

Mahaweli Consultancy Bureau (Private) Limited - 2023

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Mahaweli Consultancy Bureau (Private) Limited for the year ended 31 December 2023 comprising the statement of financial position as at 31 December 2023 and the statement of profit or loss and other comprehensive income, statement of changes in equity, and cash flow statement for the year then ended and notes to the financial statements including material accounting policy information 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 read in conjunction with provisions of the National Audit Act, No. 19 of 2018. My comments and observations which I consider should be presented in Parliament appear in this report.

In my opinion, except for the effects of the matters described in paragraph 1.5 of this report, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Enterprises.

1.2 Basis for Qualified Opinion

My opinion is qualified based on the matters described in paragraph 1.5 of this report.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuS). 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 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Enterprises and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

As per Sub-section 16(1) of the National Audit Act, No. 19 of 2018, the Company 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 Company.

1.4 Audit Scope (Auditor's Responsibilities for the Audit of the Financial Statements)

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company 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.

The scope of the audit also extended to examine as far as possible, and as far as necessary the following;

- Whether the organization, systems, procedures, books, records and other documents have been properly and adequately designed from the point of view of the presentation of information to enable a continuous evaluation of the activities of the Company and whether such systems, procedures, books, records and other documents are in effective operation;

- Whether the Company has complied with applicable written law, or other general or special directions issued by the governing body of the Company ;
- Whether the Company has performed according to its powers, functions and duties; and
- Whether the resources of the Company had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

1.5 Audit Observations on the Preparation of Financial Statements

1.5.1 Non-compliance with Sri Lanka Accounting Standard for Small and Medium-sized Enterprises

Non Compliance with the reference to particular Standard	Management Comment	Recommendation
(a) If there has been an impairment of financial assets, the recognition of impairment losses should be done According to paragraph 27 of the Accounting Standard 11 for Small and Medium Enterprises. However, provisions had not been made for impairment losses for a balance of Rs. 6,902,509 which was exceeded 05 years and the balance less than 05 years amounted to Rs.26,184,130 included in the receivable balance of Rs. 33,086,687. Balance confirmations or other evidence had not been submitted for audit regarding those balances.	Efforts are currently being made with the relevant institutions to recover the receivables, and any irrecoverable balances will be identified and acted upon in the manner indicated by the audit in the future	The possibility of bad debts should have been assessed, and provisions should have been made for impairment losses as per the Accounting Standard.
(b) According to Paragraph 7 of Standard 29 of Accounting Standards for Small and Medium Enterprises and in line with accounting policy number 3.3.2.4.1 presented with the financial statements of the Company, the income tax expense for the year had been calculated and accounted for in accordance with Paragraph 2 of Standard 29, without considering deferred tax.	Comments have not been given.	Income tax should be calculated and accounted for considering deferred tax.
(c) An excess payment amounted to Rs. 20,200,000, recoverable from the contractor as a result of making the payments violating the procurement guidelines during the construction of the Moragahakanda tourist bungalow had been recorded as a receivable current asset in the financial statements for over 5 years. Even though the impairment of financial assets should have been identified at the end of each reporting period as per the Paragraph 21 of Standard 11 of Accounting Standards for Small and Medium	Impairment provisions had not been made because it could not be specifically identified as the Attorney General is inquired regarding the recovery of this amount. Impairment provisions will be made in the future.	Impairment losses should be made and disclosed in the financial statements

Enterprises, an impairment loss had not been identified for the aforementioned recovery doubtful receivable amount of Rs. 20,200,000

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| (d) | Even though the income tax calculation for the year and the necessary disclosures should have been presented as notes in the financial statements as per the Paragraph 38 and 39 of Standard 29 of Accounting Standards for Small and Medium Enterprises, the company had not acted accordingly. | Comments had not been given. | Income tax should be calculated and the necessary disclosures should be made according to the Accounting Standard |
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1.5.2 Accounting Deficiencies

Audit Observation	Comments of the Management	Recommendation	
(a)	Even though it was indicated that the preparation of financial statements follows the Accounting Standards for Small and Medium Enterprises according to Note 2.1 of the financial statements of the Company, and these standards should have been applied in every instance disclosed by those standards, it was indicated that the revenue in note 3.3.1 was in accordance with Sri Lanka Financial Reporting Standard 15, the provisions for retirement benefits in note 3.2.2 were in accordance with Sri Lanka Accounting Standard 19, and the preparation and presentation of financial statements in note 3.3 were done in accordance with Sri Lanka Accounting Standard 1.	The fundamental basis for the preparation of the financial statements of the Company follows the Accounting Standards for Small and Medium Enterprises, and in each specific instance, the generally recognized standards for revenue recognition and recording are in accordance with Sri Lanka Financial Reporting Standard 15, while the provisions for retirement benefits are made in accordance with Sri Lanka Accounting Standard 19	Financial statements should be prepared uniformly according to the most appropriate accounting standards.
(b)	Even though it was indicated that provisions for impairment of non-financial assets, slow-moving inventory, and over grown nurseries should be made in the financial statements according to note 3.3.2.1, no provision had been made for that.	It is expected that the note will be amended in the coming year due to the absence of inventory, according to the audit observation for the financial statements in note 3.3.2.1.	Only the relevant notes should have been included in the preparation of the financial statements.
(c)	As a sum of Rs. 9,713,554 has been credited to the income account twice for preparation of the final report of the environmental assessments of the	The value of the invoice submitted on 05/01/2023 was Rs. 9,713,554 for the preparation of the final reports related to the environmental assessments of the proposed	The accounting system should be corrected to prevent the double recording

proposed Gin Nilwala project, the profits for the year had been overstated by that amount. As a result, the receivable income was overstated by Rs. 7,770,843, while the mobilization advance was understated by Rs. 1,942,710 due to an overcharge.

Giniganga project, and the value of the invoice submitted for payment on 23/12/2023 was also Rs. 9,713,554.

- (d) Even though a sum of Rs.1,319,471 was shown in the financial statements of the Company as an amount payable to the Mahaweli Authority of Sri Lanka, there was no amount due to the Company in the financial statements of the Mahaweli Authority of Sri Lanka. No any effort had been made to investigate and clarify these discrepancies.
- Letters for the confirmation of the balance receivable from the Mahaweli Authority of Sri Lanka have been sent, but we have not been informed of any amount that should not be payable in that regard.
- The relevant balance confirmations should be obtained, and discrepancies should be investigated and clarified.

1.5.3 Documentary Evidence Not made Available For Audit.

Item	Amount Rs.	Audit Evidence Not Presented	Comments of the Management	Recommendation
(a) Advances	3,949,434	Relevant settlement vouchers.	The observed payment deposits and related settlements are available with the company for the audit review.	Action should be taken to maintain, keep up to date, and presented in a timely manner of those for audit examination.
(b) Differed tax liability	611,866	Balance confirmation letters	Actions will be taken to work with the Department of Inland revenue to obtain a suitable solution regarding this matter.	Action should be taken to submit the evidence relevant for confirming the balance to audit.

1.6 Non-compliance with Laws, Rules, Regulations and Management Decisions

Reference to Laws, Rules and Regulations, etc.	Non-compliance	Management Comment	Recommendation
(a) Section 115 of Chapter IX of the procedural rules	Even though only a Public Officer who is confirmed in his substantive post serving in a	Disagree with the observation. The appointment was	Actions should be taken in accordance with the procedural rules.

established by the Public Service Commission according to the extraordinary gazette notification No. 1589/30 of the Democratic Socialist Republic of Sri Lanka dated 20 February 2009

Comparable Post or a post immediately below it and has fulfilled all the qualifications stipulated in the approved Service Minute or the Scheme of Recruitment of the relevant post can be appointed to act in a post, a female officer holding a permanent position at the non-managerial salary scale MN-04 during the period of probation had been appointed to work in a position on acting basis at the senior managerial officer category in the salary scale HM 1-3. This officer received a salary for the mentioned position, along with a total acting allowance of Rs. 2,131,745, amounting to Rs. 60,907 each, from February 2021 to December 2023.

not made on acting basis. Instead, a skilled officer was engaged to provide part-time service. Therefore the procedural rules were not relevant to such appointments and the appointments made by the Board of Directors of the Company were applicable.

(b) Chapter 02 of the Procurement Guidelines of the Democratic Socialist Republic of Sri Lanka dated 11 October 2006

The procurement committees and technical evaluation committees had not been appointed in accordance with the provisions of the Procurement Guidelines

It was anticipated that the necessary guidelines, including the procurement code, would be prepared in the coming months, and the relevant procurement and technical committees will be appointed accordingly.

The procurement committees and technical evaluation committees should be appointed in accordance with the Procurement Guidelines

(c) Guidelines on corporate governance for State Owned Enterprises introduced by the Public Enterprises Circular No 01/2021 dated 16 November 2021

(i) Section 2.2.2(a)

Even though action should be taken to convene the Board of Directors at least once a month

It is expected that the number of meetings held in the future will be

Board meetings should be conducted in accordance with the

		by the chairman of the board, only five Director Board meeting have been held during the year under review.	increased.	Public Enterprises Circular.
(ii)	Chapter 05	A detailed action plan that includes specific steps and tasks necessary to achieve short-term goals, as well as a comprehensive strategic plan outlining the company's long-term vision and overall direction, had not been developed or approved	Currently, operations are being carried out according to a summary action plan, which was formulated during the COVID-19 pandemic and the economic crisis. A detailed action plan, incorporating the vision and direction of the organization, is expected to be developed in the coming months.	An Action Plan and a Corporate Plan should be prepared in accordance with the Public Enterprises Circular.
(iii)	Section 4.2	Action had not been taken to establish an audit committee.	It will be established within the next few months.	Action should be taken to establish an audit committee in accordance with the Public Enterprises Circular.
(d)	Operation Manual introduced by the Public Enterprises Circular No 01/2021 dated 16 November 2021			
(i)	Section 3.2	Even though State Owned Enterprises must submit their requests pertaining to cadres including the cadre positions, Scheme of Recruitments (SOR), pay structure and allowances with a Board approval and recommendations of the Line Ministry, for the approval of the Director General, Department of Management Services with a copy to Director General Department of Public Enterprises (DGPE) or Director General Department of National	Agreed with the observation. The company is currently taking steps to obtain the necessary approvals by May 2025	All staff recruitment must be carried out in accordance with the operational manual introduced by the Public Enterprise Circular

Budget (DGNBD) as applicable, the action had not been taken accordingly.

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| (ii) | Section 6.6 | Even though Annual Report to be tabled in Parliament within 05 months after the end of the financial year, action had not been taken related to the annual reports from the year 2018 to the year 2022 accordingly. | Necessary actions will be taken in the future by investigating this matter. | The annual report should be tabled in the Parliament. |
| (iii) | Section 6.7 | The annual Board of Survey related to the fixed assets of the Company had not been carried out. | Necessary actions will be taken in the future by investigating this matter. | The annual Board of Survey should be carried out. |
| (iv) | Section 7.2 | Even though Key Performance Indicators and operational performance indicators should be established and obtain the approval of the Treasury, action had not been taken accordingly. | Necessary actions will be taken in the future by investigating this matter. | Performance evaluation should be conducted according to the operational manual introduced by the Public Enterprise Circular. |
| (v) | Section 7.5 | Even though the monthly, quarterly, and annual performance reports of the Company should be sent to the Line Ministry and the Treasury, this has not been done. | Comments have not been given. | All performance reports should be prepared in accordance with the operating manual introduced by the Public Enterprise Circular. |
| (vi) | Section 7.6 | Even though an officer should be appointed to report information related to the performance of the Company to the Line Ministry and the Department of Treasury, this has not been done. | Comments have not been given. | Action should be taken in accordance with the Operation Manual introduced by the Public Enterprise Circular. |

2. Financial Review

2.1 Financial Result

The operating result of the year under review was a profit of Rs.8,064,123 as compared to the a profit of Rs. 6,430,564 in the previous year. This indicates an increase of Rs. 1,633,559 in the financial results. Even though service expenses increased by Rs. 2,399,096, the revenue from consultancy services increased by Rs. 7,453,185, which was the main reason for the increase in operational results

3. Operational Review

3.1 Management Inefficiencies

Audit Issue	Management Comment	Recommendation
(a) The approval had been granted by Cabinet Decision No. අමප/19/2770/104/083 dated 30 October 2019 to transfer of Mahaweli Consultancy Bureau (Pvt) Ltd., Established under Section 13 (18) of the Mahaweli Authority of Sri Lanka Act as a subsidiary company, to the Ministry of Agriculture, Rural Economic Affairs, Irrigation and Fisheries, & Aquatic Resources Development, along with its existing financial and physical assets, liabilities, staff, and ongoing consultancy services with agreements and its activities. Accordingly, the share capital of Rs. 63,850, which was 6385 shares of Rs. 10 each, was transferred to the Ministry of Irrigation on 30 December 2020. However, without updating the information about the transfer of ownership, it had been stated in the policies and notes number 3.2.3 of the financial statements of the Company that the Company is a subsidiary of Mahaweli Authority of Sri Lanka and will be placed under the Ministry of Irrigation immediately.	Comments hat not been given.	The information regarding the transfer of ownership should be updated and accurately presented in the financial statements.
(b) The Company had primarily undertaken tasks assigned by the Ministry of Irrigation and its affiliated projects, but had not made efforts to compete with other private consulting firms by offering competitive prices to secure consultancy work in the private sector.	This matter will be investigated and reported on in the future.	Efforts should be made to competitively secure consultancy work in the private sector.

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| (c) | Even though income and expenses for revenue-generating units should be separately identified and profits and losses should be reconciled, a percentage of the expenses incurred for the related activities, as the implementing agency for the project as determined by the project documents, was received as income from the project aimed at Strengthening Climate Resilience of Subsistence Farmers and Agricultural Plantation Communities Residing in the Vulnerable River Basins, Watershed Areas, and Downstream of the Knuckeles Mountain Range Catchment of Sri Lanka where the company's Chief Executive Officer served as the Deputy Project Director. Profits or losses had not been adjusted by separately accounting to identify the income and expenditure relevant to this. | Action will be taken to review this matter and report in the future. | Action should be taken to identify and account for separate income and expenses for each consultancy task. |
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3.2 Operational Inefficiencies

Audit Issue	Management Comment	Recommendation
(a) Even though the contract value of Rs. 22,138,000 had been agreed upon in the agreement reached between the Ministry of Irrigation and Water Resources Management and the company on 28 April 2017 to prepare the Environmental Impact Assessment (EIA) report related to the implementation of the Gin-Nilwala Diversion Project, the contract value had been increased to Rs. 38,854,215 on 9 February 2022, while the work was not completed by the due date, where the related tasks were to be completed within 9 months as per the agreement. The draft final report had been submitted to the Technical Evaluation Committee on 13 December 2022, and the report including the observations of the Technical Evaluation Committee was provided to the Company on 27 December 2023. Even though the report indicated that there were 7 general deficiencies in the relevant draft report, 9 deficiencies under the executive summary, and 95 deficiencies under 7 Chapters, and it requested that these to be corrected and resubmitted, these deficiencies had not been	The preparation of the environmental study report for the Gin-Nilwala Project was temporarily halted after the signing of the contracts by our department due to various challenging circumstances and the critical situation that had arisen in the country as a result of the project. Even though it was restarted under new management in 2021, the existing complexities and the resignation of several consultants who were engaged for the preparation of this EIA report in 2017 necessitated the recruitment of new team members. An approval was received for a new cost estimate for that. Subsequently, the field survey activities in the cities of Galle, Matara, and Hambantota could not be carried out as	The consultancy work entrusted under the contracts should be completed by the due date.

corrected, and the report had not been released as of 22 July 2024.

planned due to challenges such as the COVID pandemic and the fuel crisis. After that the final report has been provided to the employee. During the preparation of this final report, the Technical Evaluation Committee took into account all the deficiencies noted in the final draft report and corrected all existing errors in the report.

(b) The company had entered in to a contract with Climate Resilience Improvement project for a consultancy project to Establish Weather Advisory Systems for Dry Zone Farmers and Strengthen the Digital System on 01 November 2022, for an amount of Rs. 75,859,875. Even though the relevant work was to be completed within 8 months, by June 2023 as per the contract agreement, it had not been completed by the date of audit of 22 July 2024. Furthermore, no extensions had been granted for this consultancy work after 31 January 2024. Among the five main tasks that were required to be completed according to the Terms of Reference, only two had been completed by the date of audit.

The third report for this consultancy service has been submitted, and the development of the related digital system is currently at the final stage. This digital system is being prepared to be introduced to farmers through agricultural advisory and development district workshops scheduled to be held this time for the Maha season and it is planned to be implemented in the districts of Anuradhapura, Trincomalee, Polonnaruwa, Mannar, and Vavuniya. The relevant extension for this has been obtained as scheduled.

The consultancy work entrusted under the contracts should be completed by the due date.

(c) The Climate Resilience Improvement project and the company entered into an agreement for the provision of consultancy services as a service provider to develop a geographic database and mobile applications related to the project on 30 June 2023. The contract value was Rs. 3,742,460 and even though it has been stated in the agreement that the relevant tasks should be completed within 4 months, these activities had not been completed by the date of audit of 22 July 2024. This consultancy work had been entirely subcontracted by the company to an external institution, and only one report out of the four reports which were supposed to provide had been submitted as on the date of audit of 22 July 2024. Accordingly, only a sum of Rs.

All relevant work for this consultancy service has been completed and provided to the employer and all funds have been received by our institution except 25 percent of the final payment. In the event of any issues arising during the use of this 'database and mobile application,' technical support may be required and therefore, the aforementioned amount will be held until one year from 25 April 2024 which is the date of final distribution.

The consultancy work entrusted under the contracts should be completed by the due date.

748,492 had been received by the company from the contracted amount.

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| (d) | <p>The consultancy projects and contracts offered by the Ministry had been fulfilled through external consultants instead of recruiting permanent consultants to the staff. The Ministry and its project had awarded the five consultancy contracts worth Rs. 127,905,675 for to the company on behalf of the Ministry and its projects as of 31 December 2023 and to execute these consultancy contracts, the company had entered into agreements with 34 external consultants and one external private company for a value of Rs.31,317,322. Accordingly, the company had earned a gross profit of Rs. 96,588,333, which is approximately 300 percent. It was observed that out of the five contracts, two contracts worth Rs. 79,608,335 had been awarded to the Company by a foreign aid project where the Chief Executive Officer of the Company served as the Deputy Project Director.</p> | <p>This matter will be investigated and reported on in the future.</p> | <p>Action should be taken to secure consultancy contracts through competitive pricing with private institutions and to recruit a suitable workforce.</p> |
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3.3 Procurement Management

Audit Issue	Management Comment	Recommendation
<p>The company had awarded subcontracts to construct the Moragahakanda Tourist Bungalow and viewing point, and the company had incurred a loss of Rs. 20,200,000 in the year 2017 due to functioning in contrary to the procurement guidelines while making the interim payments. Even though the Committee on Public Enterprises held in 21 February 2019 recommended initiating a formal inquiry in this regard and to report to the Committee within a month, the recommendations had not been implemented and the legal proceedings had not been started Up to 22 July 2024 which was the date of the audit.</p>	<p>Necessary actions are being taken to implement the required measures.</p>	<p>Action should be taken to recover the loss.</p>

3.4 Human Resource Management

Audit Issue	Management Comment	Recommendation
<p>(a) Specific provisions had not been indicated in the Articles of Association regarding the composition of the Board of Directors of the company, which is a minimum of 2 and a maximum of 7. The Secretary to the Public Service Commission has appointed a Civil Engineer of Grade II, Class II of the Sri Lanka Engineering Service to the position of Director (Technical Audit) at the Ministry of Irrigation. That officer had been appointed by the Secretary to the Ministry of Irrigation as the Chief Executive Officer and a member of the Board of Directors of the Company without the approval of the Public Service Commission.</p> <p>According to the appointment letter issued to the concerned Chief Executive Officer, it was not clearly stated whether the appointment was full-time or part-time and as his allowance, a sum of Rs. 52,342 each which included half of the salary of Rs.98,215 for a senior management position mentioned in Management Service Circular No. 02/2016 dated 25 April 2016, salary increments of Rs.13,500 for 05 years and other allowances had been paid without the approval of the Treasury. As of 31 December 2023, a total of Rs. 697,890 had been paid as allowances. Accordingly, for the year 2023, he had received Rs. 926,976 as salary for his position and Rs. 697,890 as allowances for the role of Chief Executive Officer.</p>	<p>Disagree with the observation.</p> <p>The appointment was not made on acting basis. Instead, a skilled officer was engaged to provide part-time service. Therefore the procedural rules were not relevant to such appointments and the appointments made by the Board of Directors of the Company were applicable.</p> <p>The appointment has been made based on the requirements of the Government and according to Section 1.4 and 1.6 of the Establishment Code, with the approval of the Secretary to the Ministry, a government officer has been appointed by the Company to provide services to a private public institution based on Section 2.2 of Chapter 09 of the Establishment Code.</p>	<p>The appropriate approvals must be obtained for the amendments to the Articles of Association and appointments, and all conditions related to the appointments should be included.</p>
<p>(b) Even though the officer who worked as Assistant Director (Legal) of Mahaweli Authority of Sri Lanka was appointed for the position of Secretary/Legal Officer of the Company, the concerned officer was not released from Mahaweli Authority of Sri Lanka and the nature of appointment, the way of allowances are paid and other appointment conditions had not been specified in the letter of appointment. A</p>	<p>-Same as above -</p>	<p>Action should be taken according to the Management Services Department Circular</p>

sum of Rs. 33,700 each which included half of the salary of Rs. 55,925 relevant to the said position as per the Management Service Circular No. 02/2016 dated 25 April 2016, Rs. 6,875 for salary increments for 05 years and other allowances had been paid monthly without the Treasury approval. A total of Rs. 404,400 had been paid as allowances as of 31 December 2023. Additionally, this official received an amount of Rs. 30,000 as an allowance paid to board members participating in board meetings.

- (c) The officer, who had been appointed by the Secretary to the Ministry of Irrigation to cover the duties of the project manager position of the Company, had been assigned to the Ministry to the Irrigation as a graduate trainee from 01 August 2019, and had been appointed to the position of Development Officer from 01 January 2021. Even though the power of appointment belonging to the Director General of Combined Services, the Secretary to the Ministry of Irrigation had exceeded his authority and made the aforementioned appointments. Furthermore, this officer had received a salary of Rs. 572,160 for her permanent position as Development Officer, as well as an allowance of Rs. 730,890 for the position of Project Manager in the company, for the year 2023. The company had calculated the allowance based on the HM 1.3-2016 salary code, and an additional Rs. 2,300 as other allowances, Rs. 1,500 as a travel allowance, and Rs. 8,000 as transport expenses were also included
- Same as above -
- The approval of the appointing authority must be obtained for appointments, and the approval of the Department of Management Services must be secured for the recruitment process and payment structures.