



**ADDENDUM TO THE ORDER BOOK No. 2
OF
PARLIAMENT**

Issued on Wednesday, March 14, 2007

NOTICES OF MOTIONS FOR WHICH NO DAYS HAVE BEEN FIXED

P.40/'07.

Hon. Sunil Handunnetti

Hon. Wasantha Samarasinghe

Hon. Lakshman Kiriella

Hon. (Dr.) Jayalath Jayawardane,— Select Committee of Parliament to look into the shortcomings of the Department of Inland Revenue, highlighted in the Auditor General's Report (Parliamentary Series No. 2 of the Sixth Parliament),—

Whereas the Auditor General by his Report (Parliamentary Series No. 2 of the Sixth Parliament of the Democratic Socialist Republic of Sri Lanka) has highlighted several shortcomings in the Department of Inland Revenue, more particularly;

1. Weaknesses in Higher Management,
2. Structural Weaknesses in the Organization,
3. The lack of Internal Controls,
4. Problems relating to non-furnishing of Information to the State Audit,

And whereas the said report has exposed several instances of loss to state revenue as a result of the above shortcomings, namely,—

1. Refund of Taxes despite the prevalence of large Discrepancies in Tax Returns,
2. Inefficiencies in the Collection of Arrears of Tax,
3. Inadequate Audit Test Checks based on Form "C General 35" on write off of Taxes,
4. Refunds of Taxes to those who evaded Taxes on a large scale instead of setting off against Arrears of Taxes,
5. Overstatement of Export Income by Rs. 275 million,

6. Defrauding of Value Added Tax by producing incorrect information by wrong Parties,
7. Non-collection of Taxes on Assessments on Value Added Tax issued by the Department as at 31st March 2006,
8. Refunds of Value Added Tax (VAT),
9. Refunds of Goods and Services Tax (GST),
10. Inefficiencies in the Collection of Arrears of Goods and Services Tax (GST),
11. Inefficiencies in the Collection of Arrears of Turnover Tax (TT) and Arrears of National Security Levy (NSL),
12. Failure to recover Withholding Tax properly,
13. Inordinate delays in the banking of Withholding Tax by the Department of Inland Revenue,
14. Inordinate Delays in the release of Tax Revenue collected by Banks to the Government Account,
15. Inadequacies in the Scanning and Re-cashing of Cheques for Refunds of Tax,
16. Losses resulting from failure to take Action on Dishonoured Cheques,
17. Non-compliance with provisions of Acts relating to Taxes by the Department of Inland Revenue,
18. Defrauding of Taxes by the fraudulent Registration of imported motor vehicles as Trucks,
19. Registration of Motor Vehicles on the Production of Fictitious Documents to the Department of Motor Traffic,
20. Illegal Registration of motor vehicles without the payment of Customs Duties,
21. Omission of Taxes due to the Computation of the Taxes on an erroneous basis contrary to Provisions in the Excise Duty Act,
22. Action on motor vehicles imported for Tsunami Disaster work contrary to Provisions in the Excise Duty Act,
23. Non-collection of Tax on locally Manufactured Motor Vehicles contrary to Provisions in the Excise Duty Act,
24. Failure to take action on the manufacture of cigarettes contrary to Provisions in the Excise Duty Act,
25. Failure to collect Taxes on the Production of Aerated Water contrary to Provisions in the Excise Duty Act,
26. Loss of Taxes on the Manufacture of Liquor,
27. Waiver of Taxes contrary to Provision in the Excise Duty Act,
28. Waiver of Taxes of Institutions registered under the Scheme for Temporary Imports for Export Purposes,

29. Losses arising from Delays in auctioning of Confiscated Goods,
30. Withdrawal of Court Cases on Arrears of Excise Duty,
31. Non recovery of Taxes receivable by the Department of Inland Revenue from the Sri Lanka Ports Authority,
32. Tax on Abandoned and Perishable Goods,
33. Loss of Revenue arising the Weaknesses in the Customs Supervision over Investment Promotion Zones,
34. Non-payment of Taxes by an Entrepreneurial Investment Company,
35. Loss of Government Revenue due to action contrary to provisions taken by the Department of Import and Export Control,

And whereas this has resulted in loss of billions of rupees in revenue to the state;

And whereas it appears that no action has been taken or initiated to,

- (i) recover the monies due to the State
- (ii) bring the culprits to book and
- (iii) prevent such occurrences in the future

This House resolves that a Select Committee be appointed to:

- (a) examine the reasons for failure of the relevant authorities to take steps in this regard.
 - (b) recommend action to be taken to prevent their occurrence in the future;
 - (c) recommend measures to be taken to recover the monies due to the State.
2.
 - (a) That the Committee and its Chairman shall be nominated by Mr. Speaker.
 - (b) That notwithstanding the provisions of Standing Order 95, the Committee shall consist of not more than twenty one (21) Members.
3. That the Committee shall have the power to :
 - (a) fix its quorum ;
 - (b) summon any person to appear before it, to require any person to produce any document or record, to procure and receive all such evidence, written or oral, as the Committee may think it necessary for the fullest consideration of the matters referred to above;
 - (c) obtain the services of Specialists and Experts in the relevant fields to assist the Committee; and

- (d) make interim reports from time to time and to sit notwithstanding any adjournment of Parliament.

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Hon. M. Joseph Michael Perera

Hon. Ranjith Aluvihare

Hon. Piyasiri Wijenayake

Hon. Achala Jagodage,— Select Committee of Parliament to look into the irregularities highlighted in the Report of Committee on Public Enterprises (Parliamentary Series No.7 of The Sixth Parliament),—

Whereas the Chairman of the Committee on Public Enterprises by his Report (Parliamentary Series No.7 of The Sixth Parliament of the Democratic Socialist Republic of Sri Lanka) highlighted several instances of embezzlement, misappropriation fraud, bribery, cheating and other questionable transactions and criminal activities involving state funds and state property committed by various persons,

And whereas the said report pointed out,

1. Failures and omissions on the part of the relevant secretaries to supervise and follow up the performance of the institutions which come within their purview,
2. Failures and omissions on the part of the relevant Ministers to keep closed observation into the affairs of the institutions which come within the purview of their duties and obligations,
3. The lack of professionalism in the management of public enterprises,
4. That key senior management positions were being held on acting capacity or on contract basis for considerably long periods,
5. A lack of quality management resulting in losses,
6. The very poor attention being paid to profitability, liquidity and financial viability,
7. A lack of effective Internal Audit,
8. Poor Treasury Management,
9. The poor supervision by the Line Ministry,
10. Instances of idle and under utilization of resources,
11. An absence of good governance practice,
12. The non-availability of updated Corporate Plans and Action Plans,
13. Delays in submitting of Accounts,

14. Uneconomical transactions and mismanagement of funds,
15. Non-compliance with financial rules and regulations,
16. Non-adherence with the accepted tender procedures,
17. Political interference,
18. Delays or failures in responding to Committee directives,
19. Payments of withholding taxes by the institutions which amounts to a payment of double taxes,

And whereas this has resulted in loss of billions of rupees in revenue to the state in respect of the following institutions namely;

1. Central Bank of Sri Lanka (CBSL),
2. Telecommunications Regulatory Commission (TRC),
3. Ceylon Electricity Board (CEB),
4. Bank of Ceylon (BOC),
5. Ceylon Petroleum Corporation (CPC),
6. National Savings Bank (NSB),
7. Geological Survey and Mines Bureau (GSMB),
8. Road Development Authority (RDA),
9. Sri Jayawardenapura General Hospital (SJGH),
10. Board of Investment (BOI),
11. Airport and Aviation Services Limited (AASL),
12. Independent Television Network (ITN),
13. National Water Supply and Drainage Board (NWS&DB),
14. National Child Protection Authority (NCPA),
15. Development Lotteries Board (DLB),
16. State Mortgage and Investments Bank (SMIB),
17. National Lotteries Board (NLB),
18. State Engineering Corporation (SEC),
19. People's Bank (PB),
20. Institute of Policy Studies (IPS),

21. MILCO (PVT) Ltd. (MILCO),
22. Land Reform Commission (LRC),
23. Samurdhi Authority of Sri Lanka (SASL),
24. Public Enterprises Reform Commission (PERC),
25. Sri Lanka Ports Authority (SLPA),
26. Urban Development Authority (UDA),

the details of which are spelt out in the said report,

And whereas the said Report was debated in Parliament by way of an Adjournment Motion on 21st and 22nd February, 2007 and further such instances were brought to light in the course of the said debate,

And whereas it appears that no action has been taken or initiated to:

- (i) recover the monies due to the State,
- (ii) bring the culprits to book and,
- (iii) prevent such occurrences in the future,

This House resolves that a Select Committee be appointed to:

- (a) examine the reasons for failure of the relevant authorities to take steps in this regard.
 - (b) recommend action to be taken to prevent their occurrence in the future;
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2. (a) That the Committee and its Chairman shall be nominated by Mr. Speaker.
 - (b) That notwithstanding the provisions of Standing Order 95, the Committee shall consist of not more than twenty one (21) Members.
3. That the Committee shall have the power to :
 - (a) fix its quorum ;
 - (b) summon any person to appear before it, to require any person to produce any document or record, to procure and receive all such evidence, written or oral, as the Committee may think it necessary for the fullest consideration of the matters referred to above;

- (c) obtain the services of Specialists and Experts in the relevant fields to assist the Committee ;
- (d) make interim reports from time to time and to sit notwithstanding any adjournment of Parliament.

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Hon. Vijitha Herath

Hon. S. A. Jayantha Samaraweera

Hon. Sarath Kumara Gunaratne

Hon. (Dr.) Jayalath Jayawardhana

Hon. M. Joseph Michael Perera

Hon. Achala Jagodage

Hon. Abdul Bais Kamardeen,— Select Committee of Parliament to look into the difficulties which Sri Lankan Migrant Workers have to face,—

As it is incumbent on the part of the Government to protect, the rights of the Sri Lankan migrant workers and to create the necessary environment for them to engage in their employment with dignity by ensuring their safety and convenience and since it is also the responsibility of this Supreme Legislature to take the aforesaid matters into consideration we move that a Select Committee of Parliament be appointed to look into the difficulties which the Sri Lankan migrant workers have to face and to report to Parliament with its observations and recommendations;

1. The said Select Committee should focus its special attention on the following special matters:
 1. Examining matters relating to foreign employment agencies and making recommendations,
 2. Examining whether the recruits who go abroad are given a correct understanding of the relevant employer and the employment opportunity and making recommendations,
 3. Examining whether the recruits who go abroad are given an adequate training and making recommendations,
 4. Examining the possibility of establishing in each Sri Lankan Diplomatic Mission, a new unit which will look into the problems faced by migrant workers in order to make interventions and making recommendations,
 5. Examining the matters relevant to the formulation of a compensation scheme for migrant workers regarding accidents and disasters and making recommendations,
 6. Examining whether the Sri Lankan migrant workers who come to Sri Lankan diplomatic missions in the respective countries seeking assistance, after

becoming victims of accidents and disasters are provided with the services required of such Sri Lankan diplomatic missions and making recommendations

7. Examining the possibility of expanding easy access to information and services currently provided to Sri Lankan migrant workers by the Sri Lankan diplomatic missions and making recommendations,
 8. Examining the possibility of potential avenues for foreign employment opportunities through Government intervention and making recommendations,
 9. Examining the relevant issues regarding the welfare and enhancement of the standard of living of the family members of migrant workers,
 10. Examining the complaints received from the public that are decided as important by the Select Committee and making recommendations,
 11. Examining the necessity of amending some Sections of the Sri Lanka Foreign Employment Bureau Act in relation to the current requirements of the foreign employment development and migrant employees' welfare,
 12. Examining the manner in which the funds received by the Government on behalf of Sri Lankan migrant workers who have returned from Kuwait after being stranded there, were spent,
 13. Examining the matters that are relevant to making foreign employment a dignified service, and making recommendations,
 14. Examining these issues and any other matter or any other legal aspects incidental thereto.
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 - (b) That notwithstanding the provisions of Standing Order 95, the Committee shall consist of not more than twenty one (21) Members.
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 - (a) fix its quorum ;
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 - (c) obtain the services of Specialists and Experts in the relevant fields to assist the Committee ;
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