

**Performance of the Finance Commission**  
**(From 01<sup>st</sup> of January 2018 to 31<sup>st</sup> of March 2018)**

This report covers the main activities performed by the Finance Commission during the period of 1<sup>st</sup> January 2018 to 31<sup>st</sup> March 2018.

**1. Sending budget guidelines on recurrent and capital needs of the ensuing year to the Provinces.**

Each year, the Finance Commission issues Guidelines to the provinces regarding the Needs Assessment of both recurrent and capital work. A specimen format has been developed for this purpose.

Guidelines on need assessment for 2019 was sent to the provinces and their requests on Needs Assessment of Capital Expenditure and Recurrent Expenditure for 2019 are expected to reach the Finance Commission by the 31<sup>st</sup> May.

**2. Receiving Provincial Annual Development Plans – 2018 from the provinces.**

The Finance Commission has received Provincial Annual Development Plans - 2018 from all the provinces.

This year, the Chairman and the Secretary along with other relevant officers of the Finance Commission visited all provinces on following days to review plans and ongoing projects. The Chief Secretaries and other responsible officers including heads of Provincial Ministries / Departments / Authorities attended those meetings.

- Western Province - 26<sup>th</sup> February 2018
- Eastern Province - 2<sup>nd</sup> March 2018
- North Western Province - 5<sup>th</sup> March 2018
- Southern Province - 9<sup>th</sup> March 2018
- Central Province - 14<sup>th</sup> March 2018
- Sabaragamuwa Province - 15<sup>th</sup> March 2018
- Uva Province - 19<sup>th</sup> March 2018
- Northern province - 26<sup>th</sup> March 2018
- North Central Province - 27<sup>th</sup> March 2018

## Selected Photos during the Provincial visits

### Eastern province



**Establishment of Value Addition and Demonstration Unit**

### Northern Province



**Thaleymannar - Hospital**

### Central Province



**Bio gas Unit - Palekalay**

### North Western Province



**Hotel School**

Special Emphasize has been given to observe the issues related to some Projects.

### **3. Granting concurrence for the Provincial Annual Development Plans.**

All Provincial Development Plans have been granted concurrence by the Finance Commission for implementation of the development plans subject to make some revisions, as agreed upon.

#### **4. Annual Report of the Finance Commission -2016/2017**

**Annual Report for 2016** was submitted to H.E. the President and the Parliament. The Annual Report 2017 is being prepared.



The Annual Report for 2016 of the Finance Commission was handed over to President Maithripala Sirisena at the Presidential Secretariat on 15<sup>th</sup> of February 2018. The report of the Commission was presented to the President by Finance Commission Chairman Mr. Uditha H. Palihakkara, Central Bank Governor Dr. Indrajit Coomaraswamy, Secretary to the Treasury Dr. R.H.S Samaratinga, Mr. V.Kanagasabapathy, Prof. H.M.Zafrullah and Secretary Mr. A.T.M. U.D.B.Tennakoon were also present at the occasion.

#### **5. Preparing reports on Provincial Audit Reports**

North Western and Southern Provincial Audit reports received from Auditor General's Department were studied and observations of the Finance Commission were sent to the Provincial Chief Secretaries with a view to improving accountability of the Provinces.

#### **6. Construction of New Building for the Finance Commission**

Construction work of the Administration Building of the Finance Commission (FC) is in progress. Every month, two Progress review meetings were held at the Finance Commission and two technical meetings were held at the site with the participation of Project Consultancy Unit (Faculty of Architecture, University of Moratuwa) and the Contractor. Out of the 180 million allocated for 2018, 14.7 million was paid by end of the 1<sup>st</sup> quarter. It was noted that

the project is behind schedule about 96 days. The Construction project is to be finished by May 2018



## **7. Finance Commission Data Base and MIS**

The Finance Commission had a series of discussions with the Asia Foundation and University of Colombo School of Computing (UCSC) in relation to development of a Data Base / Management Information System (MIS) for the use of the Finance Commission.

An MOU between Finance Commission and the Asia Foundation in this regard was planned to sign. The Secretary of Finance Commission signed the MOU as the authorized officer from the Finance Commission. The MOU was sent to the Asia Foundation for the signature of the authorized officer. Meanwhile UCSC has started their study regarding the current process of the Finance Commission in recurrent expenditure and Provincial Revenue.

## **8. Internal Audit Committee**

The 01<sup>st</sup> Quarter meeting of the Internal Audit Committee was held on 27<sup>th</sup> February 2018 with the participation of the Director, Department of Management Audit. Decisions of the meeting were informed to the staff of the Finance Commission, for necessary follow up action. The Commission decided that Internal Audit, in addition to regularity aspects should deal with performance aspects as well.

## **9. Follow up matters on recommendations to H E the President**

At the request made by the Chairman, Finance Commission Mr. Austin Fernando, Secretary to the President granted an appointment to discuss the recommendations submitted to H.E. the President. It was decided that Secretary, Ministry of Provincial Councils and Local Government should convene a meeting with the relevant officials of Central Ministries and Provincial Councils to discuss on policy recommendations of the Finance Commission.

## **10. Meeting on the matters related to Independent Commissions**

A meeting was held by the Presidential Secretariat on 2<sup>nd</sup> February 2018 on the invitation of Mr. Austin Fernando, Secretary to the President, with representation of the Commissions. The Secretary Finance Commission participated in the meeting.

The objective of the meeting was to provide an opportunity to all representatives to discuss issues of their Commissions and make necessary recommendations.

## **11. Performance Reports of the Finance Commission**

Performance Report of the 4<sup>th</sup> Quarter 2017 was submitted to the Parliament on 10<sup>th</sup> January 2018.

## **12. Capacity building of the staff**

### **12.1 Guest Lectures**

The following Guest Lecturers made presentations for the staff of the Finance Commission.

<b>No.</b>	<b>Name</b>	<b>Topic</b>	<b>Date</b>
01	Prof. Siri Hettige Department of Sociology University of Colombo	Vision 2025	2 <sup>nd</sup> January 2018

<b>No.</b>	<b>Name</b>	<b>Topic</b>	<b>Date</b>
02	Mr. D.N.S.Kuruppumullage CEO and Director Ind-expo of Certification Institute and Ex- Director General of Institute of Textile and apparel	Time & Stress Management	05 <sup>th</sup> January 2018
03	Mr. R.M.S.P. Rathnayaka Traffic Police Bambalapitiya	Road safety awareness programme	30 <sup>th</sup> January 2018
04	Mr. Davd Baxter Specialist USAID	Public Private Partnership	1 <sup>st</sup> February 2018
05	Dr. P.A. Kirivandeniya Former Chairman of Sanasa Development Bank	Impact of SME Credit for Rural Development	7 <sup>th</sup> February 2018
06	Mr. W.C. Dheerasekera External Collaborator for International Food Policy Research Institute (IFPRI) in Sri Lanka & Ex-Secretary Ministry of Industries	Implementation of Proposals for Food Value Chain Development Plans through Provincial Councils	6 <sup>th</sup> March 2018
07	Mr. Lakshaman Jayasekara Project Director Western Region Mega police Planning project	Overview of Western Region Mega Police Developments projects	13 <sup>th</sup> March 2018



Mr. R.M.S.P. Rathnayaka, Traffic Police,  
Bambalapitiya



Mr. Davd Baxter, Specialist USAID



Dr. P.A. Kirivandeniya, Former Chairman of  
Sanasa Development Bank



Mr. W.C.Dheerasekera, External  
Collaborator for International Food Policy  
Research Institute (IFPRI) in Sri Lanka &  
Ex-Secretary Ministry of Industries



Mr. Lakshaman Jayasekara, Project Director  
Western Region Mega police Planning  
project



Prof. Siri Hettige, Department of Sociology,  
University of Colombo

## 12.2 Staff Studies

The following Finance Commission (FC) officers made the following presentations to the staff of the Commission.

Name	Topic
• Mr. R.A.S.K. Ranasinghe Chief Accountant	- Revenue generation of Provinces
• Mr. S.M.R.S. Bandara Director (PR&P)	- The Role of the F C - Implementation of Vision 2025
• Mr. Nishantha Sujeewa Asst. Director	- State of Economy 2017
• Ms.Erandi Gunasekara Asst. Director	- Vision 2025
• Ms. Navodani Abeysooriya Development Officer	- Capital expenditure
• Mr. Mangala Bandara Development officer	- Agriculture Sector in Sri Lanka

## 13. Meeting on Policy Recommendations for Balance Regional Development.

The meeting with Directors of the Departments of National Planning and Fiscal Policy, Census & Statistics, Economic Research, Regional Development was held on 13<sup>th</sup> March 2018 at the Finance Commission.

The main objective of the meeting was to obtain the observations of participants to implement the fund apportionment mechanism of Finance Commission and share the information available with different agencies benefitting each other.

## 14. The Activity Plan for 2018

The Activity Plan for 2018 was prepared based on the Strategic Plan and it has already been approved by the Commission.



## **15. Review of the Strategic Plan**

The current strategic plan of the Finance Commission was approved by the Commission and the Annual Activity Plan aligned with the Strategic Plan 2017 was implemented successfully. The Strategic Plan was reviewed with senior staff.

## **16. Draft Finance Commission Act**

The Act was formulated and submitted to H.E. the President .The Presidential Secretariat sent some observations on the draft and the Finance Commission responded. Consequently the Commission was informed H. E. the President has forwarded a cabinet paper for approval for preparation of an Act for the Finance Commission.

The Cabinet Meeting held on 2<sup>nd</sup> January 2018, it was decided to instruct the Legal Draftsman to draft necessary legislation for the purpose.

## **17. Water supply scheme for the Dorowwa village**



The officials of the Western Province and the Finance Commission participated in a field visit in Dorowwa village in Gampaha District on 15<sup>th</sup> February 2018 to observe a water supply scheme for the Dorowwa village. Water supply tanks have been constructed under a Community Water Supply Scheme. The issue is insufficiency

of water in the wall. There should be an alternative water source for the project. The Western Provincial Council is to identify proper solution for the issue.

## **18. Special Studies**

A number of Special Studies were carried out in support of FC activities.

These include:

- Development of a New Fund Apportioning Formula
- Intergovernmental Financial Relations in Sri Lanka
- Provincial Revenue in Sri Lanka
- Assessment of Provincial Recurrent needs
- Provincial Councils, Provincial Authorities and Local Authorities cadre

## **19. Participation /Attendance Meetings ,Seminars and Workshop**

The Chairman, The Secretary and Some senior Staff of the Finance Commission attended the following meetings /workshops

- Inaugural meeting of SL Stakeholder SDG Platform
- Essential Leadership Skills for Professionals
- Future of Sri Lanka
- The Digital Shift taking place in the World and in the Region
- Auditor General Annual Report -2016
- Road Map 2018- Central Bank of Sri Lanka
- Digital Economy Strategy for Sri Lanka
- Port City and the Future of Sri Lanka
- Sectoral Committee on Human Rights
- City planning and development
- Stakeholder meeting for preparatory activities of Local Development Support project
- Second Health Sector Development project
- Northern Road connectivity project
- Pura Neguma Local Government Enhancement Sector project
- Northern Road Connectivity Project
- North Province Development Plan

## **20. Recruitment of an Assistant Director**

An Assistant Director was appointed to the office of the Commission on 26<sup>th</sup> March 2018.

## **21. Commission Meetings**

- The following Commission Meetings were held.
  - 24<sup>th</sup> January 2018
  - 22<sup>nd</sup> February 2018
- The Commission Sub Committee met regularly before each Commission Meeting
- Co-group Meetings - Weekly Co-group meetings were held.