Performance Report

2024

Expenditure Head - 102

Ministry of Finance, Planning and Economic Development

Annual Performance Report for the year 2024
Ministry of Finance, Planning and Economic Development

Expenditure Head No. 102

Chapter 01 - Institutional Profile/Executive Summary

1.1 Introduction

The Ministry of Finance, Economic Stabilization and National Policies is one of the leading line ministries in Sri Lanka.

Economic and fiscal policies of the country are designed, proposed and evaluated mainly by this Ministry in order to promote investment and economic development for upgrading the living standards of people of the country.

At present, His Excellency the President of the Democratic Socialist Republic of Sri Lanka performs as the Minister of Finance, Planning and Economic Development and under him are two Deputy Ministers, the Treasury Secretary and three Deputy Treasury Secretaries.

1.2 Vision, mission and objectives of the Institute.

Vision

“A new Sri Lanka through an economic environment that facilitates rapid development and investment”

Mission

“Design, propose, execute and evaluate, with efficiency and transparency, economic and fiscal policies of the country towards promoting investment and economic development to ensure quality living for the people”

Objectives

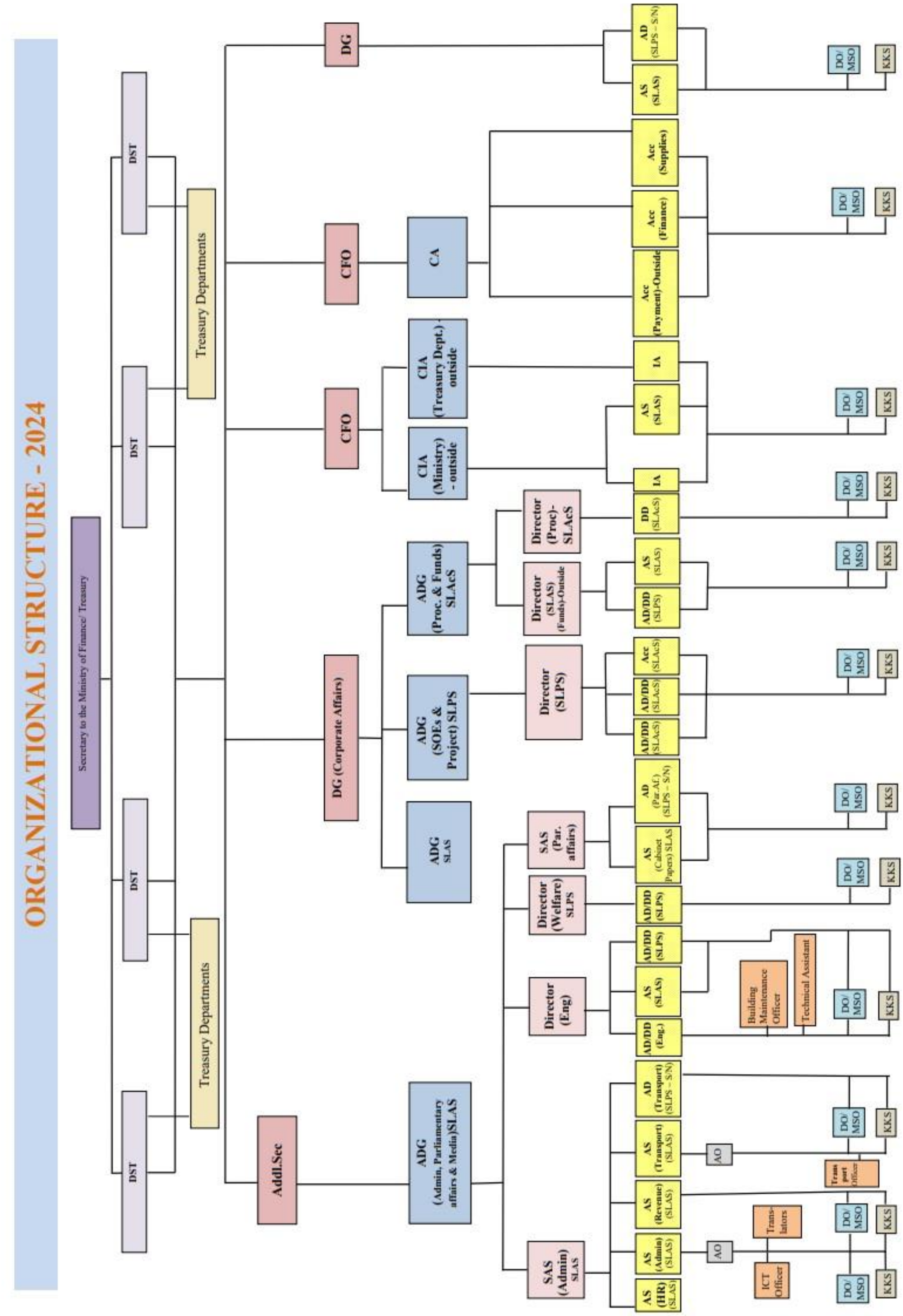
- Formulate national economic and financial policies and strategies of the country.
- Formulate fiscal policy and macro fiscal policy management.
- Prepare national development plan and management of financial resources.

- Manage national tax policy and effective use of government revenue.
- Formulate monetary policies, in coordination with Central Bank.
- Coordinate public and private sector activities and facilitation of the private sector for economic development.
- Coordinate with international agencies and mobilize foreign resources ensuring effective use.
- Manage and accounting for the consolidate fund and publication of annual accounts of the country on international standards.

1.3 Major functions

- Formulation of policies and programs, monitoring and evaluation in regard to the subjects of finance and taxation and those subjects that come under the purview of Departments, Statutory Institutions and Public Corporations
- Formulation of policies for public finance and macro financial management
- Preparation of annual budget and management of financial resources
- Execution of the national budget and enforcement of budgetary and Finance financial controls
- Management of national tax policies and productive use of Government revenue
- Enforcement of Government Financial Regulations
- Management of the Consolidated Fund
- Public expenditure management
- Advisory services on Government procurement
- Overseeing departmental and other public funds
- Maintenance of Treasury Minutes on reports of the Committee on Public Accounts
- Formulation of guidelines for the promotion of management audit in the departments
- Cadre management
- Matters relating to all other subjects assigned to Institutions
- Supervision of the Institutions
- Take actions to make Rules of the Commission laying down the appeal procedure.
- To provide for a more efficient and effective system of fair and unbiased hearing of tax appeals and for discharging the assigned responsibility of concluding all appeals received in respect of matters relating to imposition of any tax, levy, duty or penalty by the Department of Inland Revenue in accordance with the laws and accepted procedures.

1.4 Organization Chart



1.5 Departments under the Ministry

Ministry of Finance, Economic Stabilization and National Policies from 01.01.2024 to 22.08.2024

01	General Treasury
02	Department of National Planning
03	Department of Project Management and Monitoring
04	Department of External Resources
05	State Resource Management Corporation
06	Department of Fiscal Policy
07	Department of National Budget
08	Department of Management Services
09	Department of Public Finance
10	Department of Treasury Operations
11	Department of State Accounts
12	Department of Trade and Investment Policy
13	Department of Information Technology Management
14	Department of Legal Affairs
15	Department of Management Audit
16	Department of Development Finance
17	Department of Public Enterprises
18	Office of Comptroller General
19	Department of Inland Revenue
20	Sri Lanka Customs
21	Department of Excise
22	Government Valuation Department
23	Department of Imports and Exports Control
24	Department of Census and Statistics
25	Department of Telecommunication
26	Department of Internal Trade

Ministry of Finance, Economic Stabilization and National Policies from 23.08.2024 to 26.09.2024.

01	General Treasury
02	Department of National Planning
03	Department of External Resources
04	State Resource Management Corporation
05	Department of Fiscal Policy
06	Department of National Budget
07	Department of Management Services
08	Department of Public Finance
09	Department of Treasury Operations
10	Department of State Accounts
11	Department of Trade and Investment Policy
12	Department of Legal Affairs
13	Department of Management Audit
14	Department of Development Finance

15	Department of Public Enterprises
16	Office of Comptroller General
17	Department of Inland Revenue
18	Sri Lanka Customs
19	Department of Excise
20	Government Valuation Department
21	Department of Imports and Exports Control
22	Department of Census and Statistics
23	Department of Telecommunication
24	Department of Internal Trade

Ministry of Finance, Economic Development, Policy Formulation, Planning and Tourism from 27.09.2024 to 24.11.2024.

01	General Treasury
02	Department of National Planning
03	Department of External Resources
04	Department of Fiscal Policy
05	Department of National Budget
06	Department of Management Services
07	Department of Public Finance
08	Department of Treasury Operations
09	Department of State Accounts
10	Department of Trade and Investment Policy
11	Department of Legal Affairs
12	Department of Management Audit
13	Department of Development Finance
14	Department of Public Enterprises
15	Office of Comptroller General
16	Department of Project Management and Monitoring
17	Department of Information Technology Management
18	Department of Inland Revenue
19	Sri Lanka Customs
20	Department of Excise
21	State Resource Management Corporation
22	Government Valuation Department
23	Department of Imports and Exports Control
24	Department of Registrar of Companies
25	Department of Census and Statistics
26	Department of National Botanic Gardens

Ministry of Financial Planning and Economic Development from 25.11.2024 to 31.12.2024.

01	General Treasury
02	Department of National Planning
03	Department of External Resources
04	Department of Fiscal Policy
05	Department of National Budget
06	Department of Management Services

07	Department of Public Finance
08	Department of Treasury Operations
09	Department of State Accounts
10	Department of Trade and Investment Policy
11	Department of Legal Affairs
12	Department of Management Audit
13	Department of Development Finance
14	Department of Public Enterprises
15	Comptroller General's Office
16	Department of Project Management and Monitoring
17	Department of Information Technology Management
18	Inland Revenue Department
19	Sri Lanka Customs
20	Excise Department
21	State Resource Management Corporation
22	Government Valuation Department
23	Department of Imports and Exports Control
24	Department of Census and Statistics

1.6 Institutions/Funds under the Ministry

Ministry of Finance, Economic Stabilization and National Policies from 01.01.2024. to 26.09.2024.

01	National Lotteries Board
02	Development Lotteries Board
03	Central Bank of Sri Lanka
04	All State Banks, Financial Institutions, Insurance Companies and their subsidiaries and related institutions
05	Insurance Regulatory Commission of Sri Lanka
06	Sri Lanka Insurance Corporation and its subsidiaries and affiliated companies
07	Credit Information Bureau of Sri Lanka
08	Securities and Exchange Commission of Sri Lanka
09	Sri Lanka Accounting and Auditing Standard Monitoring Board
10	Public Utilities Commission of Sri Lanka
11	Sri Lanka Export Credit Insurance Corporation
12	Housing Development Finance Corporation
13	State Mortgage and Investment Bank
14	Regional Development Bank
15	Tax Appeals Commission
16	Institute of Policy Studies
17	Sustainable Development Council
18	Welfare Benefits Board
19	Public Service Mutual Provident Fund
20	Strike, Riot, Civil Commotion and Terrorism Fund
21	National Insurance Trust Fund
22	Employees' Trust Fund
23	Lady Lochore Fund

24	Wildlife Trust
25	Sri Lanka Institute of Journalism Training
26	Pulses and Grains Research and Production Authority
27	Janatha Fertilizer Enterprises Ltd.
28	‘Save the Children’ National Trust Fund
29	The Institution owned by the Secretary to the Treasury under the Act of Withdraw the Rehabilitation of Under-Performing Enterprises or Underutilized Assets
30	Sri Lanka Telecom PLC and their subsidiaries and related institutions
31	Colombo Lotus Tower Management Company Private Ltd.
32	North Sea Ltd.
33	Sri Lanka Thriposha Company Ltd.
34	Galoya Plantations (private) Ltd.
35	National Salt Company
36	Cement Corporation of Sri Lanka
37	Paranthan Chemicals Ltd.
38	B. C. C. Company Ltd.
39	State Engineering Corporation of Sri Lanka
40	Mahinda Rajapaksha National Tele-Cinema Park
41	Lanka General Trading Company Limited
42	Sahasya Investment Ltd.
43	National Institute of Machinery

Ministry of Finance, Economic Development, Policy Formulation, Planning and Tourism from 27.09.2024 to 24.11.2024.

01	State Resources Management Corporation
02	National Lotteries Board
03	Development Lotteries Board
04	Central Bank of Sri Lanka
05	All State Banks, Financial Institutions, Insurance Companies and their subsidiaries and related institutions
06	Insurance Regulatory Commission of Sri Lanka
07	Sri Lanka Insurance Corporation and its subsidiaries and affiliated companies
08	Credit Information Bureau of Sri Lanka
09	Securities and Exchange Commission of Sri Lanka
10	Sri Lanka Accounting and Auditing Standard Monitoring Board
11	Public Utilities Commission of Sri Lanka
12	Sri Lanka Export Credit Insurance Corporation
13	Housing Development Finance Corporation
14	State Mortgage and Investment Bank
15	Regional Development Bank
16	Tax Appeals Commission
17	Institute of Policy Studies
18	Sustainable Development Council
19	Welfare Benefits Board
20	Public Service Mutual Provident Fund
21	Strike, Riot, Civil Commotion and Terrorism Fund
22	National Insurance Trust Fund
23	Employees’ Trust Fund
24	Lady Lochore Fund
25	Colombo Port City Economic Commission
26	Public Debt Management Office

27	Techno Park Development Company (Pvt) Limited
28	Sri Lanka Export Development Board
29	Board of Investment of Sri Lanka
30	Sri Lanka Media Training Institution
31	‘Save the Children’ National Trust Fund
32	The Institution owned by the Secretary to the Treasury under the Act of Withdraw the Rehabilitation of Under-Performing Enterprises or Underutilized Assets
33	Sri Lanka Thriposha Company Ltd
34	Sri Lanka Tourism Promotion Bureau
35	Sri Lanka Tourism Development Authority
36	Sri Lanka Institute of Tourism and Hotel Management
37	Sri Lanka Convention Bureau

Ministry of Financial Planning and Economic Development from 25.11.2024 to 31.12. 2024

01	State Resources Management Corporation
02	National Lotteries Board
03	Development Lotteries Board
04	Central Bank of Sri Lanka
05	All State Banks, Financial Institutions, Insurance Companies and their subsidiaries and related institutions
06	Insurance Regulatory Commission of Sri Lanka
07	Sri Lanka Insurance Corporation and its subsidiaries and affiliated companies
08	Credit Information Bureau of Sri Lanka
09	Securities and Exchange Commission of Sri Lanka
10	Sri Lanka Accounting and Auditing Standard Monitoring Board
11	Public Utilities Commission of Sri Lanka
12	Sri Lanka Export Credit Insurance Corporation
13	Housing Development Finance Corporation
14	State Mortgage and Investment Bank
15	Regional Development Bank
16	Tax Appeals Commission
17	Institute of Policy Studies
18	Sustainable Development Council
19	Public Service Mutual Provident Fund
20	Strike, Riot, Civil Commotion and Terrorism Fund
21	National Insurance Trust Fund
22	Employees’ Trust Fund
23	Lady Lochore Fund
24	Colombo Port City Economic Commission
25	Public Debt Management Offi ce
26	Techno Park Development Company (Pvt) Limited
27	Board of Investment of Sri Lanka
28	National Credit Guarantee Institution Limited
29	Sri Lankan Air Lines Limited and its subsidiaries
30	Welfare Benefits Board
31	Canwill Holdings (Pvt) Ltd
32	Provident Property Lanka Ltd Institution being reviewed

33	Asian Game (pvt) Ltd
34	Commonwealth Game Hambanthota (Pvt) Ltd
35	Magampura Port Management Company (Pvt) Ltd
36	Mihin Lanka (Pvt) Ltd
37	Peliyagoda warehouse
38	Strategic Enterprises Management Agency
39	Lanka Fabric Ltd

1.7 Information on Foreign Funded Projects (If any)

	(a) Name of the project	**(b) Funding Agency**	**(c) Estimated cost of the project - Rs. Mn.**	**Project Period**
01	Social Safety Project (SSP)	World Bank	USD 200 Mn	03 years (From 2024 to 30.09.2027)
02	Financial Sector Safety Net Strengthening Project	World Bank	USD 150 Mn	03 years (From 2024 to 31.12.2027)

Chapter 02 - Progress and Future Outlook

Special achievements, challenges and goals

Special achievements, challenges

The Ministry of Finance, Planning and Economic Development has submitted 87 budget proposals for the year 2024. These proposals include 01 revenue proposal, 52 expenditure proposals, and 34 policy proposals. By the end of 2024, 79% of these 87 revenue proposals have been completed and are being implemented, while 21% of the proposals are to be implemented.

It is an achievement of our Ministry to overcome the challenging situation caused by the foreign exchange crisis that emerged at the beginning of 2023and to manage the economy in 2024 in a way that minimizes difficulties as much as possible and allows people to maintain their lives as normal.

Due to the economic reforms carried out in 2023 and the policy decisions taken, the socio-economic situation in 2024 was manageable.

The following achievements have been made in the challenging economic situation prevailed in the year 2024.

- Reforms in state tax policy have been ongoing, and tax revenues have increased.
- Meanwhile, the exchange rate continued to appreciate in 2024, reflecting a surplus in the external current account, supported by net foreign exchange inflows and positive market expectations. In light of these developments in the external sector, the government has focused on considering the relaxation of the remaining import restrictions by the end of the year, in order to boost state fiscal revenue.
- Capital expenditure in the Budget-2023 was allocated at 33.53% of total expenditure, amounting to Rs. 1,225 billion. In the Appropriation Bill for 2024, this has been reduced to Rs. 1,209 billion, representing 31.33% of total expenditure.
- Another major development in the economy was the completion of the debt restructuring process in December 2024.
- The Budget- 2024 increased the allocation for capital expenditure to Rs. 1,260 billion. This is 4% of the Gross Domestic Product.
- Maintaining foreign exchange reserves at a level of USD 6.1 billion at the end of 2024, even after making payments related to the debt restructuring of USD 570 million in December 2024.
- Inflation, which had risen to 70% in September 2022, was reduced to 1.5% by October 2024, and foreign exchange reserves, which had fallen to zero in the previous period, were increased to US$ 3.5 billion.

- Submitting proposals to increase the cost of living allowances in public servant salaries and pensions.
- Submitting proposals to repay public servant Distress Lloans to all public servants.
- Planning to expand the assistance provided through the Aswesuma programme.
- Resuming the decentralized budget programme
- Approving development project proposals and allocating funds.
- From the year 2011, when the Commission was established, to 31.12.2024, 2096 appeals had been received, of which 1566 had been decided. And of that number, 540 decisions had been issued in 2024, which was more than 1/3 of the total.

Challenges

- Increasing government revenue expenditure i.e. budget deficit.
- Balancing fiscal stability
- Restructuring of public debt.
- Increasing the tax burden on the people due to increasing of government taxes.
- Inequality in income distribution
- Increasing the salaries of public servants.
- Providing relief for people facing economic hardship.
- Providing financial facilities to ensure continuous and quality health services.

2.1.2 Future goals

Based on the above-mentioned policy decisions, the main objective is to steer Sri Lanka towards a stable economic situation in 2024 by continuing to implement the strategies required in 2023.

An economic growth of about 5 percent is expected for the year 2025 and utilization of this fiscal space to strengthen external and public financial buffers, enhance non-debt growth gains such as export growth and foreign investment, and systematically resume debt repayment in the future in a manner that preserves long-term financial stability.

Furthermore, after reporting continuous economic contraction since the first quarter of 2023, the Sri Lankan economy recorded positive growth in the third quarter of 2024. Forward-looking economic indicators suggest continued rapid expansion in economic activity and increased political stability in the final quarter of 2024. The strategies implemented in late 2024 are expected to support a return to positive annual economic growth in 2025

The focus is on prudent management of limited tax funds to ensure the best social return from expenditures. In 2025, it is expected to strengthen the small and medium-sized enterprise sector, public transport, rural development and empowerment, agricultural revitalization, local entrepreneurship, research encouragement, and remove obstacles to the growth and efficiency of local and export-oriented industries.

Accordingly, it is planned to take necessary steps to achieve economic independence through restructuring the government service, managing the number of employees based on accepted criteria, further implementing programmes for selected groups through welfare programs that will be implemented from 2024, and other economic strategies.

Secretary,
Ministry of Finance, Planning and Economic Development

Chapter 03. Statement of Financial Performance for the year ended 31 December 2024

3.1 Statement of Financial Performance

ACA -F

Statement of Financial Performance
for the period ended 31st December 2024

Revised Budget Allocations 2024 Rs.		Note	Actual 2024 Rs.	Actual 2023 Rs.	
-	**Revenue Receipts**		-	-	
-	Income Tax	1	-	-	ACA-1
-	Taxes on Domestic Goods & Services	2	-	-	ACA-1
-	Taxes on International Trade	3	-	-	ACA-1
-	Non Tax Revenue & Others	4	-	-	ACA-1
-	**Total Revenue Receipts (A)**		-	-	
-	**Non Revenue Receipts**		-	-	
-	Treasury Imprests		164,337,862,000	54,374,983,038	ACA-3
-	Deposits		2,606,610,436	3,458,503,757	ACA-4
-	Advance Accounts		31,887,568	33,092,275	ACA-5
	Other Main Ledger Receipts		-	19,529,944	
-	**Total Non Revenue Receipts (B)**		**166,976,360,004**	57,886,109,014	
-	**Total Revenue Receipts & Non Revenue Receipts C = (A)+(B)**		**166,976,360,004**	57,886,109,014	
	Remittance to the Treasury (D)		4,485,632,599	1,441,737,294	
	Net Revenue Receipts & Non Revenue Receipts E = (C)-(D)		162,490,727,405	56,444,371,720	
	Less: Expenditure				
-	**Recurrent Expenditure**		-	-	
479,984,000	Wages, Salaries & Other Employment Benefits	5	436,015,542	405,591,699	ACA-2(ii)
3,893,782,000	Other Goods & Services	6	3,825,301,951	733,181,829	ACA-2(ii)
205,287,225,700	Subsidies, Grants and Transfers	7	186,628,710,063	52,469,853,053	ACA-2(ii)
-	Interest Payments	8	-	-	ACA-2(ii)
1,000,000	Other Recurrent Expenditure	9	843,133	156,626	ACA-2(ii)
209,661,991,700	**Total Recurrent Expenditure (F)**		**190,890,870,689**	**53,608,783,206**	
	Capital Expenditure				
99,750,000	Rehabilitation & Improvement of Capital Assets	10	13,071,991	22,885,305	ACA-2(ii)
13,060,000	Acquisition of Capital Assets	11	8,782,383	806,185,330	ACA-2(ii)
142,025,000	Capital Transfers	12	10,285,976	17,033,000	ACA-2(ii)
-	Acquisition of Financial Assets	13	-	-	ACA-2(ii)
31,000,000	Capacity Building	14	10,682,065	11,547,859	ACA-2(ii)
32,251,640,000	Other Capital Expenditure	15	30,613,595,447	371,350,229	ACA-2(ii)
32,537,475,000	**Total Capital Expenditure (G)**		**30,656,417,862**	1,229,001,723	
	Deposit Payments		3,030,965,610	3,069,923,232	ACA-4
	Advance Payments		31,516,648	29,238,772	ACA-5
	Other Main Ledger Payments		-	120,550	
	Total Main Ledger Expenditure (H)		3,062,482,258	3,099,282,554	
	Total Expenditure I = (F+G+H)		224,609,770,809	57,937,067,484	
-	**Balance as at 31st December J = (E-I)**		(62,119,043,404)	(1,492,695,764)	
	Balance as per the Imprest Adjustment Statement		(62,119,043,404)	(1,492,695,764)	ACA-7
	Imprest Balance as at 31st December		-	-	ACA-3
			(62,119,043,404)	(1,492,695,764)	

3.2 Statement of Financial Position

ACA-P

Statement of Financial Position
As at 31st December 2024

	Note	Actual 2024 Rs.	Actual 2023 Rs.
Non Financial Assets			
Property, Plant & Equipment	ACA-6	14,423,181,248	14,414,398,865
Financial Assets			
Advance Accounts	ACA-5/5(a)	63,574,559	63,945,479
Cash & Cash Equivalents	ACA-3	-	-
Total Assets		**14,486,755,807**	**14,478,344,344**
Net Assets / Equity			
Net Worth to Treasury		(146,157,570)	(570,141,823)
Property, Plant & Equipment Reserve		14,423,181,248	14,414,398,865
Rent and Work Advance Reserve	ACA-5(b)	-	-
Current Liabilities			
Deposits Accounts	ACA-4	209,732,129	634,087,302
Unsettled Imprest Balance	ACA-3	-	-
Total Liabilities		**14,486,755,807**	**14,478,344,344**

Detail Accounting Statements in ACA format Nos. 2 to 7 presented in pages from 06 to 44 and Annexures to accounts presented in pages from 45 to 79 form an integral part of these Financial Statements. The Financial Statements have been prepared in accordance with the Government Financial Regulations 150 & 151 and State Accounts Guideline No.06/2024, dated 16.12.2024 and hereby certify that figures in these Finacial 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	Accounting Officer	Chief Financial Officer/ Chief Accountant
Name :	Name :	Name :
Designation :	Designation :	Date : 29·05·2025
Date : 29·05·2025	Date : 29·05·2025	
K.M. Mahinda Siriwardana Secretary to the Treasury and Secretary Ministry of Finance, Planning and Economic Development Ministry of Finance Colombo 01.	A.A.T.K. Adikari Chief Financial Officer Ministry of Finance, Planning and Economic Development	E.M.U.S. Ekanayaka Chief Accountant Ministry of Finance, Planning an Economic Development

3.3 Statement of Cash Flows

ACA-C

Statement of Cash Flows

for the Period ended 31st December 2024

	Actual	
	2024 Rs.	**2023 Rs.**
Cash Flows from Operating Activities		
Total Tax Receipts	-	-
Fees, Fines, Penalties and Licenses	-	-
Profit	-	-
Non Revenue Receipts	85,859,292	19,409,394
Revenue Collected on behalf of Other Revenue Heads	-	-
Imprest Received	164,337,862,000	54,374,983,038
Recoveries from Advance	31,013,493	19,573,899
Deposit Received	2,606,610,436	3,458,503,757
Total Cash generated from Operations (A)	**167,061,345,222**	**57,872,470,088**
Less - Cash disbursed for:		
Personal Emoluments & Operating Payments	4,258,085,169	1,117,167,415
Subsidies & Transfer Payments	154,686,962,673	51,906,889,692
Expenditure incurred on behalf of Other Heads	1,368,984	178,956,448
Imprest Settlement to Treasury	4,485,632,599	1,441,737,294
Advance Payments	30,002,478	15,530,357
Deposit Payments	3,030,965,610	3,069,923,232
Total Cash disbursed for Operations (B)	**166,493,017,513**	**57,730,204,438**
NET CASH FLOW FROM OPERATING ACTIVITIES(C)=(A)-(B)	**568,327,708**	**142,265,650**
Cash Flows from Investing Activities		
Interest	-	-
Dividends	-	-
Divestiture Proceeds & Sale of Physical Assets	-	-
Recoveries from On Lending	-	-
Total Cash generated from Investing Activities (D)	-	-
Less - Cash disbursed for:		
Capital Expenditure	568,327,708	142,265,650
Total Cash disbursed for Investing Activities (E)	**568,327,708**	**142,265,650**
NET CASH FLOW FROM INVESTING ACTIVITIES(F)=(D)-(E)	**(568,327,708)**	**(142,265,650)**
NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (G)=(C) + (F)	-	-
Cash Flows from Fianacing Activities		
Local Borrowings	-	-
Foreign Borrowings	-	-
Grants Received	-	-
Total Cash generated from Financing Activities (H)	-	-
Less - Cash disbursed for:		
Repayment of Local Borrowings	-	-
Repayment of Foreign Borrowings	-	-
Total Cash disbursed for Financing Activities (I)	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(H)-(I)	-	-
Net Movement in Cash (K) = (G) + (J)	-	-
Opening Cash Balance as at 01st January	-	-
Closing Cash Balance as at 31st December	-	-

3.4 Notes to the Financial Statements

Basis of Reporting

1) Basis of Preparation of Financial Statements

The Financial Statements have been prepared in accordance with the Government Financial Regulations 150 & 151 and State Accounts Guideline No.06/2024, dated 16.12.2024

2) Reporting Period

The reporting period for these Financial Statements is from 01st January to 31st December 2024.

3) 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.

4) Recognition of Revenue

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

5) 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.

6) Property, Plant and Equipment Reserve

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

7) Cash and Cash Equivalents

Cash & cash equivalents include local currency notes and coins in hand as at 31st December 2024.

- In cases where there are transactions which are specific to a particular reporting entity, relevant information can be entered in and revisions can be made as needed in the formats and the disclosure required for those specific transactions may be included under “Reporting Basis”
- Only the accounting policies relevant to the reporting entity should be disclosed under the reporting basis.

3.5 Performance of the Revenue Collection

Revenue Code	Description of the Revenue Code	Revenue Estimate		Collected Revenue	
		Original Estimate	Final Estimate	Amount (Rs.)	As a % of Final Revenue Estimate
		Not Relevant			

3.5.1 Details of Tax revenue generated by the Tax Appeals Commission for the Government by hearing Tax Cases

Year	**Number of Appeal**	**Amount of Tax revenue according to the Tax Cases**	
		To Inland Revenue Department (25%)	**To Finance Ministry (10%)**
2022	174	519,362,707	68,814,911
2023	343	2,808,304,990	158,333,005
2024	136	2,498,114,360	271,568,425
Total	653	5,825,782,057	498,716,341

3.6 Performance of the Utilization of Allocation

Type of Allocation	Allocation		Actual Expenditure (Rs.)	Allocation Utilization as a % of Final Allocation
	Original (Rs.)	Final (Rs.)		
Recurrent	206,350,909,000.00	209,661,991,700.00	190,890,870,689.00	91%
Capital	23,599,450,000.00	32,537,475,000.00	30,656,417,861.00	94%

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

Seri-al No	Allocation Received from Which Ministry/ Department	Purpose of the Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
			Original	Final		
01	Ministry Of Wildlife & Forest Conservation	To pay part of Electricity and water of Sino Lanka building (2023 December)	1,302,714.00	1,302,714.00	1,302,714.00	100%
02	Department of Pensions	To the settle of the outstanding debts of Mr. S Giridaran	66,270.00	66,270.00	66,270.00	100%

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. 2024	Balance as Per financial Position Report as at 31.12.2024	Yet to be Accounted	Reporting Progress as a %
9151	Building and Structures	-	3,755,666,953.96	-	
9152	Machinery and Equipment	-	2,226,518,161.74	-	
9153	Land	-	8,389,900,000.00	-	
9154	Intangible Assets	-	51,096,132.08	-	
9155	Biological Assets	-	-	-	
9160	Work in Progress	-	-	-	
9180	Lease Assets	-	-	-	

3.9 Auditor General's Report

Presented as Annexure 01.

Chapter 04 – Performance Indicators

Performance Indicators of the Institute (Based on the Action Plan)

Specific Indicators	Real output as a percentage (%) of Expected Output		
	100%- 90%	75%-89%	50%- 74%
Number of local training opportunities planned	√		
Number of overseas training opportunities received	√		
Number of overseas leave applications received	√		
Number of overseas leave applications forwarded to the Ministry of Public Services and Local Government	√		
Number of Treasury Representatives appointed	√		
No. of Cabinet Papers submitted	√		

- Necessary steps were taken to maintain government accounting activities in a proper manner, monitor financial operations, and recruit employees for those institutions.

- As a line ministry, the necessary guidance and supervision for taking policy decisions regarding the overall administrative activities of state enterprises has been carried out during the relevant periods.

- The financial progress and physical progress of the enterprises under the purview of the Ministry of Finance, Planning and Economic Development have been ensured and follow-up actions have been taken after participating in the relevant COPE Committee meetings and participating in the meetings of the Parliamentary Committee on Public Petitions. The annual reports of the State Enterprises are currently being received and all the reports received have been tabled in Parliament.

- Recommendations for the appointment of procurement committees under the purview of the Ministry of Finance, Planning, and Economic Development, as well as the appointment of ministerial representatives to these committees, were made in a timely manner.

- The Ministry of Finance, Planning and Economic Development has monitored the financial and physical progress of the ongoing projects and submitted the relevant reports to the Department of Project Management and Monitoring on a quarterly basis. Reports containing this information are submitted to the Cabinet of Ministers by those departments as quarterly progress reports.

Chapter 05 - Performance of achieving Sustainable Development Goals (SDG)

5.1 Iidentified relevant Sustainable Development Goals

In sustainable development, there is no separate identification of sustainable development objectives in relation to the Ministry of Finance, Planning and Economic Development. Accordingly, various departments under the Ministry of Finance, Planning and Economic Development, as well as the Treasury, have established specialized units for sustainable economic management at the national level, and by them, the economic development policies related to the respective sectors are prepared, implemented and monitored, subject to the priority of ensuring everyone's access to economic resources. The process also includes the necessary steps to achieve the sustainable development goals.

Here, allocation of financial policies and provisions, development policy plans and programmes are prepared in accordance with the 17 sustainable development objectives. Also, the Ministry of Finance provides the necessary instructions, guidance and provisions to adapt the sustainable development objectives applicable to those institutions in the preparation of development programmes and action plans by each ministry and institution.

5.2 Achievements and Challenges in Achieving Sustainable Development Goals

Due to the fiscal difficulties experienced in 2024, a review of all government development projects and social welfare programs was conducted. Through this, priorities were identified for urgent programmes and projects, and steps have been taken to maintain strategic development activities by giving priority to the expenditure management policy for public financial control.

Given the prevailing difficult economic situation, efforts had been made to provide the necessary financial support to ensure social equity and reduce poverty, and to continue the programs to provide a decent standard of living by the proper maintenance of health and nutritional conditions of the people. Accordingly, under the Samurdhi Subsidy and Aswesuma Assistance Programme, monthly assistance of Rs. 2,500 each for 313,301 transitional families, Rs. 5,000 each for 363,153 vulnerable families, Rs. 8,500 each for 712,542 poor families, and Rs. 15,000 each for 349,050 extremely poor families was planned to be provided for about 18 lakh of people, and after considering the applications, about 1,738,046 people were provided with such assistance throughout the year 2024. Furthermore, a period was given for those who were not eligible for the Aswesuma programme to submit appeals and, until those appeals were considered, those who had received Samurdhi, disability, kidney and elderly allowances were provided with the same allowances as they had received until then. After considering the appeals, arrangements have been made to provide Aswesuma benefits to about 1.8 million people in the year 2025 and to maintain the program for a period of 3 years. The provision of lunch to children in schools identified for nutritional needs and assistance to pregnant mothers were also continued. Considering the prioritizing of sustainable development goals 01, 02, 03 and 04 as a major responsibility of the government, every necessary program was implemented by providing all necessary provisions to maintain the quality of free education and health service as much as possible, and funds were allocated to provide essential services to health departments as much as possible despite the economic crisis.

In the face of the local financial crisis, the government intervened to further develop infrastructure through new development projects and to maintain and maintain essential infrastructure, despite the fact that it had to stop relying on foreign loans. With a strong focus on the main sustainable development goals that are consistent with maintaining the living conditions of the people, those programmes were implemented to provide a good living condition to the people and reduce economic difficulties under the support and supervision of the World Bank and the Asian Development Bank and, the National Budget Department, The Department of National Planning and the Department of External Resources actively contributed for that.

Actions were taken to protect the small and medium enterprises by implementing other programmes to provide them with the necessary support and concessions related to the agriculture industry and, regarding this, the Department of Development Finance implemented various projects involving the state and other commercial banks in order to maintain the socio-economic situation

The main objectives of the Ministry of Finance, Planning and Economic Development are to direct economic activities to create economic development based on the Sustainable Development Goals. Accordingly, the programmes and projects necessary to confirm the mission of the Ministry for economic development were carried out throughout the year 2023.

Chapter 06 - Human Resource Profile

6.1 Cadre Management

	Approved Cadre	Existing Cadre	Vacancies / (Excess)**
Senior	45	39	06
Tertiary	07	06	01
Secondary	162	146	16
Primary	133	126	07
Total	347	317	30

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

Service requirements of the organization had been managed by the use of existing number of employees.

6.3 Human Resource Development

Name of the Programme	No. of employees trained	Duration	Total Investment (Rs'000)		Nature of the programme (local/Foreign)	Output/ acquired knowledge*
			Local	Foreign		
ADB Safeguard Policy Review and Update - Regional Constitution for South Asia	01	2024.02.21 2024.02.24			Foreign	
Advanced Seminar on Infrastructure Connectivity	01	2024.02.26 2024.03.13			Foreign	
Seminar on Countering Trade Barriers for Developing Countries in China	01	2024.02.26 2024.03.14			Foreign	
Seminar on Capacity Building for Think Tanks from BRI Countries	01	2024.04.09 2024.04.22			Foreign	
Seminar on Government Effectiveness and Efficiency for Developing Countries	01	2024.04.09 2024.04.22			Foreign	
Seminar Young Diplomats From Sri Lanka	02	2024.04.14 2024.04.30			Foreign	
Advanced Seminar For on Anti-Poverty issues Under the	01	2024.05.10 2024.05.23			Foreign	

Global Development Initiative						
Mid-Career Training Programme for Island Services Officers	01	2024.05.13 2024.05.24			Foreign	
Seminar on International and industry Marketing Strategies for Agriculture Product for Development Countries	01	2024.05.19 2024.06.04			Foreign	
Supply Chain Resilience from 10th -14th June 2014 (in Singapore)	01	2024.06.09 2024.06.15			Foreign	
Seminar on Experience in Sustainable Social Development and Poverty Reduction for Developing Countries - China	01	2024.06.17 2024.07.03			Foreign	
Seminar on Trade Investment and Industrial Management under Global Development Initiatives-	01	2024.06.24 2024.07.10			Foreign	
2024 KOICA Invitational Fellowship Training Programme	02	2024 07.07 2024.07.20			Foreign	
Seminar on Leadership Management of Government Officials for Belt and Countries	01	2024.07.14 2024.07.30			Foreign	
Seminar on Renewable Energy Development and Utilization for Republic of Sri Lanka	01	2024.08.14 2024.08.27			Foreign	
Malaysian Technical Cooperation programme (MTCP) Economic Diplomacy course from International Participants	01	2024.08.18 2024.08.28			Foreign	
The Project for Human Resource Development Scholarship Programme (JDS) in Sri Lanka	01	2024.08.17 2026.10.10			Foreign	
Seminar on E-commerce Standardization Cooperation between China and South Asian Conuntries	01	2024.08.28 2024.09.11			Foreign	
Seminar on Financial Strategy for the BRI Partner Countries	02	2024.09.01 2024.09.10			Foreign	
Seminar on Addressing Climate Change and Green Development under the Global Development initiative	01	2024.09.03 2024.09.17			Foreign	
Seminar on Application and Management of PPP Mode Sri Lanka	01	2024.10.09 2024.10.26			Foreign	
Seminar for Members of Global Development	01	2024.10.10 2024.10.22			Foreign	

Promotion Center Network						
Advanced Seminar For on Anti-poverty Issues Under the Global Development Initiative	01	2024.10.20 2024.10.23			Foreign	
Seminar on China's Poverty Alleviation Experience for Sri Lanka	02	2024.10.30 2024.11.15			Foreign	
The Belt and Road Initiative Talent Development Program Senior Seminar 2024	01	2024.11.30 2024.12.07			Foreign	
IMF SARTTAC Training Course on Institutional Sector Accounts	01	2024.12.08 2024.12.15			Foreign	
Sixth Career Training Programme for Island Service Officers of Sri Lanka Under the ITEC 2024/2025	01	2024.12.08 2024.12.21			Foreign	
The 3rd China – Indian Ocean Region Forum on Development Cooperation	01	2024.12.13 2024.12.17			Foreign	
Seminar on Application and Management of PPP Mode for Sri Lanka	01	2024.10.09 2024.10.26			Foreign	

Chapter 07 - Compliance Report

No.	Relevant requirement	Compliance status (compliance/non-compliance)	Brief explanations for non-compliances, if any	Correct decisions proposed for preventing non-compliances in future
1	**The Following Financial statements/accounts have been submitted on the due date**			
1.1	Annual financial statements	Complied		
1.2	Advance to the public officers' account	Complied		
1.3	Trading and Manufacturing Advance Accounts (Commercial Advance Accounts)	Not applicable		
1.4	Stores Advance Accounts	Not applicable		
1.5	Special Advance Accounts	Not applicable		
1.6	Others	-		
2	**Maintenance of books and registers (FR445)**			
2.1	Fixed assets register has been maintained and update in terms of Public Administration Circular 267/2018	Complied		
2.2	Personal emoluments register/ Personal emoluments cards has been maintained and update	Complied		
2.3	Register of Audit queries has been maintained and update	Complied		
2.4	Register of Internal Audit reports has been maintained and update	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 have been maintained and update	Complied		
2.7	Inventory register has been maintained and update	Complied		
2.8	Stocks Register has been maintained and update	Complied		
2.9	Register of Losses has been maintained and update	Complied		

2.10	Commitment Register has been Maintained and update.	Complied		
2.11	Register of Counterfoil Books (GA-N20) has been maintained and Update	Complied		
3	**Delegation of functions for financial control (FR 135)**			
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 has 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		
4	**Preparation of Annual Plans**			
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		
5	**Audit queries**			
5.1	All the audit queries has been replied within the specified time by the Auditor General	Complied		
6	**Internal Audit**			
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 has 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 Regulation 134(3)	Complied		
7	**Audit and Management Committee**			
7.1	Minimum 04 meetings of the Audit and Management Committee has been held during the year .	Complied		
8	**Asset Management**			
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. 01/2020	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		
9	**Vehicle Management**			
9.1	The daily running charts and monthly summaries of the pool vehicles had been prepared and submitted to the Auditor General	Complied		

	on due date			
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning	Complied		
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	Complied		
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	Complied		
10	**Management of Bank Accounts**			
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	Not applicable		
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		
11	**Utilization of Provisions**			
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		
12	**Advances to Public Officers Account**			
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		

13	**General Deposit Account**			
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		
14	**Imprest Account**			
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 issued as per F.R. 371 settled within one month from the completion of the task	Complied		
14.4	The balance of the imprest account had been reconciled with the Treasury books monthly	Complied		
15	**Revenue Account**			
15.1	The refunds from the revenue had been made in terms of the regulations	Not applicable		
15.2	The revenue collection had been directly credited to the revenue account without credited to the deposit account	Not applicable		
15.3	Returns of arrears of revenue forward to the Auditor General in terms of FR 176	Not applicable		
16	**Human Resource Management**			
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		
17	**Provision of information to the Public**			
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	Complied		

	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			
17.3	Bi- Annual and Annual reports have been submitted as per section 08 and 10 of the RTI Act	Complied		
18	**Implementing citizens charter**			
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	Complied		
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	Complied		
19	**Preparation of the Human Resource Plan**			
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 aforesaid 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 programmes and conducting skill development programs as per paragraph No.6.5 of the aforesaid Circular	Complied		
20	**Responses Audit Paras**			
20.1	The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified	Complied		