

**Name of the Institution : Ministry of Finance, Economic
Stabilization and National Policies**

Parliamentary Series : 291

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

Parliamentary Series 291

Committee on Public Accounts

Contents

Serial No.	Department under the purview of the Ministry of Finance, Economic Stabilization and National Policies	Page No.
1.	Deaprtment of Public Finance	1-2
2.	Department of Management Services	3

Name of the Department : Deaprtment of Public Finance

Parliamentary Series Number : 291

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

#	Weaknesses identified/recommendations of the committee, mentioned in the report	Steps taken by the institution to rectify the weaknesses/implementation of recommendations/current status
5.i.	To have discussions with the Secretary to the Ministry of Health, the General Treasury and other relevant parties and get their opinions and the active participation of the procurement commission to complete the work of e-procurement system before 31st March 2024, which is currently being prepared by the Ministry of Finance, Economic Stabilization and National Policies with a monitoring methodology for Audit Sections of the National Audit Office.	The development and implementation of the e-procurement system is currently underway as part of the Sri Lanka Public Financial Management Strengthening project under the Multi-Donor Trust Fund Grant of the World Bank. The development of the e-procurement system is planned to conduct in several stages, under the initial agreement with the system developer specifying that the development related to the National Competitive Bidding (NCB) and International Competitive Bidding (ICB) systems would be completed before 31.03.2024, while the comprehensive development of the entire system inclusive of other procurement methods is targeted to be completed by 31.12.2024. However, to align with the recommendation of the World Bank, a new contract has been entered into with the system developer replacing the existing agreement and concurrence has been obtained from relevant stakeholders for the Software Requirement Specifications (SRS). Due to these reasons it is observed that in order to complete the development of the e-procurement system to the level that it can facilitate National Competitive Bidding (NCB) and International Competitive Bidding (ICB), the timeline will have to be extended until nearly 31.08.2024. Furthermore, the National Procurement Commission actively contributes as a member of the steering committee of the e-procurement system development project.

5.ii.	In order to prevent companies/institutions that have provided quality failed medical supplies from re-supplying medical supplies under other company names, steps should be taken to blacklist the suppliers who own such companies through documents that confirm their identity, such as the national identity card number or the passport.	It is observed that the Chief Accounting Officer of the concerned Ministry, serving in the capacity of the Secretary to the Ministry, holds the responsibility for taking actions regarding the blacklisting of companies/institutions. Additionally, the Department of Public Finance has communicated to the National Procurement Commission that regulations addressing this matter should be incorporated into future procurement guidelines. Furthermore, initiatives are being undertaken to include the national identity card number of locally registered individuals participating in procurement and the passport number of those registered for procurement from abroad as mandatory elements in the data system. This is aimed at reducing irregularities committed by contractors/suppliers who default on contracts and operate under different names.
-------	---	---

I kindly submit the above information regarding the measures taken and observations regarding the reports submitted by the Committee on Public Accounts under Standing Order No. 119(4) in relation to the Department of Public Finance, for Parliamentary Series No. 291.

Sgd.
Director General
Department of Public Finance

Name of the Department : Deaprtment of Management Services

Parliamentary Series Number : 291

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

Shortcomings identified in the Report / Recommendations made by the Committee	Steps taken to rectify shortcomings / to implement recommendations by the Institution / Current State
5. Recommendations / Orders by the Committee	
iv.	
It is required to establish a separate Department of Health Services in addition to the Ministry of Health through a cabinet memorandum, to meet the requirement of allocating duties and responsibilities between the Ministry and the Department separately to ensure making prompt decisions and implementation and supervision of such decisions, given the circumstances that huge amount of allocations are annually made for the Health Service and number of officers are in employment under various service categories.	It is observed that although the Secretary to the Ministry of Health is initially required to submit a cabinet memorandum through the Minister of Health to the Cabinet of Ministers to establish a Department of Health Services, after identifying the duties and responsibilities to be allocated separately for these two institutions: Ministry of Health and Department of Health Services, he has failed to do so up to now.

I kindly submit the above information regarding the measures taken and observations regarding the reports submitted by the Committee on Public Accounts under Standing Order No. 119(4) in relation to the Department of Management Services, for Parliamentary Series No. 291.

Sgd.
Director General
Department of Management Services

