



**Annual Performance Report of the  
Finance Commission - 2023**

**Expenditure Head No. 011**

Finance Commission  
No.03, Sarana Mawatha, Rajagiriya

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## **Chapter - 01: Institutional Profile / Executive Summary**

### **1.1. Introduction**

#### **Background**

By the 13th Amendment to the Constitution of Democratic Socialist Republic of Sri Lanka enacted in 1987, provisions were made for the establishment of the Provincial Councils and the Finance Commission (FC). The Finance Commission was established to facilitate the process of resource transferring to the Provinces, and thereby enabling the service delivery of the Provincial Councils. As stated in the 13th Amendment to the Constitution, the main responsibilities of the Finance Commission are to make recommendations to the Government on resource needs and formulate principles, policies and guidelines on the apportionment of government funds between the nine Provinces with the objective of achieving a balanced regional development in the country.

#### **Mandate of the Finance Commission**

Article 154R of the Constitution of the Democratic Socialist Republic of Sri Lanka provides the provisions for the establishment of the Finance Commission and spells out its functions. The mandate of the Finance Commission as set out in Articles 154R (3), (4) and (5) of the Constitution is as follows.

**Article 154R (3)** The Government shall, on the recommendation of, and in consultation with, the Commission, allocate from the Annual Budget, such funds as are adequate for the purpose of meeting the needs of the Provinces.

**Article 154R (4)** It shall be the duty of the Commission to make recommendations to the President as to;

- a) the principles on which such funds are granted, annually by the Government for the use of Provinces should be apportioned between the various Provinces; and
- b) any other matter referred to the Commission by the President relating to Provincial finance.

**Article 154R (5)** The Commission shall formulate such principles with the objective of achieving balanced regional development in the country, and shall accordingly take into account-

- a) the population of each Province;
- b) the per capita income of each Province;
- c) the need, progressively, to reduce social and economic disparities; and
- d) the need, progressively, to reduce the differences between the per capita income of each Province and the highest per capita income among the Provinces.

The Recommendations are submitted to the Hon. President by the Finance Commission adhering to the Constitutional requirements. Upon the receipt of the Recommendations of the Finance Commission, the Hon. President submits those to the Cabinet of Ministers seeking approval to table the same in

Parliament. Thereafter, as required under Article 154R (7) of the Constitution the Hon. President causes those Recommendations to be laid before Parliament and to notify Parliament as to action taken thereon.

Members of the Finance Commission during the period from 1<sup>st</sup> of January to 01<sup>st</sup> of May 2023 were as follows;

- i. Mr. Sumith Abeysinghe - Chairman
- ii. Dr. Nandalal Weerasinghe - Member (Ex-officio) and the Governor of the Central Bank of Sri Lanka
- iii. Mr. Mahinda Siriwardana - Member (Ex-officio) and Secretary to the Treasury
- iv. Mr. Sinnathambi Samithambi - Member
- v. Mr. Razik Zarook, PC - Member

Members of the Finance Commission during the period from 02<sup>nd</sup> of May to 31<sup>st</sup> of December 2023 were as follows;

- i. Mr. Sumith Abeysinghe - Chairman
- ii. Dr. Nandalal Weerasinghe - Member (Ex-officio) and the Governor of the Central Bank of Sri Lanka
- iii. Mr. Mahinda Siriwardana - Member (Ex-officio) and Secretary to the Treasury
- iv. Mr. M. Vamadevan - Member
- v. Mr. T. Naleen Ossen - Member

## **1.2. Vision, Mission, Objectives of the Institution**

The Finance Commission has formulated its Strategic Plan and updated it for the period from 2021 to 2024 and its Vision, Mission and Objectives have been recognised and defined clearly in the Strategic Plan.

### **Vision:**

A prosperous Sri Lanka with balanced regional development

### **Mission:**

Assess the needs and make recommendations with the principles on apportionment of funds for Provinces to achieve balanced regional development in the country

### **Objectives of the Commission**

- To make recommendation to provide adequate funds available from the Treasury for the purpose of meeting the needs of the Provinces
- To make recommendations for fair distribution of financial resources among the Provinces aiming balanced regional development
- To fulfill the mandate given to the Commission by the Constitution

### **1.3. Key Functions of the Finance Commission**

In terms of the Constitutional mandate, the key function of the Finance Commission is to make recommendations to the Government on allocation of adequate funds from the annual national budget to meet the needs of the Provinces and to recommend the principles to the Hon. President as to how such funds should be apportioned between the nine Provinces, with the objective of achieving balanced regional development in the country.

In this process, the Finance Commission;

- i. issues Guidelines to the Provincial Councils on the preparation and submission of their needs of resources annually.
- ii. assesses the needs of the Provincial Councils after detailed discussions with Provincial Authorities
- iii. submits recommendations to the Hon. President on allocation of funds required by the Provincial Councils from the National Budget and on the apportionment of such funds between the Provinces.
- iv. apportions of the funds allocated by the National Budget among various sectors within the Province upon the receipt of the approval of the Hon. President/ the Government.
- v. issues guidelines pertaining to the formulation Provincial Annual Development Plans with a view to improve the efficiency and effectiveness of use of funds.
- vi. reviews the Provincial Annual Development Plans together with relevant stakeholders and grants concurrence to the same for implementation.
- vii. promotes National and Provincial inter-sectoral coordination on development interventions.
- viii. provides recommendations to the Government on the management of Provincial cadre.

### **1.4. Main Divisions of the Institution**

The Finance Commission has been structured with the following functional and supportive divisions to perform the mandatory functions of the Commission and for its operations.

- Provincial Development Planning Division
- Recurrent Needs and Cadre Assessment Division
- Policy, Studies and Reporting Division
- Provincial Revenue Division
- Administration Division
- Accounts Division
- Internal Audit Division

## **Functions of the Divisions in the Finance Commission**

### **a. Provincial Development Planning Division**

1. Assessment of Provincial capital needs for the inclusion in the recommendations of the Finance Commission and apportionment of funds allocated from the national budget among various sectors within the Province.
2. Issuing guidelines for preparation of Provincial Annual Development Plans
3. Review the Provincial Annual Development Plans and granting concurrence for implementation

### **b. Provincial Recurrent Needs & Cadre Assessment Division**

1. Assessment of recurrent needs of individual Provincial Councils, Local Government Institutions and Provincial Authorities and apportionment of grants among provinces
2. Recommendation of supplementary allocations as per the requirement of Provinces
3. Liaison with Department of Management Services (DMS) in determining Provincial cadre

### **c. Policy, Studies and Reporting Division**

1. Assisting the Chairman and the members of the Commission in the formulation of recommendation to the Hon. President
2. Preparation and submission of Annual Performance Reports of the Finance Commission to Parliament
3. Carrying out the studies and identifying the fund allocation and apportionment principles
4. Preparation of the other periodical reports as per the requirement

### **d. Provincial Revenue Division**

1. Assessment of provincial revenue and setting revenue targets
2. Studies of local government revenue
3. Submission of provincial revenue information to stakeholders

### **e. Administration Division**

1. Attending administrative matters of the Finance Commission
2. Leave, insurance, overtime & other payments, transport, personal file matters and maintenance of assets.
3. Training and Human Resource Development

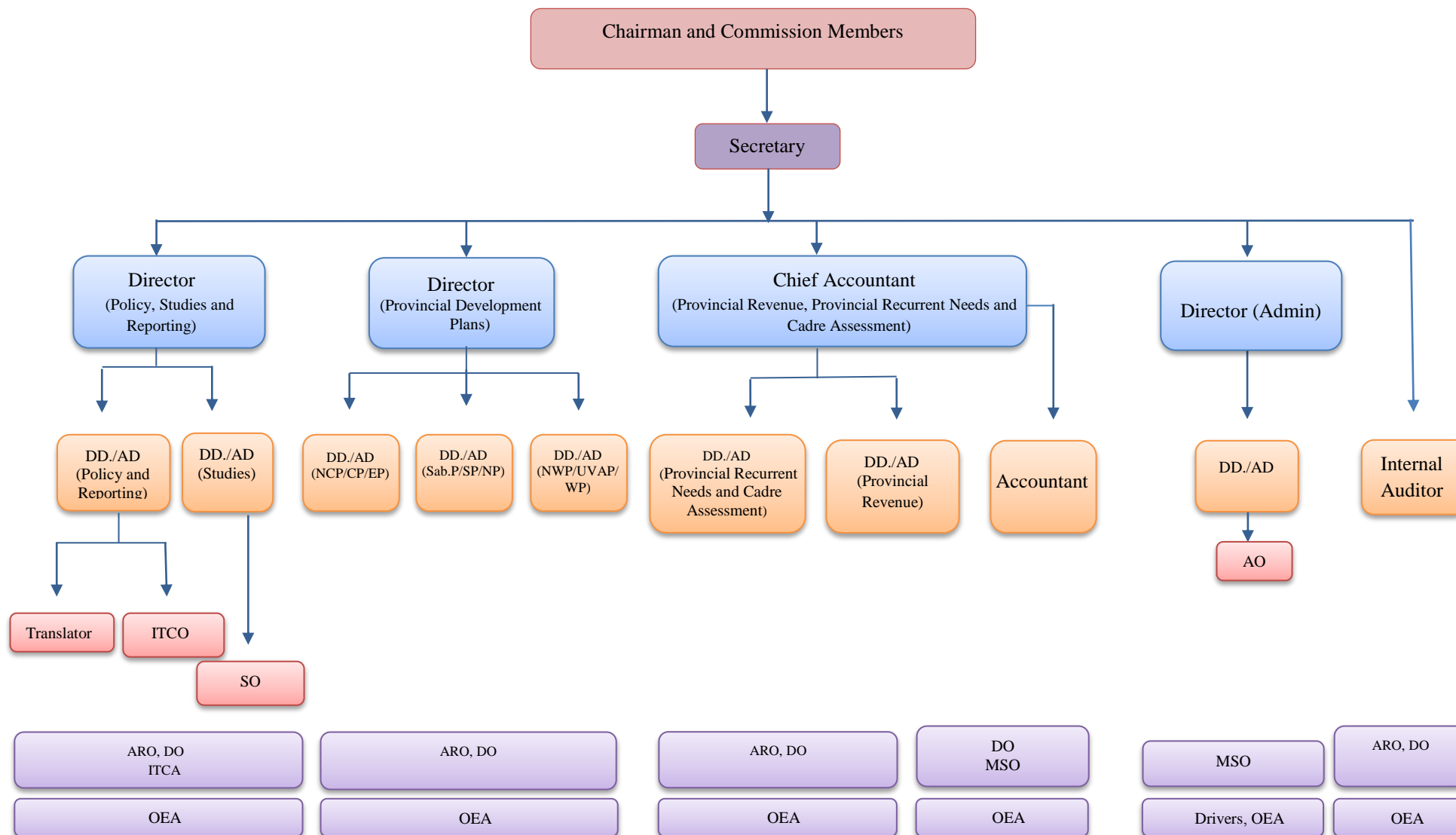
### **f. Accounts Division**

1. Reporting & preparation of Financial Statements
2. Financial Control and maintain information
3. Implement and coordinate procurement activities (goods, works and services)

**g. Internal Audit Division**

1. Preparation of the annual internal audit plan
2. Evaluation of the internal control system for the managing the resources efficiently and effectively in order to achieve the expected objectives of the Finance Commission and providing guidelines for the enhancement of the performance of such control systems
3. Assessing the compliance of functional and operational activities of the office of the Commission with respect to policies, procedures, circulars and regulations etc. and making recommendations for corrections and improvements.

## 1.5. Organizational Chart



DD./AD - Deputy Director / Assistant Director  
 AO - Administrative Officer  
 ITCO - Information Technology and Communication Officer  
 SO - Statistical Officer

ARO - Assistant Research Officer  
 DO - Development Officer  
 MSO - Management Services Officer  
 ITCA - Information Technology and Communication Assistant  
 OEA - Office Employees' Assistant



### **1.6. Institutions/Funds coming under the Finance Commission**

No institution comes under the Finance Commission. The Finance Commission is one of the independent commissions specified in the Schedule to Article 41B of the Constitution.

### **1.7. Details of the Foreign Funded Projects (if any):**

No foreign funded project was implemented under the Finance Commission

- |  |   |                |
|--|---|----------------|
| a) Name of the Project                     | } | Not Applicable |
| b) Donor Agency                            |   |                |
| c) Estimated Cost of the Project – Rs. Mn. |   |                |
| d) Project Duration                        |   |                |

## **Chapter - 02: Progress and the Future Outlook**

### **2.1 Progress**

During the year 2023, the Finance Commission performed the following major which were mandated by the Constitution and in line with the timeframe of the Action Plan for the year.

#### **2.1.1. Matters Pertaining to the Provincial Capital Budget**

##### **i. Issuing Guidelines on Provincial Capital Need Assessment**

The Finance Commission under its Constitutional mandate assesses the financial needs of the Provincial Councils annually in order to make recommendations to H. E. the President. Accordingly, Guidelines were prepared and sent to the Provincial Councils on 03<sup>rd</sup> March 2023 for Capital Need Assessments for the year 2024.

##### **ii. Reviewing Provincial Annual Development Plans - 2023**

In line with the guidelines of the Finance Commission, Annual Development Plans (ADPs) were submitted by nine Provincial Councils for the concurrence of the Finance Commission. ADPs were studied by the officials of the Finance Commission and obtained clarifications from all nine Provincial Authorities and subsequently, the concurrence was granted in principle in respect of Broad Activity Areas of the ADPs for the year 2023 subject to amending the same in line with the observations made by the Commission on the list of activities of the ADPs.

##### **iii. Assessment of Provincial Capital Needs submitted by the Provincial Councils for the year 2024**

Assessment of the capital needs of Provincial Councils for the ensuing year is a prerequisite of the preparation of Recommendations to H. E. the President as per the Article 154R (3) of the Constitution. Hence, the financial needs received as per the Guidelines issued by the Finance Commission were reviewed and accordingly agreements were reached on the provincial needs avoiding possible duplication and overlapping.

##### **iv. Informing the allocated Capital Grants to the Provincial Councils for the year 2024**

Pursuant to the Parliament's approval of the appropriation bill for the year 2024, the Provincial Councils were informed the allocated capital grants for the year 2024 (PSDG - Rs.25 billion, CBG - Rs.5 billion and Foreign Assisted Projects- Rs.8.8 billion) under the National Budget.

#### **v. Guidelines for the preparation of the Provincial Annual Development Plans (ADPs) - 2024**

The Guidelines for the preparation of the Provincial Annual Development Plans (ADPs) for the year 2024 with relevant formats were prepared and sent to all nine Provincial Councils on 14<sup>th</sup> December 2023. These Guidelines will assist the preparation of ADP for the utilization of funds allocated for Provincial Councils for the year 2024. Provincial ADPs are prepared in line with the Medium-Term Development Plans that have been prepared by the PCs under the National Policy Framework and development priorities of PCs.

#### **vi. Guidelines for the preparation of the Maintenance Activity Plan - 2024**

Providing a separate allocation of Rs.9 billion for Maintenance Activities of PCs from the National Budget was first introduced in the year 2022 and it was continued providing Rs.15 billion to the year 2023 and another amount of 15 billion for the year 2024. Guidelines were prepared and sent to the PCs on the preparation and implementation of the Maintenance Activity Plan for the year 2024. This allocation is to be used for maintenance activities which direct benefits to the public links with the development of the Provinces.

#### **vii. Guidelines for the School Nutritional Food Programme - 2024**

Budgetary allocation of Rs.16.6 billion was made to the nine PCs for the School Nutritional Food Programme -2023. Three Meetings were held successfully on the School Nutritional Food Programme in the year 2023 with the participation of the officers from the Provincial Councils, Presidential Secretariat, Prime Minister's Office, Ministry of Education, Ministry of Health, Departments of National Budget and the Department of National Planning to discuss on efficient and effective implementation of the programme and sharing their views on the programme based on the ideas. Another discussion was held with the participation of World Food Programme, Save the Children and UNICEF in early 2023 on their involvement to this programme providing in kind assistance. The Guidelines were prepared and sent to the PCs on 14<sup>th</sup> December 2023 to implement the School Nutritional Food Programme for the year 2024 for which the amount of RS.16.6 billion has been allocated.

All Stakeholder Review Meeting organized by the Finance Commission and funded by the World Food Programme was held on 19<sup>th</sup> December 2023 with the participation of the Officials of the Provincial Councils, Presidential Secretariat, Prime Minister's Office, Ministry of Education, Ministry of Health, Departments of National Budget, Department of Treasury Operations, Department of National Planning and the World Food Programme. Experiences gathered in implementation of the programme were shared among the all provincial officials for effective implementation of the programme in 2024.

### **2.1.2. Matters Pertaining to the Provincial Recurrent Budget**

The recurrent needs of the Provinces are assessed basically on the requests made by the Provincial Councils. The progress of the main activities carried out by the Provincial Recurrent Needs and Cadre Assessment Division in year 2023 are as follows.

#### **i. Issuing the Recurrent Budget Guidelines for the year 2024**

The process commenced with the issuance of Guidelines on Recurrent Needs Assessment for 2024 to the Provincial Councils on 27 January 2023.

These guidelines are mainly based on assessing the Personal Emoluments, Other Recurrent Expenditure (ORE), Transfer of Local Authorities, and on estimating Revenue of the Provinces. Further to that, a set of relevant formats were also sent which should be filled by the Provincial Councils, in presenting their request for grants.

#### **ii. Assessment of Provincial Recurrent Needs for 2024**

According to the calendar annexed to the guidelines, Provincial Councils sent their recurrent requirements in duly completed formats to the Finance Commission. Consequently, Provincial Recurrent Needs for the Year 2024 were assessed in consultation with provincial authorities. For this purpose, several meetings with provincial officers including Chief Secretaries, Deputy Chief Secretaries, Secretaries of the Provincial Ministries and Directors of Budget were held. The officials representing the Department of National Budget, the Department of Management Services and the Department of National Planning also participated in these meetings.

The schedule of Annual Budget Discussions conducted on Recurrent Needs Assessment is shown below.

<b>Dates on which discussions held</b>	<b>Province</b>
19.06.2023	North Central
20.06.2023	Northern
21.06.2023	Sabaragamuwa
22.06.2023	Western
23.06.2023	North Western
26.06.2023	Uva
27.06.2023	Southern
28.06.2023	Eastern
30.06.2023	Central

### **iii. Informing Recommendations on Recurrent Needs of the Provinces to the General Treasury**

After having discussions with Provincial Authorities, the Provincial Recurrent Needs were finalized and obtained the approval of the Finance Commission before sending to the General Treasury in order to prepare the National Budget 2024. The Recommended block grant for Provincial Councils were informed to the Treasury on 18.08.2023 as Rs.502,679 Million (including Revenue Transfer, contingency fund & request for Advance B account.).

### **iv. Informing the Allocated amounts to the Provinces for the year 2024**

Pursuant to the approval of the Appropriation Bill for the year 2024, the Finance Commission informed the Provincial Councils the provincial amounts of Recurrent Budget on 18.11.2023. The Total Allocated Recurrent amount was Rs.429, 677 Million for the year 2024 under the National Budget.

### **v. Supplementary Recommendations for year 2023**

Requests made by the Provincial Councils for supplementary allocations arisen mainly due to the attachment of cadre by the Line Ministries and new recruitments after the budget allocation were recommended to the General Treasury based on the provincial requests. The recommended amounts are as follows.

(Rs.'000)

<b>Date</b>	<b>Supplementary Recommendation for Line Ministry Attachment</b>	<b>New Recommendation</b>	<b>Total Recommendation</b>
21.07.2023	-	427,539	427,539
07.11.2023	1,508,211	1,224,259	2,732,470
<b>Total</b>	<b>1,508,211</b>	<b>1,651,798</b>	<b>3,160,009</b>

### **vi. Assessment of Provincial Revenue for 2024**

According to the Recurrent Budget Guideline which issued by the Finance Commission on 27<sup>th</sup>.January 2023, the Provincial Councils submitted Estimated Revenue targets as per the form “E”. Then those revenue targets were analyzed and assessed by the Finance Commission for the year 2024.

Annual Budget discussion meetings with provincial officers including Chief Secretaries, Deputy Chief Secretaries, Secretaries of the Provincial Ministries and Director of Budget were held for assessing Provincial Recurrent Needs for 2024.

In those meetings, the Provincial Revenue targets were reviewed and finalized by the Finance Commission with the concurrence of the respective Provincial Officers. The Finance Commission assessed the provincial revenue for 2024 based on agreed provincial revenue targets and government revenue transfers estimated by the Department of Fiscal Policy.

### **2.1.3 Submission of the Annual Performance Report - 2022 to Parliament**

In compliance with the Public Finance Circular no. 02/2020 dated 28.08.2020, the Annual Performance Report of the Finance Commission for the year 2022 was submitted to Presidential Secretariat on 19<sup>th</sup> of May 2023 to obtain the approval of Hon. Prime Minister to table the same in Parliament. Accordingly, with the approval of the Hon. Prime Minister, the Report was submitted to Parliament on 16<sup>th</sup> of June 2023. This report included an overview of the Finance Commission with respect to its constitutional mandate, functions, organizational structure, performance of the organization in the year 2022 with regard to its key functions, financial progress and the compliance report. This report was prepared as per the format introduced by the Department of Public Finance.

### **2.1.4 Matters pertaining to the Recommendations Submitted to the Hon. President**

#### **i. Preparing the Annual Recommendations of the Finance Commission submitted to the Hon. President for the year 2024**

The Finance Commission prepared its Annual Recommendation in terms of Article 154R (4) of the Constitution. This report embodied the recommendations pertaining to the assessed funding requirements of the Provincial Councils for the ensuing year (2024) and the principles on the apportionment of funds that will be allocated from the annual national budget among the Provincial Councils with the objective of achieving balanced regional development.

At the same time, certain policy recommendations aimed at the rational allocation and effective use of funds at the Provincial level are also included in this report. The recommendations of the Finance Commission referred to above were prepared by the Chairman of the Commission in consultation with other Commission members and with the assistance of the Finance Commission staff. The Finance Commission's policy recommendations which were submitted to the Hon. President for the year 2024 are described below.

#### **Recommendation 1**

This policy recommendation was proposed as a new approach to address the inadequacy of funds to the Provincial Councils. In this recommendation, the Finance Commission has pointed out that the budgetary allocation made to the Line Ministries on subjects which are devolved to the Provincial Councils are very much higher than the amount set apart on the same devolved subject for the Provincial Councils. While conceding the fact that Government is facing difficulties in allocating sufficient amount of funds to the Provincial Councils due to the unprecedented fiscal constraints experienced by the Government, the Commission came up with a pragmatic solution according to which those funds which are to be made available to the Line Ministries on devolved subjects can be diverted to the Provincial Councils without causing an extra burden on the total resource envelop of the Government. This will facilitate the Treasury to restrict the allocating of funds on devolved

subjects to the Line Ministries, then will be able to allocate more resources to Provincial Councils within its total capital budget.

## **Recommendation 2**

This recommendation was made by the Commission with the objective of improving the efficiency of overall allocation of resources in the country in a more rational manner. The Finance Commission in its previous recommendations has emphasized repeatedly that the Balanced Regional Development in the country cannot be achieved by the Provincial Councils alone due to number of reasons such as inadequacy of capital grants allocated to the Provincial Councils, allocating resources to various geographical regions by the Line Ministries without any criteria that reflect the regional disparities and the non-availability of coherent sectoral policies within which Line Ministries as well as the Provincial Authorities should plan development activities.

Therefore, the Finance Commission proposed for the year 2023 that a powerful entity similar to the former Planning Commission of India be established to be in charge with the overall resource allocation and prioritization of projects. The same proposal has been put forward by a Sub Committee of National Council of Parliament (Sub-Committee on Identifying Priorities in Formulation of Short-, Medium- and Long-term National Policies). After detailed deliberations on this subject at a number of meetings with the participation of relevant stakeholders including senior public servants, the academia, the Concept Paper and Terms of Reference were prepared. The Finance Commission strongly recommends that the process be expedited for the best interest of the country to facilitate the formulation of coherent sector policies as well as moving towards the expeditious and Balanced Regional Development.

## **Recommendation 3**

This recommendation has been submitted by the Commission in previous years also proposing the Line Ministries to get the best use of Provincial setup for implementing their development activities and service delivery. Even though the Line Ministries and other agencies in the Centre are hesitant to adhere to this recommendation which was approved by the Cabinet twice, the Treasury has also reiterated the same recommendation in the Budget Call for 2024.

The Commission also believes that the recent government decision to restrict the setting up of project offices for implementation of various donor funded projects is a positive step. The Commission strongly recommends a firm policy decision be taken by the Government in this regard so that relevant authorities at the time of negotiation can convince the development partners of the need for using the existing capable staff of the Provincial Councils who are being currently underutilized due to lack of funds for development work provided to the Provincial Councils.

#### **Recommendation 4**

This recommendation is about making Provincial Councils directly answerable to Parliament for budgetary operations. The Finance Commission has been recommending in several occasions that the Provincial Councils be classified as Special Spending Units for budgetary purposes and the Chief Secretaries be designated as Chief Accounting Officers taking into cognizance the special arrangements pertaining to the Provincial Finance as enshrined in the Constitution and also the same spelt out in Part III of Provincial Council Act no. 42 of 1987. The rationale for this proposal can be elucidated as follows:

- All other entities established by the Constitution except Provincial Councils are treated as Special Spending Agencies for budgetary purposes.
- Provincial financial administration can be brought under the direct supervision of Parliament as required under Article 148 of the Constitution.
- During the evolution of the Provincial Councils system in last 35 years it has proved that they have gained the required maturity on financial management (as witnessed by the fact that out of 15 Government Institutions which received gold medals from the Committee on Public Accounts (COPA) for proper performance on financial management, in 2020, 12 institutes were from the Provincial setup).
- Special arrangements made in the Constitution to get an independent agency (i.e. the Finance Commission) to recommend the resources required by the Provincial Councils unlike for all other Spending Units
- The magnitude of the budgetary provisions managed by the Chief Secretary is fairly large and the Chief Secretary is also appointed by the Hon. President as in the case of Secretaries to the Line Ministries.
- Release of imprest to the Provincial Councils can be streamlined (unlike the District Secretariats, Provincial Councils do not receive the imprest on Recurrent Expenditure directly).

Therefore, it is again recommended that this proposal be favorably considered especially in view of the impending introduction of comprehensive governance framework at all levels of the Government by the proposed Public Financial Management Act.

#### **Recommendation 5**

This recommendation was submitted by the Finance Commission to propose the Treasury to divert the Provincial Revenue for Provincial development activities which is currently used for meeting recurrent needs of the Provincial Councils. The Commission strongly believes that the present practice of setting off of the Provincial Revenue against the recurrent grant (Block Grant) is not within the spirit of the intent of the Constitutional provision for the establishment of the Provincial Councils and granting powers to impose taxes.



Therefore, the Commission strongly recommends that the proposal submitted last year to abandon this practice be given effect to and set off the revenue against the Capital grant so that provincial taxes are diverted towards balanced development of Provinces.

However, in order to reduce the full impact of this proposal on the recurrent expenditure, the Commission has proposed that for the year 2024, only 50% of the Provincial revenue be set off against the capital grant leaving the balance 50% to cover the recurrent expenditure.

### **Recommendation 6**

This recommendation is about the re- organization of schools with less than 50 students to improve education facilities in the rural areas and plantation areas. According to the information gathered by the Finance Commission, there are 1402 schools throughout the island with the number of students less than 50. In some schools, the number of students is below 10. There may be valid reasons for having these types of schools in view of the accessibility problems faced by the students mostly in uncongenial remote areas.

Following issues were highlighted by the Commission in this regards to propose to reorganizing such schools.

- ❖ The presence of schools that can absorb the students of those small school with relatively a large number of students and more facilities/ teachers within the close proximity to these small schools, to which the students of those small schools can be absorbed easily.
- ❖ Even though the number of students is less, these small schools have to maintain classes from Grade 1-5 or 1-10 in certain cases up to Advance Level and adequate number of teachers for each subject have to be deployed. As a result, number of teachers in certain schools is sometimes more than the number of students leading to very high cost per student.
- ❖ Despite this high-cost, these schools do not offer better learning environment to students when compared to the other relatively bigger school in the vicinity.
- ❖ Above situation in the smaller schools in the area is not acceptable in view of the acute shortage of teachers in the other schools in the rural areas.
- ❖ If majority of those small schools can be amalgamated to nearby schools, then a large number of teachers in those schools can be released to vacant positions in the other rural schools.

The above facts clearly justify the need of re-organization of these schools to get the best use of the teachers serving in rural areas and to offer better learning environment for students at a comparatively lesser cost. Therefore, it is proposed a policy decision be taken by the Government to re-organize these schools in rational manner.

## **Recommendation 7**

This is also a repeatedly submitted recommendation by the Finance Commission to harnessing the potential of revenue generation of the Provincial Councils and Local Government Authorities.

At the time of promulgation of the 13<sup>th</sup> Amendment, it was expected that the Provincial Councils will be able to generate a fair share of their capital needs through the revenue sources devolved to the Provincial Councils through the Provincial Council List (item 36.1 to 36.20). Based on the discussions the Finance Commission had with Provincial authorities and also the findings of various studies pertaining to this subject it is very clear that the full potential of revenue generation in the Provinces have not been harnessed.

In respect of Local Government Authorities whose entire salary bill is borne by the Government, the gap between the potential revenue and the realized revenue is also fairly large according to the information gathered by the Finance Commission. Non availability of a periodic valuation of property, lack of monitoring of the revenue (which the Finance Commission commenced in 2022) and the use of time-consuming manual methods which is cumbersome to the tax paying residents can be cited as main reasons for lackluster performance of the revenue collection by these entities.

Therefore, it is proposed that the following measures be adopted to overcome the constraints in the mobilization of resources at the Provincial level and Local Government level.

- (a) to instruct the relevant Line Ministries to update the rates of charges, levies and fees imposed under the various Acts coming under their purview, but devolved to the Provincial Councils in terms of the Provincial List
- (b) to make necessary arrangements to remove the restrictions /limitations imposed by Parliament on taxes which are devolved to the Provincial Councils (by future amendments to the Constitution)
- (c) to incentivize the Provincial administration to enhance the revenue collection by
  - ❖ introducing the Revenue Performance Grant recommended in the Annual Recommendation of the Commission
  - ❖ by setting off (at least 50%) of Provincial revenue against the capital expenditure enabling Provincial authorities to use the earned revenue to meet development expenditure in the Province as proposed in the policy recommendation number 05 above
- (d) to request the Hon. Minister under whose purview the Local authorities come, to make necessary arrangements to introduce alternative valuation methods to the Local authorities.
- (e) to request the Department of External Resources to explore the possibilities of obtaining donor assistance to introduce IT based methods of collection to improve the efficiency of tax collection by the Provincial Councils/ Local authorities.

## **ii. Submission of the Recommendations – 2024 to Parliament**

A Cabinet Memorandum on Recommendations-2024 of the Finance Commission was submitted to the Cabinet of Ministers by the Hon. President on 22<sup>nd</sup> of December 2023 seeking the approval for implementation of recommendation and to table the same in Parliament. Accordingly, the approval of Cabinet to the recommendation was granted on 08<sup>th</sup> of January 2024. The recommendation was submitted to Parliament on 09<sup>th</sup> of February 2024 for tabling.

### **2.1.5 Conducting quarterly Audit and Management Committee Meetings**

As per the terms of Circular No. 01/2019 and dated 12/01/2019 of the Management Audit Department, four audit and management committee meetings have been held for each quarter of 2023 on the following dates.

- First quarter -30.03.2023
- Second quarter -30.06.2023
- Third quarter -21.09.2023
- Fourth quarter -27.12.2023

## **2.2 Achievements of the Finance Commission**

**2.2.1** The Finance Commission received a Gold award and a Silver award respectively for the year 2019 and 2020 at the award ceremony held on 18th July 2023 which was organised by the Committee on Public Accounts (CoPA) to recognize the institutions coming under the supervision of CoPA that had achieved a high level of excellence in performance in the Financial Years 2019 and 2020 with respect to the operational performance and compliance to the financial regulations.

### **2.2.2. Implementation of the recommendations of the Finance Commission**

The relevant organizations have taken necessary actions to implement some of the recommendations which were submitted by the Finance Commission in recent years to the Hon. President.

I. The Finance Commission recommended in its annual recommendations in 2022 and 2023 not to make budgetary allocations available to Line Ministries for devolved subjects and make them fully available for provincial councils in order to avoid duplications and to increase the funds allocated to provincial councils for capital needs. The Commission is pleased to note that some progress has been made by the Treasury in this regard through the Budget Call-2024, wherein, it has been stated in paragraph 4.1 (iv) as follows;

“provisions should not be included under Line Ministries or Departments for functions directly assigned to Provincial Councils. In order to avoid overlapping programs/projects carried out by Line Ministries and Departments at regional level with the Provincial Councils programs/projects, plans should be prepared in coordination with Provincial Councils”.

II. The Commission repeatedly recommended in 2021, 2022 and 2023 to classify Provincial Councils as Special Spending Units for budgetary purposes and make Chief Secretaries directly answerable to Parliament in order to avoid unnecessary delays in releasing imprest and make funds available on time to meet the expenditure. Once the Provincial Councils are designated as Special Spending Units, imprest can be directly released to Provincial Councils without going through the relevant Ministry. The Treasury has taken actions to materialize this recommendation and now imprest is directly transferred to the Provincial Councils for both recurrent and capital needs. This practice will result in more accountable Provincial councils and financial management will be more effective.

III. The Commission recommended that The Provincial revenue be diverted for Provincial development activities as per the objective of the devolution. Accordingly, the Commission proposed to set off the provincial revenues against capital grant (PSDG) which is currently set off against recurrent grant. The Commission pointed out that setting off of provincial revenue against capital grant will positively impact on the devolution objective of achieving balanced regional development. Responding that the Treasury will take action to implement this recommendation from 2025 onwards.

IV. One of the repeatedly made recommendations in previous years by the Finance Commission was to refrain from setting up new projects offices at regional levels for donor funded projects and get the best use of existing Provincial Council setup in implementation of development activities and service delivery by the national agencies. The Treasury has responded to this and reiterated the same in the Budget Call- 2024 as follows in the 2nd paragraph of the section 4.1 (iv).

“Further, since an institutional system exists under the Provincial Councils with a substantial deployment of staff, the Provincial Council structure should be used whenever possible to deliver services of Line Ministries/ Departments/ Institutions with the agreement of Provincial Councils as much as possible”.

## **2.3 Challenges and Future Outlook**

After the worst economic crisis experienced since the independence, Sri Lankan economy showed a tentative stability towards the end of 2023 and it has been predicted that economic growth will shift to the positive side in 2024 which was negative in last two consecutive years. However, poverty level and child malnutrition level have drastically increased during the last two years as a result of loss of jobs in many families and that situation will remain in coming year too. Thus, there is an urgent need of addressing these issues through both policy and structural reforms in the country.

In these circumstances, the Finance Commission also has to be more cautious in guiding and giving directions to the Provincial Councils in the preparation of their future Annual Development Plans so that it contributes to economic growth of the province while generating employments to the people therein. As the funds available for the capital nature investments are limited and the capital expenditure needs are totally met from the foreign commercial loans, the government has an inevitable responsibility to the make use of those funds in a way that optimise the resource utilizations. The Commission believe that national level agencies should work together with the Provincial Councils to achieve this objective. Therefore, the Commission always recommend to Line Ministries to formulate their annual development plans coordinating Provincial Councils which will avoid duplication of resource utilization while enhancing the resource allocation efficiency at regional levels. In this regard, the Finance Commission always plays the role as the mediator to coordinate national and sub national level agencies.

## Chapter - 03: Overall Financial Performance for the Year ended 31<sup>st</sup> December 2023

### 3.1.Statement of Financial Performance

ACA -F				
Statement of Financial Performance for the period ended 31st December 2023				
Revised Budget Allocations 2023		Note	Actual 2023 Rs.	Actual 2022 Rs.
Rs.				
-	<b>Revenue Receipts</b>		-	-
-	Income Tax	1	-	-
-	Taxes on Domestic Goods & Services	2	-	-
-	Taxes on International Trade	3	-	-
-	Non Tax Revenue & Others	4	-	-
-	<b>Total Revenue Receipts (A)</b>		-	-
-	<b>Non Revenue Receipts</b>			
-	Treasury Imprests		91,794,000	86,556,000
-	Deposits		617,496	56,350
-	Advance Accounts		3,917,880	3,163,586
-	Other Main Ledger Receipts		-	-
-	<b>Total Non Revenue Receipts (B)</b>		<b>96,329,376</b>	<b>89,775,936</b>
-	<b>Total Revenue Receipts &amp; Non Revenue Receipts C = (A)+(B)</b>		<b>96,329,376</b>	<b>89,775,936</b>
-	<b>Remittance to the Treasury (D)</b>		<b>1,768,043</b>	<b>30,763</b>
-	<b>Net Revenue Receipts &amp; Non Revenue Receipts E = (C)-(D)</b>		<b>94,561,333</b>	<b>89,745,172</b>
-	<b>Less: Expenditure</b>			
-	<b>Recurrent Expenditure</b>			
63,560,000	Wages, Salaries & Other Employment Benefits	5	55,698,302	55,244,066
45,910,000	Other Goods & Services	6	33,813,632	28,509,393
930,000	Subsidies, Grants and Transfers	7	652,131	764,634
-	Interest Payments	8	-	-
-	Other Recurrent Expenditure	9	-	-
<b>110,400,000</b>	<b>Total Recurrent Expenditure (F)</b>		<b>90,164,065</b>	<b>84,518,093</b>
-	<b>Capital Expenditure</b>			
200,000	Rehabilitation & Improvement of Capital Assets	10	132,315	199,868
2,800,000	Acquisition of Capital Assets	11	2,706,110	2,420,941
-	Capital Transfers	12	-	-
-	Acquisition of Financial Assets	13	-	-
300,000	Capacity Building	14	239,825	206,000
-	Other Capital Expenditure	15	-	-
<b>3,300,000</b>	<b>Total Capital Expenditure (G)</b>		<b>3,078,249</b>	<b>2,826,809</b>
-	Deposit Payments		617,496	65,855
-	Advance Payments		3,701,418	2,998,826
-	Other Main Ledger Payments		-	-
-	<b>Total Main Ledger Expenditure (H)</b>		<b>4,318,914</b>	<b>3,064,681</b>
-	<b>Total Expenditure I = (F+G+H)</b>		<b>97,561,228</b>	<b>90,409,583</b>
-	<b>Balance as at 31st December J = (E-I)</b>		<b>(2,999,895)</b>	<b>(664,410)</b>
-	<b>Balance as per the Imprest Adjustment Statement</b>		<b>(2,999,895)</b>	<b>(664,410)</b>
-	<b>Imprest Balance as at 31st December</b>		<b>-</b>	<b>-</b>

### 3.2. Statement of Financial Position

ACA-P

#### Statement of Financial Position As at 31st December 2023

		Actual	
	Note	2023	2022
		Rs	Rs
<b><u>Non Financial Assets</u></b>			
Property, Plant & Equipment	ACA-6	800,266,003	800,142,910
<b><u>Financial Assets</u></b>			
Advance Accounts	ACA-5/5(a)	9,293,648	9,510,110
Cash & Cash Equivalents	ACA-3	-	-
<b>Total Assets</b>		<b>809,559,651</b>	<b>809,653,020</b>
<b><u>Net Assets / Equity</u></b>			
Net Worth to Treasury		9,293,648	9,510,110
Property, Plant & Equipment Reserve		800,266,003	800,142,910
Rent and Work Advance Reserve	ACA-5(b)	-	-
<b><u>Current Liabilities</u></b>			
Deposits Accounts	ACA-4	-	-
Unsettled Imprest Balance	ACA-3	-	-
<b>Total Liabilities</b>		<b>809,559,651</b>	<b>809,653,020</b>

Detail Accounting Statements in ACA format Nos. 1 to 7 presented in pages from 01 to 23 and Annexures to accounts presented in pages from 24 to 41 form an integral part of these Financial Statements. The Financial Statements have been prepared in complying with the Generally Accepted Accounting Principles whereas most appropriate Accounting Policies are used as disclosed in the Notes to the Financial Statements and hereby certify that figures in these Financial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found in agreement.

We hereby certify that an effective internal control system for the financial control exists in the Reporting Entity and carried out periodic reviews to monitor the effectiveness of internal control system for the financial control and accordingly make alterations as required for such systems to be effectively carried out.

Chief Accounting Officer

Name :

Designation :

Date : 26/02/2024

Accounting Officer

Name :

Designation :

Date :

Chief Accountant

Name :

Date : 26/02/2024

**A.T.M.U.D.B. Tennakoon**  
Secretary  
Finance Commission  
No. 03, Sarana Mawatha,  
Rajagiriya.

**Sandya Kumudini Kothalawala**  
Chief Accountant  
Finance Commission  
No. 03, Sarana Mawatha, Rajagiriya



### 3.3. Statement of Cash Flows

ACA-C

#### Statement of Cash Flows for the Period ended 31st December 2023

	Actual	
	2023 Rs.	2022 Rs.
<b><u>Cash Flows from Operating Activities</u></b>		
Total Tax Receipts	-	-
Fees, Fines, Penalties and Licenses	-	-
Profit	-	-
Non Revenue Receipts	2,648,406	2,689,562
Revenue Collected on behalf of Other Revenue Heads	-	-
Imprest Received	91,794,000	86,556,000
Recoveries from Advance	3,337,170	2,717,026
Deposit Received	617,496	56,350
<b>Total Cash generated from Operations (A)</b>	<b>98,397,072</b>	<b>92,018,937</b>
<b><u>Less - Cash disbursed for:</u></b>		
Personal Emoluments & Operating Payments	89,638,684	83,893,999
Subsidies & Transfer Payments	652,131	764,634
Expenditure incurred on behalf of Other Heads	-	2,100,265
Imprest Settlement to Treasury	1,768,043	30,763
Advance Payments	2,886,874	2,638,882
Deposit Payments	617,496	65,855
<b>Total Cash disbursed for Operations (B)</b>	<b>95,563,228</b>	<b>89,494,398</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES(C)=(A)-(B)</b>	<b>2,833,844</b>	<b>2,524,539</b>
<b><u>Cash Flows from Investing Activities</u></b>		
Interest	-	-
Dividends	-	-
Divestiture Proceeds & Sale of Physical Assets	4,580	96,270
Recoveries from On Lending	-	-
<b>Total Cash generated from Investing Activities (D)</b>	<b>4,580</b>	<b>96,270</b>
<b><u>Less - Cash disbursed for:</u></b>		
Capital Expenditure	2,838,424	2,620,809
<b>Total Cash disbursed for Investing Activities (E)</b>	<b>2,838,424</b>	<b>2,620,809</b>
<b>NET CASH FLOW FROM INVESTING ACTIVITIES( F)=(D)-(E)</b>	<b>(2,833,844)</b>	<b>(2,524,539)</b>
<b>NET CASH FLOWS FROM OPERATING &amp; INVESTMENT ACTIVITIES (G)=( C ) + (F)</b>	<b>-</b>	<b>-</b>
<b><u>Cash Flows from Financing Activities</u></b>		
Local Borrowings	-	-
Foreign Borrowings	-	-
Grants Received	-	-
<b>Total Cash generated from Financing Activities (H)</b>	<b>-</b>	<b>-</b>
<b><u>Less - Cash disbursed for:</u></b>		
Repayment of Local Borrowings	-	-
Repayment of Foreign Borrowings	-	-
<b>Total Cash disbursed for Financing Activities (I)</b>	<b>-</b>	<b>-</b>
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(H)-(I)</b>	<b>-</b>	<b>-</b>
<b>Net Movement in Cash (K) = (G) + (J)</b>	<b>-</b>	<b>-</b>
<b>Opening Cash Balance as at 01<sup>st</sup> January</b>	<b>-</b>	<b>-</b>
<b>Closing Cash Balance as at 31<sup>st</sup> December</b>	<b>-</b>	<b>-</b>



### 3.4. Notes to the Financial Statements

#### **Basis of Reporting**

1) Reporting Period

The reporting period for these Financial Statements is from 01<sup>st</sup> January to 31<sup>st</sup> December 2023.

2) Basis of Measurement

The Financial Statements have been prepared on historical cost modified by the revaluation of certain assets and accounted on a modified cash basis, unless otherwise specified.

The figures of the Financial Statements are presented in Sri Lankan rupees rounded to the nearest rupee.

3) Recognition of Revenue

Exchange and non exchange revenues are recognised on the cash receipts during the accounting period irrespective of relevant revenue period.

4) Recognition and Measurement of Property, Plant and Equipment (PP&E)

An item of Property, Plant and Equipment is recognized when it is probable that future economic benefit associated with the assets will flow to the entity and the cost of the assets can be reliably measured.

PP&E are measured at a cost and revaluation model is applied when cost model is not applicable.

5) Property, Plant and Equipment Reserve

This reserve account is the corresponding account of Property Plant and Equipment.

6) Cash and Cash Equivalents

Cash & cash equivalents include local currency notes and coins in hand as at 31<sup>st</sup> December 2023.

7) Comparative information in the year 2022

The errors identified in the audit of the financial statements of the year 2022 have been corrected and comparative information has been presented in the financial statements of the year 2023.

### 3.5. Performance of the Revenue Collection

Revenue Code	Description of the Revenue Code	Revenue Estimate		Collected Revenue	
		Original	Final	Amount (Rs.)	As % of final revenue estimate
2002.02.99	Interest Income	-	-	344,781.02	-
2003.99.00	Other Income	-	-	191,936.76	-
2004.01.00	W & OP Fund	-	-	2,116,268.71	-

### 3.6. Performance of the Utilization of Allocations

Type of Allocation	Allocation (Rs.)		Actual Expenditure (Rs.)	Allocation utilization as a% of Final Allocation
	Original	Final		
Recurrent	110,400,000	110,400,000	90,164,065	82%
Capital	3,300,000	3,300,000	3,078,249	93%

### 3.7. In terms of F.R.208 grant of allocations for expenditure to this Department/District Secretariat/Provincial Council as an agent of the other Ministries/ Departments

Serial No.	Allocation revised from which ministry/department	Purpose of the allocation	Allocation		Actual Expenditure	Allocation utilization as a% of Final Allocation
			Original	Final		
-	N/A	N/A	N/A	N/A	N/A	N/A

### 3.8 Performance of the Reporting of Non-Financial Assets

Assets Code	Code Description	Balance as per board of survey report as at 31/12/2023 (Rs.)	Balance as per financial position report as at 31/12/2023 (Rs.)	Yet to be accounted	Reporting progress as %
9151	Building and Structure	449,009,540.32	449,009,540.32	-	-
9152	Machinery and equipment	83,266,462.37	83,266,462.37	-	-
9153	Land	258,000,000.00	258,000,000.00	-	-
9154	Intangible Assets	-	-	-	-
9155	Biological Assets	-	-	-	-
9160	Work in Progress	-	-	-	-
9180	Lease Assets	9,990,000.00	9,990,000.00	-	-

### 3.9. Auditor General's Report

	<b>ජාතික විගණන කාර්යාලය</b> <b>தேசிய கணக்காய்வு அலுவலகம்</b> <b>NATIONAL AUDIT OFFICE</b>			
මගේ අංකය எனது இல. My No. }	PIC/B/FC/2/23/29	ඔබේ අංකය உமது இல. Your No. }	දිනය திகதி Date }	2024 මැයි 15 දින.
<p>ලේකම්, මුදල් කොමිෂන් සභාව.</p> <p>ශීර්ෂය - 011 මුදල් කොමිෂන් සභාවේ 2023 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන පිළිබඳව 2018 අංක 19 දරන ජාතික විගණන පනතේ 11(1) වගන්තිය ප්‍රකාරව විගණකාධිපති සම්පිණ්ඩන වාර්තාව.</p> <hr/> <p>1. මූල්‍ය ප්‍රකාශන</p> <p>1.1 මතය</p> <p>ශීර්ෂය - 011 මුදල් කොමිෂන් සභාවේ 2023 දෙසැම්බර් 31 දිනට මූල්‍ය තත්ත්වය පිළිබඳ ප්‍රකාශය, එදිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය කාර්යසාධන ප්‍රකාශය හා මුදල් ප්‍රවාහ ප්‍රකාශනය සහ ප්‍රමාණාත්මක ගිණුම්කරණ ප්‍රතිපත්තිවලට අදාළ තොරතුරුද ඇතුළත් මූල්‍ය ප්‍රකාශනවලට අදාළ සටහන්වලින් සමන්විත 2023 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන, 2018 අංක 19 දරන ජාතික විගණන පනතේ විධිවිධාන සමඟ සංයෝජිතව කියවිය යුතු ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154(1) ව්‍යවස්ථාවේ ඇතුළත් විධිවිධාන ප්‍රකාර මාගේ විධානය යටතේ විගණනය කරන ලදී. 2018 අංක 19 දරන ජාතික විගණන පනතේ 11(1) වගන්තිය ප්‍රකාරව කොමිෂන් සභාව වෙත ඉදිරිපත් කරනු ලබන මෙම මූල්‍ය ප්‍රකාශන පිළිබඳව මාගේ අදහස් දැක්වීම් හා නිරීක්ෂණයන් මෙම වාර්තාවේ සඳහන් වේ. 2018 අංක 19 දරන ජාතික විගණන පනතේ 11(2) වගන්තිය ප්‍රකාරව ප්‍රධාන ගණන් දීමේ නිලධාරී වෙත වාර්ෂික විස්තරාත්මක කළමනාකරණ විගණන වාර්තාව යථා කාලයේදී නිකුත් කරනු ලැබේ. ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154(6) ව්‍යවස්ථාව සමඟ සංයෝජිතව කියවිය යුතු 2018 අංක 19 දරන ජාතික විගණන පනතේ 10 වගන්තිය ප්‍රකාරව ඉදිරිපත් කළ යුතු විගණකාධිපති වාර්තාව යථා කාලයේදී පාර්ලිමේන්තුව වෙත ඉදිරිපත් කරනු ලැබේ.</p> <div style="text-align: center;"></div> <hr/> <div style="display: flex; justify-content: space-between;"><div>අංක 306/72, පොල්වත්ත පාර, පිත්තරමුල්ල, ශ්‍රී ලංකාව.</div><div>இல. 306-72, பொல்துவ வீதி, பித்தரமுල්லை, இலங்கை.</div><div>No. 306/72, Poldeva Road, Pittarumulla, Sri Lanka.</div></div> <div style="display: flex; justify-content: space-between;"><div> +94 11 2 88 70 28 - 34</div><div> +94 11 2 88 72 23</div><div> <a href="mailto:ag@auditorgeneral.gov.lk">ag@auditorgeneral.gov.lk</a></div><div> <a href="http://www.naoal.gov.lk">www.naoal.gov.lk</a></div></div>				



මුදල් කොමිෂන් සභාවේ මූල්‍ය ප්‍රකාශනවලින් 2023 දෙසැම්බර් 31 දිනට මුදල් කොමිෂන් සභාවේ මූල්‍ය තත්ත්වය සහ එදිනෙන් අවසන් වර්ෂය සඳහා මූල්‍ය කාර්ය සාධනය හා මුදල් ප්‍රවාහ ප්‍රකාශය පොදුවේ පිළිගත් ගිණුම්කරණ මූලධර්මවලට අනුකූලව සත්‍ය හා සාධාරණ තත්ත්වයක් පිළිබිඹු කරන බව මා දරන්නා වූ මතය වේ.

## 1.2 මතය සඳහා පදනම

ශ්‍රී ලංකා විගණන ප්‍රමිතීන්ට (ශ්‍රී.ලං.වි.ප්‍ර) අනුකූලව මා විගණනය සිදු කරන ලදී. මෙම විගණන ප්‍රමිති යටතේ වූ මාගේ වගකීම, මෙම වාර්තාවේ මූල්‍ය ප්‍රකාශන විගණනය සම්බන්ධයෙන් විගණකගේ වගකීම යන කොටසේ තවදුරටත් විස්තර කර ඇත. මාගේ මතය සඳහා පදනමක් සැපයීම උදෙසා මා විසින් ලබා ගෙන ඇති විගණන සාක්ෂි ප්‍රමාණවත් සහ උචිත බව මාගේ විශ්වාසයයි.

## 1.3 මූල්‍ය ප්‍රකාශන සම්බන්ධයෙන් ප්‍රධාන ගණන්දීමේ නිලධාරීගේ වගකීම

පොදුවේ පිළිගත් ගිණුම්කරණ මූලධර්මවලට අනුකූලව හා 2018 අංක 19 දරන ජාතික විගණන පනතේ 38 වගන්තියේ සඳහන් විධිවිධානවලට අනුකූලව සත්‍ය හා සාධාරණ තත්ත්වයක් පිළිබිඹු කෙරෙන පරිදි මූල්‍ය ප්‍රකාශන පිළියෙල කිරීම හා වංචා සහ වැරදි හේතුවෙන් ඇති විය හැකි ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන්ගෙන් තොරව මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමට හැකි වනු පිණිස අවශ්‍යවන අභ්‍යන්තර පාලනය තීරණය කිරීම ප්‍රධාන ගණන්දීමේ නිලධාරීගේ වගකීම වේ.

2018 අංක 19 දරන ජාතික විගණන පනතේ 16(1) වගන්තිය ප්‍රකාරව කොමිෂන් සභාව විසින් වාර්ෂික හා කාලීන මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමට හැකිවන පරිදි ස්වකීය ආදායම්, වියදම්, වත්කම් හා බැරකම් පිළිබඳ නිසි පරිදි පොත්පත් හා වාර්තා පවත්වා ගෙන යා යුතුය.

ජාතික විගණන පනතේ 38(1)(ඇ) උප වගන්තිය ප්‍රකාරව කොමිෂන් සභාවේ මූල්‍ය පාලනය සඳහා සඵලදායී අභ්‍යන්තර පාලන පද්ධතියක් සකස් කර පවත්වා ගෙන යනු ලබන බවට ප්‍රධාන ගණන්දීමේ නිලධාරීසහතික විය යුතු අතර එම පද්ධතියේ සඵලදායීත්වය පිළිබඳව කලින් කල සමාලෝචනයක් සිදු කර ඒ අනුව පද්ධතිය ඵලදායී ලෙස කරගෙන යාමට අවශ්‍ය වෙනස්කම් සිදු කරනු ලැබිය යුතුය.





#### 1.4 මූල්‍ය ප්‍රකාශන විගණනය පිළිබඳ විගණකගේ වගකීම

සම්ප්‍රදායික ලෙස මූල්‍ය ප්‍රකාශන, වංචා හා වැරදි හේතුවෙන් ඇතිවන ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන්ගෙන් තොර බවට සාධාරණ තහවුරුවක් ලබාදීම සහ මාගේ මතය ඇතුළත් විගණන වාර්තාව නිකුත් කිරීම මාගේ අරමුණ වේ. සාධාරණ සහතිකවීම උසස් මට්ටමේ සහතිකවීමක් වන නමුත්, ශ්‍රී ලංකා විගණන ප්‍රමිති ප්‍රකාරව විගණනය සිදු කිරීමේදී එය සෑම විටම ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන් අනාවරණය කර ගන්නා බවට වන තහවුරු කිරීමක් නොවනු ඇත. වංචා සහ වැරදි තනි හෝ සාමූහික ලෙස බලපෑම නිසා ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන් ඇති විය හැකි අතර, එහි ප්‍රමාණාත්මක භාවය මෙම මූල්‍ය ප්‍රකාශන පදනම් කර ගනිමින් පරිශීලකයන් විසින් ගනු ලබන ආර්ථික තීරණ කෙරෙහි වන බලපෑම මත රඳා පවතී.

ශ්‍රී ලංකා විගණන ප්‍රමිති ප්‍රකාරව විගණනයේ කොටසක් ලෙස මා විසින් විගණනයේදී වෘත්තීය චිත්තිවේදය සහ වෘත්තීය සැකසුමු බවින් යුතුව ක්‍රියා කරන ලදී. මා විසින් කවදුරටත්,

- ප්‍රකාශ කරන ලද විගණන මතයට පදනමක් සපයා ගැනීමේදී වංචා හෝ වැරදි හේතුවෙන් මූල්‍ය ප්‍රකාශනවල ඇති විය හැකි ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන් ඇතිවීමේ අවදානම් හඳුනාගැනීම හා තක්සේරු කිරීම සඳහා අවස්ථාවෝචිතව උචිත විගණන පරිපාටි සැලසුම් කර ක්‍රියාත්මක කරන ලදී. වරදවා දැක්වීම් හේතුවෙන් සිදුවන ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන්ගෙන් සිදුවන බලපෑමට වඩා වංචාවකින් සිදුවන්නා වූ බලපෑම ප්‍රබල වන්නේ ඒවා දුස්සන්ධානයෙන්, ව්‍යාජ ලේඛන සැකසීමෙන්, වෙනත්තාත්වික මඟහැරීමෙන්, වරදවා දැක්වීමෙන් හෝ අභ්‍යන්තර පාලනයන් මඟ හැරීමෙන් වැනි හේතු නිසා වන බැවිනි.
- අභ්‍යන්තර පාලනයේ සරලදායීත්වය පිළිබඳව මතයක් ප්‍රකාශ කිරීමේ අදහසින් නොවුවද, අවස්ථාවෝචිතව උචිත විගණන පරිපාටි සැලසුම් කිරීම පිණිස අභ්‍යන්තර පාලනය පිළිබඳව අවබෝධයක් ලබා ගන්නා ලදී.
- හෙළිදරව් කිරීම් ඇතුළත් මූල්‍ය ප්‍රකාශනවල ව්‍යුහය සහ අන්තර්ගතය සඳහා පාදක වූ ගනුදෙනු හා සිද්ධීන් උචිත හා සාධාරණ අයුරින් මූල්‍ය ප්‍රකාශනවල ඇතුළත් බව ඇගයීම.
- මූල්‍ය ප්‍රකාශනවල ව්‍යුහය හා අන්තර්ගතය සඳහා පාදක වූ ගනුදෙනු හා සිද්ධීන් උචිත හා සාධාරණව ඇතුළත් වී ඇති බව සහ හෙළිදරව් කිරීම් ඇතුළත් මූල්‍ය ප්‍රකාශනවල සම්ප්‍රදායික ඉදිරිපත් කිරීම් අගයන ලදී.

මාගේ විගණනය තුළදී හඳුනාගත් වැදගත් විගණන සොයාගැනීම්, ප්‍රධාන අභ්‍යන්තර පාලන දුර්වලතා හා අනෙකුත් කරුණු පිළිබඳව ප්‍රධාන ගණන්දීමේ නිලධාරී දැනුවත් කරමි.





### 1.5 වෙනත් තේතනික අවශ්‍යතා පිළිබඳ වාර්තාව

2018 අංක 19 දරන ජාතික විගණන පනතේ 6 (1) (ඇ) වගන්තිය ප්‍රකාරව පහත සඳහන් කරුණු මත ප්‍රකාශ කරමි.

- (අ) මූල්‍ය ප්‍රකාශන ඉකුත් වර්ෂය සමඟ අනුරූප වන බවට,
- (ආ) ඉකුත් වර්ෂයට අදාළ මූල්‍ය ප්‍රකාශන පිළිබඳව මා විසින් කර තිබුණු නිර්දේශ ක්‍රියාත්මක කර තිබුණි.

## 2. මූල්‍ය සමාලෝචනය

### 2.1 වියදම් කළමනාකරණය

මුදල් රෙගුලාසි 50 ප්‍රකාරව වියදම් ඇස්තමේන්තු පිළියෙල නොකිරීම හේතුවෙන් පුනරාවර්තන වැය විෂයයන් 05 ක රු.8,811,623 ක් හා මූලධන වැය විෂයයන් 03 ක රු.175,195 ක් වශයෙන් ශුද්ධ ප්‍රතිපාදනයෙන් සියයට 20 සිට සියයට 78 දක්වා පරාසයක ප්‍රතිපාදන ඉතිරිවීම් පැවතුණි.

### 2.2 නීති, රීති හා රෙගුලාසිවලට අනුකූල නොවීම

පහත සඳහන් අනුකූල නොවීම් නිරීක්ෂණය විය.

නීති, රීති හා රෙගුලාසිවලට යොමුව

අනුකූල නොවීම

2023 නොවැම්බර් 30 දිනැති අංක 05/2023  
දරණ රාජ්‍ය ශිණ්‍යම් මාර්ගෝපදේශය

(i) 06 වගන්තිය

පුනරාවර්තන වැය විෂයයන් අතර මු.රෙ. 66/69 යටතේ රු.2,216,000 ක ප්‍රතිපාදන මාරුකිරීම් පැවතුනද එය ACA-2වැඩසටහන් අනුව වියදම් සාරාංශයේ දක්වා නොතිබුණි.





(i) 7.7 වගන්තිය

මුදල් ප්‍රවාහ ප්‍රකාශය පිළියෙල කිරීමේදී මුදල් හා හරස් සටහන් යන දෙකම සැලකිල්ලට ගෙන සෘජු ක්‍රමය භාවිත කර පිළියෙල කළ යුතු බව සඳහන් වුවද කොමිෂන් සභාවේ 2023 වර්ෂයේ මූල්‍ය ප්‍රකාශන තුළ ඇතුළත් මුදල් ප්‍රවාහ ප්‍රකාශය පිළියෙල කිරීමේදී හරස් සටහන් සැලකිල්ලට ගෙන නොතිබීම හේතුවෙන් සමාලෝචිත වර්ෂයේ අත්තිකාරම් අය කර ගැනීම සහ අත්තිකාරම් ගෙවීම් රු.814,544 කින් අඩුවෙන් දක්වා තිබුණි.

3 මෙහෙයුම් සමාලෝචනය

3.1 වත්කම් කළමනාකරණය

(අ) කොමිෂන් සභාව විසින් භාවිතයට නොගන්නා වර්ග 04 කට අයත් ටෝනර් 18 ක කොශයක් 2024 පෙබරවාරි 28 දිනට ගබඩාවේ තිබුණි.

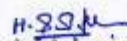
(ආ) කොමිෂන් සභාවට අයත් නොවන ඉදිකිරීම් යන්ත්‍ර 02 ක් හා භාවිතයෙන් ඉවත් කරන ලද වාහන වයර් 08 ක් අපහරණය කිරීමෙන් තොරව අබලි භාණ්ඩ ලෙස ගබඩාවේ රඳවාගෙන තිබුණි.

3.2 කළමනාකරණ දුර්වලතා

කොමිෂන් සභාවේ 2023 වර්ෂයේ භාණ්ඩ සමීක්ෂණ වාර්තාව අනුව භාණ්ඩ අයිතම් 13 ක ඒකක 60 ක අතිරික්තයක්ද භාණ්ඩ අයිතම් 14 ක ඒකක 48 ක ඌණතාවක්ද පැවතුණි.

4. මානව සම්පත් කළමනාකරණය

සමාලෝචිත වර්ෂයේ දෙසැම්බර් 31 දිනට කොමිෂන් සභාවේ ජ්‍යෙෂ්ඨ මට්ටමේ පුරප්පාඩු 03ක්, ද්විතීයික මට්ටමේ පුරප්පාඩු 07 ක් හා ප්‍රාථමික මට්ටමේ පුරප්පාඩු 04 ක් ලෙස පුරප්පාඩු 14 ක් පැවති අතර 2024 මාර්තු 31 දින වන විටත් ඉන් පුරප්පාඩු 13 ක් සම්පූර්ණකර නොතිබුණි.

  
එච්.එස්.එස්.සේනේරා  
ජ්‍යෙෂ්ඨ සහකාර විගණකාධිපති  
විගණකාධිපති වෙනුවට



## Chapter - 04: Performance Indicators

### 4.1. Performance Indicators of the Institute (Based on the Action Plan)

Specific Indicators	Actual output as a percentage (%) of the expected output		
	100%- 90%	75%-89%	50%- 74%
Issued Need Assessment Guidelines on Provincial Capital expenditure for 2024	√		
Issued Need Assessment Guidelines on Provincial Recurrent expenditure for 2024	√		
Assessed Provincial Capital expenditure needs for 2024.	√		
Assessed Provincial Recurrent expenditure needs for 2024.	√		
Submitted Recommendation for the year 2024 to the Hon. President.	√		
Issued Guidelines for Provincial Development Plan preparation for 2024	√		
Reviewed Provincial Development Plans- 2023 and Granted concurrence.	√		
Managed the financial matters & Administration of the office.	√		
Submitted Annual Performance Report of the Finance Commission 2022 to Parliament.	√		
Issued guidelines for preparation and implementation of Provincial Maintenance Activity Plan for 2024	√		
Issued guidelines for the implementation of the School Nutrition Food Programme for 2024	√		



## Chapter - 05: Performance of the achieving Sustainable Development Goals

### 5.1. Indicate the Identified Respective Sustainable Developments Goals (SDGs)

Goal / Objective	Targets	Indicators of the achievement	Progress of the Achievement to date		
			0%- 49%	50%- 74%	75%- 100%
Goal 1:  End poverty in all its forms everywhere	<b>1.4</b> By 2030, ensure that all men and women, in particular the poor and vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance	<ul style="list-style-type: none"> <li>• FC Recommendation</li> <li>• Guidelines for Preparation of the Provincial Annual Development Plan(PADP)</li> <li>• Assessment of Annual Provincial Capital Needs</li> <li>• Provincial Recurrent Need Assessment</li> </ul>			√
	1.a Ensure significant Mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions	<ul style="list-style-type: none"> <li>• Guidelines for Preparation and Implementation of Maintenance Activity Plan</li> <li>• Guidelines for the School Nutritional Food programme</li> </ul>			√
	1.b Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender- sensitive development strategies, to				√

	support accelerated investment in poverty eradication actions				
Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro -,small-and medium-sized enterprises, including through access to financial services	<ul style="list-style-type: none"> <li>• FC Recommendation</li> <li>• PADP Guidelines</li> <li>• Guidelines for Preparation and Implementation of Maintenance Activity Plan</li> <li>• Provincial Recurrent Need Assessment</li> </ul>			✓  ✓  ✓  ✓
Goal 10: Reducing inequality within and among countries	10.3 Ensure equal opportunities and reduce inequalities outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard	<ul style="list-style-type: none"> <li>• FC Recommendation</li> <li>• PADP Guidelines</li> <li>• Assessment of Annual Provincial Capital Needs</li> <li>• Provincial Recurrent Need Assessment</li> </ul>			✓  ✓  ✓  ✓

## 5.2. Briefly explain the achievements and challenges of the Sustainable Development Goals (SDGs)

The Finance Commission itself does not implement any development activities that directly contribute to achieve SDGs. However, it plays a significant role in assessment of needs of the Provincial Councils and guiding the Provincial Councils in preparation of Annual Development Plans. The Provincial Councils formulate their Annual Development Plans and implement them as per the guidelines issued by the Finance Commission which emphasize the need of achieving SDGs.

Sustainable Development Goals cover a broad spectrum of social, economic and environmental aspects and most of them belong to subjects devolved to the Provincial Councils. Therefore, the Provincial Councils can contribute to achieve SDGs through their development interventions.

Accordingly, Provincial Councils prepare their annual development plans for the following sectors which are closely related to sustainable development goals.

* Education	* Provincial Roads	*Land Development
* Western Medicine	* Estate Infrastructure	* Irrigation
* Indigenous Medicine	* Transport	* Agriculture
* Sports	* Housing	* Livestock
* Probation and Childcare	* Rural Electrification	* Inland Fisheries
* Social Services	* Local Government	* Small Industries
* Cultural and Religious Affairs	- <i>Local Authority Roads</i>	* Tourism
* Co-operative Development	- <i>Community Water Supply</i>	*Rural
* Early Childhood Development	- <i>waste Management</i>	Development
	- <i>Others Services</i>	

As the country currently experiences a financial crisis, the Provincial Councils do not receive adequate funds for the development activities. Therefore, the Finance Commission always makes sure that the allocated limited funds are utilized in line with the objective of achieving relevant SDGs in an effective manner so that all the groups in the society are inclusive in the development process. For that, Annual Development Plans of all nine Provincial Councils are scrutinized by the Commission and be ensured that allocated provisions are distributed among different sectors in a justifiable manner before granting the concurrence for implementation of the plans.

## Chapter - 06: Human Resource Profile

### 6.1. Cadre Management

Category	Approved Cadre	Existing Cadre (as per the date of 31.12.2023)	Vacancies / (Excess)
Senior	16	13	03
Tertiary	05	05	-
Secondary	47	40	07
Primary (including MDTF)*	18	14	04

**\*MDTF- Multipurpose Development Taskforce**

### 6.2. Briefly state how the shortage or excess in human resources has been affected to the performance of the institute

The existing staff of the Finance Commission has to work extra hours to accomplish its functional and operational activities. However, the quality of the output may be affected due to high workloads for the available staff. At the same time, meeting deadlines of the action plan is sometimes a challenge due to capacity of the officers is limited.

### 6.3. Human Resource Development

No	Name of the Program	No. of staff trained	Duration of the program	Total Investment		Nature of the Program (Abroad/Local)	Output / Knowledge Gained
				Local	Foreign		
01	Training Workshop Computer Maintenance and Security	70	01 Day	-	-	Local	Knowledge of safe use of computers
02	Role and Responsibilities of Leave Clerks	01	02 Days	Rs . 9500	-	Local	Knowledge of leave
03.	Certificate Course in Plumber Training	01	01 Day	Rs.27,000	-	Local	Knowledge of plumbing
04.	Human Rights Awareness Program	70	01 Day	Rs. 4,000	-	Local	Awareness of human rights
05.	Higher National Diploma in Public Procurement & Contract	01	14 Months	Rs.138,000	-	Local	Awareness of procurement methodology
06.	Skill development of Drivers	02	02 Days	Rs. 20,000	-	Local	improvement of driving skills
07	Actions that can be taken regarding cyber security within the organization and personally and the relevant legal background	70	01 Day	Rs. 4,000	-	Local	Awareness on cybercrimes, cyber security and legal provision against cybercrimes in Sri Lanka
08.	One Day Training Workshop on Diesel Generators	01	01 Day	Rs.10,000	-	Local	Familiarity with operation of diesel generators
09.	Training on Unleashing the Leadership DNA in Small & Medium	01	19 Days	USD 760		Foreign	Improved knowledge on leadership by sharing experience with some other few country representatives which could be helpful to perform

	Enterprises						efficiently and effectively.
10.	Seminar on the Construction & Management of Industrial Park for Sri Lanka	01	15 Days	USD 375		<b>Foreign</b>	Gained knowledge about China Industrial Parks and development
11.	Seminar On Regional Development & Industrial Planning in Developing Countries	01	15 Days	USD 375		<b>Foreign</b>	Knowledge on regional development & planning considering the development of china.
12.	Program on Rural Co-operative in India	01	07 Days	USD 175		<b>Foreign</b>	Knowledge on rural co-operative sector

## Chapter - 07: Compliance Report

No.	Applicable Requirement	Compliance Status (Complied/Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
<b>01</b>	<b>The following Financial statements/accounts have been submitted on due date</b>			
1.1	Annual financial statements	Complied		
1.2	Advance to public officers account	Complied		
1.3	Trading and Manufacturing Advance Accounts (Commercial Advance Accounts)	N/A		
1.4	Stores Advance Accounts	N/A		
1.5	Special Advance Accounts	N/A		
1.6	Others	N/A		
<b>02</b>	<b>Maintenance of books and registers (FR445)</b>			
2.1	Fixed assets register has been maintained and updated in terms of Public Administration Circular 267/2018	Complied		
2.2	Personal emoluments register/ Personal emoluments cards have been maintained and updated	Complied		
2.3	Register of Audit queries has been maintained and updated	Complied		
2.4	Register of Internal Audit reports has been maintained and updated	Complied		
2.5	All the monthly account summaries (CIGAS) are prepared and submitted to the Treasury on due date	Complied		
2.6	Register for cheques and money orders has been maintained and updated	Complied		

2.7	Inventory register has been maintained and updated	Complied		
2.8	Stocks Register has been maintained and updated	Complied		
2.9	Register of Losses has been maintained and updated	Complied		
2.10	Commitment Register has been maintained and updated	Complied		
2.11	Register of Counterfoil Books (GA – N20) has been maintained and updated	Complied		
<b>03</b>	<b>Delegation of functions for financial control (FR 135)</b>			
3.1	The financial authority has been delegated within the institute	Complied		
3.2	The delegation of financial authority has been communicated within the institute	Complied		
3.3	The authority has been delegated in such manner so as to pass each transaction through two or more officers	Complied		
3.4	The controls have been adhered to by the Accountants in terms of State Account Circular 171/2004 dated 11.05.2014 in using the Government Payroll Software Package	Complied		
<b>04</b>	<b>Preparation of Annual Plans</b>			
4.1	The annual action plan has been prepared	Complied		
4.2	The annual procurement plan has been prepared	Complied		
4.3	The annual Internal Audit plan has been prepared	Complied		
4.4	The annual estimate has been prepared and submitted to the NBD on due date	Complied		
4.5	The annual cash flow has been submitted to the Treasury Operations Department on time	Complied		
<b>05</b>	<b>Audit queries</b>			
5.1	All the audit queries have been replied within the specified given time by the Auditor General	Complied		



<b>06</b>	<b>Internal Audit</b>			
6.1	The internal audit plan has been prepared at the beginning of the year after consulting the Auditor General in terms of Financial Regulation 134(2))DMA/1-2019	Complied		
6.2	All the internal audit reports has been replied within one month	Complied		
6.3	Copies of all the internal audit reports have been submitted to the Management Audit Department in terms of Sub-section 40(4) of the National Audit Act No. 19 of 2018	Complied		
6.4	All the copies of internal audit reports has been submitted to the Auditor General in terms of Financial Regulation134(3)	Complied		
<b>07</b>	<b>Audit and Management Committee</b>			
7.1	Minimum 04 meetings of the Audit and Management Committee has been held during the year as per the DMA Circular 1-2019	Complied		
<b>08</b>	<b>Asset Management</b>			
8.1	The information about purchases of assets and disposals was submitted to the Comptroller General's Office in terms of Paragraph 07 of the Asset Management Circular No. 01/2017	Complied		
8.2	A suitable liaison officer was appointed to coordinate the implementation of the provisions of the circular and the details of the nominated officer was sent to the Comptroller General's Office in terms of Paragraph 13 of the aforesaid circular	Complied		
8.3	The boards of survey was conducted and the relevant reports submitted to the Auditor General on due date in terms of Public Finance Circular No. 05/2016	Complied		
8.4	The excesses and deficits that were disclosed through the board of survey and other relating recommendations, actions were carried out during the period specified in the circular	Complied		
8.5	The disposal of condemn articles had been carried out in terms of FR 772	Complied		
<b>09</b>	<b>Vehicle Management</b>			
9.1	The daily running charts and monthly summaries of the pool vehicles had been prepared and submitted to the Auditor General on due date	Complied		
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning	N/A		

9.3	The vehicle logbooks had been maintained and updated	Complied		
9.4	The action has been taken in terms of F.R. 103, 104, 109 and 110 with regard to every vehicle accident	N/A		
9.5	The fuel consumption of vehicles has been re-tested in terms of the provisions of Paragraph 3.1 of the Public Administration Circular No. 30/2016 of 29.12.2016	Complied		
9.6	The absolute ownership of the leased vehicle log books has been transferred after the lease term	N/A		
<b>10</b>	<b>Management of Bank Accounts</b>			
10.1	The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date	Complied		
10.2	The dormant accounts that had existed in the year under review or since previous years settled	N/A		
10.3	The action had been taken in terms of Financial Regulations regarding balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made, and had those balances been settled within one month	Complied		
<b>11</b>	<b>Utilization of Provisions</b>			
11.1	The provisions allocated had been spent without exceeding the limit	Complied		
11.2	The liabilities not exceeding the provisions that remained at the end of the year as per the FR 94(1)	Complied		
<b>12</b>	<b>Advances to Public Officers Account</b>			
12.1	The limits had been complied with	Complied		
12.2	A time analysis had been carried out on the loans in arrears	Complied		
12.3	The loan balances in arrears for over one year had been settled	Complied		
<b>13</b>	<b>General Deposit Account</b>			
13.1	The action had been taken as per F.R.571 in relation to disposal of lapsed deposits	Complied		

13.2	The control register for general deposits had been updated and maintained	Complied		
<b>14</b>	<b>Imprest Account</b>			
14.1	The balance in the cash book at the end of the year under review remitted to TOD	Complied		
14.2	The ad-hoc sub imprests issued as per F.R. 371 settled within one month from the completion of the task	Complied		
14.3	The ad-hoc sub imprests had not been issued exceeding the limit approved as per F.R. 371	Complied		
14.4	The balance of the imprest account had been reconciled with the Treasury books monthly	Complied		
<b>15</b>	<b>Revenue Account</b>			
15.1	The refunds from the revenue had been made in terms of the regulations	N/A		
15.2	The revenue collection had been directly credited to the revenue account without credited to the deposit account	Complied		
15.3	Returns of arrears of revenue forward to the Auditor General in terms of FR 176	Complied		
<b>16</b>	<b>Human Resource Management</b>			
16.1	The staff had been paid within the approved cadre	Complied		
16.2	All members of the staff have been issued a duty list in writing	Complied		
16.3	All reports have been submitted to MSD in terms of their circular no.04/2017 dated 20.09.2017	Complied		
<b>17</b>	<b>Provision of information to the public</b>			
17.1	An information officer has been appointed and a proper register of information is maintained and updated in terms of Right To Information Act and Regulation	Complied		
17.2	Information about the institution to the public have been provided by Website or alternative measures and has it been facilitated to appreciate / allegation to public against the public authority by this website or alternative measures	Complied		

17.3	Bi- Annual and Annual reports have been submitted as per section 08 and 10 of the RTI Act	Complied		
<b>18</b>	<b>Implementing citizens charter</b>			
18.1	A citizens charter/Citizens client's charter has been formulated and implemented by the Institution in terms of the circular number 05/2008 and 05/2018(1) of Ministry of Public Administration and Management	N/A		
18.2	A methodology has been devised by the Institution in order to monitor and assess the formulation and the implementation of Citizens Charter / Citizens client's charter as per paragraph 2.3 of the circular	N/A		
<b>19</b>	<b>Preparation of the Human Resource Plan</b>			
19.1	A human resource plan has been prepared in terms of the format in Annexure 02 of Public Administration Circular No.02/2018 dated 24.01.2018.	Complied		
19.2	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the afore said Human Resource Plan	Complied		
19.3	Annual performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid Circular	Complied		
19.4	A senior officer was appointed and assigned the responsibility of preparing the human resource development plan, organizing capacity building programs and conducting skill development programs as per paragraph No.6.5 of the aforesaid Circular	Complied		
<b>20</b>	<b>Responses Audit Paras</b>			
20.1	The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified	Complied		

**END**