



PERFORMANCE REPORT - 2016

**Department of Fiscal Policy
Ministry of Finance & Mass Media
Colombo 01**

CONTENTS

	Page
1. Department Profile	01
2. Fiscal Policy Developments in 2016	03
3. Performance of the year 2016	09
4. Administration and Accounts	16

1. Department Profile

1.1 Introduction

The main objective of the Department of Fiscal Policy is the formulation and implementation of fiscal policy within the broad developmental framework of the government in consultation with public, private and international agencies to achieve desired economic and social objectives of the country.

The Department is mainly responsible for the taxation policy of country as well as analyzing the developments in revenue, expenditure and financing activities, and the domestic and global macro-economic development in order to facilitate appropriate adjustment in the country's fiscal policy to achieve desired outcomes.

It is also a major function of Department to implement requirements under Fiscal Management (Responsibility) Act including the preparation of Fiscal Strategy Statement, Budget, Economic and Fiscal Position Report, Mid-year Fiscal Position Report, Final Budget Position Report and Pre-election Budgetary Position Report.

1.2 Vision and Mission

Vision

To Ensure the Establishment of a Sustainable Fiscal Policy Framework

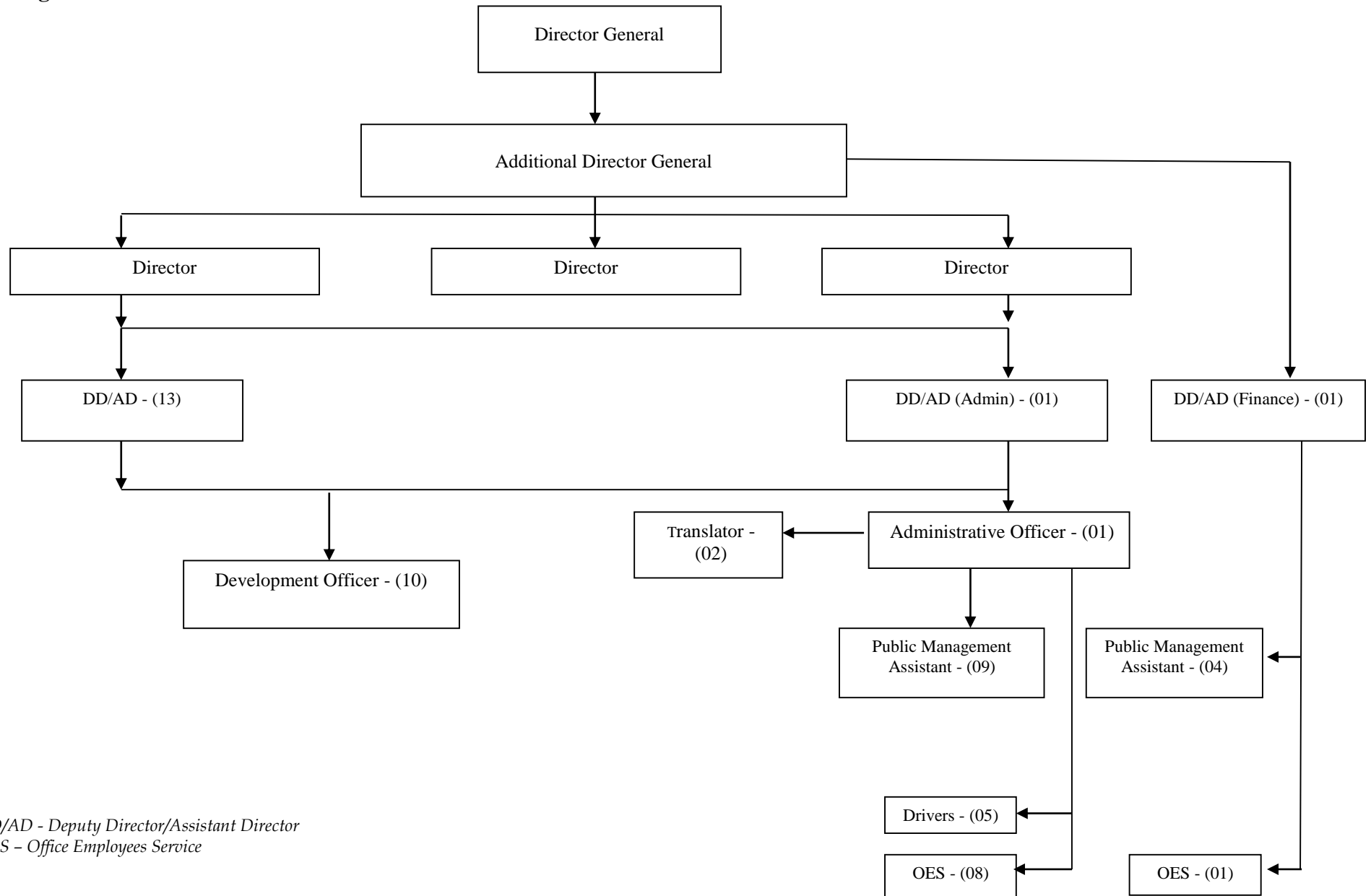
Mission

Formulation and Implementation of Fiscal Policies within the Broad Developmental Framework of the Government

1.3 Functions of the Department

- Formulation and implementation of fiscal policy and Medium -Term Fiscal Strategy by coordinating with public, private and international agencies;
- Formulation of tax policy and related statutes other than Customs Duty and the Special Commodity Levy;
- Management and review of fiscal out-turn and fiscal performance, including government revenue and receipts and;
- Implementation of requirements under Fiscal Management (Responsibility) Act, No. 03 of 2003 including all reporting.

1.4 Organizational Structure - 2016



DD/AD - Deputy Director/Assistant Director
 OES - Office Employees Service

2. Fiscal Policy Developments in 2016

2.1 Overview

Fiscal policy of the government is directed towards strengthening fiscal consolidation with the intent of ensuring fiscal sustainability and macro-economic stability. Accordingly, the fiscal consolidation process further continued in 2016 with the aim of containing the budget deficit thereby curtailing the debt accumulation in the medium-term. The year 2016 witnessed a significant improvement in the fiscal front, reducing the budget deficit to 5.4 percent of GDP from 7.6 percent of GDP recorded in 2015 as a result of increased revenue mobilization coupled with the reduction of total expenditure. The deficit was financed through foreign sources mainly through the issuance of International Sovereign Bonds (ISBs) and a Foreign Currency Term Financing Facility (FTFF). However, debt as a percent of GDP increased to 79.3 percent in 2016 from 77.6 percent of GDP in 2015 particularly due to a lower growth in nominal GDP. In 2015 and 2016, several measures have been taken to reverse the declining trend in Government revenue to GDP ratio while rationalizing Government expenditure. Accordingly, the Government implemented several tax reforms to augment the Government revenue through broadening the tax base, simplifying the tax system, rationalizing tax exemptions and strengthening the tax administration at the tax collecting agencies. Similarly, the Government implemented various measures to rationalize expenditure in terms of revision of welfare expenditure, monitoring spending commitments, commencement of Integrated Treasury Management System (ITMIS) and improved financial discipline of State Owned Business Enterprises (SOBEs). The Government revenue to GDP ratio increased to 14.2 percent in 2016 from 13.3 percent in 2015 mainly due to the enhanced non-tax revenue emanating from profits and dividend transfers by the SOBEs coupled with improved tax revenue.

Major highlights of the fiscal developments include the following:

- (a) reforms introduced to the tax regime and tax administration improved government revenue performance substantially;
- (b) stemming of the decades-long revenue decline eased the burgeoning pressure of heavy burden of debt servicing on government cash- flow;
- (c) enhanced revenue mobilization accommodated substantially lower borrowing in 2016 compared to the approved limit of the year;
- (d) extra fiscal space created by improved revenue mobilization was further supported by prudent expenditure management, resulting in an improved adequacy and effectiveness of government spending, particularly on social protection; and
- (e) prudent management of revenue and expenditure allowed a credible fiscal Consolidation, marked by a lower fiscal deficit and significantly lower primary balance.

The reforms help increase tax revenue to GDP ratio remained unchanged in 2016 recording a 12.4 percent. In nominal terms, the total revenue increased by 15.9 percent to Rs. 1,686.1 billion in 2016 compared to Rs. 1,454.9 billion in 2015. The total tax revenue increased by 8.0 percent to 1,463.7 billion while total non-tax revenue significantly increased by 124.4 percent to Rs. 222.4 billion in 2016. The tax reforms implemented by the Government help increase the non-tax revenue to 1.9 percent of GDP in 2016 from 0.9 percent to 2015.

The total expenditure and net lending as a percentage of GDP declined to 19.7 percent in 2016 from 20.9 percent in 2015. This was due to the decline in recurrent expenditure to 14.8 percent of GDP in 2016 from 15.5 percent in 2015 followed by the decline in capital expenditure and net lending to 4.9 percent of GDP in 2016 from 5.4 percent of GDP in 2015. In nominal terms, the recurrent expenditure increased by 3.3 percent to Rs. 1,757.8 billion in 2016 stemming from increased expenditure on salaries and wages and increased interest payments to 5.2 percent of GDP in 2016

from 4.8 percent recorded in 2015. In contrast, capital expenditure and net lending declined by 2.1 percent to Rs. 576.1 billion in 2016 from Rs. 588.7 billion recorded in 2015. The overall budget deficit contained to Rs. 640.3 billion in 2016 in comparison to Rs. 829.5 billion in 2015. The budget deficit was mainly financed through foreign sources contributing 67.0 percent of the total financing and the rest, 33.0 percent, was financed through domestic sources. Net foreign financing during 2016 amounted to Rs. 429.1 billion while net domestic financing amounted to Rs. 211.2 billion in 2016.

Initial steps have been taken to draft a new Inland Revenue Act to simplify tax laws incorporating policies for the increase of compliance and broadening the tax base. ESC rate increased to 0.5 percent from 0.25 percent while the expansion of tax base to profit making businesses. On the indirect taxes, several proposals on VAT was implemented and VAT rate was increased to 15 percent from 11 percent and VAT base has been broadened. NBT rate remained unchanged at 2.0 percent in 2016 and items such as printed books, magazines and solar panels etc. were exempted. In addition to the ad-valorem, cubic centimeter based unit rate was introduced for the calculation of excise duty for motor vehicles. Meanwhile, periodic excise duty tax revisions were made to discourage liquor and cigarette consumptions. It is also proposed to implement a fool-proof sticker to be affixed in liquor and liquor based products to curb illicit liquor production while collecting due taxes to the Government. The three band tariff structure of exempt, 15 percent and 30 percent was introduced on customs duty and PAL rate was increased to 7.5 percent from 5.0 percent while introducing a concessionary rate of 2.5 percent on selected items. On the expenditure front, several measures were also implemented to rationalize current expenditure while maintaining public investment at a manageable level.

2.2 Government Revenue

The Government revenue to GDP ratio increased by 0.9 percentage points to 14.2 percent in 2016 from 13.3 percent recorded in 2015. This was a reversal of the declining trend experienced since the 1990s. Tax revenue to GDP ratio remained unchanged in 2016 and it was 12.4 of GDP. However, non-tax revenue as a

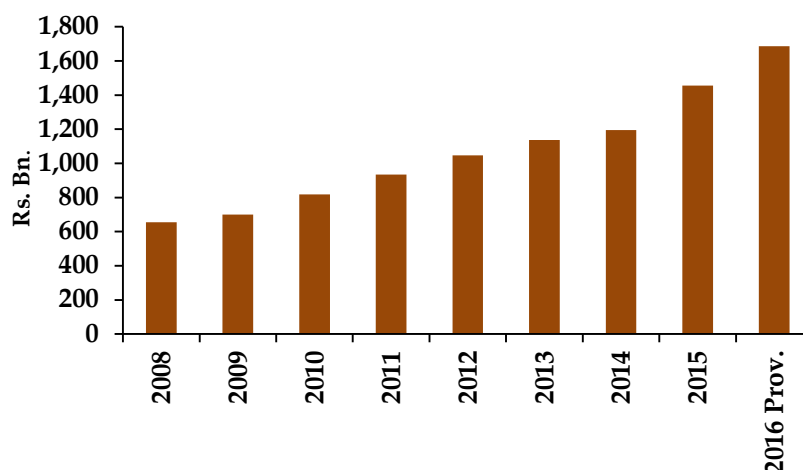
percentage of GDP increased to 1.9 percent in 2016 from 0.9 percent recorded in 2015. This increase of non-tax to GDP ratio was due to the enhanced profits and dividends transfers by SOEs. In nominal terms, the total revenue increased by 15.9 percent to Rs. 1,686.1 billion in 2016 from Rs. 1,454.9 billion in 2015, the tax revenue increased by 8.0 percent to Rs. 1,463.7 billion in 2016 from Rs. 1,355.8 billion in 2015, non-tax revenue expanded by 124.4 percent to Rs. 222.4 billion in 2016 from Rs. 99.1 billion in 2015.

Tax Revenue

Government tax revenue to GDP ratio remained at 12.4 percent sustaining the improved level in 2015. Revenue collected from domestic consumption based taxes such as VAT on domestic activities and taxes on liquor and cigarettes significantly increased by 20.8 percent to Rs.420.0 billion in 2016 while import-based taxes such as import duties, VAT on imports, Port and Airports Development Levy (PAL) increased marginally by 4.9 percent to Rs.738.8 billion. Meanwhile, the revenue from Pay-As-You-Earn (PAYE) tax and Economic Service Chargers (ESC) increased by 7.5 percent and 232.8 percent.

Non -Tax Revenue

The non-tax revenue increased by 124.4 percent to Rs.222.4 billion mainly due to the increased profits and dividends transfers by SOEs in banking and insurance, Ceylon Petroleum Corporation (CPC) and Ceylon Electricity Board (CEB) and increased fees and chargers.

Chart 2.1 | Government Revenue**Table 2.1 | Variance Analysis of Government Revenue (Rs. Bn.) - 2016**

Item	2015	2016 Esti.	2016 Prov.	Reasons
Income Tax	262.6	236.0	258.8	In 2015, Income tax revenue contained Rs. 49.8 billion of Super Gain Tax which was a one off Levy. When exclude the Super Gain Tax revenue, income tax revenue for 2016 recorded 21.7 percent growth compared to 2015. This increase of revenue was mainly due to the implementation of RAMIS in IRD. The revenue from ESC is also showed a substantial increase due to expansion of tax base by removing exemption on profit making companies and the increase in the ESC tax rate from 0.25 percent to 0.5 percent.
Value Added Tax (VAT)	219.7	315.0	283.5	The significant increase in VAT revenue recorded in 2016 was mainly due to the effective implementation of RAMIS in IRD. This was further supported by the policy measures taken by government to increase the VAT rate to 15 percent from 11 percent, threshold reduction to Rs. 12 million per annum from Rs. 15 million per annum and the removal of the exemptions on health services, telecommunication services and cigarette and tobacco products.
Excise Tax	497.6	444.0	454.9	Excise duty revenue decreased by 8.6 percent compared to 2015 mainly due to a decline in the excise tax revenue from motor vehicles by 29.2 percent. However, during the period excise duty revenue from liquor, cigarettes and petroleum products increased by the 14.3percent, by 11.0percent and by 23.6percent respectively in the corresponding period.

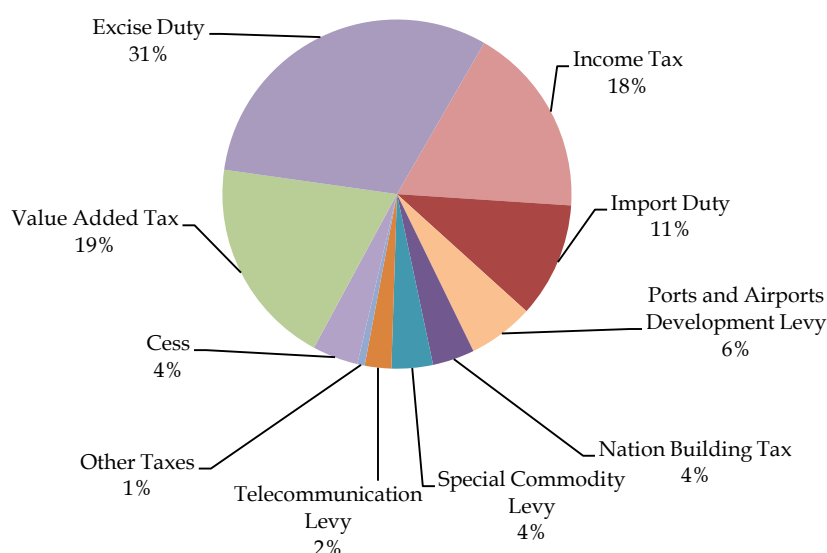
Import Duty	132.2	135.0	156.5	This growth was mainly supported by the upward revision of import duty and simplification of tariff band structure in the review period of 2016 and the increased in consumer goods importation during the year.
Ports and Airports Development Levy (PAL)	58.6	92.0	88.8	Policy measures have been taken to increase the standard rate of PAL from 5percent to 7.5percent and restriction of concessionary rate of 2.5 for certain selected items with effect from 01.01.2016, contributed for this revenue increase.
Nation Building Tax (NBT)	45.0	54.0	57.4	Broadening NBT tax base by reducing the threshold from Rs. 3.75 million to Rs. 3.0 million for a quarter and the removal the threshold of Rs.25 million per quarter applicable to hotel, guest house, restaurant, etc. contributed to this revenue increase. This was further supported by the improvements in domestic and import related taxable activities during the year imports increased owing to the increase of importation of consumer goods, the inclusion of financial services into the NBT base and improved performance of retail trade and distribution, services and rent and manufacturing products.
Other Taxes	140.1	156.0	163.8	Increased in number of items coming under the Special Commodity Levy (SCL) and the rate revision of the SCL coupled with the increase of Cess rate on textiles and footwear helped to increase the revenue. In addition, the rate increase of International Telecommunication Levy to USD 12 cents per minute from USD 9 cents per minute is contributed in revenue increase.
Non Tax Revenue	99.1	144.0	222.4	The increase in payment of profits and dividends by State Owned Business Enterprises and increased collection of Social Security Contribution from public sector employees due to basic salary increase were positively contributed for this revenue increase. Policy measures were taken by government to increase embarkation levy to USD 30 per ship and air passengers coupled with increased passport and visa fees are also helped to increase revenue from sales and charges.
Total	1,454.9	1,576.0	1,686.1	

3. Performance of Year 2016

3.1 Review of the progress of government revenue while maintaining a proper co-ordination with all departments engaged in revenue collection

Total government revenue comprising of tax revenue and non-tax revenue increased by 15.9 percent to Rs. 1,686.1 billion, in nominal terms in 2016, from Rs. 1,454.9 billion in 2015. Of the total government revenue in 2016, Rs. 1,463.7 billion was on tax revenue and Rs. 222.3 billion was on non-tax revenue.

Chart 3.1| Composition of Tax Revenue - 2016



3.2 Summary of Government Revenue

Table 3.1| Government Revenue (Rs.Mn.)

Item	2015	2016 (Provision)
Tax Revenue	1,355,779	1,463,689
Income Tax	262,583	258,857
VAT	219,700	283,470
Nation Building Tax	45,004	57,424
Excise Tax	497,623	454,952
Import Duties	132,189	156,487
Ports & Airports Development Levy	58,644	88,823
Special Commodity Levy	52,276	55,825
Other	87,760	107,851

Non Tax Revenue	99,099	222,372
Interest/ Rent	7,321	15,806
Profit and Dividends	29,798	108,160
Sales and Charge	44,632	72,606
Social Security Contribution	15,213	18,046
Central Bank Profit Transfers	-	5,000
Other	2,135	2,754
Total Revenue	1,454,878	1,686,061

3.3 Amendments to the legislations as per the policy decisions taken by the government from time to time

Gazette notifications published by department of Fiscal Policy in 2016 are as follows.

i. Excise (Special Provisions) Duty

- **Excise (Special Provisions) Act, No. 13 of 1989 (Gazette Notification No. 1949/29, of 12.01.2016)**
 - to grant concession on duty rates specified in the Extraordinary Gazette No. 1903/39 dated 26.02.2015 for the vehicles imported for personal use and Letter of Credit (LC) opened on or before 20.11.2015.
- **Excise (Special Provisions) Act, No. 13 of 1989 (Gazette Notification No. 1964/70, of 29.04.2016)**
 - to grant excise duty concessions with certain conditions for the vehicles imported on a concessionary permit by a member of Parliament, a Sri Lanka diplomatic officer who serves in missions abroad and a member of Provincial Council.
- **Excise (Special Provisions) Act, No. 13 of 1989 (Gazette Notification No. 1965/2, of 02.05.2016)**
 - to grant tax exemption for importing vehicles for the members of 8th Parliament.
- **Excise (Special Provisions) Act, No. 13 of 1989 (Gazette Notification No. 1967/5, of 16.05.2016)**
 - to grant tax exemptions for the articles/vehicles imported for the official use of the President or the Prime Minister of Sri Lanka.
- **Excise (Special Provisions) Act, No. 13 of 1989 (Gazette Notification No. 1967/52, of 19.05.2016)**
 - to grant excise duty concessions with some conditions for the vehicles imported on a concessionary permit for those who rendered distinguished service to the country or awarded to such persons under certain condition.

- **Excise (Special Provisions) Act, No. 13 of 1989 (Gazette Notification No. 1968/19, of 26.05.2016)**
 - to revise excise duty on motor vehicles based on unit rates of motor vehicles and to introduce excise duty on electric vehicles based on kilowatt of the motor power of the engine.
- **Excise (Special Provisions) Act, No. 13 of 1989 (Gazette Notification No. 1980/41, of 19.08.2016)**
 - to increase excise duty rate on gas oil/ diesel to Rs.13 per liter from to Rs.3 per liter.
- **Excise (Special Provisions) Act, No. 13 of 1989 (Gazette Notification No. 1980/42, of 19.08.2016)**
 - to grant excise duty concessions for purchasing of locally manufactured or imported motor vehicle on a concessionary permit issued for the public officers.
- **Excise (Special Provisions) Act, No. 13 of 1989 (Gazette Notification No. 1987/8, of 03.10.2016)**
 - to revise excise duty on cigarette.
- **Excise (Special Provisions) Act, No. 13 of 1989 (Gazette Notification No. 1992/29, of 10.11.2016)**
 - to revise excise duty rates on motor vehicles and to introduce unit rate based excise duty on motor cycles.
 - to impose excise duty on canned beer.
- **Excise (Special Provisions) Act, No. 13 of 1989 (Gazette Notification No. 1995/17, of 30.11.2016)**
 - to impose excise duty on lotteries
- **Excise (Special Provisions) Act, No. 13 of 1989 (Gazette Notification No. 1992/30, of 10.11.2016)**
 - to grant tax exemption for vehicles imported for the Governor of a Provincial Council.
- **Excise (Special Provisions) Act, No. 13 of 1989 (Gazette Notification No. 1996/10, of 06.12.2016)**
 - to impose excise duty on vehicles with chassis fitted with engines and cabs less than four years old.
- **Excise (Special Provisions) Act, No. 13 of 1989 (Gazette Notification No. 1999/23, of 27.12.2016)**
 - to grant excise duty concession on motor vehicle for which LC opened on or before 26.05.2016 subject to certain conditions as per the cabinet decision dated on 13.12.2016

ii. Excise (Ordinance) Duty

- **Excise Notification No.988 (Gazette Notification No. 1956/19 of 02.03.2015)**
 - to revise Excise duty on ethyl alcohol.
- **Excise Notification No.989 (Gazette Notification No. 1981/87 of 26.08.2016)**
 - to introduce Excise duty on imported foreign liquor as follows:
 - Imported malt liquor Rs. 50.00 per bulk liter
 - Imported foreign wine Rs. 100.00 per bulk liter
 - Other Imported foreign liquor Rs. 200.00 per bulk liter
- **Excise Notification No.990 (Gazette Notification No.1987/5 of 03.10.2016)**
 - to exempt Excise duty specified in the Extraordinary Gazette No. 1981/87 dated 26.08.2016 on foreign liquor imported for the purpose of re-exports or sell at the duty free shops
- **Excise Notification No.991 (Gazette Notification No. 1996/52 of 09.12.2016)**
 - to reduce the allowance for the loss of ethanol by evaporation in storage and transportation.
- **Excise Notification No. 992(Gazette Notification No. 1997/16 of 15.12.2016)**
 - to revise annual liquor license fees .
- **Excise Notification No. 993 (Gazette Notification No. 1998/6 of 20.12.2016)**
 - to increase excise duty on bottled toddy to Rs. 50 per liter from Rs.30 per liter.
- **Excise Notification No. 994 (Gazette Notification No. 1998/7 of 20.12.2016)**
 - to introduce License fee of Rs. 100,000 for sale of arrack and Rs. 50,000 for the sale of bottled toddy.

iii. Stamp Duty (Special Provisions) Duty

- **Stamp Duty (Special Provisions) Act, No. 12 of 2006 (Gazette Notification No. 1947/45 of 01.01.2016)**
 - to increase Stamp duty on foreign purchases using credit cards to 2.5 percent .
- **Stamp Duty (Special Provisions) Act, No. 12 of 2006 (Gazette Notification No. 1947/46 of 01.01.2016)**
 - to remove Stamp duty on local purchasing using credit cards.
 - to remove Stamp duty on issuing share certificates.

iv. **Ports and Airport Development Levy (PAL)**

- **Ports and Airports Development Levy (Amendment) Act, No. 21 of 2016**
- to increase the rate of PAL to 7.5 percent from 5 percent.
- **Ports and Airports Development Levy Act, No. 18 of 2011 (Gazette Notification No. 1947/47 of 01.01.2016)**
- to extend concessionary rate of 2.5 percent for electronic and electrical items.
- to exempt selected machinery and equipment use for agriculture, dairy and construction industry from PAL.
- **Ports and Airports Development Levy Act, No. 18 of 2011 (Gazette Notification No. 1942/51 of 11.11.2016)**
- to exempt selected printed books, magazines, journals and periodicals other than newspapers from PAL.
- to make liable raw materials use for pharmaceutical industry identified under HS Code Nos 3926.90.80, 9602.00.10 for PAL at the rate of 2.5 percent.

v. **Cess Levy**

- **Export Development Act, No. 40 of 1979 (Gazette Notification No. 1971/5 of 13.06.2016)**
- to revise cess rate on export of raw rubber from Rs. 15 per Kg to Rs. 4 per Kg.
- **Export Development Act, No. 40 of 1979 (Gazette Notification No. 1971/6 of 13.06.2016)**
- to revise cess rates on import of beef, turkey and sheep from 30 percent or Rs. 225 per Kg to 15 percent or Rs. 100 per Kg.
- **Export Development Act, No. 40 of 1979 (Gazette Notification No. 1973/21 of 28.06.2016)**
- to revise cess rates on import of aerated beverages.
- **Export Development Act, No. 40 of 1979 (Gazette Notification No. 1975/40 of 13.07.2016)**
- to revise cess rate on import of beedi leaves .
- **Export Development Act, No. 40 of 1979 (Gazette Notification No. 1981/32 of 24.08.2016)**
- to revise cess rates on import of aerated beverages .
- **Export Development Act, No. 40 of 1979 (Gazette Notification No. 1992/52 of 12.11.2016)**
- to remove cess rates on import of identified hundred items including prefabricated buildings, lard, cane molasses, sunflower seeds, defatted coconuts, etc.

vi. **Economic Service Charge**

• **Economic Service Charge (Amendment) Act, No 7 of 2017**

- to increase the ESC rate to 0.5 percent from 0.25 percent.
- to remove the ceiling of maximum liability of Rs. 120 Mn. per annum.
- to remove the exclusion of profit making business from ESC .
- Reduction of carry forward period of ESC credit from 5 years to 3 years
- ESC should be charged on import of any article subject to Special Commodity Levy at the point of Sri Lanka Customs.
- to impose the ESC on the imports of gold and other precious metals coming under HS codes 7106, 7108, 7110, 7118.90.10 at the Sri Lanka Customs.

vii. **Finance Act**

• **Finance Act, No. 11 of 2004 (Gazette Notification No. 1947/48 of 01.01.2016)**

- to increased Embarkation Levy rate to USD 30 from USD 15 per passenger for both ship and air passengers

viii. **Value Added Tax**

• **The Value Added Tax (Amendment) Act, No. 20 of 2016**

- to increase the VAT rate to 15 percent from 11 percent.
- to revise the VAT registration threshold to Rs. 3 Mn. Per quarter or Rs. 12Mn. Per annum.
- to liable supply of telecommunication services, import or supply of telecom equipment or machinery, high tech equipment including copper cables for telecom industry, issue of licenses to local telecom operators by TRC and supply of healthcare services for VAT.
- to liable Imported milk powder and locally produced milk powder containing added sugar or sweetening matters for VAT.
- to liable Liquor, cigarettes, coal, perfumes, electrical and electronic goods and telecommunication equipment's for VAT.

• **The Value Added Tax (Amendment) Act, No. 20 of 2016 (Extra Ordinary Gazette No. 1991/17 of 01.11.2016)**

- to exclude the cost of any healthcare services other than fees paid to medical practitioners, medical consultation fees, channeling fees and hospital room charges from VAT.
- to exempt Plant, machineries and accessories imported for renewable energy, magazines, journals or periodicals other than newspapers, medical machinery and medical equipment and certain electrical goods, from VAT.

- ix. **Nation Building Tax**
- **Nation Building Tax (Amendment) Act, No.22 of 2016**
 - to revise NBT registration threshold to Rs. 3 Mn. Per quarter from Rs. 3.75 Mn. Per quarter.
 - to remove exemptions on telecommunication services, supply of electricity, lubricants, supply of goods or services to any specified projects other than housing projects.
- x. **Fiscal Management (Responsibility) Act, No. 03 of 2003**
- **Order made under the section 13 of the Fiscal Management (Responsibility) Act, No 3 of 2003 (Gazette Notification No. 1972/8 of 21.06.2016)**
 - to publish the Final Budget Position Report (Annual Report)-2015
 - **Order made under section 10 of the Fiscal Management (Responsibility) Act, No 3 of 2003 (Gazette Notification No. 1974/27of 08.07.2016)**
 - to publish the Mid-Year Fiscal Position Report -2016
 - **Order made under section 4 to 7 of the Fiscal Management (Responsibility) Act, No 3 of 2003 (Gazette Notification No. 1992/31 of 10.11.2016)**
 - to publish the Fiscal Management Report -2017

3.4 Publication of relevant reports in terms of Fiscal Management (Responsibility) Act, No 03 of 2003

- **Annual Report - 2015**

The Final Budget Position Report (Annual Report) is required to submit to Parliament and issue for the general public before the expiry of five months from the end of the financial year. Accordingly, the Annual Report 2015 was published in May, 2016.

- **Mid-Year Fiscal Position Report - 2016**

The report is required to be issued annually on the last day of June of the relevant year or before the expiry of 6 months of passing the Appropriations Bill whichever comes later. Accordingly, the Mid-Year Fiscal Position Report for the year 2016 was published in June, 2016.

- **Fiscal Management Report - 2017**

Fiscal Management Report 2017 consisting Fiscal Strategy Statement (under the sections 4, 5 and 6) and Budget, Economic and Fiscal Position Report 2016(under the sections 7, 8 and 9) of Fiscal Management (Responsibility) Act, No. 03 of 2003 was published in October, 2016.

4. Administration and Accounts

4.1 Organizational Structure

The Department of Fiscal Policy consists of an approved cadre of 60. Accordingly, the following staff serves in the Department

Table 4.1 | Details of the staff-2016 (as at 31.12.2016)

Designation	Approved Cadre	Present Cadre	Vacant
Director General - SLAS	01	01	-
Additional Director General-SLAS	01	-	01
Director - SLAS	02	-	02
- SLPS	01	01	-
Deputy Dir./Assistant Dir.-SLAS	09	06	03
Deputy Dir./Assistant Dir.-SLPS	05	05	-
Deputy Dir./Assistant Dir.-SLAcS	01	01	-
Administrative Officer	01	01	-
Translator	02	01	01
Development Officer	10	05+04*	01
Public Management Assistant	13	11	02
Driver	05	03	02
OES	09	08	01
Total	60	43+04*	13

*Graduate Trainees

4.2 Human Resource Development

4.2.1 Local Training

Table 4.2 | Local Training- 2016

Name	Designation	Programme & the Institute	Duration
Dr.M.K.C. Senanayake	Director	Training Programme on Enhancing Audit Quality	29 November 2016
Mrs.M.A.C.N.Senevirathne	Assistant Director	Capacity Building programmes for Public Sector Officers	21-25 November 2016
		Preparation of PAYE/VAT Schedules-Path to RAMIS Workshop	09 February 2016
Mrs.D.G.N.Kumari	Assistant Director	Introductory Course on Macroeconomic Dynamics and Linkages	16 June 2016 -05 July 2016
		AAT Sri Lanka Conference 2016	02 November 2016
Miss H.D.A.Rukshini	Assistant Director	Preparation of PAYE/VAT Schedules - Path to RAMIS Workshop	09 February 2016
Mrs.L.D.U.M.Zoyza	Assistant Director	Applied Econometrics : Practical Approach Using E-views Software	20 January 2016 - 25 May 2016

Miss. W.G.D.C.D.S. Rajakaruna	Assistant Director	Preparation of PAYE/VAT Schedules-Path to RAMIS Workshop	09 February 2016
Mrs.B.S.Jayasundara	Development Officer	Applied Econometrics : Practical Approach Using E-views Software	20 January 2016 – 25 May 2016
		Preparation of PAYE/VAT Schedules-Path to RAMIS Workshop	09 February 2016
Mrs.W.K.S.Roshini	Development Officer	Five day workshop on Record Management and Archives	08 – 12 February 2016
Mr.T.M.K.G.K.M.Ekanayake	Development Officer	Preparation of PAYE/VAT Schedules-Path to RAMIS Workshop	09 February 2016
Mrs.Y.N.C.De Silva	Development Officer	Record Management and Archives	20-24 June 2016
Mrs.N.A.Swarnalatha	Public Management Assistant	Financial Regulations in the Public Sector	21-22 November 2016
Mrs.W.N.D.Silva	Public Management Assistant	Financial Regulations in the Public Sector	21-22 November 2016
Mrs.T.P.Ariyathilake	Public Management Assistant	File Management & General Office Administration & E Code	21-23 November 2016
Mrs.V.K.W.W.Ramani	Public Management Assistant	Financial Regulations in the Public Sector	21-22 November 2016
Miss M.G.R.S.Danapala	Public Management Assistant	File Management & General Office Administration & E Code	21-23 November 2016

4.2.2 Foreign Training and Conferences

Table 4.3 | Foreign Training Conferences- 2016

Name	Designation	Training Programme	Period
Mr. A. K. Seneviratne	Director General	Capacity building seminar on Integrated Macroeconomic Statistics& the balance sheet approach for better Economic decision making- Cambodia	20-23 January 2016
		Investor's Meeting- USA	17-26 April 2016
		92 nd Session of Committee on Fiscal Affairs-Japan	29 June 2016 – 02 July 2016
		Executive Program in Public Finance Management /Government Debt. Management for senior officials. - Japan	23 July 2016 – 06 August 2016
		TDAT training in Dhaka -Bangladesh	11-16 December 2016
Dr. M. K. C. Senanayake	Director	Seminar for tax statistics system for developing countries.-China	17 August 2016 – 19 September 2016
Mrs. W. T. A. Perera	Tax Advisor	Seminar on Tax administration & Taxpayer services for Developing Countries. - China	25 May 2016 – 17 June 2016
		Proposed Negotiations for the Revision of the Agreement for Avoidance of Double Taxation between Sri Lanka & Switzerland – Switzerland	12-18 December 2016

Mr. R. M. R. S. B. Dissanayake	Assistant Director	Knowledge sharing Programme - Korea	03-09 April 2016
		Business & Technology meeting for Tax Systems.- China	19-21 October 2016
Mr. K. K. I. Eranda	Assistant Director	Executive Training Programme on Macroeconomic Policies - Hong Kong	01-05 August 2016
Mrs. D.G. N. Kumari	Assistant Director	Executive Training Programme on Macroeconomic Policies - Hong Kong	01 - 05 August 2016
		Public Sector Accounting- Thailand	11-12 October 2016
Miss. H. D. A. Rukshini	Assistant Director	Financial Programming & Policies - Singapore	22 February 2016 - 04 March 2016
		Business and Technology meeting for Tax Systems- China	22-18 October 2016
Mrs. J. Chandramohan	Assistant Director	Executive Training Programme on Macroeconomic Policies - Hong Kong	11 - 18 July 2016
Mr. K. M. Kumarasiri	Assistant Director	Financial Programming & Policies - Singapore	21 February 2016 - 05 March 2016
Mrs. L. D. U. M. Zoysa	Assistant Director	Knowledge sharing Programme - Korea	03 - 08 April 2016
		Executive Training Programme on Macroeconomic Policies - Hong Kong	12 -16 April 2016

4.3 Financial Administration

4.3.1 Utilization of Budgetary Provisions

Provisions for 2016 have been made to this department under budget estimates Head 238 and the utilization of such provisions is as follows.

Table 4.4 | Utilization of Budgetary Provision- 2016

Description of Expenditure	Estimate Rs.	Net Provisions Rs.	Actual Expenditure Rs.
Recurrent expenditure	74,750,000	74,750,000	51,996,435.36
Personal Emoluments	24,600,000	28,850,000	27,903,782.46
Traveling Expenses	2,100,000	4,205,000	4,067,634.78
Supplies	2,300,000	2,370,000	2,220,152.42
Maintenance Expenses	2,900,000	2,850,000	2,563,775.68
Contract Services	42,100,000	35,725,000	14,660,723.44
Transfers and Others	750,000	750,000	580,366.58
Capital Expenditure	2,600,000	2,600,000	1,145,560.00
Rehabilitation and Improvements	-	-	-
Acquisitions	2,000,000	2,000,000	624,660.00
Capital Transfers	-	-	-
Skill Development	600,000	600,000	520,900.00
Total	77,350,000	77,350,000	53,141,995.36

4.3.2 Advance Account of Public Servants

The details of the advance account of the Public Servants of this department for the year 2016 are given below.

Table 4.5|Utilization of Advance Account- 2016

Description	Approved Limit (Rs.)	Actual Limit (Rs.)
Maximum Expenditure Limit	3,000,000	2,961,925.00
Minimum Receipt Limit	1,300,000	1,773,964.17
Maximum Debt Balance Limit	12,000,000	7,622,500.96

4.3.3 Audit Queries

04 audit queries from the Department of Management Audit of the Ministry of Finance and 11 audit queries from the Auditor Generals Department, received in 2016, were answered.