Plan to the Committee within two weeks.
2	The total number of vacancies on the staff of the Department remains at 53% and action has been taken to fill the vacancies of three key positions since 2010 creating an effect on the performance of the Department.	The A.O stated that the fact that the Scheme of Recruitment has not yet been approved is the cause of this problem. It was directed to refer this matter to the relevant sections including the Director General of Combined Services and pay Commission and submit the recommendations of the aforesaid institutions to the Committee.

	<b>Main issues discussed</b>	<b>Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee</b>
3.	The Committee inquired about the action that has been taken to develop the National Archives.	The A.O explained that eventhough this has become the best Archives in Asia, there is some drawbacks in keeping abreast of the modern thechnology and at the moment attention has been forwarded to use digital thechnology for which there is a necessity of amending the National Archives Act and other consequential Acts and Laws. It was directed to submit the amended Procurement Plan to the Committee within 2 weeks.
4.	The documents which have not yet been archived by the National Archives Department.	The C.A.O/A.O stated to the Committee that these activities are carried out by the Technological Section of the Department and a sufficient number of employees are not available to attend to the task and approval has been sought to make recruitments to fill the existing vacancies.
5.	Sending 49.58 million rupee back to the Treasury out of allocations provided to expand the new building which belongs to the Department and also to purchase equipment.	The A.O stated that the equipment required by the building was palnned to be supplied by C.E.C.B itself, which undertook the construction work and as per the recommendation to the effect the quotations should be called, there occurred a delay in the procurement process which caused this situation.
<b>Department of Land Settlement 10<sup>th</sup> March 2016</b>		
1.	The total number of vacancies in the Department remained at a higher percentage of 63%	The C.A.O/A.O informed the Committee that there is a shortage of 22 staff officers and filling of the vacancies has to be done by the Ministry of Public Administration regarding which the Ministry has been informed.
2.	Though the damage caused to the vehicle which met with an accident on 05 <sup>th</sup> February 2012 was estimated as 1.2 million rupees only Rs. 62,000/- has been charged from the driver out of the aforesaid damage.	The C.A.O/ A.O stated that a problem has arisen with regard to charging damages due to the fact that a formal directive has been given following a disciplinary inquiry and a Committee has been appointed to conduct the disciplinary inquiry pending the decision at which the act of charging the damage is suspended.
<b>Survey Department of Sri Lanka 10<sup>th</sup> March 2016</b>		
1.	Though targets have been set with regard to various survey activities and the survey of lands for acquisition, the aforesaid targets are not realistic.	The C.A.O/A.O stated that when urgent tasks are assigned, they have to be carried out expeditiously which may cause a deviation from the targeted tasks.

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2.	Though the approved cadre is 7503 there were 1408 vacancies without being filled.	The C.A.O/A.O stated that 650 surveyors have been recruited currently and that action will be taken to fill the vacancies of the other staff in the future and due to the fact that the number of drivers of the Department has to be increased. The approval has been sought for it.
3.	The Committee inquired about 22 vehicles which have not been identified out of the vehicles that were misplaced.	The C.A.O/A.O informed the Committee that 19 vehicles were in the possession of the Mahaweli Authority and the Department of Irrigation. The Committee directed the C.A.O/A.O to submit a report in this regard.
4.	An investigation was conducted into the incident of not handing over the land surveying equipment worth Rs. 7, 492,657/- where was in the custody of 71 officers who removed themselves from the Surveyors' Service and the report of the investigation has been submitted. The dues recovered only from 71 officers and dues of 51 officers had been written off.	The C.A.O/A.O stated that the work related to the files of 64 officers have been completed whereas the files of 04 officers have been referred to the Legal Section and work related to the collection of the money is being carried out with regard to 3 officers.
<b>Ministry of National Co-existence, Dialogue and Official Languages. 10<sup>th</sup> of March 2016</b>		
1.	A few pieces of equipment including airconditioners which were fixed in the official residence of a former Minister have not yet been duly handed over to the Ministry.	The C.A.O stated that the orders issued for the acquisition of the items have been sent to the relevant Ministry and this activity is in progress.
2.	The progress of the novel model programme which has been formulated to implement the State language Policy in government institutions.	The C.A.O stated that the novel model programme has been introduced to 14 selected government institutions is being successfully carried out.
3.	The Committee observed that even though Rs. 500,000/- has been paid to a Script Writer to create a tele drama named "Thaniyaya", the said task has been stopped halfway.	The C.A.O stated that the aforesaid situation was caused due to the non-implementation of the agreement made with National Rupavahini Channel to telecast the aforesaid teledrama. The Committee instructed the C.A.O to pay attention to this matter again as this teledrama is a creation which is based on national integrity.
4.	The shortage of Social Integrity Officers in Northern Province	The C.A.O stated that approval has been sought from the Ministry of Public Administration to recruit 92 Social Integrity Officers and recruitments will be done once the approval is granted.

	<b>Main issues discussed</b>	<b>Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee</b>
5	Opinion with regard to the singing of the National Anthem in both state languages of Sri Lanka.	The C.A.O explained the report submitted by the Cabinet Sub- Committee for protecting Sri Lankan identity in this regard and agreed to submit a copy of I to the Committee. The Committee instructed the C.A.O to take action considering it as a timely need to make people aware of this by this Ministry through television programmes, radio programmes and leaflets as this is a phenomenon which makes a direct influence on national co-existence.
6.	Progress with regard to the implementation of the state language policy in public institutions.	It was emphasized that necessary action should be taken to make this effective even in the private sector and it was suggested that the relevant Act should be amended to facilitate for this.
<b>Department of Official Languages 10<sup>th</sup> March 2016</b>		
1	The Committee inquired about the delay in the translation work in Government and semi- government institutions due to the fact that 33 posts of translator in the Department remain vacant and also about the fact that 06 senior level posts also remain vacant.	The C.A.O/A.O pointed out that there is a difficulty in retaining the officers recruited to the Department due to the problems in the existing salary scales. The Committee pointed out it was suitable to place translators on a special salary scale considering that this post is a special post and C.A.O/A.O was directed to discuss a solution to this problem with the Ministry of Public Administration and inform it to the Ministry before 31 <sup>st</sup> March 2016 The A.O stated that these vacancies are not able to be filled as the additional allocations required for this are not provided by the Treasury even though the approval of the Management Services Department has been given to recruit the necessary cadre. (245).The Chairman instructed the representatives of the Treasury to provide a practical solution to this problem.
2	The Committee inquired into the courses of action taken in regard to the shortage of 58 tri-lingual dictionaries, destruction of 21 new written Tamil books and the misplacing of 150 spoken Tamil books and 95 Tamil written books with a value of Rs. 49,000/- in year 2012.	The A.O stated that an investigation is being carried out in this regard and a report of it will be submitted within 02 months.
3	Implementation of the e-Learning Distance Learning Methodology in order to facilitate them to obtain language proficiency.	The C.A.O./A.O. pointed out that it has not been able to implement this methodology as there is a difficulty in obtaining the services of resource persons as the amounts approved by the Ministry of Public Administration as their payments are not sufficient.

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4	Establishing Sinhala / Tamil Language Translation Software.	The A.O. stated that this task is being carried out in conjunction with Moratuwa University and this task will be completed within the next 06 months.
<b>Ministry of Industry and Commerce. 11<sup>th</sup> March 2016</b>		
1	Filling the vacancies of the staff and on acting basis appointments	The C.A.O./A.O. stated that action has been taken in regard to vacancies. The C.A.O./A.O. was directed to submit a comprehensive report to the Committee in regard to the action taken to fill 203 vacancies in the cadre along with a time frame.
2	The number of employment opportunities generated from industries and the number of industries and the field of industry.	The Committee informed the C.A.O./A.O. that it cannot be satisfied with the information provided and the C.A.O./A.O. was directed to provide a comprehensive report in this regard before 31 <sup>st</sup> March.
3.	Management of the industrial waste collected in industrial cities at present.	The C.A.O./A.O. informed the committee that a consensus has been made to establish a central unit to manage the waste produced in the factories in dankotuwa area with the intervention of the Ministry at present and the necessary allocations have also been made for it.
4.	Noticing a decrease in the number of factories and also in the number of employees as per the statistics, and the reasons which have caused it.	Facts such as policy differences, imposition of high taxes, import of goods from abroad and the fact that though factories are established under an agreement, the entrepreneurs being able to terminate the agreement on his own discretion have caused the aforesaid situation.
5.	The Committee inquired about the loan project which received 1.8% of the allocation of 3.116 billion Rupees provided to the Ministry	The C.A.O./A.O. stated that this fund provides loans to promote small and medium scale industries and agricultural activities at an interest rate of 8% in co-ordination with 10 state banks and the activities of this are carried out through the officers of the Ministry and an action plan has been formulated upon the approval of the cabinet of Ministers in order to streamline it further under SME system and it is given publicity at divisional secretariat division level in liaison with National Enterprise Development Authority and suitable persons are selected by Exports Development Board. The C.A.O./A.O. was directed to submit a comprehensive report to the Committee in regard to the activities of the aforesaid two institutions before 31 <sup>st</sup> March.

	Main issues discussed	Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee
6.	Progress of the handloom textile industry which is under the purview of the Ministry of Industries.	The C.A.O./A.O. stated to the Committee that persons are deployed in this industry after providing a practical training of 6 months and an amount of 70 million rupees has been allocated for this.
<b>Department of Commerce 11<sup>th</sup> March 2016</b>		
1.	Both the Gross Domestic Product and the Gross National Product have indicated a percentage wise decline during the last 10 years and the committee inquired about the causes of this situation.	The C.A.O./A.O. stated that these facts have caused the aforesaid situation. The exports of Sri Lanka have not been diversified enough in comparison to the other countries, the severe competition in the world market, decrease in the export volume and not having a timely modernization in exports.
2	The Committee paid its attention to the course of action taken by the Department to obtain GSP+ concession and get the ban on the export of fisheries products lifted	The C.A.O./A.O. stated that though applications were submitted in the years 2004 and 2005 in order to obtain the GSP concession, it could not be obtained and it was not considered in the year 2008 due to the war situation that prevailed during that period of time and applications are being processed to make the request again and they hope the response of the Ministry of External Affairs only in regard to 3 Human Rights Conventions as the human right situation in Sri Lanka is satisfactory and a measures were taken to get the ban on the export of fish lifted keeping a proper co-ordination with that Ministry. The C.A.O. hoped that the aforesaid ban be lifted by May.

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3	The role of Commerce Officers deployed to provide services in Foreign Missions and the advantages received by the country by appointing such Officers.	<p>The C.A.O./A.O. stated that every commerce officer should formulate an annual action plan upon the approval of the Ministry and a programme which is oriented on the promotion of investment and exports and the progress of it should be reported.</p> <p>The Committee expressed its displeasure in regard to the non-availability of an inter-relationship among the other institutions which have been established with the objective of promoting foreign investment and the C.A.O. was directed to provide to the committee within a month a report having identified the industries which can be promoted within the next five years with a proper co-ordination among the aforesaid institutions and also a report of the targets given to the commerce officers to promote investments and exports in the 25 countries in which they are deployed in service along with the follow up activities carried out by the Department in that regard.</p>
<b>Department of Registrar of Companies 11<sup>th</sup> March 2016</b>		
1.	Shortage of the staff, which was 39%, making a direct effect on the performance of the institution	The C.A.O./A.O. stated that recruitments have been made to some posts which have remained vacant and an officer has appointed to the post of Company Registrar on a full time basis upon the approval of the cabinet of Ministers and there is a problem in confirming the lady Officer who is acting on the post of company registrar at present, on her post.
2.	Offering a computerization project of 88,812,227/= Rupees without a performance guarantee in accordance with section 5.4.8 (b) of the Procurement Code and the fact that the institution has incurred a loss of 13 million rupees due to failure of the project.	The C.A.O./A.O. was directed to submit a report in that regard with the relevant days and times.
3.	Steps taken to collect the amount of 628,240,000/= Rupees which was due to the department as arrears from registered companies during the period 2008-2015.	When a new company is registered the company should pay the relevant amount and nearly 79,000 companies are registered with the department at present. The C.A.O./A.O. stated that an amount of 60,000/= Rupees should be paid to the department for the annual registration irrespective of the fact that the relevant company is engaged in business activities or not and the registration can be renewed by paying the due arrears devoid of the differences of the income. The C.A.O./A.O. was directed to take action to submit a report in this regard.

	<b>Main issues discussed</b>	<b>Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee</b>
4.	Obtaining to the Companies Fund the ownership of the shares purchased out of the funds of the Companies Fund in order to purchase the shares of a company which has incurred a loss of 325.65 million rupees.	This money has been invested in a state private partnership company named E-Service Lanka Through a cabinet paper in the year 2007 and its share certificate has been issued under the name of Secretary to the Ministry. The C.A.O./A.O. stated that it has been informed to the Presidential Investigation Unit and the Financial Crimes Investigation Division to investigate in to this transaction. The C.A.O./A.O. was directed to submit a report regarding this transaction.
<b>Department of Measurement Units, Standards and Services 11<sup>th</sup> March 2016</b>		
1.	The filling of 35 vacancies by year 2015	The C.A.O./A.O stated that action has been taken to fill up the existing vacancies and the internal recruitments are problematic due to the lack of required qualifications.
2	Although Rs. 15,325, 542/- has been disbursed from 2007 to 2009 to obtain the services as per a decision taken to construct a new Measuring Laboratory within the Department premises, such expenses was useless as the construction was completed after 7 years.	The C.A.O./A.O informed that it was constructed in a land leased from Urban Development Authority by paying 76 million rupees as the particular place was not suitable to construct the building in conformity with the international standards.
3	Activating the new computer network	CAO/AO stated that the computer network project had to be temporarily suspended as the funds were not sufficient and that an estimate of Rs.50 million has been presented by the State Trading Corporation limited in this regard
<b>Department of Export Agriculture 11 March 2016.</b>		
1.	Vacancies available in the staff	CAO/AO stated that the officers available for the vacancies of the senior level as per the circular will be eligible for said positions with effect from year 2018 , and the steps required to fill all the other vacancies will be taken. CAO/AO were directed to present the committee with a report formulated on the measures to be taken with regard to filling these vacancies before 05 April 2016
2.	Under utilized capital expenditure was available in the year 2012 and a remaining range of 9%-79% of allocations was available in the year 2014.	A/O stated that the reason which contributed towards this was the inability to purchase the laboratory equipment as it was planned in the year 2014.

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	<b>Main issues discussed</b>	<b>Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee</b>
3.	Formulating a targeted programme to develop the exportation of agricultural products in the five ensuing years and for the functions of the Department	CAO/AO stated that plans have been made to increase the export income which is 0.5 billion dollars at the moment up to 1 billion dollars by 2020. The CAO/AO were directed to submit a report including the promotion plans of varieties of export crops, and the targeted amount of foreign exchange, the manner in which it can be accomplished by 2020 and the methodology to systematically approach the aforesaid objectives in the years 2017,2018 and 2019 before 30 <sup>th</sup> April 2016.
4.	Not acquiring the lands with an extent of 350 acres approximately belonging to the state and the private sector.	CAO/AO stated that 07 blocks out of the relevant lands have been already taken over and the steps required to acquire the remaining 42 blocks have already been taken.
5.	Investigations carried out pertaining to the Pajero model jeep of the Department which is stated to have been stolen on 26 <sup>th</sup> July 2012 and the measures that have been taken to recover the particular loss.	CAO/AO stated that the relevant investigation activities have been concluded , the particular driver has been dismissed and that action has been taken to charge a recommended sum of money from the officer to whom the vehicle has been attached to.
6	Promotion of the exportation of Agarwood trees since a lot of foreign exchange can be generated through it.	CAO/AO stated that the said tree is being already promoted by the private sector. It was proposed by the committee that the attention of the Department of Export Agriculture and the Department of Agriculture be drawn towards cultivating this tree in a legal manner.
<b>Department of Sri Lanka Customs(Re-summoning) 23 March 2016</b>		
1	The Department of Customs has adopted an unacceptable methodology in relation to the overtime payments which are not consistent to the rules and regulations of the government .	The committee directed the CAO to present a report on this to the committee before 01 <sup>st</sup> May 2016.
2.	The income that the country lost due to not fully implementing the Excise tax Act number 13 of 1989 (Special Provisions)	The committee directed the CAO/AO to present a report with specific dates in relation to adopting the proposals given by the auditor general to amend the Act and related to the implementation of the Act to the committee before 01 <sup>st</sup> May 2016.
3.	Instead of registering An electric car which was sold by the Central disposal division, fraudulent data have been fed into the computer system, trying to register this vehicle in the form of an imported/assembled “Hummer” model vehicle which has a value of more than 36 million Rupees.	CAO was informed that the computer systems between the institutions should be inter-connected in order to avoid this type of frauds , it is important to have an automatic balancing system and that a report be presented to the committee having inquired the situation in this regard.

	<b>Main issues discussed</b>	<b>Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee</b>
4.	The refusal of the customs officers to use the finger print machines although seven machines have been purchased spending a sum of Rupees 859,500/=, and action not been taken to install these machines in the new customs building.	AO explained that as per the professionalism of the customs officers, their service is not restricted to one single place and also that there are practical difficulties in utilizing these machines owing to their delicate technology. The committee directed the CAO/AO to obtain a legal coverage with regard to this situation and to present a report on this to the committee before 01 <sup>st</sup> May 2016.
5.	Containers of garlic which were not suitable for human consumption, have been released to the buyer and a customs duty of Rs. Rs.1,134,000/= has been written off.	The responsibility to take high protection measures with regard to public health was inquired and the CAO /AO were directed to conduct follow up activities pertaining to this.
6.	Tax relief provided on the duty free basis	The committee directed the CAO/AO to prepare a formal procedure to observe whether the particular duty free relief is provided by the shop owners who sell items on duty free basis to the air passengers in the Katunayaka international airport.
7.	The tax income dispossessed by the country owing to the unavailability of a formal procedure to obtain information on the frauds committed at registration of vehicles and the malpractices done at the importation of vehicles.	The committee directed the CAO/AO to prepare a formal procedure to charge the importation duty of vehicles in connection with the Department of Motor traffic. AO stated that high technology scanning machines are to be utilized for checking the containers and that they would be able to formalize this situation afterwards.
8.	Owing to the unavailability of detailed information on items which were confiscated at the container operation centres, there is no possibility to assure whether the said items are actually in the initial condition, when directing them for auctions.	The CAO/AO were directed to report the measures that have been taken by the department regarding the loss of certain devices at the auction which were initially available when the items were confiscated and to prepare a programme to regulate this situation and to forward it to the Committee.
9.	Preventing the purchase of items from the duty free shops by external parties using the passport numbers of passengers who do not buy duty free items.	Hon. Chairman informed to sent a report to the committee pertaining to not adopting a suitable internal programme for this matter.
10.	Rewards (Incentives) obtained by the officers of the Customs Department and the legal status.	The committee informed to submit a report including the legal status of the incentives and the income generated through fines imposed on the public and private institutions during the past 10 years separately as per each institution.

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	<b>Main issues discussed</b>	<b>Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee</b>
<b>Department of Motor Traffic (Re-summoning) 24<sup>th</sup> March 2016</b>		
1.	The progress of the Audit examinations	<p>The Auditor General further stated that clear measures have not been taken in relation to the facts presented by the Audit queries except regarding two facts, that the functioning of this department which has no prudent nature is not satisfactory and that strict attention of the Committee on Public Accounts should be drawn towards this department.</p> <p>The committee stressed the fact that the current officer being not in service during the period in which the incidents under investigation have happened, is not relevant and the current officers are bound to present all the information.</p>
2.	Misplacing of 597 vehicle document files	<p>Responding to the inquiry made by the committee, CAO/AO stated that out of this document, files 52 files have been received, 28 out of that have been submitted for Audit and arrangements have been made to find out the balance files.</p> <p>The auditor General was informed to inform the committee precisely on the number of overall document files which have been requested by the Auditor General's Department for the inquiry and the amount that has been submitted.</p> <p>AO informed that during the year 2015, 668,907 new vehicles have been registered. CEA/AO were directed to submit the committee with a report on the importation and registration of the aforesaid vehicles and also to obtain recommendations by having submitted information to the customs on 105,628 motor cars which are available within the aforesaid registered vehicles.</p> <p>Here, the committee instructed that at the end of each month the accountant of the Department jointly with the internal auditor to obtain information on the importation of vehicles from the customs and to compare those with the registration of said vehicles and further to implement it with effect from 31<sup>st</sup> of March.</p>

	Main issues discussed	Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee
3.	E motoring project	<p>The committee expressed its discontentment over the dysfunctional nature of this project in spite of the fact that Rs. 700 million has been spent for this since the year 2009. The Committee which instructed the CAO to make arrangements to send a leaflet of instructions which have been officially formulated, to this department, directed the AO to send a report on its functionality before 1<sup>st</sup> of May.</p> <p>Similarly, CAO was directed to obtain instructions from ICTA and LANKA CLEAR institutions with regard to the implementation of the e-motoring project and to take required steps having discussed with the Ministry of Finance.</p>
4.	Informal registration of 5494 vehicles	<p>It was directed to submit a detailed report on this matter before 10<sup>th</sup> June, 2016.</p>
5.	<p>Although a complaint has been launched at the Criminal Investigation Department in the year 2009 regarding the use of 7 Prado jeeps utilizing the custom charts of 7 imported hand tractors, since the criminal investigation department has informed that the aforesaid investigation cannot be conducted owing to not providing relevant documents by the department of motor traffic, and the measures taken in that regard.</p>	<p>CAO/AO stated that the Department of Motor traffic has started the primary investigation activities in that regard and action would be taken to report its progress to the Committee.</p> <p>The committee which instructed to get the participation of an officer from the Ministry of Transport and Civil aviation for the aforesaid investigation, and to get the information from the department of customs, further instructed the CAO/AO that without only blacklisting these vehicles, measures should be taken to cancel their registration as well.</p>
6	Review of audit examinations	<p>The committee which engaged in a detailed review of the facts presented by the Auditor general, emphasized the point that this department consists of serious administrative weakness and even inefficiencies. CAO was directed that expeditious solutions should be sorted out to avoid this situation, and for that the line ministries should establish a management committee and the activities of the department should be strictly observed and if the instructions provided are not properly implemented CAO was directed to inform the same to the Committee on Accounts.</p> <p>It was further informed that a clear programme be formulated for the management of this department until the E-motoring project is implemented, and it was also informed that the report be submitted to the committee including the specific dates on how the amended e-motoring project will be implemented.</p>

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	Main issues discussed	Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee
<b>Ministry of Labour and Trade Union relations 07<sup>th</sup> April 2016</b>		
1	Staff Vacancies	CAO stated that action would be expeditiously taken to fill all the vacancies
2	The committee observed that 13,604 cases were available to recover Rs. 11,940 million and out of that open warrants have been issued for 2385 cases for rupees 429 million, and further noticed a slow progress with regard to these cases.	CAO stated that there are 16,000 cases which have been lasting for a long time and further stated that action has been taken to conclude these cases in a methodical manner. The Committee directed the CAO to prepare an effective programme to formalize this process since around Rs. 11 billion is to be recovered from the cases which have been filed and to present the report to the committee before 2016 June 15.
3	The loss of around Rs 7.3 million which has incurred owing to vehicle accidents	CAO stated that effective measures have been taken to cover the losses and damages which have incurred as a result of the aforesaid accidents and that in future required steps would be taken to minimize the reoccurrence of this type of situation.
4	Insecure maintenance and updating of document files and account books of the junior account holders	Commissioner for workmen's compensation stated that initiatives have been made to insert all the accounts to a computer network and accordingly annual updating is also conducted.
5.	Methodology to compensate the clients and their family members and obtaining compensation for the accidents occurred during working hours and even when arriving for work.	CAO was instructed to expeditiously take the necessary steps, being more considerate on the clients and having discussed with the employers and the trade unions towards the amendment of the labour compensation act in a timely manner. It was instructed to implement a proper programme in relation to labour laws, acts and their benefits.
<b>Department of Labour 07<sup>th</sup> of April 2016</b>		
1	Provident Fund contributions have not been properly collected and the employees have not properly paid their provident fund contributions	CAO / AO stated that the issues available and the labour offices have been solved and judicial measures will have to be taken in relation to not paying the installments of the provident fund and that arrangements have been made to amend the employee provident fund act considering all the relevant factors.

	<b>Main issues discussed</b>	<b>Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee</b>
2	Delay of taking measures in relation to the vehicle with a value of Rs. 800,000 which was in the position of the department and which was abducted in January, 2002.	CAO/AO were directed to send a report within 2 weeks to the Committee on the methodology to recover the loss of the vehicle and including the recommendations given by the relevant investigations, having obtained the details of the lost vehicle from the Department of Motor Traffic
3	Formal disciplinary action has not been taken against four officers who have been arrested over allegations against bribery allegations	CAO / AO stated that the relevant officers have been sent on compulsory leave and that their services have been interdicted after filing the cases. CAO/AO were directed by the Committee to report all the information relevant to this matter to the Auditor General.
<b>Department of Manpower and Employment 7<sup>th</sup> April 2016</b>		
1	Results obtained from the vocational Guidance provided spending Rs. 3.5 million for the awareness raising of school students, under graduates, parents and teachers.	CAO/AO stated that these vocational guidance programmes were successfully conducted for directing towards of job centered education with the objective of obtaining employment opportunities , and that effective results have been obtained through that.The Committee directed the CAO/AO to obtain a report in relation to this process and to submit it to the Auditor General.
2	Performance and productivity of the project “Rakiya piyasa” which was initiated as a joint venture of the public and private sectors.	AO stated that action has been taken to establish District Offices for this project, and that a web site has been launched for the purpose and information of the job seekers the institutions which provide jobs have been inserted into it. AO further stated that last year 4437 jobs have been provided as a result of the progress of these activities and also stated that it is expected to increase the number of jobs and also to increase the productivity through vocational guidance programmes.
3	Formulation of a manpower and employment policy and the present Labour force and unemployment	CAO / AO stated that the aforesaid policy has been formulated and implemented after obtaining the approval and that it has been again presented to the cabinet having edited in a manner which adapts the development programme of the new government. CAO / AO stated that the labour force is 8.8 million, unemployment level is 400,000 and within that there are 16,000 graduates and 15,000 individuals who have done their studies only up to grade 5. He further stated that out of the total labour force, 1.4 million are public servants and around 4 million are employees of the private sector

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	<b>Main issues discussed</b>	<b>Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee</b>
4	Improvement of the professional status of labour officers	CAO brought to the notice of the committee that there are certain issues in relation to providing the required facilities for the Assistant Labour Commissioners and Labour officers who conduct around 75,000 observations per year and also in relation to developing service conditions. CAO stated that 202 vacancies are available in the relevant positions and that instructions have been received to make arrangements to fill those in the year 2017.
<b>Ministry of Agriculture 07<sup>th</sup> April 2016</b>		
1	Vacancies available in the Ministry Staff	CAO stated to the committee that as per a request made to the department of management services the cadre has been approved as 1548, and that requests have been made from the appointing authorities with regard to filling the other vacancies.
2.	<p>The action plan of year 2012 has not been included in the national agricultural research plan.</p> <p>The programme on introducing new technology for paddy cultivation and exporting rice which received 150 million rupees has not been included in the action plan of the years 2012/13.</p> <p>Commercial farms not implemented in Kurunegala district.</p> <p>Allocations of Rs. 5.393 million have been given for 8 programmes in the year 2015 but it has not been included in the annual action plan.</p>	The Committee informed the CAO that the action plan should be regulate.
3.	Not distributing a stock of 7508.05 metric tons of fertilizer with a value of Rs. 795,444,811/= to farmers.	It was observed that the case filed in this regard has been suspended until receiving instructions from the attorney general. CAO informed the committee that investigations are been conducted against the Sales Manager.
4.	An outstanding arrears of Rs. 1,362,961 was available as at year 2014 out of the loans provided to two private institutions.	CAO /AO stated to the Committee that a letter of demand has been sent to take legal measures against the diary company by the name of Sandaruwanketha and that all the relevant moneys have been paid after the liquidation and closing down of the Lanka Libyan company which are the two relevant institutions in this regard.

	<b>Main issues discussed</b>	<b>Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee</b>
5.	Although a savings account balance of Rs. 7,241,456/= is indicated under current assets in the balance sheet of the farmers' trust fund, details which confirmed this have not been provided for the audit.	CAO stated that at least a period of 3 months would be required for this since it is practically problematic to calculate this balance. Hon. Chairman informed the CAO to present the Committee with a report, soon after the calculations are over.
6.	The progress of the programme to computerize farmers trust fund	CAO stated that there is a possibility to computerize the activities of farmers banks available in the agrarian services centres through a computer management information system which is to be initiated with the support of the University of Colombo
7.	The progress of the project to popularize the usage of organic fertilizer in the field of agriculture	CAO informed the committee that allocations of Rs. 50 million has been reserved from the Treasury for the implementation of this project.
8.	<p>Post harvest storage measures and measures for controlling prizes</p> <p>Data regarding the targets of increasing the usage of organic fertilizer and increasing the export income</p> <p>Details obtained through agrarian service centres at GN level with regard to the usage of organic fertilizer</p> <p>Targets to be adapted in view of getting the export income increased.-The policy of the ministry in relation to the usage of organic fertilizer and chemical fertilizer and the scientific view which has been confirmed at the moment.</p>	The Hon. Chairman directed the CAO to present the committee with the report including all these information
9.	The decision taken with regard to selecting a new building on lease basis for a period of 05 years to pay a sum of Rs. 958 million without deciding the value through a price committee or without obtaining competitive bids for the Ministry of Agriculture owing to the fact that the current building 'Govijana Mandiraya' where the Ministry of Agriculture is conducted at present has been taken over by Parliament and not paying attention to construct a suitable building to conduct the ministry of agriculture in a land of around 1 hectare located in Battaramulla which belongs to the Ministry of Agriculture.	<p>CAO stated that this building is to be rented out by the Ministry of Agriculture as per a cabinet paper presented by the Hon. Prime Minister and that the approval of Attorney General has been received for that purpose.</p> <p>The Committee on Public Accounts emphasized the point that they neither command this agreement not to be signed nor do approve the it. Similarly, the Committee stressed that the committee will have to take measures as per the authority vested with it in relation to the Audit queries presented by the auditor general in future pertaining to this matter.</p>

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	Main issues discussed	Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee
<b>Department of Agriculture 07<sup>th</sup> April 2016</b>		
1.	Filling vacancies in the Department of Agriculture	C.A.O/A.O stated that it was not possible to fill vacancies that exist in senior positions in the field of agriculture as a result of a case in the courts of law which has been pending for the past one and a half years. The Committee ordered C.A.O./ A.O. to take suitable steps to expedite the court proceedings in this regard after discussing the matter with the Attorney General.
2.	Loss incurring status of 05 farms as at 2014	C.A.O/A.O stated that approximately 3 farms are in a loss incurring status as a result of reasons such as inability to engage in agricultural activities due to draught, non use of technological equipment , unavailability of sufficient facilities to process seeds, unavailability of storage facilities.
3.	Not utilizing 275 hectares out of 903 hectares and the under-developed status of 64 hectares in the Kundasale, Middeniya, Aluttarama, Bata-atha and Karadiyanaru farms	C.A.O/A.O stated that a progress can be observed in the development activities of these farms at present
4.	Lands belonging to Karadiyanaru farm being utilized by unauthorized cultivators and the usage of 30 hectares of the land of the Meepilimana farm by two privately owned companies	C.A.O/A.O informed the Committee that the Karadiyanaru farm is incurring losses because farmers had settled on the Karadiyanaru farm without authorization during the war. The Committee instructed the C.A.O/A.O to take steps necessary for the settlement of those lands.
<b>Department of Agrarian Development 07 April 2016</b>		
1	Vacancies in the staff	C.A.O/A.O explained that senior level officials appointed through the all-island-service, Accountants' Service and the Engineers' Service generally do not tend to join the Department of Agrarian Services and that Agrarian Development Officers from Grade III also obtain transfers to other Departments after receiving promotions to Grade I.
2	Current status of the registration of 209 tractors identified for removal	C.A.O/A.O stated that the task could not be completed because the Department of Motor Traffic was not in possession of registration certificates of the said tractors and machinery identified for removal.
3	Progress of selling at a reasonable price the 1824 two wheeled tractors distributed in years 2010 and 2012 of which installments are not recovered	C.A.O/A.O stated that the relevant Cabinet Paper has been prepared and that the work is in progress.

	<b>Main issues discussed</b>	<b>Explanation of the Chief Accounting Officer/Accounting Officer and observations/directives of the Committee</b>
4	Accounts of the Agrarian Service Centers not being presented for audit since year 2006	C.A.O/A.O stated that the audit is carried out by the internal audit unit of the Department. The Committee instructed the C.A.O/A.O to formulate a methodology to audit all Agrarian Service Centers. C.A.O/A.O agreed to take action to establish district level audit observation units within the next two months.
5	Progress of the programme to encourage the use and production of organic fertilizer, which cost Rs. 251.6 million	C.A.O/A.O stated that the programme was successfully completed and the assessment activities of the programme have been launched by now.
6	Making arrangements to credit savings deposited in all farmer's banks into a single account	C.A.O/A.O expressed agreement to make necessary arrangements for this purpose.

**Questionnaire**

**Financial & Operational Performance Appraisal  
Committee on Public Account**

Head of the Ministry / Department / District Secretariat : .....

Name of the Ministry / Department / District Secretariat : .....

Name of the Secretary to the Ministry ..... Telephone No : .....

Email .....

Name of the Head of Department : ..... Telephone No : .....

Email .....

	Matter Referred to the Ministry / Department / District Secretariat	Reply of the Institution				
<b>1.</b>	<b>Presentation of Accounts</b>					
		Presented on or before 31 <sup>st</sup> March 2015	On or after the 1 <sup>st</sup> April 2015 Presented by the 31 <sup>st</sup> of December	Not presented even by the 1 <sup>st</sup> of January 2016	Not relevant	
1.1	Appropriation Account - 2014	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1.2	..... Revenue Accounts - 2014	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	..... Revenue Accounts - 2014	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	..... Revenue Accounts - 2014	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1.3	Reconciliation statement of Advance Accounts for Public Officers - 2014	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1.4	Commercial Advance Accounts 2014	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1.5	Stores Advance Accounts - 2014	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1.6	Non Commercial Accounts - 2014	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1.7	Advance Accounts of Settlement of Transactions - 2014	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1.8	Fund Accounts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>2</b>	<b>Maintaining Books and Documents</b>					
	Name of the Document	Relevant Regulation	Updated & Maintained	Maintained but not Updated	Not Maintained	Not applicable
2.1	Fixed Assets Register	Treasury Circular No. 842 of 19 <sup>th</sup> December 1978	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2.2	Fixed Assets Register of Computers, Accessories and Soft wares.	Treasury Circular No. IAI2 / 2002 /2 of 28 <sup>th</sup> November 2002	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.3	Personnel Salary Register	As per financial Regulation 453	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.4	Audit Query Register	As per Financial Regulation 452 (1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.5	Cash book / Petty Cash Book	As per Financial Regulation 446	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.6	Departments Appropriation (Approved expenditure) ledger	As per Financial Regulation 447	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.7	Register of cheques Received, Money orders etc	As per Financial Regulation 451	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.8	Inventory	As per Financial Regulation 454(1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.9	Stocks Register	As per Financial Regulations 751 & 763	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.10	Damages Register	As per Financial Regulation 110	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.11	Liabilities Register	As per Financial Regulation 214	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.12	Counterfoil Register	As per Financial Regulation 341	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.13	Loan & Advance Register	As per Chapter 09(1) of the public enterprises circular No 96 of 10 <sup>th</sup> August 1994	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.14	Leave Register	As per Section 1.7 of Chapter XII of the Establishments Code	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>3</b>	<b>Conferring Financial Powers</b>					
			Yes		No	
3.1	Have financial powers been conferred as per Financial Regulation 135		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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3.2	If the answer for 3.1 above is “Yes” whether the conferring of those powers was done in accordance with the organizational chart of the institution?	<input type="checkbox"/>	<input type="checkbox"/>
3.3	Whether the conferring of those financial powers took place in manner that each transaction is subject to the inspection of two or more officials?	<input type="checkbox"/>	<input type="checkbox"/>
3.4	Whether the conferring of such powers have been communicated in the institution?	<input type="checkbox"/>	<input type="checkbox"/>
<b>4</b>	<b>Good Government and Accountability</b>		
		Prepared before the start of the year	Prepared within the first six months of the year
			Prepared after a delay of 6 months of the start of the year or not prepared
4.1	Preparation of the Annual Plan of action		
	Whether prepared as per Finance Circular no 01 / 2014 of 17 <sup>th</sup> February 2014	<input type="checkbox"/>	<input type="checkbox"/>
<b>4.2</b>	<b>Annual Procurement Plan</b>		
	Preparation of the annual procurement plan as per the National Budget circular No 128 of 24 <sup>th</sup> March 2006	<input type="checkbox"/>	<input type="checkbox"/>
<b>4.3</b>	<b>Annual Performance Report</b>		
	Prepared within 150 days of the end of the financial year as per Public Finance Circular No 402 of 12 <sup>th</sup> September 2002 and tabled in Parliament with a copy to the Auditor General.	Tabled in Parliament within 150 days of the end of the financial Year.	Tabled in Parliament after 150 days If the end of the financial year and between the 31 <sup>st</sup> of December 2015
		<input type="checkbox"/>	Not prepared <input type="checkbox"/>
<b>4.4</b>	<b>Internal Audit</b>		
		Yes	No
4.4.1	Whether an internal audit unit has been established?	<input type="checkbox"/>	<input type="checkbox"/>
4.4.2	If the above answer is “yes”, is the Chief Internal Auditor an officer of the staff grade?	<input type="checkbox"/>	<input type="checkbox"/>
4.4.3	Has the internal audit plan prepared and referred to the Auditor General for approval?	<input type="checkbox"/>	<input type="checkbox"/>
4.4.4	Have the internal audit plans been submitted to the Auditor General?	<input type="checkbox"/>	<input type="checkbox"/>
4.4.5	Has the Internal Audit briefed the management as regard shortcomings/ deficiencies / frauds/ deficiencies in internal controls/ misuse of assets and existence of assets of the Ministry/Department/ District Secretariat?	<input type="checkbox"/>	<input type="checkbox"/>
4.4.6	Has action been taken by the Ministry/ Department/ District Secretariat regarding the said observations of the Internal Auditor?	<input type="checkbox"/>	<input type="checkbox"/>

<b>4.5</b>	<b>Audit and Management Committee</b>			
4.5.1	Had the Audit and Management Committee been established?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
4.5.2	How many meetings had been held in the year 2015?	04 or more meetings had been held. <input type="checkbox"/>	02 to 03 meetings had been held. <input type="checkbox"/>	01 meeting had been held/ no meetings had been held. <input type="checkbox"/>
		04 or more meetings had been called. <input type="checkbox"/>	02 to 03 meetings had been called. <input type="checkbox"/>	01 meeting had been called / no meetings had been called. <input type="checkbox"/>
4.5.3	Had the officials of the Management Audit Department (General Treasury) been called for the meetings held?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.5.4	Had an official of the Auditor General's Department been called for the said meetings?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>5</b>	<b>Provisions made by the Parliament</b>			
5.1	The provision for the recurrent and capital expenditure made by Parliament for the year 2015.	Recurrent	Rs Million	
		Capital	Rs Million	
5.2	Had adequate provisions been made by Parliament as at 31 December 2015?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
5.3	Had provisions been transferred as per financial regulation 66 to obtain additional provisions for heads of expenditure for which adequate provisions had thus not been appropriated?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
5.4	If the answer for above 5.3 is "Yes", mention the number of heads of expenditure thus obtained and the aggregate of the amount of provisions transferred .	No of items of expenditure for which provisions were obtained		
		Total provisions obtained	Rs. Million	
5.5	The amount utilized from the provisions obtained through the Virement Procedure and its percentage?	Total provisions utilized	Rs. Million	
		Of the provision obtained, the percentage utilized.		
5.6	Had provisions been obtained for the year 2015 from the Supplementary Support Services and Contingency Liabilities Project under Head 240 & Programme 2	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
5.7	Had surplus expenditure been made exceeding even the net provisions as indicated from 5.1 to 5.5 above?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	

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5.8	The number of items of expenditure which had not utilized any provision for the year 2015 despite the availability of provisions and the total provision remained as balance.	No. of items of expenditure			
		Total provision	Rs. Million		
		As a percentage of the total provision			
5.9	The number of item of expenditure of which more than 25 percent of the provision allocated for the year 2015 remained as balance and the total provision	No. of items of expenditure			
		Total unspent provision	Rs. Million .....		
		As a percentage of the total provision			
<b>6</b>	<b>Revenue Accounts</b>				
6.1	Indicate the number of revenue codes assigned to the Department for collection in the year 2015.	Rs. Million .....			
6.2	The total income estimated to be collected for the year 2015 under each revenue code.	Rs. Million .....			
6.3	The actual revenue collected as at 31 December 2015.	Rs. Million .....			
6.4	Of the estimated revenue for the year 2015, the amount that could not be collected.	Rs. Million .....			
6.5	What was the percentage of the revenue collected in excess of the estimated amount out of the estimated income for the year 2015?	100 percent or above  <input type="text"/>	Over 75 percent less than 99 percent  <input type="text"/>	Less than 74 percent  <input type="text"/>	
6.6	What was the revenue in arrears by the end of 2015?	Rs. Million .....			
6.7	Had the revenue been refunded?	Yes <input type="text"/>	No <input type="text"/>	Not applicable <input type="text"/>	
6.8	If revenue had been refunded as per 6.7 above, the value of same.	Rs. Million .....			
		<b>Yes</b>	<b>No</b>	<b>Not applicable</b>	
6.9	Had such refunds been made in compliance with the provisions of the Act?	<input type="text"/>	<input type="text"/>	<input type="text"/>	
6.10	Had such revenue been credited to the revenue account without keeping in the deposit account?	<input type="text"/>	<input type="text"/>	<input type="text"/>	
6.11	Had reports on biannual revenue arrears relevant to revenue codes been prepared as per Financial regulation 128(2)?	<input type="text"/>	<input type="text"/>	<input type="text"/>	
6.12	Had other revenue not included in the budget classification been added?	<input type="text"/>	<input type="text"/>	<input type="text"/>	
6.13	Had miscellaneous payments not been made from the revenues referred to in 6.12?	<input type="text"/>	<input type="text"/>	<input type="text"/>	

6.14	Had payments not been made to the staff from the revenues collected referred to in 6.12 without the approval of the General Treasury or the Ministry of Public Administration?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.15	Had revenue been collected without breaching Article 149 of the constitution?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.16	Had the said revenues been retained in the General Deposit Account without paying to the consolidated fund as per Article 149 of the Constitution?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.17	Had the revenues so received been invested directly to prevent them being remitted to the Treasury as at 31 December in accordance with the Treasury Circulars?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.18	Had the approval of Parliament been obtained in this regard?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>7</b>	<b>Advance Accounts of the Public Officers</b>			
		<b>Yes</b>	<b>No</b>	<b>Not applicable</b>
7.1	Whether the limits enforced by Parliament for the relevant advance function have been adhered to?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.2	If the said limits have not been adhered to by the end of 2015, whether the advance limits have been revised as per the provisions of Appropriation Act No.1 of 2015?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.3	Whether a time analysis of outstanding loan balances has been prepared?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.4	Whether follow up for recovery of loan balances outstanding for over 3 years has been done?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>8</b>	<b>Commercial Advance Accounts</b>			
		<b>Yes</b>	<b>No</b>	<b>Not applicable</b>
8.1	Whether the limits enforced by Parliament for the relevant advance function have been adhered to?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Unqualified Opinion	Qualified Opinion	Disclaimer Opinion/ Adverse Opinion
8.2	What was the Audit Opinion provided by the Auditor General in relation to the Commercial Advance Accounts for the previous year?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<b>Yes</b>	<b>No</b>	<b>Not applicable</b>
8.3	Whether unauthorized working losses have been incurred continuously through the advance function?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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8.4	Whether action was taken to write off those working losses?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.5	Whether there were long standing outstanding loan balances within the advance function?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.6	Whether an age analysis of outstanding loan balances has been prepared?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.7	Whether there were continued unsettled liability balances?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.8	Whether an age analysis of liabilities has been prepared?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>9</b>	<b>Advance Account for settlement of transactions</b>			
				<b>Not Applicable.</b>
9.1	The date on which Cabinet approval was granted for this function.	<b>Date</b>		
9.2	The lapse of time since the assigning of that task by the Cabinet of Ministers.	<b>Years</b>		
9.3	Matters that affect the completion of the task assigned by the Cabinet of Ministers.	Failure to take action to write off the unauthorized working losses		
		Non conclusion of legal matters in relation to assets		
		Lack of required details		
9.4	The total of accumulated unauthorized working losses with relevance to the Advance Account for settlement of transactions.	Rs. Million .....		
<b>10</b>	<b>Fund Accounts</b>			
10.1	Legal basis for establishment of the Fund	As per Sections 25 and 26 of Finance Act No. 38 of 1971		
		As per Treasury Circular No.836 dated 16 August 1977		
		As per an Act of Parliament		
10.2	The key objectives of establishing that Fund	..... .....		
		Yes	No	Not Applicable
10.3	Whether remunerations are being paid to the staff utilizing those funds?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.4	What is the main source of income for the Fund?			
10.5	Whether the objectives of establishing that Fund have been achieved?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.6	Whether Funds so established remain inactive at present?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10.7	What is the current situation of the miscellaneous assets including money of the Funds that were inactive?	Used by Public institutions.	<input type="text"/>		
		Used by other Non Public parties	<input type="text"/>		
		Remain inactive	<input type="text"/>		
<b>11</b>	<b>Imprest Account</b>				
11.1	What is the total of unsettled balances of the Imprest Accounts that have remained unsettled throughout a number of years?	Rs. ....million			
		Settlement on 31.12.2014	Settlement from 01 January 01 2015 to 30 April 2015	Settlement / Non Settlement on or after 01 May 2015	
11.2	The manner in which the balance in Imprest Accounts by 31 December 2014 was settled.	<input type="text"/>	<input type="text"/>	<input type="text"/>	
		Settlement immediately after completion of the task	Settlement on or before 31 December 2015	Non settlement	
11.3	Settlement of advances despite being ad hoc interim imprest issued as per Financial Regulations No.371	<input type="text"/>	<input type="text"/>	<input type="text"/>	
		<b>Yes</b>	<b>No</b>	<b>Not applicable</b>	
11.4	Whether ad hoc interim imprest was issued as per Financial Regulations No.371 exceeding the approved limit, with the approval of Treasury?	<input type="text"/>	<input type="text"/>	<input type="text"/>	
11.5	Whether Department books and Treasury books had been reconciled?	<input type="text"/>	<input type="text"/>	<input type="text"/>	
11.6	Whether the monthly cash flow of the institution had been planned, prepared and sent to the Treasury Operations Department?	<input type="text"/>	<input type="text"/>	<input type="text"/>	
11.7	State the manner in which expenditure was handled in the face of under provision of imprest requested by the institution from the Treasury.	Not expending			
		By postponement of supplies and services			
		By entering into liabilities for obtaining supplies and services			
		Other			
<b>12</b>	<b>General Savings Account</b>				
12.1	How many General Savings Accounts are maintained by the institution	The number of accounts.....			
12.2	What is the total of the balances of the aforesaid accounts	Rs. 1 Millions.....			
		<b>Yes</b>	<b>No</b>	<b>Not applicable</b>	
12.3	Has action been taken regarding expired savings as per Financial Regulation No. 571	<input type="text"/>	<input type="text"/>	<input type="text"/>	

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12.4	Have the funds sent by different Ministries and Departments in order to carry out various activities been retained in the savings accounts.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12.5	Have other government institutions went cheque to the institutions in order to get different activities done?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12.6	What is the amount credited into the savings account debiting from the expenditure account as per Financial Regulation No. 215	Rs. 1 Millions.....		
<b>13</b>	<b>Asset Management</b>	<b>Yes</b>	<b>No</b>	<b>Not applicable</b>
13.1	Inactive and Underutilized Assets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13.1.1	Are the assets owned by the institution inactive or underutilized?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13.2	Conducting Annual Board of Surveys	Completed before 17 <sup>th</sup> March 2015	Completed during the period between 18 <sup>th</sup> March 2015 up to 30 <sup>th</sup> June 2015	Survey has not been conduct even as at 1 <sup>st</sup> July 2015
13.2.1	Even though the annual survey board of 2014 should have been conducted and its report been presented to the Auditor General before 17 <sup>th</sup> March 2015 as per Public Finance Circular No. 02/2014 dated 17 <sup>th</sup> October 2014, has the Ministry / Department / District Secretariat taken action accordingly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<b>Yes</b>	<b>No</b>	<b>Not applicable</b>
13.3	Have the assets owned by other institutions been used in an irregular manner?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13.4	Have un-acquired assets been used in an irregular manner?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>13.5</b>	<b>Control of vehicles</b>			
13.5.1	How many vehicles does the institution own?	.....		
13.5.2	The number of vehicles which are in inoperable condition	.....		
13.5.3	Expenditure for vehicles Year 2015	Repair expenditure	Rs. (In millions).....	
		Servicing	Rs. (In millions).....	
		Fuel	Rs. (In millions).....	
		Tires and Tubes	Rs. (In millions).....	
		Total	Rs. (In millions).....	
13.5.4	The operational distance of all the vehicles of the institution in the year 2015	..... kilometers		
13.5.5	The number of drivers attached	..... Drivers		

13.5.6	The number of condemned vehicles in the premises of the institution	.....Vehicles		
13.5.7	The number of officers who receive the vehicle allowance in cash	.....		
		<b>Yes</b>	<b>No</b>	<b>Not Relevant</b>
13.5.8	Has action been taken as per Financial Regulation No.103 up to 110 in regard to vehicle accidents?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>14</b>	<b>Liabilities</b>			
		<b>Yes</b>	<b>No</b>	<b>Not Relevant</b>
14.1	Were the liabilities which do not come under Financial Regulation No.94(2) & No. 94(3) incurred with a plan to obtain allocations for then in the ensuing year?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14.2	Are there statutory obligations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>15</b>	<b>Foreign Aided Projects</b>			
				<b>Not Relevant</b>
15.1	How many projects were implemented by the Ministry / Department under foreign financial loans?	.....		<input type="checkbox"/>
15.2	Performance of the foreign aided project / projects Submit the financial and physical of foreign aided projects.	Percentage of physical progress		<input type="checkbox"/>
		Percentage of financial progress		<input type="checkbox"/>
15.3	Abandoning some tasks included in foreign aided projects	Number of projects		.....
		Number of tasks abandoned		.....
15.4	<b>Financial balances in the accounts of projects</b> If the money left in the bank accounts of the projects upon their completion remained inactive, the amount of such money.	Rs. Million .....		
		<b>Yes</b>	<b>No</b>	<b>Not Relevant</b>
15.5	Were the funds of the projects retained in the savings account without being utilized?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15.6	The amount of the savings retained in the aforesaid manner	Rs. Million .....		
15.7	Non – commencement of the project on the due date			
		<b>Yes</b>	<b>No</b>	<b>Not Relevant</b>
15.7.1	Has a proportional amount of the loan been paid by the government to the lending country or the institution as penalty due to the non-commencement of the project within the time frame deemed in the loan agreement of project agreement?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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15.7.2	The aforesaid amount ?	Rs. Million .....		
		Yes	No	Not Relevant
15.8	<b>Assets of the project being underutilized / remaining inactive</b> Were the goods in warehouses, assets, lands, vehicles and machinery obtained out of the funds of the projects under-utilized or left to remain inactive in ware-houses?	<input type="text"/>	<input type="text"/>	<input type="text"/>
15.9	<b>Retained funds of projects</b> what is the amount of interest the amount of interest which had to be paid to foreign lenders for the period for which the loans obtained on interest paying basis as per the loan agreements, remained inactive in the current accounts of banks?			
15.10	Maintain the period of time for which the aforesaid amount of money has been retained	..... Years		
		Yes	No	Not Relevant
15.11	<b>Benefits received after the completion of projects</b> Whether people have received the benefits of the project after the completion of the project, the amount of money spent, and whether any follow-up done on the project and the benefits received?	<input type="text"/>	<input type="text"/>	<input type="text"/>
15.12	<b>Environmental impacts of the project</b> Whether any investigation done pertaining to the environmental impacts of the project at its initiation, during implementation and after completion?	<input type="text"/>	<input type="text"/>	<input type="text"/>
15.13	Whether a suitable staff is available to implement the projects?	<input type="text"/>	<input type="text"/>	<input type="text"/>
15.14	Whether any other staff is available in addition to the approved cadre?	<input type="text"/>	<input type="text"/>	<input type="text"/>
15.15	Whether action had to be taken contravening the Public Procurement procedures in relation to the implementation of the project?	<input type="text"/>	<input type="text"/>	<input type="text"/>
15.16	Whether the project had to be suspended owing to legal matters in the process of implementation?	<input type="text"/>	<input type="text"/>	<input type="text"/>

15.17	Which kind of a legal matter was that? ..... ..... ..... .....			
<b>16</b>	<b>Implementation of Projects through local financing</b>			
		<b>Yes</b>	<b>No</b>	<b>Not Relevant</b>
16.1	<b>Abandoning projects without initiating</b> Were there any instances where projects had not been initiated even though allocations have been made through annual budget estimates?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.2	<b>Abandoning projects after initiation</b> Were there any instances where projects have been abandoned after initiating even though financial allocations have been provided for the projects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.3	<b>Delays in executing projects</b> Whether any delays have occurred regarding executing the projects on the due dates?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.4	<b>Projects which have not achieved any progress even though money has been released</b> Were there any projects which have not achieved any progress?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.5	<b>Projects which commenced with a delay of time</b> Were there any projects which commenced work with a delay of time?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.6	<b>Payment of advances for commencement of work, exceeding the limits</b> Were there instances where advances were paid exceeding the limits and contravening the provisions of the Public Procurement Guidelines	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>16.7</b>	<b>Capital projects implemented through local and foreign financing</b>			
16.7.1	Amount of allocation provided? Performance criteria and accordingly whether the progress of the project has been acquired?	Rs. Million.....		
16.7.2	Mention the percentages of financial and physical progress	financial progress %		<input type="checkbox"/>
		physical progress %		<input type="checkbox"/>

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<b>17</b>	<b>Performance</b>			
		Has completed the work 100% in compliance with the Action Plan	Has completed over 50% of the work in compliance with the action plan while tasks have been completed deviating from the Action Plan	Has not complied with the Action Plan
17.1	Mention the progress of the Ministry/ Department/District secretariat as per the Annual budget estimate/Action plan 2015	<input type="text"/>	<input type="text"/>	<input type="text"/>
17.2	<b>Activities in contravention to the major functions (deviating from the objective etc.)</b> Number of instances where activities were done not in accordance with the major functions.	.....		<input type="text"/>
17.3	The expenditure that had to be borne by the government owing to engaging in the aforesaid activities.	Rs. Million.....		<input type="text"/>
17.4	The number of major functions that have not been accomplished up to the satisfactory level.	.....		<input type="text"/>
		Maintaining and updating information	Information obtained but not updated	Information not obtained
17.5	<b>Social Welfare Programs</b> Whether a timely updated data base is maintained with relevance to beneficiaries?	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>18</b>	<b>Shortcomings in maintaining Bank Accounts</b>			
		Prepared on the specific date	Prepared at the Evaluation without preparing on the specific date.	Not prepared
18.1	Extensive delays in preparing Bank Reconciliation Statements	<input type="text"/>	<input type="text"/>	<input type="text"/>
18.2	Dormant Bank Accounts Have any dormant Bank accounts been maintained as at 31 <sup>st</sup> December 2015	Yes <input type="text"/>	No <input type="text"/>	Not relevant <input type="text"/>
18.3	Balance of the aforesaid Bank Accounts	Rs. Million.....		

		Adjusted at the specific date	Adjusted at the date of evaluation but not on the specific date	Not adjusted
18.4	Balances to be adjusted - When preparing the Reconciliation statements, had action been taken as per the adjustments done and as per the Financial Regulations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19	Damages and losses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19.1	Had action been taken as per the provisions of Financial regulations 103 to 110 pertaining to the losses and damages incurred by the institution?	Accomplishing the tasks during the specific duration as per Financial Regulations <input type="checkbox"/>	Accomplishing the tasks not during the specific durations as per the Financial Regulations but at the evaluation <input type="checkbox"/>	Tasks not accomplished as per the Financial Regulations <input type="checkbox"/>
19.2	Have there been delays in reimbursing advances after advances were obtained from the Treasury to cover losses as per FR 106?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Not Applicable <input type="checkbox"/>
19.3	Have there been delays in writing off losses incurred from accounting activities of the Advance Account as per FR113?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Not Applicable <input type="checkbox"/>
<b>20</b>	<b>Audit Paras Not Resolved</b>			
		If all paras were resolved	If more than 50 percent of the paras were resolved	Percentage of paras resolved is less than 50 or paras have not been resolved
20.1	Provide information of action taken regarding audit observations pointed out by previous audit reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>21</b>	<b>Human Resource Management</b>			
21.1	Has approval of the Department of Management Services been obtained with reference to instances in which surplus staff was disclosed?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Not Applicable <input type="checkbox"/>
21.2	Has action been taken to recruit officers to positions that have been made vacant in the approved cadre?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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21.3	Had staff been attached to other institutions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21.4	Had staff been obtained from other institutions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Performance Appraisal on Human, Financial and Physical Resources Management  
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	Description					Marks	
		Yes		No			
<b>22</b>	<b>Leadership</b>						
22.1	Vision, mission, values and objectives of the institution						
22.1.1	Does the institution have a vision?	<input type="checkbox"/>	<input type="checkbox"/>				
22.1.2	Does the institution have a mission?	<input type="checkbox"/>	<input type="checkbox"/>				
22.1.3	Have the values of the institution been identified and portrayed?	<input type="checkbox"/>	<input type="checkbox"/>				
22.1.4	Have the objectives of the institution been identified and portrayed?	<input type="checkbox"/>	<input type="checkbox"/>				
22.2	Has the staff been educated about the vision, mission, values and other office policies and standards?						
22.3	Have the core performance indices for the 05 services been identified and documented?						
22.4	Percentage of the overall achievement of the core performance indices identified in 22.3 as per the Annual Action Plan?	over %90 <input type="checkbox"/>	-%80 %89 <input type="checkbox"/>	-%70 %79 <input type="checkbox"/>	-%60 %69 <input type="checkbox"/>	%59-%50 <input type="checkbox"/>	Less than %50 <input type="checkbox"/>
		Yes		No			
22.4.1	Has the Head of the Institution submitted proposals to enhance performance of the institution in year 2016?	<input type="checkbox"/>	<input type="checkbox"/>				
22.4.2	Have the other officers of the institution submitted proposals to enhance performance of the institution in year 2015?	<input type="checkbox"/>	<input type="checkbox"/>				
		Very good		Good		Weak	
22.5	Do the horizontal and vertical lines of communication established to inform the staff of the decisions taken by the management for the development of the institution function soundly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
22.6	What is the nature of the contribution made by the staff in decision making (participatory decision making)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			

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22.7	Taking action to develop second tier leadership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>23</b>	<b>Appointer/ Authority</b>			
		Yes	No	
23.1	Physical environment			
23.1.2	Has a methodology been identified to fulfill the requirements of clients in an efficient and accurate manner?	<input type="checkbox"/>	<input type="checkbox"/>	
<b>23.2</b>	<b>Staff</b>			
23.2.1	Have all members of staff from all levels been given a duty list?	<input type="checkbox"/>	<input type="checkbox"/>	
23.2.2	Have all members of staff from all levels been given job descriptions?	<input type="checkbox"/>	<input type="checkbox"/>	
23.2.3	Have all members of staff entered into performance agreements with their immediate supervisors at the beginning of the year in accordance with their respective job description?	<input type="checkbox"/>	<input type="checkbox"/>	
23.2.4	Have the methodologies adopted to assess the performance of the members of staff as per the performance agreement been listed?	<input type="checkbox"/>	<input type="checkbox"/>	
23.2.5	Have process manuals/ work manuals pertaining to all duties of the institution been prepared and made available for the use of the members of staff?	<input type="checkbox"/>	<input type="checkbox"/>	
23.2.6	Availability of a methodology to obtain suggestions and comments from staff (Staff Suggestion Scheme) to increase productivity in every Division, in every process and in general	<input type="checkbox"/>	<input type="checkbox"/>	
23.2.7	Have measures been implemented in order to provide welfare facilities to the staff?	<input type="checkbox"/>	<input type="checkbox"/>	
23.2.8	Has an officer been nominated for taking action regarding the grievances of the employees?	<input type="checkbox"/>	<input type="checkbox"/>	
23.2.9	Has action been taken to identify and improve the capacity, skills and creativity of the staff? (Skill map)	<input type="checkbox"/>	<input type="checkbox"/>	
23.2.10	Have there been occasions where the identified, special skills of the persons been used for the progress of the institute?	<input type="checkbox"/>	<input type="checkbox"/>	
<b>23.3</b>	<b>Human Resource Development</b>			
23.3.1	Is there a proper human resource development plan for the Institute?	<input type="checkbox"/>	<input type="checkbox"/>	

23.3.2	Details of the training that was given to the employees during the past three years.	Over 90% <input type="checkbox"/>	80%-89% <input type="checkbox"/>	70%-79% <input type="checkbox"/>	60%-69% <input type="checkbox"/>	50%-59% <input type="checkbox"/>	Below 50% <input type="checkbox"/>
23.3.3	Has action been taken to provide the employees with methodologies, theories, concepts and practical experience in productivity in order to increase the overall productivity of the institute?	Yes <input type="checkbox"/>		No <input type="checkbox"/>			
23.3.4	Have quality circles / groups been established?	Yes <input type="checkbox"/>		No <input type="checkbox"/>			
23.3.5	Has action been taken to enlighten the staff on green productivity?	Yes <input type="checkbox"/>		No <input type="checkbox"/>			
23.3.5.1	Have projects been implemented by the green productivity circle?	Yes <input type="checkbox"/>		No <input type="checkbox"/>			
<b>24</b>	<b>Improving Processes</b>						
24.1	Action that has been taken to improve productivity of the limited resources available						
24.1.1	Has the human resource been used productively?	Over 90% <input type="checkbox"/>	80%-89% <input type="checkbox"/>	70%-79% <input type="checkbox"/>	60%-69% <input type="checkbox"/>	50%-59% <input type="checkbox"/>	Below 50% <input type="checkbox"/>
24.1.2	Have the physical resources been used productively?	Over 90% <input type="checkbox"/>	80%-89% <input type="checkbox"/>	70%-79% <input type="checkbox"/>	60%-69% <input type="checkbox"/>	50%-59% <input type="checkbox"/>	Below 50% <input type="checkbox"/>
24.2	Measures that were implemented in order to improve the internal office procedures and the services provided to the clients						
24.2.1	Have the internal office procedures been made simpler?	Yes <input type="checkbox"/>		No <input type="checkbox"/>			
24.2.2	Have the processes of providing services to clients been improved?	Yes <input type="checkbox"/>		No <input type="checkbox"/>			
24.3	Identifying standards for improving internal and external services.						
24.3.1	Have internal services standards been identified?	Yes <input type="checkbox"/>		No <input type="checkbox"/>			
24.3.2	Have external service standards been identified?	Yes <input type="checkbox"/>		No <input type="checkbox"/>			

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24.4	Management of data, information and knowledge.						
24.4.1	Are there methodologies in place for collecting data and information required for preparing plans and making decisions?	Yes <input type="checkbox"/>		No <input type="checkbox"/>			
24.4.2	Is a data and information system relevant to the institute available?	Yes <input type="checkbox"/>		No <input type="checkbox"/>			
24.5	Using information technology for the improvement of the overall process of the institute (e - productivity) What is the nature of the improvements that have been made using information technology?	Over 90% <input type="checkbox"/>	80%-89% <input type="checkbox"/>	70%-79% <input type="checkbox"/>	60%-69% <input type="checkbox"/>	50%-59% <input type="checkbox"/>	Below 50% <input type="checkbox"/>
<b>25</b>	<b>Results</b>						
25.1	Methodologies adopted to measure the satisfaction of the clients						
25.1.1	Outside clients – Were methodologies available?	Yes <input type="checkbox"/>		No <input type="checkbox"/>			
25.1.2	Internal clients – Were methodologies available?	Yes <input type="checkbox"/>		No <input type="checkbox"/>			
25.2	Availability of a methodology to obtain the views and suggestions of the clients on the services provided to them by the institute	Yes <input type="checkbox"/>		No <input type="checkbox"/>			
25.3	Increase of the benefits the clients receive because of the improvements made to the provision of services to the clients	Yes <input type="checkbox"/>		No <input type="checkbox"/>			
<b>25.4</b>	<b>Implementation of the Official Language Policy</b>						
25.4.1	To what extent is the official language policy implemented?	Over 90% <input type="checkbox"/>	80%-89% <input type="checkbox"/>	70%-79% <input type="checkbox"/>	60%-69% <input type="checkbox"/>	50%-59% <input type="checkbox"/>	Below 50% <input type="checkbox"/>
25.4.2	To what extent has competence in official languages been provided to the members of the staff who are required to gain competence in official languages?	Over 90% <input type="checkbox"/>	80%-89% <input type="checkbox"/>	70%-79% <input type="checkbox"/>	60%-69% <input type="checkbox"/>	50%-59% <input type="checkbox"/>	Below 50% <input type="checkbox"/>
25.5	Has action been taken in terms of circulars in order to minimize or eliminate waste?	Yes <input type="checkbox"/>		No <input type="checkbox"/>			

25.6	Has the institute identifies corporate social responsibilities (CSR) and fulfilled them?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
<b>26</b>	<b>Achievements</b>			
26.1	The highest awards that the institute has received during the past years.			
26.1.1	International level awards	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
26.1.2	National level awards	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
26.1.3	Provincial level awards	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
26.1.4	District level awards.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
26.1.5	No award has been won	<input type="checkbox"/>		

It is hereby informed that the details given above are correct and such information is accurate in accordance with the books, registers, accounts records and reconciliation statements maintained at the Ministry / Department / District Secretariat and that such books, registers, accounts reports and reconciliation statements have been made ready for submitting to the Auditor General’s staff.

Chief Accountant  
Ministry / Department /  
District Secretariat  
On ..... 2016

Accounting Officer  
Head of Department  
On..... 2016

Chief Accounting Officer  
Secretary to the Ministry  
On ..... 2016

**Annexure 2**

**Questionnaire 2**

**Evaluation of Financial and Operational Performance of Local Authorities  
Committee on Public Accounts  
Parliament of Sri Lanka – Sri Jayawardenapura Kotte**

Please respond either 'Yes', 'No' or 'Not applicable' to questions in this document prepared to review the operations of the Local Authorities summoned for investigation by the Committee on Public Accounts provide instructions to improve the aspects that require improvement and to assess the current operations of the institutions that are summoned.

Local Authority subjected to Evaluation: .....

Municipal Council/ Urban Council/ Pradeshiya Sabha

Name of current Mayor/ Chairperson: .....

Name of administrative authority: .....

**01. Audit opinion – for accounts of year 2014**

- i. Non-qualified opinion/ Clean opinion
  - ii. Qualified opinion /except opinion
  - iii. Disclaimed opinion – No opinion stated
  - iv. Adverse opinion – Not accurate and fair in keeping with accounting standards
- (Marks are awarded for one opinion only)


		Yes	No	Not applicable
2.	Has the relevant Local Government Body submitted the Financial Statements for 2014 to the Auditor General on or before 31 <sup>st</sup> March 2015?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	Has the relevant Municipal Council submitted the Annual Administrative Report for 2014 to the Council as per 218 of the Ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	Has the Municipal Council gazetted the Council Reports of the last three months as per 190 of the Ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	Has the Municipal Council submitted the Annual Administrative Report for 2014 to the Minister as per the provisions of the Ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	Has the relevant Local Government Body set up an Audit and Management Committee for 2014?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	Has the relevant Local Government Body held at least two meetings of the Audit and Management Committee in 2014?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	Has the relevant Local Government Body provided replies for all the audit reports/audit queries received with relevance to 2014?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	Has the relevant Local Government Body provided replies for all the audit reports/audit queries received with relevance to 2013?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

		Yes	No	Not applicable
10.	Has the relevant Local Government Body enacted by-laws for charging the fees and other charges imposed by such Local Government Body?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11.	Has the relevant Local Government Body taken action to regularize the fees charged by such Local Government Body without by-laws?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12.	Has the relevant Local Government Body collected within the year 2014 itself, a minimum of 85% of the rates billed for the said year?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13.	Has the relevant Local Government Body collected by 31 <sup>st</sup> December, a minimum of 85% of the outstanding rates as at 01 <sup>st</sup> January 2014?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14.	Has the relevant Local Government Body seized property to collect the outstanding rates with relevance to 2013 or the previous years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15.	Has the relevant Local Government Body taken action to assess property every five years and bill for the purpose of charging rates?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.	Has the relevant Local Government Body,			
	i. Collected by 31 <sup>st</sup> March 2015, the amount outstanding for 2014 from the meat stalls leased out on tenders annually?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	ii. Entered into agreements for each meat stall?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	iii. Collected by 31 <sup>st</sup> March 2015, the amount outstanding for 2014 from the fish stalls leased out on tenders annually?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	iv. Entered into agreements for each fish stall?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	v. Collected by 31 <sup>st</sup> March 2015, the amount outstanding for 2014 from the fairs leased out on tenders annually?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	vi. Entered into agreements for each fair?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17.	Has the relevant Local Government Body,			
	i. entered into contract with respect of all public market stalls owned by the Local Government Body?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	ii. handed over stalls belonging to the Local Government Body in the public market to certain first owners who in turn have transferred ownership to other parties?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	iii. taken action to adopt public tender procedures when transferring stalls mentioned in (ii) above to other parties from their first owners?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	iv. taken action once every five years to revise rent charged for market stalls owned by the Local Government Body?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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*First Report of the Committee on Public Accounts*

		Yes	No	Not applicable
	v. ever taken action to reduce at a later time, the assessed rent of the market stalls owned by the Local Government Body	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	vi. lost revenue as a result of any action taken by it to reduce the assessed rent of market stalls owned by it?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18.	Have the outstanding balances payable to the Local Government Body for giving backhoes, tractors, road rollers, reception halls and other possessions of the Local Government Authority as at end of 2014 been recovered before 31 March 2015?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19.	Have the outstanding court fines payable to the Local Government Body by 31 December 2013 been recovered before 31 March 2014?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20.	Have the outstanding court fines payable to the Local Government Body by 31 December 2014 been recovered before 31 March 2015?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21.	Has the Local Government Body undertaken a full survey on the recovery of business/ industry taxes and license fees for year 2013?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22.	Has the Local Government Body sent requests to all persons from whom business/ industry tax and license fees is to be recovered by 31 December 2014?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23.	Are there any outstanding business/ industry taxes to be paid to the Local Government Body as at 31 December 2014?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24.	Has the Local Government Body taken legal action against those mentioned in (22) above in relation to taxes recoverable as at 31 December 2013?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25.	Are there persons or institutions that had not obtained the license, mentioned in aforesaid (22) , from the council by 31 <sup>st</sup> December 2014 ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26.	i. Are there unauthorized constructions that were identified by the council by 31 <sup>st</sup> December 2014 ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	ii. Are there unauthorized constructions which were identified by 31 <sup>st</sup> December 2013?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	iii. Have the legal actions / regularizing measures been taken, pertaining to all unauthorized constructions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27.	In the event of granting contracts by the council, have contracts been granted to the institutions which members of the council and the officials are associated with?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28.	In the event of auctioning the lands of the council area,			
	(i) Has the approval been granted for all the lands which were auctioned as at 31 <sup>st</sup> December 2014?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(ii) Has the approval been granted for all the lands that were auctioned as at 31 <sup>st</sup> December 2013?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

		Yes	No	Not applicable
	(iii) Has the council received the share of lands, that the council is due to receive out of the entire extent of lands, auctioned?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(iv) Have the measures been taken for the accurate calculation of the amount of money that should be received from the lands , auctioned ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(v) Has the council received the charges that should be received for the entire extent of the lands?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(vi) Have the outstanding dues that should be received for auctioned lands by 31 <sup>st</sup> December 2014 , been received prior to 31 <sup>st</sup> March 2015 ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29.	In view of the fact that, the council has performed the tasks of various government/semi-government institutions ,			
	i. Are there outstanding amounts that are due as at 31 <sup>st</sup> December 2013 ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	ii. Are there outstanding amounts that are due as at 31 <sup>st</sup> December 2014 ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	iii. Have the formal measures been taken to charge outstanding amounts?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
30.	Although ,the council has received money for the performance of the tasks of various government/ semi- government institutions ,			
	i. Has the council paid dues to the creditor/ contractor as at 31 <sup>st</sup> December 2013 ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	ii. Has the council paid dues to the creditor/ contractor as at 31 <sup>st</sup> December 2014?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
31.	In connection with the industries that were run and the contracts that were undertaken by the council , entering in to agreements with the various parties ,			
	i. Are there dues that should be paid as at 31 <sup>st</sup> December 2013 ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	ii. Are there dues that should be paid as at 31 <sup>st</sup> December 2014?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
32.	With regard to the loans obtained by the council,			
	i. Are there defaulted loan installments , though the installments should be paid for the long term loans within 2014 ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	ii. Are there short term loans that are not settled, though they should be completely settled within 2014?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
33.	i. Has the council obtained overdrafts within the year of 2014 and paid interests?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	ii. Has the council obtained overdrafts within the year of 2013 and paid interests?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
34.	Has the council maintained following documents for accounting purposes and administration?			
	i. Registry of Audit queries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	ii. Registry of Debtors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

		Yes	No	Not applicable
	iii. Registry of Creditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	iv. Tender board decisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	v. Registry of Counter foils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	vi. Documents on Assets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(a) Light vehicles and heavy vehicles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(b) Office equipments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(c) Machineries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(d) Electric appliances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(e) Lands and buildings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(f) Registry of computer devices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	vii. Inventory of roads	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Viii Street lights register	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	ix. Common amenities (lands ) register	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
35.	i. Has the council simply passed the budget 2014 , collected revenue and expenditure have been borne?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	ii. Has a supplementary estimate been passed in addition to the budget 2014?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	iii. Have expenditure been borne, changing the expenditure heads?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	iv. Has the total expenditure been borne, in a manner that it does not exceed the 100% limit out of the estimated cost of the approved budget?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	v. Has the revenue that should be collected been exceeded 90 % limit of the estimated revenue of the approved budget?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	vi. Has the value of all the expenditure heads of the approved budget been supported by an annexure?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
36.	(i) Has the council , borne capital expenditure of over 30 % of the self generated revenue by 31 <sup>st</sup> December 2014 ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
37	(i) Has the council employed people exceeding the approved cadre for 2013?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(ii) Has the council employed people exceeding the approved cadre for 2013?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(iii) Have salary and the allowances been paid for the excess staff in 2013 ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(iv) Have salary and the allowances been paid for the excess staff in 2014?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

		Yes	No	Not applicable
38.	Has the Auditor General imposed surcharges on mayor /Chairman /members /officers ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
39	(i) According to the searches that were conducted by the council within the council area , are there places that non compensatory agreements should be entered in to?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(ii) According to the requests that were made and the inspections that were conducted within the council area , are there any non compensatory agreements that were entered in to ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(iii) Are there assets removed by the council, on non compensatory agreements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(iv) Is there a list of Non compensatory agreements, maintained by the council?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
40	(i) Have the mayor / chairman and all the members have submitted assets and liability declarations ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(ii) Have all the members who have not submitted the assets and liability declarations , been informed to submit their declarations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
41	i. Have all the cemeteries that comes under the purview of the council, been declared by gazette notifications?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	ii. is a document on the location and the extents of all the cemeteries of the council , maintained ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
42	(i) Have all members of the council ,participated 9 or more meetings , out of the number of meeting that should be participated in 2014 ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
43	(i) Have conformity certificates been issued for the buildings that were constructed in the council area , within a one year period of their completion ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(ii) Have time extensions been given for the people who have not obtained the conformity certificates , concerned , for the buildings that were constructed in the council area , within a one year period of their completion?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
44	Have contributions, for all the council people, entitled for the state provident fund , have been made ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
45	Have awarding letters been sent before granting industries , owned by the council over the value of Rs. 5000/-, Rs. 10000/- and Rs. 15000/-?.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
46	i. Has a surplus of recurrent expenditure been earned than the recurrent expenditure, depicted in the accounts of the council for year 2014,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	ii. Is there is a surplus that results due to the fact that total revenue exceeds total expenditure (capital and recurrent) for year 2014,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
47	(i) Has the council spent on functions , exceeding the limit imposed by the Act ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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		Yes	No	Not applicable
	(ii) Has the council obtained the approval of the Minister in spending on functions, exceeding the limit, imposed by the Act?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
48	Has the council declared all the roads in its council area by gazette notifications?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
49	Has the council prepared a 4 year plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
50	Had the council prepared an action plan before 15 <sup>th</sup> January 2014 ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
51	Had the council prepared a procurement plan for year 2014?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
52	Has the Municipal council furnished all the copies of internal Audit reports to the Auditor General?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\* Question No, 03, 04,05 and 52 are relevant only to Municipal Councils .

We wish to submit that aforementioned information is accurate , and aforementioned information is accurate , going by the books,documents,account reports and bank reconciliation statements that are maintained by the Municipal Councils/Urban Councils / Local Authorities and the sub offices and we are prepared to submit aforesaid books, documents, account reports and bank reconciliation statements to the staff of the Auditor General .

Accountant/Management  
Assistant

.....council

On ..... ,..... 2016

Urban commissioner  
/Secretary

.....council

On ..... ,..... 2016

Mayor/Chairman

.....council

On ..... ,..... 2016

**Annexure III**

**Detailed report on the 597 files and other files/information requested from Department of Motor Traffic as at 31<sup>st</sup> May 2016 (Table -02)**

	Date of files requested	The No of the letter calling for audit/information	Vehicle model	No of samples examined by the computer data	No. of files requested	No. of files submitted for auditing	No. of files not submitted for auditing as at 31.05.2016
1	2013.03.22	FB/N/DMT/DE/2012/22	motor bikes	475	302	-	302
2	2013.04.29	FB/N/DMT/2012/වී.නො. 12	motor bikes	4279	21	-	21
3	2013.06.04	FB/N/DMT/DE/2012/33	motor cars	836	21	04	17
4	2013.06.07	FB/N/DMT/2013/වී.නො. 15	motor cars	3020	05	03	02
5	2013.06.26	FB/N/DMT/DE/2012/2(1)	Motor bikes	124	15	-	15
6	2013.04.11	FB/N/DMT/DE/2012/31	Motor cars	254	04	01	03
7	2012.01.28	FB/N/DMT/2013/ වී.නො. 01	Land and vehicles	30	24	24	-*
8	2014.09.21	FB/N/DMT/2014/01	Single cabs	01	01	-	01
9	2014.11.13	FB/N/DMT/2014/13	Motor bikes	4224	177	-	177
10	2015.01.20	FB/N/DMT/DGE/2014/14	Single cabs and Double cabs	35	26	01	25
11	2015.08.25	FB/N/DMT/2015/ වී.නො.16	Motor cars	01	01	-	01
				13279	597	33	564
12	2012.11.23	FB/N/MT/2012/ වී.නො.	Information regarding all the vehicles belonging to G,H,J, 32,64 and 65 categories	This information has not been received.			
13	2012.02.16	FB/N/DMT/2012/ වී.නො.	The No of the motor bikes belonging to G, H and J categories (Information regarding the vehicles allocated to outstation offices)				

\* 24 files indicated under No.7 contained certified photocopies of the Customs Registry and an extract of details of the vehicles obtained form the computer system of Department of Motor Traffic.

**Contribution of State Institutes towards Public Revenue**

The Committee has decided that more attention should be paid to the institutes which make the biggest contribution to public revenue and that such institutes be called at least twice a year for examination. Names of the 15 institutes which make the biggest contribution to public revenue and the revenue earned by the Department of Registrar of Companies during the period from 2011 – 2015 are given in the following table as per the data obtained from the Treasury.

No	institution	2011 (Rs)	%	2012 (Rs)	%	2013 (Rs)	%	2014 (Rs)	%	2015 (Rs)	%
01	Sri Lanka Customs	318,130,766	32.65%	341,997,016	33.20%	362,782,878	33.03%	398,616,851	34.08%	615,888,378	43.58%
02	Department of Inland Revenue	417,455,439	42.85%	418,423,600	40.62%	467,162,277	42.53%	485,387,055	41.50%	524,834,224	37.13%
03	Department of Excise	55,318,727	5.68%	60,081,185	5.83%	66,041,370	6.01%	69,123,606	5.91%	105,297,598	7.45%
04	Department of Treasury Operations	88,744,530	9.11%	79,404,498	7.71%	90,382,814	8.23%	97,652,466	8.35%	40,760,166	2.88%
05	His Excellency the President	-	0.00%	-	0.00%	-	0.00%	-	0.00%	33,358,098	2.36%
06	Department of Public Enterprises	34,392,296	3.53%	46,795,426	4.54%	35,201,703	3.20%	46,813,613	4.00%	29,797,761	2.11%
07	Department of Pensions	12,627,965	1.30%	11,738,027	1.14%	15,144,742	1.38%	14,918,885	1.28%	152,013,299	1.08%
08	Department of Motor Traffic	7,030,973	0.72%	7,870,323	0.76%	7,726,574	0.70%	9,290,588	0.79%	11,934,588	0.84%
09	Department of Immigration and Emigration	3,764,250	0.39%	6,197,729	0.60%	7,529,358	0.69%	8,150,850	0.70%	10,107,772	0.72%
10	Department of Posts	4,408,928	0.45%	4,952,412	0.48%	5,907,433	0.54%	6,557,508	0.56%	6,710,879	0.47%
11	Department of Railways	4,235,379	0.43%	4,852,422	0.47%	5,424,899	0.49%	5,909,312	0.51%	6,412,931	0.45%
12	Department of Transport and Civil Aviation	-	0.00%	-	0.00%	-	0.00%	-	0.00%	3,963,232	0.28%
13	Forest Conservation Department	1,460,187	0.15%	817,802	0.08%	960,701	0.09%	789,545	0.07%	1,406,170	0.10%
14	Department of Registrar General	313,063	0.03%	310,102	0.03%	1,213,759	0.11%	1,124,002	0.10%	1,143,466	0.08%
15	Department of Import and Export Control	432,483	0.04%	512,671	0.05%	458,372	0.04%	751,446	0.06%	1,089,116	0.08%
16	Department of Registrar of Companies	70006	0.01%	67,650	0.015%	75,472	0.01%	87778	0.01%	109,336	0.01%

### **Resummoning Provincial Councils and Local Authorities**

When provincial councils and Local Authorities are summoned before the Committee, the position of the statements of finance of those institutes, i.e. transparency in handling the finances and up to what extent have they adopted the existing laws and rules are basically considered. On this basis, the Committee obtained the opinion of the Auditor General on the position of the audit of provincial councils and Local Authorities for the period of last 05 years. It is indicated in annexure 5 and a clarification about the audit opinion on the financial statements, too, is given below.

#### **Audit Opinion on the Financial Statements**

Public institutes prepare their annual financial statements containing information about their financial position at the end of each financial year. The Auditor General gives an assurance to Parliament that the financial statements presented by those institutes are fair and accurate. Giving such assurance means expressing an opinion about the financial statements. The audit opinion is of four types. A brief description of each type of audit opinion is given below:

1. Unqualified Opinion

This opinion expresses that a true and fair situation is represented by the financial statements as the Auditor General has not been able to identify any significant contravention or misstatement through his audit. This is the best audit opinion that an institution can receive.

2. Qualified Opinion

A qualified opinion implies that the financial information presented by the institute has not been prepared in accordance with the accounting policies and that it contains quantitatively incorrect statements. This opinion implies that the financial statements represent a true and fair position subject to the impact of those incorrect statements on the financial statements.

3. Disclaimer Opinion

This opinion implies that an opinion cannot be expressed on the financial statements as the scope of the Auditor General has been seriously narrowed due to the lack of adequate or appropriate evidence for the audit.

4. Adverse Opinion

By expressing an adverse opinion, the Auditor General informs that significant quantitative misstatements have been identified in the financial statements of the institute because of incorrect or unreliable information. This means that a true and fair position is not represented by the financial statements of the institute.

**The Audit General's view on the Provincial Councils within 05 years**

The Auditor General's view on the Financial Statements forwarded by the Provincial Councils and Local Government Authorities for a period of 05 years from 2010 to 2014 is as follows;

Provincial Council		Audit view																			
		2010				2011				2012				2013				2014			
-----		-----				-----				-----				-----							
		U	Q	D	A	U	Q	D	A	U	Q	D	A	U	Q	D	A	U	Q	D	A
01.	Western Province																				
02.	Southern Province																				
03.	Eastern Province																				
04.	Northern Province																				
05.	Sabaragamuwa Province																				
06.	Central Province																				
07.	North Western Province																				
08.	North Central Province																				
09.	Uva Province																				
010.		0	5	4	0	0	6	3	0	0	6	3	0	0	9	0	0	0	9	0	0

U - Unqualified Opinion Q - Qualified Opinion  
D - disclaimer Opinion A - Adverse Opinion

Auditor General's view on the Local Government Authorities during last 05 years.

Local Government Authority	Audit View																			
	2010				2011				2012				2013				2014			
	U	Q	D	A	U	Q	D	A	U	Q	D	A	U	Q	D	A	U	Q	D	A
Western Province		27	21	=		29	18	1		24	24			21	5	22		40	6	2
Southern Province		17	32			36	13			26	22	1		46		3		45		2
Eastern Province		43				45				44	1			45				44	1	1
Northern Province	6	28			7	27				32	2		1	31	2			34		
Sabaragamuwa Province		22	7			21	8			25	4			24	2	3		26	1	2
Central Province		7	35			11	32			11	32		3	29	9	2	6	32	3	1
North Western Province		23	7	3		17	13	3	2	17	11	3		23	5	5		27	1	5
North Central Province		6	20			17	9			15	11		1	19	2	3	3	19	3	
Uva Province		16	11			11	17			11	17			25	2	1	1	27		
Total	6	189	133	3	7	214	110	4	2	205	124	4	5	263	27	39	10	294	15	13
Total			331			335				335				334				332		
Accounts not received			1											1				3		
Total Local Government Authorities existed			322			335				335				335				335		

U - Unqualified Q - Qualified Opinion  
 D - Disclaimer Opinion A - Adverse opinion

**Summary of the reports of the Committee on Public Accounts tabled in the Parliament**

Parliament	Session	Name of Chairperson	No. of Reports	Date of Submission	No. of Institutions Covered
First	First	Hon. P.S. Soosaidasan	7	24.11.1978	5
				08.08.1979	17
				21.11.1979	11
				23.06.1980	18
				18.11.1980	
				21.10.1981	31
	Second	Hon. P.S. Soosaidasan	3	02.11.1982	20
				15.12.1983	11
		Hon. W.P.B. Dissanayaka	-		13
	Third	Hon. W.P.B. Dissanayaka	-		
Fourth	Hon. W.P.B. Dissanayaka	-			
Fifth	Hon. W.P.B. Dissanayaka	1	03.12.1985	21	
Sixth	Hon. W.P.B. Dissanayaka	2	03.06.1986 18.11.1986	18	
Seventh	Hon. W.P.B. Dissanayaka	1	19.11.1987	14	
Eighth	Hon. G.V.S. de Silva	1	27.10.1988	20	
<b>Total no. of Reports</b>			<b>15</b>		
Second	First	Hon. Chandrakumara Wijegunawardena	2	18.10.1989	19
				24.11.1989	15
	Second	Hon. E.P. Paul Perera	2	21.09.1990 21.11.1990	
	Third	Hon. E.P. Paul Perera	-		
	Fourth	Hon. E.P. Paul Perera	4	06.12.1991 12.12.1991 06.10.1992 18.11.1992	Common issues 04 Common issues Common issues
Fifth	Hon. E.P. Paul Perera	3	201.10.1993 17.11.1993 17.11.1993	Common issues 6 Provincial Councils 6 Urban Councils	
<b>Total no. of Reports</b>			<b>11</b>		
Third	First	Hon. (Dr.) P.B.G. Kalugalla	-	14.12.1994	Common issues
	Second	Hon. (Dr.) P.B.G. Kalugalla	-	27.12.1995	
	Third	Hon. (Prof.) Vishwa Warnapala	-		
<b>Total no. of Reports</b>			<b>-</b>		
Fourth	Second	Hon. Mahindananda Aluthgamage	-		

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<b>Total no. of Reports</b>			-		
Fifth	First - Second	Hon. Anura Priyadarshana Yapa	1	25.09.2003	1
<b>Total no. of Reports</b>			1		
Sixth	First	Hon. Rauf Hakeem	1	2007-11-29	Special Report
	Second	Hon. Anura Priyadarshana Yapa	-		
<b>Total no. of Reports</b>			1		
Seventh	First	Hon. (Dr.) Sarath Amunugama	3	2013-07-25	69
				2015-02-10	48
				2015-05-19	43
<b>Total no. of Reports</b>			3		
<b>Overall total</b>			31		

First report of the First Session, 8<sup>th</sup> Parliament (current)

No. of institutions investigated: 38

No. of inquiries: 41

The current Committee on Public Accounts has conducted comparatively the largest number of investigations during a period of 3 months (from 09.01.2016 to 07.04.2016)

**I N D E X**

A

Ministry of Agriculture  
Department of Agriculture  
Department of Agrarian Development

C

Department of Commerce

D

Divineguma Department  
District Secretariat, Kurunegala  
District Secretariat, Kandy

E

Ministry of Education  
Department of Education  
Excise Department  
Department of Examination  
Employees Provident Fund  
Department of Education Publications  
Department of Export Agriculture

I

Department of Inland Revenue  
Department of Immigration and Emigration  
Department of Import and Export Control  
Ministry of Industry and Commerce

L

Department of Labour  
Ministry of Labour and Trade Union Relations

Department of Land Settlement  
Ministry of Lands

M

Department of Motor Traffic  
Department of Manpower and Employment  
Department of Measurement Units, Standards and Services

N

Department of National Zoological Gardens

Department of National Botanical Gardens

Department of National Archives

Ministry of National reconciliation Dialog and Official Languages

O

Department of Official Languages

P

Department of Prisons

R

Department of Railways

Department of Registrar of Companies

S

Ministry of sustainable Development and Wild Life

Sri Lanka Customs

Ministry of Skills Development and Vocational Training

Survey General's Department

V

Department of Valuation

W

Department of Wildlife Conservation



