COPE reveals that Building Materials Corporation has not prepared any financial statements since 2016

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The Committee on Public Enterprises (COPE) revealed that Building Materials Corporation (BMC) has not prepared any financial statements since 2016

This was revealed at the COPE meeting chaired by Hon. Prof. Charitha Herath to discuss the Auditor General's Report for the Fiscal Year 2015 and 2016 of the Building Materials Corporation and its current performance.

Officials who were present at the meeting stated that the data for the years 2017, 2018 and 2019 had been deleted due to a computer software problem. As a result, they said, there was no information on financial statements.

Accordingly, the COPE Chairman stressed that this was not an excuse and the data should be stored as a backup. He also said that although the data was deleted due to a technical error, there was a reasonable suspicion that there was a problem. Therefore, the Committee recommended that an investigation be filed with the CID as soon as possible.

The COPE Chairman also pointed out that due to the lack of these financial reports, certain financial matters that have taken place since 2016 could not be properly discussed in the COPE.

Discussions were also held regarding the spending of a loan of Rs. 500 million obtained from the Bank of Ceylon in the year 2018. It was revealed that most of this loan has been spent on employee salaries. It was also revealed that the loan had been used to settle a loan previously obtained from the Bank of Ceylon. Also, these loan repayments should be resumed from the year 2023. However, it was revealed that the General Manager of the Building Materials Corporation and other officials were unaware that the payment should start from 2023.

In particular, it was mentioned that the Corporation has only the post of General Manager as a permanent post. It was also stated that other posts have been established on contract basis. Therefore, the Finance Director of the Corporation has already announced her resignation. Thus, it was mentioned here that she is still in service only to attend this COPE meeting.

Therefore, even though she left the job, as she was more aware of the financial problems of the corporation, the COPE Chairman recommended that she be contacted as an external party and that these financial statements be formalized with her assistance.

It was also revealed that the Chairman of the Building Materials Corporation had announced his resignation on April 18. However, his resignation is not yet legal as the approval of the Board of Directors and the Ministry has not yet been received and therefore it is recommended that he be summoned to the COPE on April 21.

It was also revealed that due to a renovation done on a building in 2017, the files related to financial statements were lost.

Accordingly, the COPE Chairman finally recommended that the financial statements and business plan for the years 2017,2018,2019 be prepared within three months.

State Ministers Hon. Indika Anuruddha, Members of Parliament Hon. Eran Wickramaratne, Hon. (Dr.) Harsha de Silva, Hon. Madura Vithanage, Hon. Jayantha Samaraweera and Hon. Jagath Pushpakumara were present at this committee meeting.