

Farmers' Pension and Social Security Benefits Scheme - 2024.

1. Financial Statements

1.1 Disclaimer of Opinion

The audit of the financial statements of the Farmers' Pension and Social Security Benefit Scheme for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024 and the statement of 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(3) of the Constitution of the Democratic Socialist Republic of Sri Lanka, the National Audit Act No. 19 of 2018 and Farmers' pension and social security benefit scheme Act No. 12 of 1987. My comments and observations which I consider should be reported to Parliament appear in this report.

I do not express an opinion on the accompanying financial statements of the fund. Because of the significance of the matters described in paragraph 1.5 of this report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

1.2 Basis for Disclaimer of Opinion

I expressed a disclaimer of opinion on the matters described in paragraph 1.5 of this report.

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, and for such internal control as management determines 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 scheme'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 intends to liquidate the scheme or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the scheme's financial reporting process. As per Sub Section 16(1) of the National Audit Act No. 19 of 2018, the scheme 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 scheme.

1.4 Auditor's Responsibility 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 scheme'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 scheme'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 fund 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 fund, and whether such systems, procedures, books, records and other documents are in effective operation;
- Whether the fund has complied with applicable written law, or other general or special directions issued by the governing body of the fund;
- Whether the fund has performed according to its powers, functions, and duties; and
- Whether the resources of the fund had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

1.5 Audit observations regarding the preparation of Financial Statements

1.5.1 Non-compliance with Sri Lanka Accounting Standards

| Noncompliance to the relevant Standards | Comments of the Management | Recommendation |
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| (a) Contrary to paragraph 88 of Sri Lanka Accounting Standard No. 01, the amount of Rs.143,566,887 received during the year under review, including premium income received from farmers, contribution income from farmer pensioners and investment interest, had not been accounted for as income for the period and had been adjusted to the accumulated fund, thus the profit had been understated by that amount. | Since the premiums collected from the contributors are to be paid as benefits upon attaining the age of 60, it is expected that the sum of the premiums collected and the interest thereon will be adjusted to the fund account of the Board and thereby strengthen the fund for future liabilities. After conducting a actuarial valuation, it is expected that the liability of the farmers will be identified precisely and if any amount remains, that amount will be recognized as income. | According to Sri Lanka Accounting Standards, premium income and investment interest should be recognized as income. |
| (b) In preparing the cash flow statement, as per paragraph 4 of Sri Lanka Accounting Standards 7, the cash flow generated from operating activities was understated by the amount of Rs.135,443,031 in premium income received from contributors, and the cash flow generated from investing activities was understated by the same amount as the amount of Rs.8,123,855 was not recognized in investment income. | Since the premiums paid by the farmers are to be repaid by the Board to the farmers as benefits, the receipts of such premiums are not recognized as operating income of the Board. The investment value obtained through the investment of premiums is shown in financial activities. The money received from the collection of these premiums is used to raise funds for the repayment of the money to the farmers, which is the responsibility of the Board. The interest income generated from the money received through the premiums and investments is credited to that fund. | The cash flow statement should be prepared taking into account premium income and investment income in accordance with Sri Lanka Accounting Standards. |
| (c) The scheme continued to follow a methodology of calculating the pension liability by adding 11 percent to the final balance obtained when the pension amount paid during the year is deducted from the initial pension liability of the | Although procurement activities were initiated to conduct the life cycle assessment, no life cycle assessor or any institution came forward for the purpose. Accordingly, the relevant | The valuation should be carried out in accordance with Sri Lanka Accounting Standards. |

year. Accordingly, as at 01 January 2024, the pension liability of Rs.4,845,125,008 was deducted from the initial balance of Rs.86,898,445,376 and Rs.9,025,865,240, which is 11 percent, was identified as the pension liability of Rs.91,079,185,608. Without a proper assessment in accordance with Section 59 of Sri Lanka Accounting Standards No. 37, it is not possible to be satisfied with the accuracy of the pension liability calculated following the method mentioned above.

calculations have been made based on the last life cycle assessment conducted.

1.5.2 Accounting Deficiencies

| Audit Observation | Comments of the Management | Recommendation |
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| (a) The contribution income of the farmers' pensioners for the months of November and December 2024 was Rs.8,970,200 and Rs.8,969,200 respectively. Due to the fact that these values were credited to the pension payable account instead of being credited to the contribution income account of the farmers' pensioners, the income for the year under review has been underestimated by Rs.17,939,400 and the current liabilities have been overestimated by the same amount. | Actions have been taken to correct it. | Pensioners' contributions must be accounted for correctly. |
| (b) Under the scheme's group life insurance coverage, a gratuity payment of Rs.15,977,820 was allocated for 266,297 contributors in the year 2024 for the death, total and partial disability of a contributor between the ages of 18-54 before receiving pension, out of which 256,616 were inactive contributors and the number of deaths and the actual number of inactive contributors was estimated without verifying the number of contributors who died. | Along with obtaining an actuarial valuation for the Farmers' Pension Scheme, an actuarial valuation will also be conducted for this fund. Subsequently, steps will be taken to accurately identify the related liability | Active contributors should be identified and allocations made For group life insurance premiums. |

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| (c) | Although the pension liability identified as actually payable in addition to the pension liability account is Rs.2,345,496,047, the accuracy was not confirmed as an actuarial valuation had not been carried out based on that value. | Although a tender was called for the procurement of an actuarial valuation for the scheme, it could not be carried out as no bids were submitted. Actions will be taken to calculate the liabilities of the scheme and obtain and account for the actuarial valuation reports by re-procurement in the year 2025. | An actuarial valuation should be made and the pension liability calculated. |
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1.5.3 Going Concern of the Scheme

| Audit Observation | Comments of the Management | Recommendation |
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| The total assets of the scheme are Rs.3,062,149,691 and total liabilities are Rs.94,351,635,618, resulting in liabilities exceeding assets of Rs.91,289,485,927, and the total current assets are Rs.1,125,049,320 and total current liabilities are Rs.3,222,013,500, resulting in current liabilities exceeding current assets of Rs.2,096,964,180. Since the scheme cannot be maintained without a contribution from the Treasury, its continuity remains uncertain | Although it was proposed to allocate a fund of Rs.750 million as the government contribution, the Board did not receive it. At present, the pension liability is increasing annually, and this situation has arisen due to the lack of funds for the scheme, the increase in benefits according to government policies on several occasions without increasing the premium amount, and the gradual decrease in the contribution of farmers, and every year, funds is allocated from the government budget to pay farmers' pensions. | Liabilities should be maintained so as not to exceed assets within the scheme. |

1.5.4 Lack of Documentary Evidence for Audit

| Audit Observation | Comments of the Management | Recommendation |
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| Due to the failure to update the bio data of farmers, pension payments continued to be sent to the Department of Postal even for deceased individuals and those who had not submitted requests to receive their entitlements. In 2024, a total of Rs. 469,255,211 in pension payments was returned by the Department of Postal, as the intended recipients did not claim them. Additionally, an outstanding amount of Rs.99,247,815 remained with the | District Accountants have been informed to send a report to the Board containing the details of those contributors regarding unpaid pensions, and action have been taken to obtain a report of contributors who have not received monthly pension benefits. Postal Department Accountants will be informed and the relevant reports will be | Information on unclaimed money returned should be updated and premiums released accordingly. |

Department at the end of the year under review. Since there was no information system in place to verify individual farmer details and the origin of these amounts, the accuracy of the reported balances could not be verified.

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

| Reference to Laws, Rules, Regulations, etc. | Non-compliance | Comments of the Management | Recommendation |
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| (a) Farmers' Pension and Social Security Benefits Scheme Act, No. 12 of 1987 | | | |
| (i) Section 6(1) | Although farmers who had reached the age of 60 were entitled to a pension, they had not been identified pensioners and pension payments had not been made to them. | When enrolling in the scheme, information was provided on how to contribute and receive benefits and the premium was collected. The certificate of deed has been issued to the farmers, and the period of benefit entitlement is stated in it. All relevant measures have been taken to send letters to farmers who have completed 60 years of age informing them about receiving pensions and to pay pensions to farmers who have completed the age. | Farmers who have completed 60 years of age should be identified and their pensions should be paid promptly. |
| (ii) Section 12(c) | Although there was an information system with biodata for the scheme, the necessary financial and operational reports could not be obtained due to the fact that the data system was not maintained up to date. As a result, the total number of farmers who had contributed to the scheme as per Board | Contributors were recruited for this scheme since 1987, and initially there was no database for this purpose. Currently, a centralized information system has been developed, and in the future, when implementing the new scheme, steps will be taken to develop a database that includes all the information of farmers. | The biodata information system of the scheme must be regularly updated and maintained. |

of Directors Paper No. 528/03 was 954,254 and the number included in the information system was 871,425. Accordingly, although there was a difference of 82,829 farmers, the reasons for this were not clear to the audit.

- (iii) Section 12(d) Although the scheme should be reviewed and evaluated and changes made to the operating rules, without any established law, rule or regulation, an interest rate of 3.32 percent per half year was calculated in addition to the net premium amount when repaying unclaimed pension. In cases where the contributors have not paid their contributions to the Board in due time, there are legal provisions to calculate the amount at the interest rate determined by the Board and pay it along with the contributions. Accordingly, a semi-annual interest rate of 3.32 percent has been calculated as the interest rate on the net installments and payments have been made. A rule should be developed to calculate interest on the net installment amount.
- (iv) Section 15(1) Although the Board has the power to notify the contributor of the loss of benefits under the certificate if they fail to pay 5 consecutive installments, the beneficiary party has not failed to pay 5 consecutive installments, but beneficiaries who have not paid 5 installments intermittently have also been considered to have breached the deed and have lost their pension benefits. 05 installments are considered to be 05 cultivation seasons. That is, two and a half years. The Board has provided relief if they fail to pay 5 periods for the payment of consecutive installments to farmers who have not made payments during this period, and the benefits of installments, but farmers who have not paid 05 consecutive installments during that period have not been paid. However, there is no loss of pension for contributors who have paid the installments by the due date for the last installment, and the recommendation of the Advisory Committee has been obtained to make payments to those contributors. The contributor should be informed of the loss of benefits due to non-payment of premiums.
- (v) Section 27(1) Although the amount of loan to be obtained by the scheme should be decided with the agreement of the Minister in It has been informed that the funds received from the Treasury for the payment of farmers' pensions and The decision on the loan to be provided to the scheme should be made with the consent

charge of the subject and the arrears should be used from the of the Minister in Minister in charge of the Fishermen's Pension and charge of the subject subject of Finance, a loan of Agricultural Insurance Funds and the Minister of Rs.295,230,442 had been and those funds should be Finance. obtained for this scheme settled later. Accordingly, with from the Agricultural and the approval of the Board of Agrarian Insurance Board Directors, the Board has used without obtaining such the other surplus funds for the agreement. The total loan payment of farmers' pensions. balance including interest With the money thus received, payable as on 31 December the money received from the 2024 was Rs.552,668,504. Fishermen's Pension Scheme has been paid off, and the money received from the Agricultural Insurance Scheme is being paid gradually, and the approval of the Board of Directors has been obtained for this.

- (b) Section 6 of Farmers Pension certificate deed If 75 percent of the half-yearly contributions paid have been received, those contributors were entitled to receive a pension lower than the prescribed pension as determined by the Board, but pension benefits had been lost for those contributors. A proportionate pension will be paid as usual to those contributors who have paid 75 percent of the half-yearly contributions. It is expected that the matter will be submitted to the Advisory Committee for advice on the payment of a prorated pension to those contributors who have not paid the due premiums but have paid 75 percent of the premiums and further action will be taken. Pension benefits should not be lost upon receipt of 75 percent of the semi-annual contribution amount.

2. Financial Review

2.1 Financial Results

The operating result for the year under review was a deficit of Rs.4,161,587,879 while the corresponding deficit for the previous year was Rs.4,441,863,852. Accordingly, a decrease in the deficit of Rs.280,275,973 was observed in the financial result. The decrease in this deficit was mainly due to the increase in funds received from the treasury for the payment of farmers' pensions.

3. Operating Review

3.1 Management Inefficiencies

| Audit Observation | Comments of the Management | Recommendation |
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| (a) The scheme does not have an approved carder and 50 percent of the total salary expenses and other administrative expenses of the board had been debited as expenses of the scheme. In the repayment of unclaimed pensions, Rs.15 was deducted as administrative expenses from each installment received from the beneficiary, Rs.30 as insurance fee for each installment paid by the farmer and Rs.150 as insurance fee again from the amount refunded to the farmer, although no rules had been approved for this. | In cases where the expenses incurred by the Board to maintain the scheme cannot be directly identified, the Board of Directors' approval has been obtained through Board Paper No. 401/4 dated 15/10/2018 to distribute those expenses among the schemes, and accordingly, the expenses have been distributed among each scheme | No other charges should be made from the premium amount without an approved rule. |
| (b) The balance of Rs.251,547,146 in the Group Life Insurance Fund and its related investment in the Farmers Pension Scheme as at 31 December 2007 had been transferred to the account of the Agricultural and Agrarian Insurance Board. A loan of Rs.295,230,442 had been obtained from the Group Life Insurance Fund in the years 2010, 2011 and 2012 for the financial requirement of the scheme and the accumulated interest on it up to the year 2024 was Rs.469,030,456. Out of the Rs.249,630,000 received from the Treasury for the administrative expenses of the scheme in the year under review, an amount of Rs.12,596,498 had been used to pay part of the loan. Accordingly, the investment in the Life Insurance Fund had become a loan. | An insurance scheme for the payment of death and disability benefits under the Farmers' Pension Scheme was operated by the Sri Lanka Insurance Corporation, which was later implemented by the Agricultural and Agrarian Insurance Board. In the year 2010, the funds of this fund have been used for the payment of the Farmers' Pension Scheme as per the instructions of the Ministry of Finance, and the said funds have been provided on the basis of recovery from the Farmers' Pension Scheme, and the said loan amount is being settled gradually. | The need must be identified, funds must be provided accordingly, and the right decisions must be made to ensure economic benefits. |
| (c) More than Rs. 7 million had been paid to farmers in the previous year as compensation for crop damage caused by the closure of the Mavil Aru sluice, and the case filed in this regard had been referred to the Attorney General for advice on November 30, 2007, and no follow-up had been carried out. | The Criminal Investigation Department is handling this case and action are being taken to inquire about the relevant case from the Attorney General's Department. | Cases filed should be followed up. |

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| (d) | <p>The value of unpaid farmer pensions from 2007 to 2022, which was not recognized as a liability in the financial statements and was written off against the farmer pension expense, was Rs.1,136,598,066, while the unpaid pension liability of Rs.340,373,793 in the year 2023 and Rs.568,503,026 in the year 2024 had not been paid to the contributors. It had not been ensured that the pensions would not be received by the pensioners and that money had not been sent back to the General Treasury.</p> | <p>There are cases where farmers do not come to the post office to collect their pensions during the relevant month, but they do come to collect their pensions in subsequent months. The money must be returned when the farmers apply for it. Therefore, steps have been taken to retain this value in the board's fund.</p> | <p>Actions should be taken to send the pensions that farmers have not claimed to the treasury.</p> |
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3.2 Operating Inefficiencies

| Audit Observation | Comments of the Management | Recommendation |
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| (a) When 5 consecutive installments were breached, the necessary facilities were not provided to inform the beneficiaries and activate the deed. As a result, 1,127 contributors who applied for pensions in 2021, 2,226 contributors in 2022, 715 contributors in 2023, and 775 contributors in 2024 had been paid net contribution without paying pension. | According to Section 15 (1) of the Act, "Any contributor who fails to pay five consecutive instalments shall forfeit the benefits under the certificate issued to him". Further, it is stated in the premium book issued to a contributor that if he fails to pay five instalments, he shall forfeit the benefits of this scheme and the agreement shall also be cancelled under Instruction No. 04. However, the Board shall pay a reduced pension to the farmers who have paid more than 75 percent of the instalments due and the net premiums to the farmers who have not paid such instalments. Accordingly, the net premiums have been paid to those farmers. | When 5 consecutive installments have been breached, the necessary facilities should be provided to inform the contributor and activate the deed. |
| (b) Although 7,057 applications for pension entitlements were submitted by the end of the year under review, the scheme failed to provide benefits to 1,575 of these applications. | Among the applications received during the year under review, the relevant payments were not made due to the deficiencies in the farmer pension applications indicated in the audit inquiry. These deficiencies have been corrected and sent to the district offices for resubmission. After the | Pension benefits should be paid promptly. |

deficiencies were corrected and resubmission, payments have been made to those farmers. The number of applications for which payments are to be made is currently 321.

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| <p>(c) After the commencement of new enrollments in the year 2021, as of January 09, 2025, 1,205 contributors who paid a lump sum, 2,210 contributors who paid semi-annual installments, and 1,477 contributors who paid monthly installments had contributed to the scheme. However, the existing information system or files had not been maintained to identify the contributions received by each contributor, to identify the active or inactive status of contributors, and to not accept the premiums of inactive contributors.</p> | <p>Farmers make installment payments to the bank through standing orders and bill payment methods, and the data system has been updated daily using Excel software to update the individual accounts of farmers who make installment payments. People's Bank has also modernized the system to obtain accurate deed numbers from bank reports received by People's Bank. Through this, the premium payments are updated daily to the individual accounts of the contributors. The relevant notification to the farmers is done by the Farmers' Pension Division.</p> | <p>Methods should be introduced to identify non-remittance of premiums and breaches of contracts.</p> |
| <p>(d) Due to the fact that the information of contributors enrolled before 2012 was not entered into the existing data system and the receipts and installment payment details for their remittances were not maintained securely, the completeness and accuracy of the income was not confirmed during the audit.</p> | <p>When making payments, payments are made using the updated data in the installment book by properly filing the relevant reports, and measures have been taken to maintain up-to-date installment payments under the new scheme.</p> | <p>The information and remittances of donors enrolled before 2012 should be entered into the existing data system and updated.</p> |
| <p>(e) Due to the stop enrollment of new contributors to the Farmers' Pension Scheme in 2008 and the non-payment of farmers' pensions in 2012 and 2014, which broke the trust of farmers in the scheme, 918 farmers who had failed to pay 5 consecutive installments due to the non-payment of contributions by the farmers and therefore, with the approval of the Board of Directors, arrangements had been made to pay pensions to them under a special Board of Directors' approval</p> | <p>According to the audit observations, it has been submitted to the 546th Board of Directors meeting held on 24.03.2025 to provide relief in providing pensions to those contributors who have paid 75 percent of the due installments but whose contributions have been cancelled due to non-payment of 05 installments respectively. This will be submitted to the Advisory</p> | <p>A common understanding should be reached and action should be taken to ensure that all contributors who have paid their premiums do not lose their relevant rights when granting pensions.</p> |

through Board Decisions Nos. 528/03 and 543/01. However, since there was no common agreement to not loss the pension and not prepare a reduced pension for other farmers who had paid the entire amount of the installments due when calculating the pension, the pensions had been lose and a reduced pension had been prepared for other farmers who had paid all the installments but had failed to pay 5 consecutive installments as calculated by the Board.

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| <p>(f) The contributor had paid the amount of the installments due or in excess of that amount, but the final installment had not been paid on the due date, so 3 out of 20 farmers who were inspected were recommended to be paid a reduced pension. The officers who received the money were not aware that a reduced pension would be due to the failure to pay the final installment on the due date. Also, a list of the names of contributors who should no longer collect money due to the fact that the final installment had passed had not been issued to the institutions that collect money.</p> | <p>For farmers who do not pay the final installment on the due date, the installments paid under the relief period will be considered as valid installments and necessary approval will be obtained to make the payments.</p> | <p>An internal control system should be developed to indicate the amount of premiums to be paid by the contributor or to ensure that premiums to be paid by the contributor or to ensure that premiums are not collected in excess of that amount.</p> |
| <p>(g) The Fund did not have a method to definitely confirm the death of a farmer pensioner, other than the information provided by the post office to identify the death, and the names of such pensioners who were reported as deceased were removed from the relevant payment documents. The number of pensioners so removed from 2018 to 2025 was 21,937.</p> | <p>Payment of farmers' pensions to farmers' pension recipients is made through post offices, and while considering the recommendation of the postmasters to stop the relevant payments, if the relevant contributors have not taken actions to receive their pensions for 6 months or more, the above recommendation will also be considered and the relevant payments will be stopped.</p> | <p>Pensioners should be removed from payment records only with the approval of the Board of Directors, after verifying their bio data.</p> |
| <p>(h) Although a certificate deed should be issued for every contributor to the scheme in accordance with paragraph 9 of the internal circular No. 01/2022 dated 26th October 2022 titled Recruitment of</p> | <p>Relevant training and instructions have been provided to the district offices to enter information into the farmers' pension system. Accordingly, actions have been</p> | <p>Every contributor to the pension scheme should be provided with a certificate of contribution without</p> |

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| Contributors to the Farmers' Pension Scheme, out of the 6,285 contributors who contributed from the year 2021 to June 2025, contribution deed had not been issued to 848 contributors. | taken to issue deeds to those contributors who have provided correct information, and in cases where the contributors have not submitted the relevant documents, deeds have not been issued, such contributors are being informed and actions are being taken to bring the relevant documents, and I would like to point out that there is no delay in issuing deeds. | delay. |
| (I) Although it was stated that the Agricultural Insurance Board should conduct this scheme in consultation with the Minister in terms of Section 12 of the Farmers' Pension and Social Security Benefits Scheme Act, No. 12 of 1987 and Section 33 (d) of the Agricultural and Farmers' Insurance Act, No. 20 of 1999, the Agricultural and Farmers' Insurance Board had allocated an amount of Rs.253,136,873 from the income of the Farmers' Pension and Social Security Benefits Scheme for that purpose. | This income includes an amount of Rs.249 million from the General Treasury for the implementation of the Farmers' Pension Scheme, Rs.1 million as other income, and Rs.2 million as farmers' contribution to the Farmers' Pension Scheme. | Since the implementation of the Act is a function of the Board, separate provisions should not be allocated for it. |
| (J) Farmers have not been informed that they should check their certificates and submit their applications for pension upon reaching the age of 60 to the Board within the relevant period, and if the farmer contributor delays in submitting applications for pension, a letter stating the reasons for the delay along with the documents to be submitted had been obtained from the farmer. Also, the number of farmers who have reached the age of 60 but are not receiving pension as of December 31, 2024 had not been accurately identified. | Farmers were informed about how to contribute to the scheme and how to receive benefits during enrollment. The board has issued a certificate deed to the farmers, which states the period during which the farmers will receive benefits. Letters are currently being sent to farmers who have completed 60 years of age to inform them about receiving pensions. Accordingly, measures have been taken to pay pensions to farmers immediately after completing 60 years of age. | Pensions should be provided to farmers upon reaching the age of 60. |
| (k) The Committee, which was appointed to advise the Board on matters relating to the administration, management, operation and implementation of the Scheme, had not met on time since its meeting in 2016, | The Farmers' Pension and Social Security Act include provisions regarding the holding of Advisory Committees. In accordance with these instructions, the Board has | The Committee must meet on time to effectively and efficiently achieve the objectives of the |

except for two meetings in 2022, one meeting in 2023 and one meeting in 2024. As a system of rules including provisions for holding Committee meetings had not been prepared, it was not possible to verify whether the Committee had held its meetings regularly.

convened the Advisory Committee scheme. as necessary and has taken appropriate actions to obtain the necessary advice.

- (l) After the commencement of new enrollments in 2021, 6,285 farmers had been enrolled in the Farmers' Pension Scheme as of June 20, 2025. Due to lack of proper supervision over the entry of information into the system, there were instances where the National Identity Card number, age, value of an installment, end date of payment of installments, bank account number of the contributor, bank account branch and date of receipt of the pension were not entered.
- Actions are being made to correcting these situations. A temporary data system introduced until the commencement of pension activities through an ERP system is used for the activities of the new pension scheme. Although the basic data is entered by the district offices, the accuracy of the information is checked by the head office before the deed is issued. There, the National Identity Card number, age, premium and the relevant dates are monitored.
- Information must be entered and updated accurately in the information system.