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பாவனையாளர் அலுவல்கள் அதிகாரசபை
Consumer Affairs Authority

2022

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ஆண்டறிக்கை
ANNUAL REPORT

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1. Consumer Affairs Authority (CAA) at Glance

The Consumer Affairs Authority has been established by the Consumer Affairs Authority Act No 9 of 2003 by repealing the Consumer Protection Act No 01 of 1979 and the Fair Trading Commission Act No 1 of 1987 and the Control of Prices Act of 1950.

As per the preamble of the Act, the overall objective of the Consumer Affairs Authority is to provide for the better protection of consumers through the regulation of trade and the prices of goods and services and to protect traders and manufacturers against unfair trade practices and restrictive trade practices. Moreover, it is expected to promote competitive pricing wherever possible and ensure healthy competition among traders and manufacturers of goods and services.

1.1 Vision, Mission, Corporate Goals and Corporate Values

Vision

A Well Protected Consumer within a Disciplined Business Culture

Mission

To safeguard consumer rights & interests through consumer empowerment, regulation of trade & promotion of healthy competition

Corporate Goals

1. To Enhance and Safeguard Consumer Interest through Provisions of the Act and Practices
2. Control or Eliminate of Economic Concentration and Promoting Healthy Competition
3. Promote Education and Awareness for Consumer and Other Stakeholders
4. To Conduct Research and Development Studies to Promote a Healthy Society
5. To Develop a Committed and Competent Workforce through Capacity Enhancement
6. To Develop an Effective Administrative Mechanism to Execute the Functions of the Authority

Corporate Values

Trust

- Maintaining consistency of performance and ensuring dependability

Honesty and Integrity

- Being sincere and be fair and righteousness in all activities

Accountability

- Maintaining transparency and be accountable and responsible in whatever task that is performed

Recognition

- Admire and appreciate outstanding performance of employees

Responsiveness

- Willingness and readiness to provide services

Commitment

- Dedication towards accomplishment of given tasks

Team Spirit

- All employees working together to achieve common goals improving mutual understanding, respecting and trusting each other with proper communication and flexibility

Continous Improvements

- Review of work performance with an action plan to focus on the highest impact issues

1.2 About Consumer Affairs Authority (CAA)

The CAA consists of a chairman and a minimum of 10 other members who possess recognized qualifications and wide experience in the fields of Industry, Law, Economics, Commerce, Administration, Accountancy, Science, or Health. The Chairman and three members appointed as full time members of the Authority. Policy decisions required in order to achieve the objects of the Authority are taken by the Chairman and the Board members. These policy decisions are executed through the relevant operational divisions of the Authority by the Director General who is the chief executive officer of the Authority.

Board of the Authority- Minimum 10 Members (Maximum as per the approval of the Minister).

1. Chairman
2. Full Time Members
3. Director General
   - 3.1 Director - Consumer Affairs and Information (D/CA & I)
   - 3.2 Director - Competition Promotion (D/ CP)
   - 3.3 Director - Legal and Enforcement (D/ L&E)
   - 3.4 Director - Pricing and Management (D/ P&M)
   - 3.5 Director - Administration and Human Resources (D/A & HR)
   - 3.6 Director - Finance (D/F)
4. Internal Auditor- Directly reporting to Chairman of the Authority (IA)

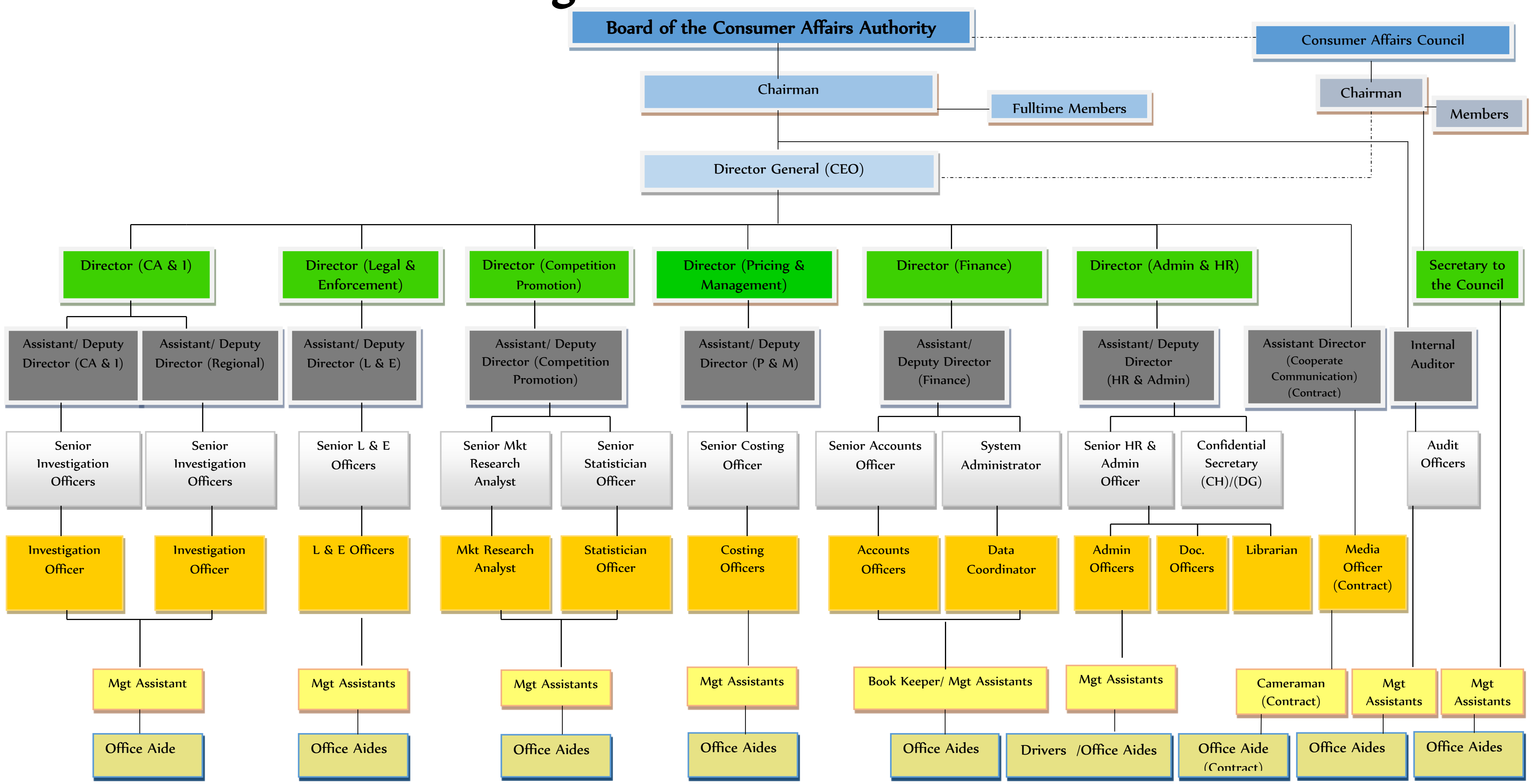
1.3 Consumer Affairs Council (CAC)

CAC established under Part IV of the CAA Act N0.9 of 2003. It consists of 3 members who have wide experience in the fields of commercial law, management of business enterprises and the trade practices and consumer affairs. One of the members shall nominate as the Chairman of the Council.

The Council consist a secretary who is responsible for maintaining records of all proceedings of Council and sending out any notices required to be sent by the Council. The functions of the Council are to hear and determine all applications and references made to it under the section 19, 22, 37 & 38 of the Act.

Consumer Affairs Authority

Organizational Structure



1.4 Objects and Functions of the Consumer Affairs Authority

The Consumer Affairs Authority (CAA) has been established by the Consumer Affairs Authority Act (CAA Act) No. 9 of 2003 by repealing the Consumer Protection Act No 1 of 1979, the Fair-Trading Commission Act No 1 of 1987 and the Control of Prices Act of 1950.

The Objects as per the CAA Act, No.9 of 2003;

a) To protect consumers against the marketing of goods or the provision of the services which are hazardous to life and property of consumers
b) To protect consumer against unfair trade practices and guarantee that consumers interest shall be given due consideration.
c) To ensure that wherever possible, consumers have adequate access to goods and services at competitive prices
d) To seek redress against unfair trade practices, restrictive trade practices or any other form of exploitation of consumers by traders.

The functions of the CAA and Consumer Affairs Council (CAC) are derived from the above core objects and described in detail in the section 8 of the CAA Act are as follows,

(a) Control or Eliminate;

i. Restrictive trade agreements among enterprises;
ii. Arrangements amongst enterprises with regard to prices;
iii. Abuse of a dominant position with regard to domestic trade or economic development within the market or in a substantial part of the market; or
iv. Any restraint of competition adversely affecting domestic or international trade or economic development;

(b) Investigate or inquire into anti-competitive practices and abuse of a dominant position

(c) Maintain and promote effective competition between persons supplying goods and services;

(d) Promote and protect the rights and interests of consumers, purchasers and other users of goods and services in respect of the price, availability and quality of such goods and services and the variety supplied;

(e) To keep consumers informed about the quality, quantity, potency, purity, standards and price of goods and services made available for purchase;

(f) Carry out investigations and inquiries in relation to any matter specified in this Act;

(g) Promote competitive prices in markets where competition is less than effective;

(h) Undertake studies, publish reports and provide information to the public relating to market conditions and consumer affairs;

(i) undertake public sector and private sector efficiency studies;

(j) Promote consumer education with regard to good health, safety and security of consumers;

(k) Promote the exchange of information relating to market conditions and consumer affairs with other institutions;

(l) Promote, assist and encourage the establishment of consumer organizations;

(m) Charge such fees in respect of any services rendered by the Authority; CAA Act, No.9 of 2003 5 Authority may undertake studies on the distribution of goods and services. Authority to issue directions to manufacturers or traders in respect of price marking, labeling and packeting of goods.

(n) Appoint any such committee or committees as may be necessary to facilitate the discharge of the functions of the Authority;

(o) And do all such other acts as may be necessary for attainment of the objects of the Authority and for the effective discharge of the functions of such Authority.

2. Governance framework

2.1 Constitution of the Authority

In terms of the Provisions of the Act, the Authority consists of a Chairman and not less than ten other members appointed by the Minister from among persons possessing qualifications and experience as specified in the Act.

Members of the Authority

The names of the Members who held office as at the end of 2022 are as follows:

01	Major General D M S Dissanayake (Rtd)	Chairman	2019.12.21-
02	Mr. Sisira Shantha Niriella	Chairman	From 2022.06.18
03	Mr. Saliya Sarath Kumara	Full Time Member	
04	Mr. W W A Basnayake	Full Time Member	
05	Mr. S A H Lalith R De Silva	Full Time Member	
06	Mr. P M K Hettiarachchi	Treasury Representative	
07	Ms. W K D Danstan	Treasury Representative/ Member	From 2022.03.02
08	Dr. J Chandika Sanath	Member	
09	Mr. Lankapriya Abewardhana	Member	
10	Mr. R. Sisiranath Adhikari	Member	
11	Mr. M S V Lakshman Samaraweera	Member	
12	Mr. M W A C Wijesooriya	Member	
13	Mr. Viraj Harshana Perera	Member	
14	Mr. U G Rathnasiri	Member	
15	Mr. H Sarath Kumara Perera	Member	From 2022.07.09
16	Rev. Maduwe Shantha Thero	Member	From 2022.08.16
17	Rev. Fr. Anthony Cyril	Member	From 2022.08.16
18	Mr. L Luwis Mannuel Fernandopulle	Member	From 2022.08.16
19	Mr. W A Gamini Fernando	Member	From 2022.08.16
20	Mr. Marshal Marcus Pieris Pulle	Member	From 2022.08.16
21	Mr Christy Shairman Nishantha Silva Pulle	Member	From 2022.08.16
22	Mr. M W A C Wijesooriya	Member	From 2022.08.19
23	Dr. N Thivanka De Silva	Member	From 2022.08.19
24	Mr J A Don Francis Upatissa	Member	From 2022.09.16
25	Most Ven. Nadagamuwe Wijayamaithree Thero	Member	From 2022.12.12

2.2 Staff Strength

Mr.Shantha Niriella continued to serve as the Chairman, Mr. WM Priyantha (Director - Finance) held the post of Acting Director General from 02.08.2021 to 28.08.2022 and Mr. S.T Kodikara, Line Ministry Secretary of Ministry of Trade, Commerce and Food Security held the post of Acting in the Director General Post from 2022.08.29 to 2022.09.29. Mrs. Kanthi Gunawardane served as a Director General from 2022.10.09 to 2022.12.29.

Heads of the Divisions of the Authority

Mr. W M Priyantha
MPM, B.Com (Sp) Hons, AIPFM, DPFM
Director – Finance

Mr. W. W. A. K. Bandara
B.Sc (Valuation) Sp. MBA (UK), LLB (UK)
Director – Consumer Affairs & Information

Ms. Samantha Karunaratne
B.A (Econ) Sp (Hons), M. A. (Economics)
Director - Competition Promotion
Director (Acting) - HR and Administration

Ms. Niranjala Jeganathan
ACA, MBA (J'pura)
Director - Pricing & Management

Ms. Rasika Savithri Wijesekara
B.Sc Accounting (Sp) Hon USJ,
MBA (UK), TQM (Dip), CBA, MAAT
Internal Auditor

Consumer Affairs Council

This Council has been established consisting of three specialists with wide experience in the field of Commercial Law, Business Enterprise Management, Trade Practices and Consumer Affairs. It should attend and determine all requests referred to it by the Consumer Affairs Authority. In addition, it is responsible for investigating and deciding complaints relating to anti-competitive behaviors under Section 38, fixing of maximum retail price under Section 19 and charging undue prices under sections 19 and 20 of the Act.

<u>Members of the Consumer Affairs Council</u>

Mr. N.S.M. Samshudeen (From 14.02.2020 to13.09.2022)	-	Chairman
Mr. Rakhitha Abeygoonawardhana	-	Chairman (From 14.09.2022)
Mr. Shirantha Heenkenda	-	Member
Mr. Mahesh Amarasiri	-	Member
Mr. Kumudu Meegahage(Acting) (From 27.07.2022)	-	Secretary to the Council

3. Chairman's Review

It is my honor to present the Annual Report of the Consumer Affairs Authority (CAA) for the year 2022 to the general public. This report provides a brief of activities done by the Consumer Affairs Authority within the year 2022, in line with the priorities reflected in the CAA Act.

With the economic crisis of the country in the year 2022, which was a challenging situation, CAA still succeeded in adhering to its prime statutory objective of safeguarding the interests of consumers while maintaining effective competition among suppliers of goods and services.

With the unstable exchange rate and economic crises prevailed in the country, maintaining a quality goods for reasonable prices in the market was a great challenge to the Authority. Therefore, we accelerated the number of investigations island-wide. Accordingly, 13,389 Court cases were filed against the errant traders out of 13,980 successful raids and the imposition of fines is in excess of Rs.111 Million. Also for the protection of traders against anti-competitive practices, CAA carried out numerous investigations.

We have identified that consumer education plays a pivotal role in enhancing individuals' ability to make informed purchase decisions. In an era marked by abundant information and choices, consumers often face challenges in navigating the complexities of the marketplace. Hence, to heighten their awareness, CAA has conducted 295 awareness programs for General Public and School Children. Meantime, 301 awareness programs were conducted to enhance the awareness of traders regarding the business laws.

Providing redresses to consumers affected by unfair trade practices is also one of the major corporate goals of CAA. Within the period, 3458 consumer complaints were received and personal reliefs were granted as per the CAA Act No. 09 of 2003.

Along with the entire Board of Directors, I hereby take this opportunity to admire the effort and dedication of the staff of CAA toward achieving the corporate goals of the organization within this challenging period.

I do hereby express my thanks to Hon. Minister and the secretary of the Ministry of Trade, Commerce and Food Security for their constant advice and recommendations for the growth and success of the Authority.

Sisira Shantha Niriella (Attorney-at-Law)
Chairman

4. Performance of the Consumer Affairs Authority

The performance of the Consumer Affairs Authority during the year 2022 is presented as below;

4.1 Protect Consumers against hazardous and substandard goods and services

4.1.1 Directions issued under Section 10 and 12 of the Act

Table 1: Directions issued under Section 10 and 12 of the Act 2022

Directions No	Date	Gazette No	Details
83	27.04.2022	2277/51	Receipt or Bill or Invoice
84	24.06.2022	2285/18	Do not use rice or paddy for the manufacture of animal feed
85	29.06.2022	2286/26	Some details should legibly print
86	30.08.2022	2295/05	Shall be made in accordance with the conditions specified in the Schedule
87	01.11.2022	2304/34	The maximum retail price, importer's name and registered address should be clearly mentioned

4.1.2 Orders issued/removed under the Act

Table 2: Orders issued/removed under Section 20(5) of the Act 2022

Orders No	Date	Gazette No	Details
81	28.01.2022	2264/68	Rescind order 51 -(MRP for Water Bottle)
82	02.05.2022	2278/02	The Maximum Price for varieties of Rice
83	10.06.2022	2283/43	The Maximum Price for White/Red Raw Rice
84	19.08.2022	2293/69	The Maximum Price for White/Red Eggs

Table 3: Orders issued under Section 18 of the Act 2022

Orders No	Date	Gazette No	Details
13	08.07.2022	2287/37	Liquefied Petroleum exclude Gas - Specific Products

4.1.3 Monitoring of substandard imported goods

Action has been taken to liaise with the Sri Lanka Standards Institution and Sri Lanka Customs to avoid substandard goods entering at the point of entry in to the country where SLSI recommended goods to be re-exported for non-compliance to standards under the import inspection scheme.

4.1.4 Represented in National Committees and contributed to introduce policies / legislation to protect consumers

The CAA represents National level committees operating under the Ministry of Health, Ministry of Technology and Research, Ministry of Environment, Ministry of Power and Energy, National Council for Economic Development and contributes to introduce policies and legislations to protect the consumers.

4.2 Protect Consumers against deceptive conduct and unfair trade practices

4.2.1 Awareness Programmes for the Business Community

Protecting, upgrading and empowering vulnerable groups by awareness with civil society outreach programs are more effective way to promote competition. This has been implemented through planned and designed trader awareness programme.

During 2022 Authority has conducted 301 programmes for the business community.

Table 4: Traders awareness Programs

District	Trader	Mobile Trader	Total Programs
Ampara	-	7	7
Anuradapura	8	25	33
Badulla	-	7	7
Batticaloa	1	5	6
Colombo - Head Office	13	5	18
Colombo - District Office	-	2	2
Galle	5	5	10
Gampaha	5	6	11
Hambanthota	1	6	7
Jaffna	-	9	9
Kalutara	-	8	8
Kandy	8	13	21
Kegalle	2	8	10
Killinochchi	-	10	10
Kurunegala	4	9	13
Mannar	1	5	6
Matale	5	5	10
Matara	2	5	7
Monaragala	11	17	28
Mullaitivu	-	19	19
Nuwaraeliya	-	21	21
Polonnaruwa	3	5	8
Puttalam	2	6	8
Rathnapura	2	4	6
Trincomalee	-	6	6
Vavuniya	1	9	10
Total	**74**	**227**	**301**

4.2.2 Consumer Awareness and Education and Establishment of Consumer Service Committees

As an education unit of this authority, awareness programs are conducted to the Consumer and Traders. General public and schools come under the Consumer Awareness category in which audiences are enlightened on their rights as consumers and ways to protect them when the rights are violated by traders.

Education Unit through Trader Awareness notify and clarify Traders, producers, sellers and distributors on rules and regulations to be followed as per the authority act. They also notified about newly released gazettes under our act. We also check how they maintain the shops and stores and advise them to rectify the errors during the Trader Mobile awareness.

Awareness programs are conducted in all three languages for the audiences which is depends within the duration of two to three hours.

Apart from awareness mentioned above, also engaged with public through major exhibition where quite large number of audiences can be reached. Following are the details of awareness program conducted in 2022.

Table 5: Summary of awareness programme carried out in 2022

District	Direction Issued in 2022 (sec. 10)	General Public	School	Trader	Exhibition	Mobile		Special Awareness	Special Activity	Consumer Organization	School Consumer Circle	ElectronicMedia	Printed Media	Social Media
						Trader	Consumer							
Ampara	1	12	21			7								
Anuradapura	1	10		8		25	8							
Badulla	2	4	12			7	1							
Batticaloa	1	16	2	1		5	1							
Colombo - Head Office	1	20	2	13	1	5	1	3	1			3	5	15
Colombo - District Office	1	6				2								
Galle	1	8	1	5		5	2							
Gampaha	1	11	4	5		6	3							
Hambanthota	1	10		1		6	2							
Jaffna	1	9	1			9	1							
Kalutara	1	6				8	1							
Kandy	1	16	4	8		13	1				2			
Kegalle	1	4	1	2		8	2							
Killinochchi	1	2				10								
Kurunegala	1	4	2	4		9	7							
Mannar	1	3		1		5	1							
Matale	1	8		5		5								
Matara	1	9	2	2	1	5	1							
Monaragala	1	15	9	11		17	1							
Mullaitivu	1	17	5			19					5			
Nuwaraeliya	1	2				21								
Polonnaruwa	1	4		3		5	2							
Puttalam	1	8	3	2		6	2							
Rathnapura	1	4		2		4								
Trincomalee	1	10	2			6	2							
Vavuniya	1	6		1		9	1							
Total	**27**	**224**	**71**	**74**	**2**	**227**	**40**	**3**	**1**	**0**	**7**	**3**	**5**	**15**
Annual Target	**100**	**150**	**50**	**25**	**2**	**100**				**25**	**50**			
Target Achievement %	**27%**	**149%**	**142%**	**296%**	**100%**	**267%**				**0%**	**14%**			

Consumer Service Committees

The Consumer Service Committees are established in district Secretariats Island wide. The Chairman of the committee is the Divisional Secretary/AGA and the convener of the committee is an investigation officer from relevant district office of CAA. The objective of the setting up this consumer committee is to attend with consumer reliefs within the area. The Consumer Service Committee establishment in 2022.

Table 6: Establishment of Consumer Service Committee for 2022

Province	Established	To be established
Western	34	06
Central	36	02
Eastern	45	-
North Central	29	-
Northern	32	02
North Western	46	-
Sabaragamuwa	26	03
Southern	50	-
Uva	21	05
Total	**319**	**18**

4.2.3 Market raids and Investigations

As per the provisions of the Consumer Affairs Authority Act, raids are being conducted for violating the labeling instructions, selling above the marked price, refusal to sell goods, deny the possession of goods, hoarding of goods, increase of retail or wholesale price of certain goods without prior written approval of the Authority, non-displaying of the price lists, non-issuing of receipts to purchasers, misleading or deceptive conduct and false representations done by the manufacturers/ traders. The erroneous traders are prosecuted in the respective magistrate courts and fines imposed based on the provisions granted in Section 60 of the Act.

Table 7: District wise Annual Raids from 2022

DISTRICT	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
	RAIDS	RAIDS	RAIDS	RAIDS	RAIDS	RAIDS	RAIDS	RAIDS	RAIDS	RAIDS	RAIDS	RAIDS	
Colombo	14	19	32	25	19	102	9	82	85	87	109	115	698
Ho	0	0	0	0	0	5	0	0	5	5	0	0	15
Gampaha	32	69	63	22	15	62	13	100	122	103	137	119	857
Kalutara	23	10	3	6	2	16	3	23	41	45	49	39	260
Galle	26	30	49	14	16	50	24	44	48	46	48	45	440
Matara	7	71	67	10	12	53	18	72	73	74	75	72	604
Hambantota	3	38	53	14	35	51	19	44	54	48	40	48	447
Ratnapura	28	56	40	4	0	64	10	57	82	65	72	72	550
Kegalle	2	26	58	8	13	41	7	86	131	92	97	92	653
Kandy	2	30	90	4	25	74	36	52	79	81	112	127	712
Matale	14	35	36	35	26	60	42	60	64	61	61	62	556
Nuwara eliya	18	40	37	11	11	38	20	51	60	60	12	6	364
Anuradhapura	8	36	36	20	7	74	72	73	73	72	72	100	643
Polonnaruwa	33	57	50	41	33	67	51	51	49	53	92	77	654
Jaffna	0	46	50	55	56	89	60	62	63	61	36	70	648
Vavuniya	5	46	48	39	25	63	48	48	50	56	47	0	475
Mullaitivu	20	32	33	34	27	44	34	38	36	42	36	40	416
Mannar	17	27	31	32	24	43	34	41	36	37	30	35	387
Kilinochchi	16	23	30	25	27	53	7	34	36	41	47	47	386
Badulla	4	19	40	2	9	58	7	50	60	58	49	59	415
Monaragala	23	16	25	8	3	29	7	27	55	52	50	49	344
Trincomalee	13	53	60	25	16	58	30	54	50	57	54	60	530
Ampara	52	63	42	34	39	73	38	70	71	74	72	76	704
Batticaloa	17	52	0	20	43	64	12	66	61	1	62	61	459
Kurunagala	14	63	130	51	44	90	40	123	122	126	122	140	1,065
Puttalam	25	66	84	66	22	90	63	2	73	73	53	81	698
Total	416	1,023	1,187	605	549	1,511	704	1,410	1,679	1,570	1,634	1,692	13,980

Table 8: District wise Annual Cases filed from 2022

PROVINCE	DISTRICT	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
Western	Colombo	6	37	63	0	13	33	16	70	24	17	27	12	318
	Gampaha	26	55	105	7	5	26	30	113	64	95	128	73	727
	Kalutara	24	43	6	2	6	9	9	13	36	38	48	21	255
Southern	Galle	52	37	45	22	15	41	18	31	42	70	34	43	450
	Matara	0	42	92	13	3	63	27	67	69	65	86	31	558
	Hambantota	23	9	9	20	7	71	18	29	42	58	38	25	349
Sabaragamuwa	Ratnapura	79	62	55	18	6	41	16	54	51	79	64	35	560
	Kegalle	19	4	54	6	7	21	1	68	84	68	112	25	469
Central	Kandy	34	2	90	0		79	2	24	91	67	108	80	577
	Matale	28	4	46	18	12	52	0	39	128	132	122	60	641
	Nuwara Eliya	55	26	30	32	23	36	37	37	114	39	44	2	475
North Central	Anuradhapura	14	32	52	7	21	60	24	93	98	56	70	67	594
	Polonnaruwa	0	84	100	19	8	20	15	24	108	225	92	57	752
Northern	Jaffna	15	17	66	35	52	44	64	30	96	77	38	48	582
	Vavuniya	14	13	42	42		66	40	39	49	55	76	1	437
	Mullaitivu	20	62	32	28	8	35	8	44	88	34	48	26	433
	Mannar	57	18	42	9	19	29	7	5	92	23	31	0	332
	Kilinochchi	48	24	93	35	29	38	27	36	38	45	91	23	527
Uwa	Badulla	30	20	29	8	0	44	18	36	68	56	54	25	388
	Monaragala	58	10	30	3	7	23	6	11	60	50	55	20	333
Eastern	Trincomalee	130	82	125	20	42	30	2	65	78	51	67	16	708
	Ampara	86	73	52	35	32	52	25	76	97	69	77	34	708
	Batticaloa	39	49	28	21	22	55	11	57	77	21	27	47	454
North Western	Kurunagala	88	61	147	89	50	60	17	80	153	126	141	80	1,092
	Puttalam	53	31	105	58	47	51	24	63	67	87	44	40	670
TOTAL		998	897	1,538	547	434	1,079	462	1,204	1,914	1,703	1,722	891	13,389

Table 9: District wise Annual Fines from 2022

PROVINCE	DISTRICT	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
		FINES (Rs.)	FINES (Rs	FINES (Rs.)	FINES (Rs.)	FINES (Rs	FINES (Rs.)	FINES (Rs	FINES (Rs.)	FINES (Rs.)	FINES (Rs.)	FINES (Rs.)	FINES (Rs.)	
Western	Colombo	95000	420500	1068000	270000	639000	1,344,500	375500	1,301,500	645,500	1,675,000	2,571,500	497,500	10,903,500
	HO	0	0	0	0	0		0	-	-	301,000	-	100,000	401,000
	Gampaha	279500	469000	677000	116000	135000	140,000	735000	1,863,000	1,277,000	1,140,500	3,889,500	773,500	11,495,000
	Kalutara	150000	212000	520000	15000	38000	115,000	341500	94,500	243,000	257,500	518,500	108,000	2,613,000
Southern	Galle	263500	269000	260500	122500	195000	746,000	126000	586,500	410,000	609,000	533,500	269,500	4,391,000
	Matara	217000	231000	720000	44500	57500	741,500	109500	480,500	472,000	427,000	579,500	152,000	4,232,000
	Hambantota	178500	51500	373500	76500	26500	165,500	171500	135,900	459,500	273,500	373,500	145,000	2,430,900
Sabaragamuwa	Ratnapura	502000	395000	527500	175000	154000	1,637,500	637000	1,311,000	441,000	587,000	672,000	146,000	7,185,000
	Kegalle	77000	19000	243000	25000	35000	183,500	5000	470,500	568,000	297,500	638,500	105,500	2,667,500
Central	Kandy	174500	11000	381000	5000	15000	201,000	112000	49,000	178,750	159,000	414,500	73,000	1,773,750
	Matale	92000	60000	90500	54000	36000	87,000	0	116,000	442,000	431,000	668,000	298,000	2,374,500
	Nuwara Eliya	407500	103000	435500	298500	124000	204,500	155500	92,500	449,500	210,500	249,000	21,000	2,751,000
North Central	Anuradhapura	226500	342000	441500	112000	164000	549,000	932000	1,134,500	1,318,000	484,000	980,500	736,500	7,420,500
	Polonnaruwa	163000	327000	356000	104000	40000	161,000	48000	214,000	313,000	541,000	721,000	322,000	3,310,000
Northern	Jaffna	81500	100500	296000	150000	209500	416,000	419000	587,000	2,584,500	1,451,000	1,594,500	367,000	8,256,500
	Vavuniya	131,000	76000	144500	162500	222000	514,000	272500	151,500	294,000	274,000	151,500	23,000	2,416,500
	Mullaitivu	116500	316500	147000	146000	58000	192,000	40000	180,000	297,000	185,000	199,000	108,000	1,985,000
	Mannar	219000	101000	259000	17000	44000	76,000	18000	18,000	178,000	25,000	32,000	-	987,000
	Kilinochchi	220500	134500	492000	152000	95000	355,000	115000	162,000	190,000	210,000	450,500	136,000	2,712,500
Uwa	Badulla	118500	112500	110500	28000	0	578,000	399000	804,000	844,000	1,166,000	624,000	277,000	5,061,500
	Monaragala	540500	127000	487000	43000	27000	818,500	241500	74,500	533,000	555,500	762,000	193,000	4,402,500
Eastern	Trincomalee	195500	204000	468000	56000	119500	243,000	19000	244,000	372,000	305,000	465,000	178,000	2,869,000
	Ampara	394500	415500	315999	206500	204000	606,000	119500	351,000	494,500	480,000	414,000	157,000	4,158,499
	Batticaloa	228500	313500	282500	117000	104000	339,500	0	451,500	659,500	146,500	353,000	215,500	3,211,000
North Western	Kurunagala	508500	195000	571500	422000	288500	339,500	889000	634,500	976,500	784,500	1,094,500	765,000	7,469,000
	Puttalam	260500	144500	375500	244000	170000	753,000	380000	443,500	420,000	461,500	284,000	195,000	4,131,500
	TOTAL	**5,841,000**	**5,150,500**	**10,043,499**	**3,162,000**	**3,200,500**	**11,506,500**	**6,661,000**	**11,950,900**	**15,060,250**	**13,437,500**	**19,233,500**	**6,362,000**	**111,609,149**

Figure 1: Monthly Raids done by CAA in 2022

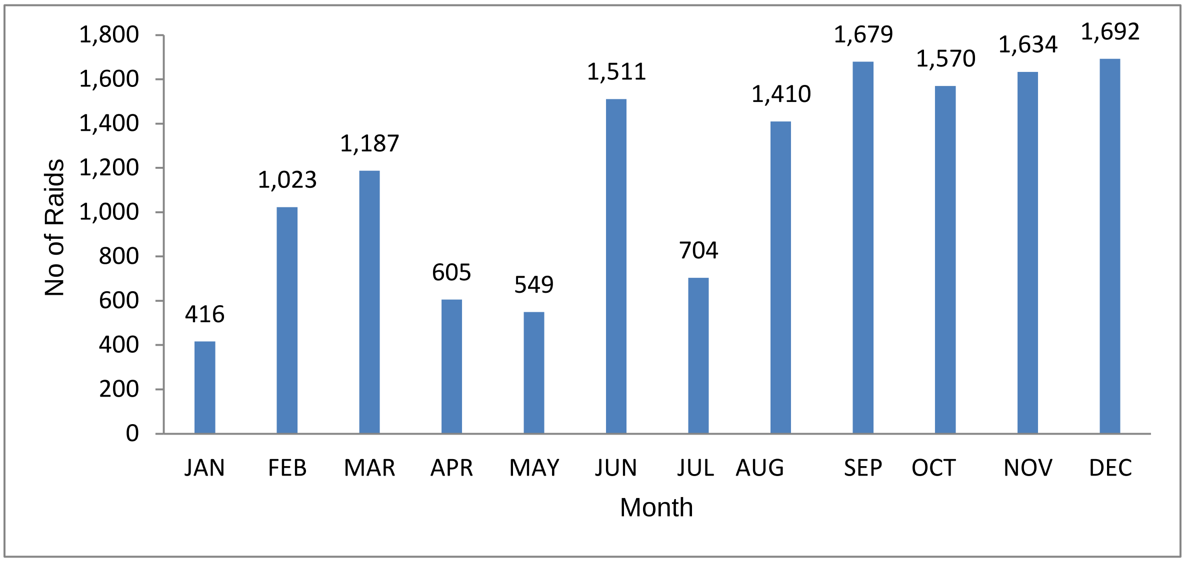
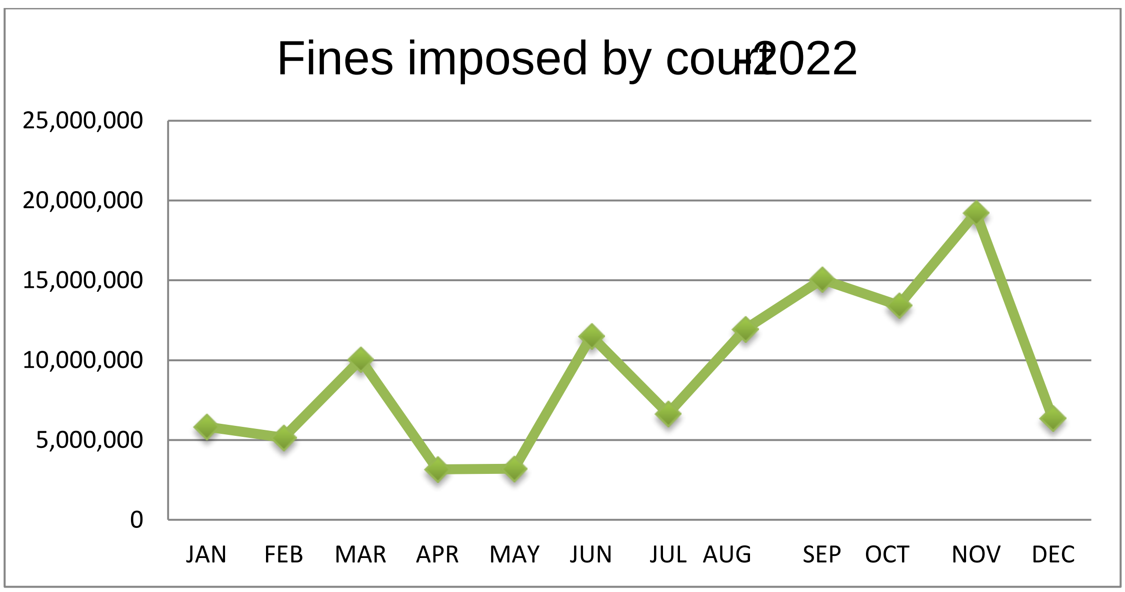


Figure 2: Fines imposed by court-2022



The erroneous traders are prosecuted in the respective magistrate courts and fines imposed based on the provisions granted in Section 60 of the Act. Fines collected by the CAA are a source of income for the government. The amount of fines imposed by the magistrate courts in 2022 are presented in above Table. The visible volatilities in fines imposed by courts are followed by the raids and cases filed during the period.

4.2.4 Sample testing in 2022

Product	No.of tested Samples	Comply with relevant test requirements	do not Comply with relevant test requirements	Remarks
Artificial Sherbet Syrup	1		1	
Brown Sugar	10	3	7	
Butter Biscuit	1	1		
Bottled Drinking Water	3	2	1	
Canned fish	2	2		
Chocolate	1	1		
Coconut oil	13	10	3	
Dish wash	1	1		
Cotton Wool	1		1	
Ethephone	1			1 (According to the sampling data the lab could not determine the final result of sample)
Feeding Bottles	4	4		
Fungicides	2		1	1 (According to the sampling data the lab could not determine the final result of sample)
Hand Sanitizer	1		1	
Instant Oats	1	1		
Kurakkan Flour	1	1		
LP Gas	1	1		

LP Gas Mixture	25			25 (Pertaining to the situation of domestic LP Gas Explosion and Leakage Issue in the country CAA has drawn samples from the Local market/ vessels and tested samples. Received reports were forwarded to the relevant parties to take decisions.
Natural Mineral Water	1		1	
Palm oil	1	1		
Paints	8	8		1 (sample is difficult to differentiate and confirm this tested red rice sample as a locally produced or imported sample.)
Rice	9	2	6	
Rice Bran oil	1	1		
Steel Bar	16	10	6	
Safety matches in boxes	3		3	
Surgical Antiseptic Spirit	1	1		
Weedicides	3		3	
Wheat Flour	1	1		
Total of tested samples	**113**	**51**	**34**	**28**

4.2.5 Special raids conducted by Consumer Affairs Authority

Special Raids - 2022

Serial No.	Date	District	Place	Item	Fault	The course of action taken
1	2022.04.25	Polonnaruwa	Rotawew, Habarana Junction	Litro 12.5 Gas	Hoarding	The fine was Rs.5000 and the goods were confiscated
2	2022.07.25	Polonnaruwa	Navanagara, Madirigiri	Petrol Litre 60	Declaring that it is not one's own	The fine was Rs.10,000 and the goods were confiscated
3	2022.06.24	Hampantota	Lanka Filling Station, Suthuveli, Pelassa, Krintha	Fuel	Refusal to sale	On 29.07.2022, a case was filed in the Dinatissamaharama court and a fine of Rs.5000/- was imposed. Case number -76686
5	2022.01.20	Anuradhapura	Paladikulam	Cement	Declaring that possession has not been taken	8000/- on prosecution and imposition of fine
6	2022.01.21	Anuradhapura	Kekirawa	Rice	Price change selling	Prosecution Fine 100000/-
7	2022.02.10	Anuradhapura	Nelunkum Junction	Cement	Declaring that possession has not been taken	5000/- on prosecution and imposition of fine
8	2022.02.10	Anuradhapura	Pothanegama	Cement	Declaring that possession has not been taken	10000/- on prosecution and imposition of fine
9	2022.02.10	Anuradhapura	Thalawa	Cement	Declaring that possession has not been taken	12000/- on prosecution and imposition of fine
10	2022.02.14	Anuradhapura	Kurunthankulam	Cement 07Pkt	Declaring that possession has not been taken	10000/- on prosecution and imposition of fine
11	2022.02.14	Anuradhapura	Matale Junction	Cement 43 Pkt	Declaring that possession has not been taken	10000/- on prosecution and imposition of fine
12	2022.02.15	Anuradhapura	Anuradhapura	Cement 90 Pkt	Declaring that possession has not been taken	10000/- on prosecution and imposition of fine
13	2022.02.15	Anuradhapura	Rambewa	Cement 57 Pkt	Declaring that possession has not been taken	Case in progress (70437)
14	2022.02.23	Anuradhapura	Pandulagama	Cement	Declaring that possession has not been taken	10000/- on prosecution and imposition of fine
15	2022.02.24	Anuradhapura	Pupokama	Cement	Declaring that possession has not been taken	10000/- on prosecution and imposition of fine

Serial No.	Date	District	Place	Item	Fault	The course of action taken
16	2022.03.11	Anuradhapura	Anuradhapura	Fuel 4470 L	Stockpiling of fuel	Prosecution and imposition of fines. 20000/- fine
17	2022.03.18	Anuradhapura	Kekirawa	Asbestos 139	Declaration of non-possession	Case in progress (65884)
18	2022.03.23	Anuradhapura	Ganewalpola	Rice 400 Pkt	Preparing rice unfit for human consumption for resale	Case in progress (66588)
19	2022.05.21	Anuradhapura	Nochchiyagama	Fuel 100 L	Accumulation and maintenance of unnecessary fuel stocks	Prosecution and imposition of fines. 5000/- fine
20	2022.06.11	Anuradhapura	Horowpothana	Milk Powder	Offer for sale with price change	Prosecution and imposition of fines. 9000/- fine
21	2022.06.11	Anuradhapura	Horowpothana	Rice	Offering for sale at a reduced price	Prosecution and imposition of fines. 10000/- fine
22	2022.06.12	Anuradhapura	Anuradhapura	Rice	Declaration of non-possession	Prosecution and imposition of fines. 8000/- fine
24	2022.06.19	Anuradhapura	Siwalakulam	Rice	Declaration of non-possession	Prosecution and imposition of fines. 5000/- fine
25	2022.06.20	Anuradhapura	Pandulagama	Fuel 1440 L	Declaration of non-possession	Prosecution and imposition of fines. 10000/- fine
26	2022.06.21	Anuradhapura	Punewa	Fuel	Declaration of non-possession	Prosecution and imposition of fines. 5000/- fine
27	2022.06.25	Anuradhapura	Hidogama	Rice 70Kg	Local rice and imported rice are mixed and stored for sale	Prosecution and imposition of fines. 20000/- fine
28	2022.06.08	Monaragala	Thikwalla Electricals Pvt Ltd.	01. Kevilton Ball press – Black switch -13 02. Kevilton 3 gang 2 way switch Black -06 03. Kevilton 2 Gang 1 way switch Black -18 04. Kevilton telephone sockets Mahogany-11 05. Kevilton Fan Control Black -06 06. Kevilton Light Dimmer Black -08 07. Kevilton 4 gang 1	01 Misconduct or sale of electrical equipment with labels affixed to conceal deceptively marked prices 02 Misleading or displaying for sale electrical equipment by affixing a label to conceal a deceptively marked price. 03 Non-possession of receipts of electrical appliances stored for	A case was filed under case no. 54475 in Wellavaya Magistrate's Court and a fine of Rs. 150000 was imposed.

				way switch Black -05 08. Kevilton 13 ASwitch Black 06 09. Kevilton 1 gang 2 way switch Black -16 10. Kevilton 4 gang switch Black -15 11. Kevilton Light Dimmer white -10 12. Kevilton 3 gang 1 way switch white -11 13. Kevilton 3 gang 1 way Mahogany -10 14. Kevilton Bell Press Mahogany - 13 15. Kevilton 1 gang 1 way switch -12 16. Kevilton 1 gang 2way white switch -08 17. Kevilton 4 gang 2 way switch white -04 18. Kevilton 5 gang 1 way switch white -08 19. Kevilton 4 gang 2way switch mahogany-07 20. Kevilton TV Socket mahogany -08 21. Kevilton 3 gang 2way switch mahogany-04 22. Kevilton 4 gang 1 way switch white – 03 23. Kevilton telephone sockets Mahogany -05	sale.	
29	2022.06. 13	Monaragala	Risana Stores Main Street, Badalkumbura.	රතු කැකුලු 5kg ක්	Selling at higher prices than Maximum retail prices No mention of name in sales bill Non-display of Price List	A case was filed under case no. 1390 in Monaragala Magistrate's Court and a fine of Rs. 102000 was imposed.

Serial No.	Date	District	Place	Item	Fault	The course of action taken
30	2022.02.22	Monaragala	Pelwatta Dairy (Pvt) Ltd.	Pelawata 400 grams Packets 36.	Declaration of non-possession	A case was filed under case no. 53071 in Wellavaya Magistrate's Court and a fine of Rs. 25000 was imposed.
31	2022.06.09	Monaragala	New Samarasekara Hardwareෙ Monaragala	3 gang one way switch -02 ACL blue 100m cables -11 ACL brown 100m cables -15	Selling electrical appliances at marked down prices as well as visible prices. Display the price change wire round	A case was filed under case no. 1391 in Monaragala Magistrate's Court and a fine of Rs. 2000 was imposed.
32	2022.06.12	Monaragala	Santhuluwa Stores, Monaragala	Keeri Samba 25kg - 101 Bags	Not in possession of sales Bill Disclosure of non-possession	Prosecution and imposition of fines. 3000/- fine
33	2022.07.25	Monaragala	Lanka Filling Station Arambegama.	Diesel 20 L	Declaration of non-possession	A case was filed under case no. 54763 in Wellavaya Magistrate's Court and a fine of Rs. 10000 was imposed.
34	2022.07.26	Monaragala	Co-operative Filling Station, Buttala	Petrol 20 L	Declaration of non-possession	A case was filed under case no. 54752 in Wellavaya Magistrate's Court and a fine of Rs. 2500 was imposed.
35	2022.07.26	Monaragala	Lanka Sathosa (Pvt) Ltd.	Highland 400g, 28 Pkt.	Declaration of non-possession	A case was filed under case no. 54929 in Wellavaya Magistrate's Court and a fine of Rs. 10000 was imposed.
36	2022.07.26	Monaragala	Lanka Filling Station, Pelwatta.	Petrol 20 L Diesel 20 L	Declaration of non-possession	A case was filed under case no. 54927 in Wellavaya Magistrate's Court and a fine of Rs. 10000 was imposed.
37	2022.04.15	Nuwara eliya	Rambunpitiya, Hatton	Litro Gas12.5kg -177 5kg -28	Possession of gas cylinders in excess of personal needs	On 26.04.2022, a case was filed in Hatton Court and a fine of Rs.10000/- was imposed.

Serial No.	Date	District	Place	Item	Fault	The course of action taken
38	2022.05.27	Nuwara eliya	Kelanigama, Ginigaththathena	Diesel (61L) +750 ML Bottle 03	Storage of excess fuel	On 03.06.2022, a case was filed in Hatton Court and a fine of Rs.3500/- was imposed.
39	2022.05.27	Nuwara eliya	Kelanigama, Ginigaththathena	Diesel (14.5 L) +750 ML Bottle 03	Storage of excess fuel	On 03.06.2022, a case was filed in Hatton Court and a fine of Rs.2500/- was imposed.
40	2022.06.23	Nuwara eliya	Bus Stand, Hatton	Laugf Gas12.5kg -12 5kg -08	Hoarding at the Sales Centre	A fine of Rs.15000/- was imposed on the accused.
41	2022.07.25	Trincomalee	Main Street, Trincomalee	Petrol	Hoarding	Prosecution and imposition of fines. Fine 9000/-
42	2022.08.01	Galle	Wekwalla Road, Galle.	Gas	Selling the LP Gas at higher price than the regulated price.	Prosecution and imposition of fines. Fine 50000/-
43	19.07.2022	Badulla	Agarathenna, Palgahatenna	Fuel (Deasal) 1000 Litre	Possession of fuel in excess of personal need. 17(3), 58(2)	5000/- fine and cases to treasury

4.2.6 Protection of traders and manufacturers against anti-competitive practices and promotion of healthy competition.

01. Conduct own motion investigations to identify the abuse of dominant position and prevalence of any anti-competitive practices

Activities	2022
Investigations carried out	2

02. As per the Direction 87, monitor the declared/certified MRP of Biscuits, Cakes, Confectioneries (with chwengum), Toilet Soap & Chocolates in the market

Activities	2022
Number of Applications processed	195

03. Collect market intelligence information

Activities	2022
Conducted market intelligence surveys and report submitted	4

Note:

Survey on chicken meat, prices of meal, Prices of charcoal & firewood and stove

04. Conduct study to understand the market situation

Activities	2022
Number of studies completted	2
Number of studies in progress	1

Note:

Completted studies – Study on Bicycle prices, Study on market prices of the stationary.

In progress studies – Study on Diapers.

05. Development of a database containing information on the quality of imported and locally produces goods

The actual project will be implemented after the system establish on 2023.

06. Registration of Online Traders

Activities in 2022

Preparation of guideline for online traders is completed.

07. Develop, maintain and update the National Business Directory

As per the Section 27 of Consumer Affairs Authority Act, No.09 of 2003, every trader shall register in the Authority.

Activities in 2022

The Authority conducted a pilot project to identify the criteria to setup the system.

08. Conduct RIA

Activities	2022
No of RIA conducted based on request receive from other institution	1
No of RIA conducted for existing directions	2

09. Identify the international organizations who practice competition policy

Activities	2022
No of organizations identified	2
No of workshops/ training attend	1

10. Make standardization of food and health related consumer goods compulsory

Activities	2022
Identified new food items	2

Note: LPG Regulator, Hose and Gas cooker

11. Conduct advocacy programs for traders to promote competion

As per the functions of Consumer Affairs Authority Act, No.09 of 2003, maintain and promote effective competition between persons supplying goods and services.

Activities	2022
No of programs conducted	10

Note: *For Maharaja group, EDB- Bottle drinking manufactures, For online traders – WCRD, Mobile awareness for traders who engaged hotel & bakery, merchants who are available in Daraz platform. Consumer protection through trade marks (online session for Julius & Creasy). Sweets shop traders (Pettah, Maradana, Dehiwala, Wellawatte)*

4.3 Provide redress to Consumers affected by unfair trade practices

4.3.1 Handling of Consumer Complaints

Consumer Affairs Authority intervenes in to consumer complaints based on the provisions granted in sections 13 and 32 of the Act. The Authority can inquire in to complaints regarding sale of goods and to the supply of services which does not conform to the warranty or guarantee given by implication or otherwise, by the manufacturer or trader.

Table 10: Complaints Received to CCU Division in 2022

Performance	**2022**	
Consumer Complaints Received		**2,662**
Closed Files		
Refer		
To Other Institution	231	
To 1977 (RAIDS)	80	
To District Office	67	
To Other Division	5	
Other		
Complaints Rejected	31	
Duplicate	31	
Other Closed files	1,154	
Total Closed		**1,599**
Refer to Formal Inquiry (Legal)		169
Complaints Settled		783
Section 57		-
Processing		111
Total Finalized		**2,551**

Table 11: Consumer Complaints received in 2022

District	Balance complains from 2021	Total complain received	Settled after discussions	Referred to other institution	Referred to the Head Office	Non Actionable Complains	Balance complains
Ampara	0	20	15	0	3	0	2
Anuradapura	49	151	112	32	18	1	37
Baddula	0	24	18	0	4	0	2
Batticaloa	0	8	3	0	1	0	4
Galle	35	71	67	2	10	0	27
Gampaha	8	61	24	1	23	11	10
Hambanthota	0	17	6	0	3	3	5
Jaffna	0	15	11	0	3	0	1
Kalutara	26	31	37	2	11	6	1
Kandy	0	89	44	1	17	3	24
Kegalle	0	18	7	2	5	2	2
Killinochchi	0	3	1	0	0	0	2
Kurunegala	41	74	41	0	8	0	66
Mannar	0	0	0	0	0	0	0
Matale	9	51	30	0	26	0	4
Matara	54	46	77	0	5	0	18
Monaragala	4	43	8	1	3	3	32
Mullaitivu	0	0	0	0	0	0	0
Nuwaraeliya	7	7	3	1	2	0	8
Polonnaruwa	24	27	22	0	0	0	29
Puttalam	1	3	3	0	0	0	1
Rathnapura	0	34	14	2	10	1	7
Trincomalee	0	3	0	0	1	0	2
Vavuniya	0	0	0	0	0	0	0
Total	**258**	**796**	**543**	**44**	**153**	**30**	**284**

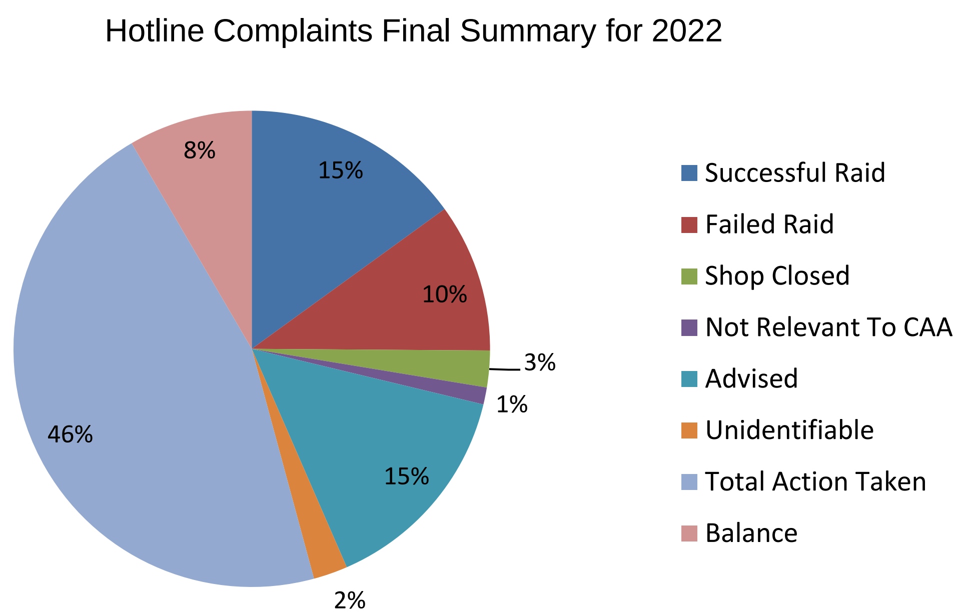
Table 12: Hotline Complaints Final Summary for 2022

District	Total Complaints	Successful Raid	Failed Raid	Shop Closed	Not Relevant To CAA	Advised	Unidentifiable	Total Action Taken	Balance
Colombo	923	175	264	48	5	80	35	607	316
Gampaha	622	134	0	26	15	270	14	459	163
Hambantota	187	84	47	4	1	42	3	181	6
Kaluthara	375	112	54	29	45	96	36	372	3
Galle	304	65	32	13	11	155	13	289	15
Matara	254	101	0	3	0	132	10	246	8
Ratnapura	266	97	35	18	2	45	38	235	31
Kegalle	124	41	12	12	5	45	1	116	8
Kandy	211	28	75	22	0	29	9	163	48
Matale	78	23	12	4	0	30	7	76	2
Anuradapura	157	27	74	6	0	38	7	152	5
Nuwara Eliya	134	25	2	1	0	59	1	88	46
Mullaitivu	6	0	0	0	0	6	0	6	0
Polonnaruwa	65	20	34	2	1	5	3	65	0
Kilinochchi	11	3	2	1	0	4	0	10	1
Vavuniya	16	9	0	0	0	5	2	16	0
Jaffna	34	20	0	1	0	12	0	33	1
Mannar	26	14	1	3	0	2	6	26	0
Monaragala	261	97	83	15	2	48	8	253	8
Trincomalee	37	22	2	1	0	8	4	37	0
Badulla	135	34	0	1	1	89	0	125	10
Batticaloa	30	12	3	2	0	13	0	30	0
Ampara	85	32	18	7	0	12	3	72	13
Kurunegala	374	120	110	3	15	62	8	318	56
Puttalam	168	57	50	2	1	39	1	150	18
Total	**4883**	**1352**	**910**	**224**	**104**	**1326**	**209**	**4125**	**758**

Table 13: As per the section 34 of Consumer Affairs Authority Act, No.09 of 2003, Authority to carry out investigations into anti-competitive practices.

Activities	**2022**
Complaints handled during period	47
Complaints settled during period	36
Complaints transferred to the Council	1
Complaints under the progress	10

Figure 3 : Hotline Complaints Final Summary for 2022



4.4 Ensure Reasonable Pricing

4.4.1 Price Regulation of specified goods

Under the provisions of CAA Act sections 14, 18, and 19, the Pricing and Management Division of the Authority is intervening to facilitate trade for selected essential commodities.

Application of above provisions has an impact in 2022 in response to external economic variables. Fuel shortages, fluctuating exchange rates, inflation, and other issues have a detrimental effect on the economy, making it difficult for traders to run their businesses and get commodities to market. Therefore, it was possible that the establishment of maximum prices through the aforementioned regulations would jeopardise the market's ability to supply necessities. As a result, by strengthening market forces to set prices, emphasis has been placed on making commodities more accessible to consumers.

Note: Milk Powder, Liquid Petroleum Gas (LPG), Cement, Wheat Flour have been removed from specified item list by Gazette Notification 2248/55 dated 08.10.2021

Studies on Market prices and Cost calculations of Full Cream Milk Powder, Wheat Flour, Iron Bar and Cement, Bottled Drinking Water, Local Rice, Egg, Testing Charges for Dengue Antigen Test of nonstructural protein (NS 01) and Full Blood Count etc have been done and provided to Director General to implement the necessary action under Sec 19 & 20 (ie : to provide to Consumer Affairs Council for investigation and get its recommendation whether Maximum Retail Price is to be imposed or to be removed).

Further representation & reports has been made under facilitation of trade through dissemination of information to the ministries and stakeholders.

Table 14: Dissemination of information

S/N	Description
1	Coordination of meetings in order to identify price fluctuations, consumption and availability
2	Submitted report on foreign currency requirement (USD Requirement) 1st quarter of year 2022 for imported essential goods to prioritize foreign currency allocation of essential goods to ensure availability to the consumers.
3	Prepared and Submitted report consisting of problems and challenges of make available of essential goods under the current crisis situation and recommendations in order to submit for the world food program.
4	Prepared survey template and reporting formats in order to identify essential goods availability island wide on District Secretariat basis.
5	Prepared and submitted a report to ensure availability of LPG to the market proposing stock uplift mechanism
6	Prepared and submitted reports on goods imported from India and other countries.
7	Maintained data based on selected essential goods imported under Indian Credit Line.
8	Assist to monitor and report; availability of selected essential goods to the line Minister and Authority
9	Conduct market surveys on prices district wise on selected essential goods such paddy, egg, feed prices, cost of production of maize, cost of production of egg, iron bar, cement, fertilizer, bread and cost estimates of biscuit etc..
10	Prepared and submitted cost estimates on Bakery Product, wheat flour, chicken meat, cement and iron bar etc.
11	Collected, Updated and Distributed Districtwide retail prices on daily and weekly basis
12	Maintenance of Data Base on essential goods import, prepare price estimates weekly on selected essential goods
13	Prepare and circulated retail price movement, monthly/weekly import data of essential goods.
14	Updated application received under store registration.
15	Conducted stakeholder meetings with producers of dairy products, construction materials, stationary, Tea and Biscuit, Soap and Detergent instructing to maintain pricing structures for the product marked with maximum retail price

Action taken by the Consumer Affairs Authority to stabilize/ fix the prices of specified items

Table 15: No. of determinations issued

Commodity	No of determinations
Gas	01 (As per the Cabinet Decision)

- Streamline price variation observed in the price collection
  - Conduct Market Surveys – 16 Nos.
  - Prepare price variation report and circulated – 12 Nos.

- Update market prices district-wise
    - No. of price collection report circulated – 143 Nos.
    - No. of weekly price analysis reports submitted – 31 Nos.

- Stores Registration – 164 Nos.

4.5 Capacity Enhancement of the Organization

4.5.1 Staff Strength

As per the current organization structure Director General acts as the Chief Executive Officer of the Authority and has to execute the policy decisions taken by the members of the Authority including Chairman and three full time members. The Director General is in charge of the overall operational activities of the organization while the Directors who are in charge of the respective Divisions. Currently the Authority comprises with 6 divisions namely Consumer Affairs and Information Division, Competition Promotion Division, Pricing and Management Division, Compliance and Enforcement Division, Finance Division and Human Resources and Administration division.

The CAA staff comprises the following employees.

- Employees of the Fair-Trading Commission who opted to serve at the CAA were absorbed as per the provisions of the Act.
- Employees of the Department of Internal Trade who filed an application in the Supreme Court for violation of Fundamental Rights by not absorbing them were also absorbed as per the terms of settlement entered in Court.
- New staff recruited to the Consumer Affairs Authority

One of the critical challenges faced by the Consumer Affairs Authority today is the non-availability of its full human resource strength as per the total cadre. This has affected achieving the goals of the Authority, especially at the provincial level. Consumer Affairs Authority has identified the need to recruit the required officers for the unfilled positions and is in the process of obtaining the necessary approvals to recruit staff for the unfilled positions.

Table 16: Staff Position of the Consumer Affairs Authority as at 31.12.2022

Designation	Salary Code	Approved Cadre	Existing Cadre		Vacancy
			Permanent	Temporary /Contract	
Senior Manager					
Director General	**HM 2-1**	**1**	**0**	**0**	**1**
Directors/Secretary to the Council	**HM 1-1**	**7**	**5**	**0**	**2**
Manager					
Internal Auditor	**MM 1-1**	**1**	**1**	**0**	**0**
Assistant/Deputy Directors (L&E)		**12**	**2**	**0**	**0**
Assistant/Deputy Directors (Admin & HR)			**1**	**0**	**1**
Assistant/Deputy Directors (Finance)			**2**	**0**	**0**
Assistant/Deputy Directors (CP)			2	**0**	**0**
Assistant/Deputy Directors (P&M)			**1**	**0**	**1**
Assistant/Deputy Directors (CA &I)			**0**	**0**	**2**
Deputy Directors / Assistant Directors Regional Affairs		**12**	**6**	**0**	**6**
Deputy/ Assistant Director (Coperate Communication)- Temporary Basis		**1**	**0**	**0**	**1**
Junior Manager					
Audit Officer	**JM 1-1**	**2**	**1**	**0**	**1**
System Administrator		**1**	**1**	**0**	**0**
Senior Investigation Officer		**27**	**29**	**0**	**0**
Senior Statistical Officer		**1**	**0**	**0**	**1**
Senior Market Research Analyst		**1**	**0**	**0**	**1**
Senior Accounts Officer			**1**	**0**	**1**
Confidential Secretary (Chairman)			**1**	**0**	**0**

Confidential Secretary (DG)		1	0	0	1
Senior Admin/ HR Officer		1	0	0	1
Legal & Enf. Officer/Senior Legal & Enforcement Officer		8	3	0	5
Senior Costing Officer		1	1	0	0
Enforcement/Operational/Extension					
Data Coordinator	MA 5-2	1	0	0	1
Statistician Officer		1	1	0	0
Market Research Analyst		1	0	0	1
Documentation Officer II		6	3	0	3
Librarian		1	1	0	0
Costing Officer		15	2	0	10
Accounts Officer			3	0	
Administration Officer II		5	3	0	2
Investigation Officers		450	350	0	100
Media Officer (Contract Basis)		1	0	0	1
Management Assistant (Tech)					
Book Keeper	MA 2-2	1	0	0	1
Cameraman (Contract Basis)		1	1	0	0
Management Assistant (Non-Tech)					
Management Assistant	MA 1-2	50	40	0	10
Management Assistant (Shroff)		1	1		
Primary Level (Skilled)					
Driver	PL 3	28	24	0	4
Primary Level (Un-Skilled)					
Office Aide	PL 1	24	21	0	3
Office Aide (Contract Basis)		1	0	0	1
Total		**667**	**507**	**0**	**162**

* Contract basis / Casual

Table 17: Summary of Actual Cadre - Dec' 2022

Head Office & District Office

Division	Director General (HM 2-1)	Director (HM 1-1)	Secretary to the CAA Council(HM 1-1)	Deputy Director (MM 1-1)	Asst. Director (MM 1-1)	Asst. Director-Regional Affairs (MM 1-1)	Internal Auditor (MM 1-1)	Audit Officer (JM 1-1)	Senior Accounts Officer (JM 1-1)	System Administrator (JM 1-1)	Senior Investiation Officer (JM 1-1)	Conf. Secretary-Chairman (JM 1-1)	Legal & Enf Officer/ Senior Legal & Enf Officer (JM 1-1)	Senior costing Officer(JM 1-1)	Investigation Officer (MA 5-2)	Statistician Officer (MA 5-2)	Market Research Analysist (MA 5-2)	Documentation Officer(MA 5-2)	Admin Officer (MA 5-2)	Accounts Officer (MA 5-2)	Costing Officer (MA 5-2)	Librarian (MA 5-2)	Cameraman-Contract basis(MA 2-2)	Management Assistant (MA 1-2)	Driver (PL -3)	Office Aide (PL -1)	Total
Head Office	1(Act)	5	1(Act)	2	6	6	1	1	1	1	7	1	7	1	52	1	0	3	3	3	2	1	1	29	13	11	160
District Office	0	0	0	0	0	0	0	0	0	0	22	0	0	0	297	0	0	0	0	0	0	0	0	12	11	10	352
Total	1	5	1	2	6	6	1	1	1	1	29	1	7	1	349	1	0	3	3	3	2	1	1	41	24	21	512

4.5.2 Staff Development

Consumer Affairs Authority considers the development of the staff in their relevant fields is an investment which contributes to uplift the quality of our services. Details of the staff training programs held in 2022 is presented in below.

Table 18: Staff Training & Development Programs held in 2022

EB Seminars were held for the officers appearing for the Efficiency Bar Examination			
Date	**Employee Category**	**Subjects**	**Total no of Participants**
2022.08.01	All Categories	Office Systems	87
2022.08.06	MM 1-1/ JM 1-1	Public Finance Management	
	MA 5-2/ MA 1-2	Account System / Finance	
2022.08.07	MM 1-1/ JM 1-1	Public Finance Management	
	MA 5-2/ MA 1-2	Account System / Finance	
2022.08.08	All Categories	Subject knowledge	
2022.08.10	All Categories	Problems relative to the office procedures/Establishment Procedure	
2022.08.15	All Categories	Subject knowledge/ Office Systems	
2022.08.16	MM 1-1	General Administration and state policy/ General Management	
Staff Training Programme			
2022.11.03	JM 1-1 to HM 2-1	Prepare Job Description	15
2022.11.05	All Categories	Office System	79
2022.11.06	All Categories	Employee Productivity	48
2022.11.10	All Categories	Administrative regulation	65
2022.11.16	All Categories	Financial Regulation	59
2022.11.23	All Categories (01 officer from each Division)	Right to information Act	14
2022.11.25	All Categories (01 officer from each Division)	Costing and Taxation	15

4.5.3 Staff Motivation and Welfare

During the year, several steps such as medical Insurance Scheme, Cultural and Religious Programs, Staff Development Programs, Employee Recognition were continued in order to provide a pleasant and conducive working environment for the staff.

4.5.4 Amendments to the CAA Act

Draft Act amendment has forwarded to Legal Draftsman and the Legal Draftsman discussion are ongoing.

4.6 Consumer Affairs Council

The Consumer Affairs Council administratively functions under the Consumer Affairs Authority and is conferred with powers by the Act to hear and determine references made to it by the Authority, mainly in the area of anti-competitive practices. In terms of the provisions of the Act, cases on excessive pricing, market imperfections and market manipulations are also being referred to the Council for investigation. Where necessary the council is empowered to recommend ceiling on prices at which goods shall be sold or services shall be provided.

Table 19: Progress of Complaints and MRP matters made under Anti-Competitive Practices in 2022

	Total Receivable 2022	On Progress up to 2022	Decided and settled or reports submitted by the Council on 2022
No. of Complaints Received	01	03	04
No. of MRP matters Received	16	02	14

5. Audited Financial Report

CONSUMER AFFAIRS AUTHORITY
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2022

		As at 31.12.2022 LKR 000'	Restated AmountAs at 31.12.2021 LKR 000'	
ASSETS				
Current Assets				
Cash and Cash Equivalents	SCH -1	72,420	58,067	
Trade and Other Receivables	SCH - II	66,712	21,297	
Inventories / Stocks	SCH -III	3,309	2,351	
Other Current Financial Assets	SCH -1V	9,654	9,316	
		152,096	**91,031**	
Non - Current Assets				
Investment		371,292	349,523	
Gratuity Fund Investment Account		79,345	77,208	
Other Non-Current Financial Assets (Staff Loan)	SCH - V	13,036	14,969	
Lease Hold Building	SCH -VI	700	725	
Property, Plant and Equipment	SCH -VII	96,575	27,041	**
		560,948	**469,467**	
Total Assets		**713,044**	**560,498**	
LIABILITIES		-		
Current liabilities				
Accrued Expenses	SCH -VIII	40,602	49,679	**
Payables & Other Liabilities	SCH -IX	2,240	1,290	
		42,842	**50,969**	
Non-Current liabilities				
Provision for Gratuity	SCH -X	76,560	87,890	
Total liabilities		**119,402**	**138,859**	
Total Net Assets		**593,641**	**421,638**	
NET ASSETS / EQUITY		-		
Deferred Income	SCH -XI	11,498	14,207	
Capital & Reserves	SCH -XII	582,144	407,431	**
		593,641	**421,638**	
Total Net Assets / Equity		**593,641**	**421,638**	

The Accounting policies on pages 05 to 12 and Notes on pages 13 to 58 is integral part of these Financial statements. The Board of Directors is responsible for the preparation and presentation of the Financial statements. These Financial Statements were approved by the Board of Directors and signed on their behalf.

…… ……..
Director Finance
W.M.Priyantha

…. ……………………..
Director General
J.M.C.Jayanthi Wijethunga

Chairman

Shantha Niriella

………………..
Full Time Member
S A H Lalith R De Silva

CONSUMER AFFAIRS AUTHORITY
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER 2022

		As at 31.12.2022 LKR 000'	Restated Amount As at 31.12.2021 LKR 000'	
Revenue				
Recurrent Grant		541,500	505,000	
Fine Income		37,141	13,570	
Other Income	SCH -XIV	60,030	27,137	**
		638,671	**545,707**	
Expenses				
Personal Emoluments	SCH-XV	(416,439)	(413,152)	**
Travelling	SCH -XVI	(7,815)	(8,360)	**
Supplies and Consumable	SCH -XVII	(17,064)	(9,672)	**
Maintenance	SCH -XVIII	(11,628)	(9,754)	**
Contractual Services	SCH -XIX	(61,807)	(54,186)	**
Depreciation	SCH-XX	(7,710)	(11,403)	
Other Operating Expenses	SCH -XXI	(31,973)	(31,988)	**
Finance Cost	SCH -XXII	(114)	(92)	
Arbitration			-	
Total Expenses		**(554,550)**	**(538,606)**	
Total Net surplus /(deficit) for the period		**84,120**	**7,101**	#
Comprehensive Income				
Differed Income		7,710	11,403	
Deficit of Gratuity Provision		10,102	-	
Re Estimation Surplus		72,780	-	
Total comprehensive income for the year		**174,713**	**18,505**	

CONSUMER AFFAIRS AUTHORITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2022

	As at 31.12.2022 LKR 000'	Restated Amount As at 31.12.2021 LKR 000'
Cash flows from Operating Activities		
Surplus / (Deficit) from ordinary activities	**174,713**	**18,505**
Adjustment for		
Depreciation	7,710	11,403
Gratuity Provision	(10,097)	6,378
Amortization	25	25
Re Estimation Surplus	(72,781)	-
Differed Income	(7,710)	(11,403)
Interest Income	(55,321)	(22,955)
Operating profit before working capital changes	**36,539**	**1,953**
Change in working Capital		
Increase in payables - Note I	(8,126)	1,227
Decrease in other current assets - Note II	(7,497)	7,700
Gratuity Payment	(1,233)	2,629
Interest Received	16,105	20,717
Net cash flows from operating activities	**35,788**	**34,226**
Cash flows from Investing Activities		
Purchase of Plant and Equipments	(4,464)	(5,390)
Investment in Gratuity Fund	(2,137)	(4,747)
Increase in Investments	(21,767)	(34,105)
Net cash flows from investing activities	**(28,368)**	**(44,242)**
Cash flows from Financing Activities		
Treasury Grant - Capital	5,000	6,000
Increase/Decrease in - Long Term Loan(Staff Loan)	1,933	(2,626)
Net cash flows from financing activities	**6,933**	**3,374**
Net Increase / (Decrease) in cash and cash equivalents	**14,353**	**(6,642)**
Cash and cash equivalents at beginning of period	**58,067**	**64,709**
Cash and cash equivalents at end of period	**72,420**	**58,067**

NOTES TO THE ACCOUNTS

1. Corporate Information

1.1 Consumer Affairs Authority (CAA) was established under the Consumer Affairs Authority Act No. 09 of 2003 by repealing the Consumer Protection Act No.1 of 1979, the Fair Trading Commission Act No.1 of 1987 and the Control of Prices Act (Chapter 173).

As per the Public Enterprises Circular No.PED/58/02 dated 15th September 2011, Consumer Affairs Authority is categorized under "A" of sub-category "A" in Regulatory Agencies.

1.2 Principal Activities and Nature of Operation

The Principal Activity of the Authority is to protect the Consumers and the regulations of internal trade.

1.3 The number of employees of the Authority at the end of the year 2022 is 520.

1.4 Significant shareholding / Equity

Consumer Affairs Authority is mainly granted by the Treasury. Net balance of the Fund, that is formed by 1/3 of the fine income and fees charged for awareness for traders which are direct income to the Authority, is also represented in the equity of Authority.

1.5 Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received. When the grant relates to an expense item, it is recognized as income for the year. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the CAA receives grants of non- monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual installments. Government grants related to assets and non monetary grants at fair value have been presented in the balance sheet as differed income.

2. General Accounting Policies

2.1 The financial statements of Consumer Affairs Authority (CAA) have been prepared in accordance with Sri Lanka Public Sector Accounting Standards (SLPSAS) issued by the Public Sector Accounting Standards Committee of The Institute of Chartered Accountants of Sri Lanka.

2.2 The Financial statements have been prepared on historical cost basis and prospective recognition for change in accounting estimates.

2.3 Fine Income

2.3.1 Income earnings from the fines were earlier excluded from the statement of financial performance since those were not utilized for the general activities of the Authority. From year 2011 onward CAA utilizes this income with approval from the General Treasury or and Board of CAA. Accordingly, fine income is treated as an income and all the related expenses to the fine have shown at the statement of financial performance.

2.3.2 Accumulated Fund Rs.63, 190,913.00

This represent the Accumulated Fund (Fine Income, proceeding charges, sale of perishable goods and interests of investment) balance as at 31/12/2012 and it is a part of reserves as these income are now treated as income. Therefore, this amount is shown under reserves.

2.3.3 There are instances where CAA receives money as fines income but cannot recognized at the time due to the differences between the case numbers and related information given by the relevant raiding officers of CAA and the case numbers and information given by the relevant Courts with their remittances. They are generally transferred to Suspense – Fines Income account with the purpose of verification whether they are actually disserved to the Authority or mistakenly remitted by the Courts. If such money remains unrecognized until the next year end then they are credited to the Consumer Protection Fund of the Authority.

2.3.4 According to the past experience, it is observed that almost all of unidentified fine income reflected the fine receivable.

2.4 Financial Year

Financial Year of the Authority is the calendar year which ends on 31st December.

3. Assets Bases and of their valuation

3.1 Property, Plant and Equipment

3.1.1. CAA chooses cost model as its accounting policy and prospective recognition for accounting estimates. (SLPSAS 7). Hence, it is not necessary to reevaluate assets with zero value.

3.1.2 Property, Plant and Equipment (PPE) are stated at cost, net of accumulated depreciation which includes the replacing components parts of the Property, Plant and Equipment. When significant part of the Property Plant and Equipment are to be replaced the CAA derecognizes the replaced part, and recognizes the new part with its own associated useful life and depreciation .Repair and Maintenance costs are recognized in the Statement of Financial Performance as incurred.

3.1.3 The cost of Property Plant & Equipment is the cost of purchases or construction with any expenses incurred in bringing the assets to working condition for its intended use.

3.1.4 Expenditure incurred for the purpose of acquiring, extending or improving assets of a permanent nature by means of which to carry on the business or to increase the life time of the assets has been treated as Capital Expenditure.

3.2 Depreciation

All the assets acquired are depreciated by the Authority commencing from the month the asset is available for use.

3.2.1 Depreciation has been provided on a consistent basis so as to write off the cost of Property Plant and Equipment over their estimated lives as follow.

Office Furniture & Fittings	10%
Office Equipment	10%
Computer Equipment	20%
Computer Software & Web Designing (Intangible Assets)	20%
Motor Vehicle	20%
Office Partitions	20%
Non Consumables	10%

3.2.2 Consumer Affairs Authority uses the straight line method in computing depreciation.

3.2.3 No depreciation is made for Library Books.

3.2.4 Value of depreciation relating to the year is transferred to the Differed Income Account.

3.3 Building Premises – Kurunegala

Payment of Rs. 1 Million for the building premises which has been assigned by District Secretary of Kurunegala to Kurunegala District Office of CAA is amortized over 40 years.

3.4 Debtors & Receivables

Debtors & Receivables are stated at the amount that they are estimated to realize.

3.6 Cash & Cash Equivalent

Cash & Cash Equivalent are defined as Cash in Hand, Cash in Bank and short term Investment.

3.6.1 For the purpose of Cash Flow Statement, Cash & Cash equivalent consist of cash in hand and deposits in Banks.

3.7 Fixed deposits

Fixed Deposits of the CAA are classified under investment. Since CAA has past experience that Fixed Deposits are not withdrawn within period and it is assumed that majority of Fixed Deposits will remain at least 3 years. Fixed Deposits are measured initially at cost.

4. Liabilities & Provisions

4.1 Payables

Payables are stated at their costs.

4.2 Retirement Benefit Obligation

The CAA has two Defined Benefits Pension Plans, both of which require contribution to be made.

4.2.1 Defined Benefit Plan- Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Since 2018, the gratuity liability was calculated using formula method for all existing employees as required by LKAS 19 – 'Employee Benefits'. Provision has been made for retirement gratuities from the beginning of service for all employees, in conformity with

LKAS 19 on employee benefit. However for entities of the Group operating in Sri Lanka, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability. The present value of the defined benefit obligations depends on a number of factors that are determined on a formula basis using a number of assumptions.

The Provision for Retirement benefit obligation for all employees as at 31st December 2021 is **Rs.87,890,140.38**. Key assumptions used in determining the defined retirement benefit obligations are as follows. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

		2021
Discount interest rate		9.70%
Salary increment rate		7.72%
Staff turnover rate		3.62%
Retirement age		62 Years

CAA has obtained the approval to invest gratuity provision separately. Investment for gratuity has been calculated for the employees whose service period is over five years. Below mentioned is the summery of gratuity investment as at 31/12/2021 and balance to be invested.

	Rs
Provision for gratuity employees' service over 5 years as at 31.12.2021	75,077,937.86
Investment made as at 31.12.2021 with accumulated Interest	**77,208,306.23**
Provision made for the year 2021	-

4.2.2 Defined Contribution Plans / Employee Provident Fund & Employee Trust Fund

All employees are eligible for EPF & ETF contribution in line with respective statutes and regulation. Contribution to Provided Fund and Trust Fund covering the employees are recognized as an expense in the Income Statement.

The Authority contributes 15% and 3% of gross emoluments of employee to Employee Provident Fund and Employees Trust Fund respectively.

4.3 Contingent Liabilities.

4.3.1 There are 18 court cases against Consumer Affairs Authority as at 31.12.2022 and These cases categories as per the Court of appeared, which are as follows.

Court	No of Cases
Supreme Court	06
Court of Appeal	06
High Court	02
District Court	04
Total	18

Most of these court cases filed against decision given by the CAA on behalf of consumers. There some cases against the published gazettes or a section of the gazettes by CAA. However, quantify the value of contingences is not done, since most of aggrieved parties are expecting reverse the Authority decision, amend or cancel the published gazettes.

4.3.2.1 SICPA, the proposed company to implement a technology based consumer protection project – secure tracking & tracing system for certain identifying products in order to ensure consumer safety, has filed an application for arbitration of the dispute which has arisen as a result of the non-implementation of the system by CAA as per the agreement.

4.3.2.2 Reason For non-implementation

Subsequent to the issuance of the Direction (Direction No 49 on 24/02/2014) Manufacture of the specified products have made known of the CAA of their concerns of the direction and several discussion have also been made. Since the discussion held failed, Sri Lanka bottled water association, Beverage Association and cosmetic manufactures have filed an application in the court of appeal (CAA/Writ/281/2014) on 14/08/2014 against non-operation of the direction and case is still in progress in the court of appeal.

4.3.2.3 SICPA has sought LKR 2.716Bn or any other such sum determined by the tribunal or alternatively LKR 3.887Bn any other such sum determined by the tribunal and interest on the damages claimed and all cost of the arbitration.

4.3.2.4 Accordingly Arbitration hearing has been completed and Arbitration award is pending as at 31/12/2021

5. Income

Revenue Recognition

Revenue is recognition to the extent that it is probable that will flow to the CAA and the revenue can be reliably measured.

Interest Income

Interest income for fixed deposits is calculated and recorded using nominal interest rate (NIR). Average interest rate of the fixed deposits is 20.5%.

Government Grants

Government Grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grants relates to an expense item (recurrent grant) it is recognize as income over the period. When the grants relates to an assets item (capital grant) it is recognize as Deferred Income and released income in equal amounts over the expected life of the related asset.

Where the CAA receives the Non monitory grants, the asset and grant are recorded gross at nominal amounts and released to the Income Statement over the expected life of the asset. (IAS 20)

	As at 31.12.2022 RS	Restated Amount As at 31.12.2021 RS
SCHEDULE - I		
CASH & CASH EQUIVALENTS		
Bank of Ceylon	54,126,545	53,421,304
People's Bank	18,204,941	4,547,789
Petty Cash Advance (District Office)	82,228	94,535
Petty Cash Control (Head Office)	6,679	3,500
	-	-
	72,420,393	**58,067,128**
SCHEDULE - II		
TRADE & OTHER RECEIVABLES		
Advances for Operations (Sub Sch II- A)	3,374,533	3,286,208
Receivable Deposit	1,899,999	1,599,999
Fixed Deposit Interest Receivable	42,749,429	11,229,661
Fines Receivables	9,552,837	3,741,081
Gratuity Fund Interest Receivable	9,135,525	1,440,230
	66,712,322	**21,297,179**
SCHEDULE - IV		
OTHER CURRENT FINANCIAL ASSETS		
Distress Loans (Sub Sch IV-A)	9,218,459	9,147,514
Other Loans (Sub Sch IV-B)	435,750	168,250
	9,654,209	**9,315,764**
SCHEDULE - V		
OTHER NON CURRENT FINANCIAL ASSETS		
Distress Loan (Sub Sch IV-A)	13,035,994	14,969,273
	-	-
	13,035,994	**14,969,273**

SCHEDULE - IX	As at 31.12.2022	Restated Amount As at 31.12.2021
PAYABLES & OTHER LIABILITIES	**RS**	**RS**
Refundable Deposits	381,545	331,545
Loan Over Deduction	4,242	4,242
Provision for Audit fee	1,804,000	954,000
Unidentified fines	50,000	-
	2,239,787	**1,289,787**

SCHEDULE - XI

DEFERRED INCOME

Balance as at 01.01.2022	14,207,362	(4,338,513)
Treasury Grant - Capital	5,000,000	6,000,000
Depreciation For the year	(7,709,862)	(11,403,405)
Revaluation - Depriciation	-	23,949,280
	11,497,500	**14,207,362**

SCHEDULE - XII

RESERVES

INCOME & EXPENDITURE ACCOUNT

Accumulated Fund (2011.12.31)	-	63,190,913
Balance as beginning of the year	407,430,836	381,466,418
Net effect of prior year adjustment	-	(11,722,833)
Total comprehensive income for the year	174,713,120	30,227,340
Revaluation Gain 2018&2019	-	(55,731,002)
	582,143,956	**407,430,836**

SUB SCHEDULE - II-A **ADVANCES FOR OPERATIONS**	As at 31.12.2022 RS	Restated Amount As at 31.12.2021 RS
Advances & Supplies	12,500	-
Decoy Money - H/O	1,655,424	1,650,010
Decoy money -District Office	1,138,380	1,115,015
Fuel Imprest -District offfice	568,228	521,183
	3,374,533	**3,286,208**

SUB SCHEDULE - IV-B **OTHER LOANS (Current Year)**	-	
Festival Advance	435,750	168,250
	435,750	**168,250**

6. Auditor General's Report

TAC/B/CAA/FS//2022 22nd June 2023

Chairman

Consumer Affairs Authority

Financial Statements of the Consumer Affairs Authority for the year ended as at 31st of December 2022 and the Auditor General's Report on other legal requirements as per section 12 of the National Audit Act No. 19 of 2018.

1. **Financial Statements**

1.1 Qualified Opinion

The audit of the financial statements of the Consumer Affairs Authority for the year ended 31 December 2022 comprising the statement of financial position as at 31 December 2022 and the statement of financial performance, statement of changes in equity and cash flow statement and notes to the financial statements for the year then ended and summary of significant accounting policies was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka to be read in conjunction with provisions of the National Audit Act No. 19 of 2018 and the Finance Act No. 38 of 1971 . This report will be presented to Parliament in due course in terms of Article 154 (6) of the Constitution of Sri Lanka.

In my opinion, except for the effects of the matters described in the section of basis for qualified opinion of this report, a true and fair view of the financial performance and cash flow for the year ended as at 31st of December 2022 in accordance with Public Sector Accounting Standards.

1.2 Basis for the Qualified Opinion

(a) It had been accounted that the receivable interest income of fixed deposits in the preceding year as Rs. 12,669,891 and since the fixed deposits were withdrawn before their maturity, the interest income was Rs. 10,059,248. Accordingly, the overstated interest income of Rs. 2,610,643 had not been adjusted on historical basis in terms of Public Sector Accounting Standards 3 and the balance of the receivable interest account and retained earnings had been overstated.

(b) When calculating the provision for gratuity of the year , gratuity had been calculated for a full year in the event that employees had not completed full year. Consequently, gratuity provision had been over stated by Rs. 7,146,199 and gratuity allocation had been understated by that amount in the financial statements.

(c) Investment as at 31st of December were stated as Rs. 371,291,985 while the investment account of gratuity funds were stated as Rs. 79,344,883 in the Financial Statements. However, evidence was not presented for audit to classify the fixed deposits as at 31st of December 2022 in the same way.

(d) As per the calculation of the audit even though the fixed deposit income is Rs. 57,438,109 it had been understated by Rs. 2,117,681 as Rs. 55,320,428.

(e) Overtime payments of Rs. 152,601 which had not been allocated for overtime expenses of 2021 had been credited to accrued overtime expenses account of the year under review. Hence, balance of the accrued expenses account of the year under review had been understated by that amount while the retained earnings had been overstated in the financial statements.

(f) As per the Cash Flow Statement presented for audit and calculation of the audit gaps of Rs. 7,709,862 in the cash flow generated from the operating activities, a Rs. 1,932,802 in the net cash flow generated from investment activities and Rs. 4,223,417 in the net cash flow generated from financial activities were observed.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Other information included in the Annual Report 2022 of the Consumer Affairs Authority

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Other information means, financial statements and information which are not included in my audit report even though included in the Annual Report 2022 of the Authority which is expected to be submitted me after the date of this audit report. The management is responsible for this other information.

Other information is not included in my opinion on financial statements and I do not express any certification or opinion in whatever way in this regard.

With respect to my audit on financial statements, my responsibility is to read above mentioned other identified information when received and to take into account whether other information materially mismatch with financial statements or knowledge I have gained in the audit or other way.

In reading the Annual Report 2022 of the Authority, if I determine that material misstatements are found such misstatements should be communicated to the parties which control them for rectification. Further, in case of not corrected misstatements if any, I will include in the reports which are to be tabled in parliament in due course in terms of article 154(6) of the Constitution of Sri Lanka.

1.4 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Public Sector Accounting Standards and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud and error.

When preparing financial statements, it is a responsibility of the management to determine the ability of going concern of the authority and in case the management determines to liquidate the authority or unless take action to cease the operations in the absence of other alternative, the management is responsible for accounting based on the going concern and to disclose the matters on the going concern of the institute in future.

Those charged with governance are responsible for overseeing the authority's financial reporting process.

As per sub section 16(1) of the National Audit Act No. 19 of 2018, the authority is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the authority.

1.5 Auditor’s Responsibility on Audit of Financial Statements

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My objective is to express a reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue the Summary Report of the Auditor General that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the authority’s internal control.

- Evaluate the fairness of the accounting policies and accounting estimates used and the appropriateness of the related disclosures made by the management.

- Conclude on the appropriateness of the use of going concern basis of accounting based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. However, future events or conditions may cause the authority to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on the other legal and regulatory requirements

2.1 National Audit Act, No. 19 of 2018 includes specific provisions in respect of the following requirements.

2.1.1 I have obtained all the information and explanations for the purpose of audit, as per the requirement of Section 12(a) of the National Audit Act, No. 19 of 2018 except for the effects of the matters described in the section of basis for qualified opinion of this report and as per revelations from my examination, proper financial records have been maintained by the Authority.

2.1.2 The financial statements of the authority are consistent with that of the preceding year as per the requirement of Section 6(1) (d) (iii) of the National Audit Act, No. 19 of 2018.

2.1.3 Any recommendation made by me in the preceding year as per the requirement of Section 6(1) (d) (iv) of the National Audit Act, No. 19 of 2018 had been included in financial statements.

2.2 Based on the procedures which had been adopted and the evidence obtained which limited to matters that are material, nothing has come into my consideration to express following statements.

2.2.1 As per the requirement of Section 12 (d) of the National Audit Act, No. 19 of 2018, whether any member of the governing body of the authority has any direct or indirect interest in any contract entered into by the authority beyond the normal course of business.

2.2.2 Except for the below mentioned observation, whether authority has not complied with any applicable written law or other general or special directions issued by the governing body of the authority as per the requirement of Section 12 (f) of the National Audit Act, No. 19 of 2018.

2.2.3 As per the requirement of section 12(g) of the National Audit Act No 19 of 2018, except for the following observations, the authority has performed not complying with its powers, functions and duties.

2.2.4 As per the requirement in section 12(h) of the National Audit Act No. 19 of 2018, the resources of the authority had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

(a) In the year 2015, the Authority had spent sum of Rs. 5,401,428 to create the 1977 Interactive Mobile Service software to submit consumer issues immediately and to know the market price for the consumers and a sum of Rs. 3,786,942 to popularize it among the public. However, the expected targets could not be achieved as arising of technical errors, not updating prices of goods , not formulating a method to include data coordinating all the district offices and not formulating a method to send the number of the complaint online made through short message service and a method to inform the progress of the investigation.

(b) The Authority had purchased a store management software of Rs. 200,000 , fine and strategic finance management software of Rs. 250,000 and asset management software of Rs. 54, 000 in the years of 2015 and 2017 and the said software had not been used up to the date of this report.

2.3 Other matters

(a) Amending of the Consumer Affairs Authority Act No. 09 of 2003 commenced in the year 2004 and 30 sections of the act had been submitted to the Department of Legal Draftsman in several years and amending of the Act had not been completed even by the date of this report.

(b) As per section 10 of the Act, even though it had been scheduled to conduct 100 awareness programmes on labeling as 25 awareness programmes per quarter, in the year under review no programme had been conducted.

(c) Even though it had been informed that every trader shall register in the Authority by paying an annual fee not exceeding one hundred thousand rupees as decided by the Minister in terms of section 27 of the Act , the Authority had not taken action in this regard.

(d) The Authority may intervene in respect of consumer complaints under sections 13 and 32 of the Consumer Affairs Authority Act to give relief for the consumers who have been influenced due to unfair trade affairs and investigate on the consumer complaints on sale of goods and supply of services in compliance with the matters related to license or guarantee provided by the manufacturer or trader or other matters . However, investigations had not been completed on 284 complaints from the complaints received by the districts and 1078 complaints received by the Head office from 2018 to 2022 by 31st of December 2022.

(e) It had been scheduled to conduct 23,280 raids island wide during the year under review and 13,980 of it which is 60$ had been completed. In the six districts Colombo, Kandy, Kalutara, Galle, Badulla and Nuwaraeliya only 50% of the scheduled raids had been completed.

(f) Even though it been scheduled to formulate a data system which consists of information related to the institutes which monitor the quality of imported and local products and their standards, it had not been conducted.

(g) Even though specifications had been made for 40 selected goods during the year under review in order to monitor their retail price of essential commodities through computerized methods, it had not been conducted. Further, even though it had been planned to implement 4 awareness programmes to make aware district officers no programme had been conducted.

(h) Although it had been planned to establish 50 consumer circles at schools under the objectives of consumer education awareness during the year under review, only 7 consumer circles had been established.

(i) Even though it had been planned to conduct a Public and Private Dialogue with the objective of protecting manufacturers and traders from anti-competition and unfair trade practices it was not implemented.

(j) Distress loan balance of Rs. 320,942 receivable from interdicted officers to the Authority had not been settled for more than 05 years and action had not been taken to recover them.

(k) With the objective of protecting consumers from unsafe and low standard products, it had been planned by the Authority to formulate a protective method for several identified products and the Authority had entered into an agreement with Sicpa Security Solutions SA Company of Australia. The Authority had published the relevant order on this as Order No. 49 dated 24th February 2014 through the Gazette No. 1851/1. However, several companies of manufacturing goods had filed an application at the High Court to nullify the said Order No. 49 and the High Court issued an interim order preventing functioning of the order No. 49. Consequently, the Authority was unable to continue project works pertaining to the agreement entered into with Sicpa Security Solutions SA Company.

(l) Since the agreement was not implemented Sicpa Security Solutions SA Company cancelled the agreement unilaterally and filed an arbitrary case on at the International Chamber of Commerce on 30th July 2018 requesting an amount of Rs. 2.716 billion as losses following section 3.3.2 of the agreement. Its last grant was issued o 10th May 2022. Accordingly, the Authority had to pay Rs 2,716 billion and 325,000 USD as the arbitration fee. However at the audit, it was not confirmed that a feasibility study was not carried out based on relevant manufacturing companies of goods on the ability of implementing the project before entering into an agreement with a foreign a company in respect of this project. The Authority had filed the petition no. CHC/626/22/ARB on 0th July 2022 at the Colombo Commercial High Court against the last grant of the arbitrary case.

(m) The fixed deposit balances existed up to 10th June 2022 was reinvested under high interest rates and due to not reinvesting a fixed deposit of Rs. 14,259,010, a financial loss of Rs. 1,651,867 was occurred to the Authority.

(n) Vacancies of officers as at 31st of December of the year under review adversely affected on achieving key objectives of the Act as there were vacancies in the approved cadre of the Authority as 2 Director posts of the Senior Management Level, 6 Assistant Director posts, 5 Law and Enforcement Officer posts and 100 Investigation Officer posts

W.P.C.Wickaramarathne

Auditor General

.2 Chairman's Observations and proposed action in relation to the matters pointed out in the .uditor General's Report on Financial Statements of the Consumer Affairs Authority for the ear ended as at 31st of December 2022 and other legal requirements as per section 12 of the lational Audit Act No. 19 of 2018.

. Financial Statements

.1 Basis for Qualified Opinion

(a) Action will be taken to adjust the over stated interest income which occurred due to the error in the following (d) on historical basis as per the Sri Lanka Public Sector Accounting Standard 3.

(b) According to the prudence accounting concept, assets and income should not be overestimated and liability should not be underestimated. Gratuity is a responsibility of the organization. Accordingly, even the service period does not exceed one year, it should be assumed that the employee was in service during the full year. Further, the amount should be deposited to pay when the employee retires/resigns from the service. If not, the amount deposited will be less than the amount to be paid when the employees retire/resigns from the service. Therefore, as the concept of prudence accounting and provision should be forecasted based on these facts it could not be considered as an over estimation.

(c) **Investments**

As per Section 49 of the Consumer Affairs Authority Act No. 9 of 2003, it has been decided that the Authority should have a fund. Accordingly, following the provisions under the said sections, money received by the authority is collected in the collection account of People's Bank account number 014100120110475. The money such collected was deposited in fixed deposits of state banks under the most favourable interest rate on the approval of the board of directors. That part is mentioned as investments in the financial statements. Accordingly, the amount of Rs.371,291,985 is the investment so deposited.

Investments of Gratuity Funds

According to the Consumer Protection Act No. 12 of 1983 and Sri Lanka Public Sector Accounting Standard No. 19, employees whose service period exceeds 5 years are to be paid gratuity for their service period when they leave the job. Accordingly, from the date employees are recruited to the authority, allocation is made annually for gratuity. The allocation such made was invested as fixed deposits in public banks at a more favorable interest rate on the approval of the Board of Directors. Those investments are sated in financial statements as Gratuity Fund Investments (GFI). (This is stated under account note no. 4.2.1.) Accordingly, the amount of Rs. 79,344,883 is the deposited gratuity fund investment.

(d) Although the decreasing interest income in respect of the year 2021 should be adjusted to the retained earnings of the preceding year, this difference has been occurred due to the adjustment to the interest income of the year 2022 and I will take action to correct it.

(e) The overtime cost of Rs.152,601/- which was not allocated in the year 2021 was paid in the year 2022. It has been debited to the accrued overtime expense account. Thereafter, this amount is adjusted to the retained earnings of the previous year (Retained earnings were debited and accrued overtime expense were credited). Accordingly, the accrued overtime expense account will be balanced. Therefore, the balance of the accrued expense account in the year under review is not understated and the amount of retained earnings is not overstated in the financial statements.

(f) As pointed out by the Auditor General in the year, the Cash Flow Statement was prepared and presented according to the prescribed format.

2. Report on other Legal and Regulatory Requirements.

2.2.4

(a) The hotline 1977 is successfully used even at present in order to obtain consumer complaints. At present, arrangements are being made to implement a pilot project to inform the progress o the investigation to the complainant. In addition, it has been planned to introduce a software connecting all the divisions to meet the customer satisfaction to the best having understood the present economic and social needs and the need of achieving the objectives of the Authority to the highest level.

(b) All the software mentioned here are related to the accounting information system and are purchased at the time of purchasing of the accounting system. Accordingly, the accounting system is implemented and staff training and additional work had been done related to strategic funds and other systems and there as an oversight in updating the systems without the administration and other officers of the authority. However, the system controller has been recruited and the basic data updating has started with this software. Further, arrangements are being made to establish a Management Information System (MIS). Information technology experts (IT experts) were enquired about the possibility of incorporating the presently partially functional software into the system and they have confirmed that the software could be incorporated. Accordingly, this software is to be incorporated and used with the management information system.

2.3 Other Matters

(a) Through dated 21.07.2022, the Attorney General's Department has informed the Secretary of the Ministry of Trade, Commerce and Food Security to submit the amendments made related to the Consumer Affairs Authority Act No. 9 of 2003 to the new Cabinet and the Minister of Trade, Commerce and Food Security has submitted the Cabinet Memorandum No.23/0771/627/013 dated 18.04.2023 on Amend of the Consumer Affairs Authority Act .

Accordingly, the decision of the Cabinet meeting held on 05.02.2023the Ministry on 09.05.2023 (Annex05) and the same was forwarded to the authority on and future action is to taken with the Department of Legal Draftsman.

(b) In accordance with the Annual Action Plan 2022 , it had been planned to conduct awareness programmes on the orders issued labeling under section 10 of Consumer Affairs Authority Act as 100 awareness programmes as 25 per quarter.

Accordingly, Director – Consumer Affairs and Information had informed all the Provincial Assistant Directors and District Heads through the letter No. CAA/CA&I/EDU/MP/04/2022-03 dated 25.08.2022 (Annexure 07) to make aware of the Orders No. 83, 84 and 85 which were issued during the relevant year. Accordingly, an awareness programme on the said orders was conducted covering all the districts. Including the said programme the number of pogrammes conducted on the said subject was 27. When conducting awareness programmes and making computer based presentations it was confirmed that this task could be done effectively and efficiently at a low cost and it was observed that there is no need of conducting separate programmes on the orders issued under section 10.

Further, it was decided to propagate information on the published orders among the trade community through the leaflets which are used at present. In addition, .having understood the practical issues of communicating each order through printed leaflets, a method was introduced to make aware trade and consumer community by downloading a QR code as a remedy for that.

(c) Arrangements are being made to register traders as per section 27 of Consumer Affairs Authority Act and approval of the Director Board of the Authority was received for that. Accordingly, a pilot project was conducted in Ja ela Divisional Secretariat Division from

September to December 2022 in order to identify the fields which should be covered at the registration of traders.

The first phase of formulating a software and the data system for registering these traders at the Ministerial level in collaboration with the Ministry of Trade by the end of June 2023 is to be completed.

(d) The total number of complaints that have not been registered and settled by the last day of the year from 2018 to 2022 is below mentioned. All these complaints were registered and filed by the end of the relevant year and were being processed. All those complaints have been completed in the following year by taking the necessary steps according to the proper procedure.

Year	Number of complaints registered and filed and action taken as on 31st December of the year.	No. of complaints that action was taken by the end of May 2023
2018	430	0
2019	364	0
2020	572	0
2021	474	0
2022	1047	7

If final solution has not been given to a certain number of complaints by December 31 of every year, the action regarding the complaint will start with the registration of each complaint. From the files which were processing as at 31st of December 1040 files have been completed and only 7 more files have to be completed. The Consumer Complaints Unit has completed the actions regarding complaints of all the years prior to 2022.

The current situation regarding 284 complaints received from the customer relief complaints which action should be taken received by the district offices between the year 2018 and the year 2022is shown in Annexure 06.

(e) The Consumer Affairs and Information Department planned raid targets of 23280 raids covering all 25 districts at the beginning of 2022. However, due to crisis situation prevailed in the country in the first few months of 2022 (lack of fuel, crisis situation in the country) only 13980 raids could be conducted in the year. It is 60% of the planned target.

In addition to the above-mentioned factors, the shortage oficers and vehicle problems had affected the districts namely Colombo, Kandy, Kalutara, Badulla and Nuwaraeliya.

Eg:- Shortage of investigation officers in Colombo, Badulla districts

Taking around 02 months to repair the vehicles of Kandy District.

(f) Even though efforts were made to set up a general database including information on quality of imported and local products and information of the institutes which monitor the standard of such goods, there were practical issues and technical errors in obtaining updated information from all the monitoring institutes and it was unable to set up this data base and to implement it as there was no institute for sole liability in respect of data.

(g) As mentioned in (e) above, although this process was planned to be carried out using a computer software, the process did not take place since the computer software was not purchased.But the process of collecting the retail price of these essential goods is carried out at present by getting the services of investigation officers covering all the districts. In addition, after purchasing the software (data systems), this process is to be implemented through the software.

(h) Even though it was scheduled to form 50 school consumer circles, only 7 circles could be formed. Within the economic and political background prevailed in the country in 2022, the time tables of schools were different from regular ones and time for extracurricular activities were limited.

As done setting up of school consumer circles was done only with the consent of school, a limited space was available for that.

(i) The authority prepared guidelines for the traders in 2020 to minimize unfair trade practices of the online trade. The authority conducted a public and private discourse in on 30th of June 2021 15 th of May 2022 and 19th October 2022.

(j) As a result of such discourses, the authority has a direction to monitor the traders whoengage in online trade. (Direction No. 91)

(k) In the reports it has been stated that the recoverable distress loan balances of three interdicted officers as Rs. 297,640.56.

Employee No	Name	Distress loan balance
191	Mr.N.A.K.H.Kumara	Rs. 69,483.28
335	Mr. S.N.S.B.I.T. Jaysinghe	Rs. 66,666.52
429	Mr. W.D.B.N.Jayawardena	Rs. 161,490.76

Among this three interdicted officers, the two officers with service numbers 335 and 429 have been interdicted after being arrested by the Bribery or Corruption Investigation Commission in 2023, and I wish to state that immediate action will be taken to recover their loan balances currently in the books.

Accordingly, I further mention that we will take necessary legal action to recover the amount from the guarantors who have signed their distress loan agreements.

(l) The management had also identified that raids were carried out using the strategic imprest issued for each district and strategic funds which prosecutions were delayed are available. During the follow-up, it was affected by some technical reasons (destruction of products, perishable samples etc.). Accordingly, through the internal circular letter No. 01/2022/FIN dated 27.07.2022, District Heads and Provincial Assistant Directors have been informed to settle the money to the Head Office. Accordingly, settlement of strategic money is already taking place and I will make the necessary arrangements to settle the balance completely by the end of this year.

(m) Arbitrary case filed by **SICPA SA**

Aiming to protect the consumer community from unsafe and substandard products, the Consumer Affairs Authority has decided to set up a safety procedure for some products identified by the Consumer Affairs Authority and the Authority issued direction No. 49 through the gazette No. 1851/1 dated 21.02.2014

According to this, before publishing of the gazette and before entering into an agreement regarding the project, the Consumer Affairs Authority conducted a market survey on the selected products. In addition to this, the relevant institutions have been informed and sent letters that the organizations that produce the relevant goods have been inspected and that the product's brand name is protected and consumer safety is ensured by preventing the fake products from entering the market with the safety sticker. Further, through the Board Paper No. CAA/DG/56/2013 dated 25th November the Board of Directors has been informed Accordingly, I kindly inform you that I cannot agree with your statement.

However, to get the above order number 49 nullified and based on several other demands, the manufacturing unions filed the case No.CA/writ/281/14 against the Consumer Affairs Authority before the Hon. Court of Appeal. Considering those requests, the Hon. Court of Appeal issued an interim order preventing the operation of Direction No. 49 until the final decision is concluded and accordingly, the Consumer Affairs Authority could not proceed with the project in accordance with the agreement entered with SICPA SECURITY SOLUTION SA.

According to the interim order related to the case No. CA/writ/281/14, the Consumer Affairs Authority has taken steps to continue the project works in accordance with the agreement and the proceeding according to the conditions precedent to the agreement could be a contempt of court. Partially termination of the agreement was done by SICPASECURITY SOLUTION SA since the Consumer Affairs Authority had not followed conditions of the agreement. SICPASECURITY SOLUTION SA filed an arbitration case in the International Court of Arbitration on 30.07.2018 regarding this issue as per the terms of the agreement.

The Consumer Affairs Authority has filed a petition under No. CHC/626/22/ARB in the Colombo Commercial High Court on 07.07.2022 against the final grant of the arbitration case issued on 10.05.2022. Accordingly, this matter is to be examined by the Hon. Court and the Attorney General's Department represents the case.

(n) TheTreasury allocated Rs. 40 million only for the year 2022 and from the authority's fund Rs. 65 million had been approved for expenditure. Accordingly, it was decided to cover the money required for the incorporated data system, which had been completed after calling the prices. Further, It was also intended to cover part of the money required for other expenses. Hence this fixed deposit was maintained in the same manner. However, due to the cancellation of tenders of the above incorporated data system and the release of money from the treasury for other expenses at the end of the year, the fixed deposit was not discounted. If it was discounted and reinvested by that time, the annual interest rates would have also decreasedand it was allowed to remain until maturity.

(o) I wish to state that there were obstacles for the authority to take immediate action in respect of with these vacant positions mentioned in the audit inquiry. Accordingly, there were restrictions on recruitment and the Cabinet Memorandum dated 28.08.2021 of the Ministry of Finance on review of public expenditure and the National Budget Circular No. 03/2022 dated 26.04.2022 issued by the Ministry of Finance which had been issued when the relevant audit inquiry was published. According to the control of public expenditure, the authority was unable to implement the recruitment process.

However, the following measures were taken to recruit suitable employees for the below mentioned vacancies prevailed as at 31st of December 2022.

As per the letter No. CAA/HRA/Ministry/Rec/2022 dated 19.10.2022 of the Director General of the Consumer Affairs Authority, approval of the Director General of the Department of Management Services has been sought through the Secretary of the Line Ministry to fill the vacant posts.

6 Senior Investigation Officers have been deployed for cover up duties in the 6 vacant posts of Assistant Director (Regional Affairs) as mentioned in the audit query with effect from 02.05.2023.

Further, an employee for the post of Director (Legal and Enforcement) was recruited through newspaper advertisement.

In addition, 05 Layers were appointed for the 05 vacant posts of Legal and Enforcement which mentioned in the Audit Query and action was taken to fill the vacancies permanently.

As mentioned in the Audit Query, there are 100 vacancies in the post of Investigation Officers. However, I wish to state that the Authority should not follow the Establishments Code and recommendations of Salaries and Cadre Commission and the Department of Management Services to fill these vacancies.

Shantha Niriella (Supreme Court Attorney at law)
Chairman.