Annual Performance Report of the Finance Commission - 2025

Expenditure Head No. 011

Finance Commission

No.03, Sarana Mawatha, Rajagiriya

Contents

Chapter - 01: Institutional Profile / Executive Summary

1.1 Introduction

1.1.1 Background

The Finance Commission was established under Article 154R of the Constitution of the Democratic Socialist Republic of Sri Lanka by the 13th Amendment enacted in 1987 which was brought to establish Provincial Councils through the decentralization of powers. The duty of the Finance Commission is to make recommendations to the Government on the allocation of adequate funds from the annual budget of the Government to meet the needs of the provinces; to make recommendations to the President as to the principles on which such funds granted annually by the Government to the provinces, be apportioned between the provinces with the objective of achieving balanced regional development within the country; and to make recommendations to the President on any other matter referred by the President relating to provincial finance. Accordingly, the Finance Commission plays a vital role in the process of equitable distribution of resources among provinces, in order to facilitate the delivery of services by the Provincial Councils for the achievement of socio-economic development of the provinces.

1.1.2 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 mandate. As set out in Sub Articles 154R (3), (4), and (5) of the Constitution the mandate of the Finance Commission 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.

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

1.1.3 Members of the Finance Commission

In accordance with Sub Article 154R (1) of the Constitution, the Finance Commission shall consist of five members as follows:

a) the Governor of the Central Bank of Sri Lanka;

b) the Secretary to the Treasury; and

c) three other members appointed by the President (on the recommendation of the Constitutional Council), to represent there major communities each of whom shall be a person who has distinguished himself, held high office in the field of finance, law, administration, business or learning.

Accordingly, the current Members are as follows;

i. Mr. Sumith Abeysinghe - Chairman

ii. Dr. P. Nandalal Weerasinghe - Member (Ex-officio) and the Governor of the Central Bank of Sri Lanka

iii. Dr. Harshana Suriyapperuma - 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 Finance Commission

Vision:

A prosperous Sri Lanka through balanced regional development.

Mission:

Assess the needs and make recommendations with the principles on apportionment funds for provinces in order to achieve balanced regional development in the country.

Objectives of the Commission:

1. To fulfill the mandate of the Finance Commission as prescribed by the Constitution.

2. To make recommendations to provide adequate funds available from the Treasury for the purpose of meeting the needs of the Provinces.

3. To make recommendations for rational distribution of financial resources among the Provinces aiming balanced regional development.

4. Sending Guidelines to the Provincial Councils to ensure that allocated funds are spent prudently.

1.3 Main Functions Performed by the Finance Commission

As set out in 1.1.2 above, in accordance with Sub Article 154R (3), (4), and (5) of the Constitution, Finance Commission is carrying out following functions in performing its duties;

i. Issues Guidelines to the Provincial Councils on the estimation and submission of capital and recurrent needs of Provinces annually.

ii. Assesses the recurrent and capital needs of Provinces after studying and detailed discussions with provincial authorities.

iii. Submits recommendations to the Government on the requirement of adequate funds from the Annual Budget to meet the needs of the Provinces.

iv. Submits recommendations to the Hon. President on the principles pertaining to the apportionment of such funds allocated by the Government for the needs of Provinces, between nine Provinces.

v. Apportionment of the funds allocated by the Annual Budget between Provinces; and various sectors of the Provinces.

vi. Issues Guidelines pertaining to the preparation of Provincial Annual Development Plans with a view to improve the efficiency and effectiveness of the use of funds.

vii. Reviews the Provincial Annual Development Plans with the participation of all relevant stakeholders and grants concurrence for the implementation of same subject to amendments proposed as required.

viii. Provides recommendations to the Government on the management of the provincial cadre.

1.4 Main Divisions of the Office of the Finance Commission

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

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

1.4.1 Functions of the Divisions in the Office of the Finance Commission

a. Policy, Studies and Reporting Division

1. Assisting the Commission in the formulation of annual recommendations of the Finance Commission submitted to the Hon. President.
2. Assisting the Commission to prepare the principles on apportionment of funds between provinces.
3. Overall coordination of the Finance Commission meetings.
4. Carrying out relevant activities in relation to foreign-funded projects implemented under devolved subjects.
5. Preparation and submission of Annual Performance Reports of the Finance Commission to Parliament.
6. Preparing and submitting Progress Report to Parliament for the Committee Stage Debate of the Budget.
7. Preparing other periodic reports as required.

b. Provincial Development Planning Division

1. Issuing Guidelines to Provincial Councils to submit the annual provincial capital needs.
2. Assessment of Provincial capital needs for the inclusion in the recommendations of the Finance Commission and apportionment of funds allocated from the Annual budget between the Provinces.

3. Apportionment of funds allocated to each Province among devolved subjects.

4. Issuing Guidelines for the preparation of Provincial Annual Development Plans.

5. Issuing guidelines for the preparation and implementation of maintenance activity plans, for the preparation of special project proposals under the Province-Specific Development Programme, and for the implementation of the School Nutrition Programme.

6. Review the Provincial Annual Development Plans and granting concurrence for implementation of such plans.

c. Provincial Revenue, Provincial Recurrent Needs and Cadre Assessment Division

1. Issuing Guidelines to Provincial Councils to submit the provincial recurrent needs.

2. Assessment of recurrent needs of individual Provincial Councils, Local Government Institutions and Provincial Authorities and apportionment of grants allocated by the government for this purpose among the Provinces.

3. Assessment of Provincial revenue and setting revenue targets.

4. Recommendation of supplementary allocations to the treasury as per the requirement of Provinces.

5. Liaison with the Department of Treasury Operations (TOD) in releasing imprest for Provincial needs.

6. Liaison with the Department of Management Services (DMS) in determining the number of Provincial cadre.

d. Administration Division

1. Personal File matters - recommendation and approval of salary increments, performance appraisals, collecting declarations of assets and liabilities of the relevant officials, WOP matters, pension matters and death gratuity matters, promotion matters and transfers.

2. Leave matters - Foreign and local leaves of the officials and Finance Commission Members, study leave matters with pay or without pay, other relevant leave matters according to the Public Administration Circulars and other Government Circulars.

3. Relevant maintenance matters of the office - Water, electricity, telephone, internet, security service, cleaning service and building maintenance matters.

4. Approving all payments - salary, Graduate training allowance, overtime, one fourth payments subject to the earnings and other payments.

5. All administration matters of the Commission Members.

6. Loan matters of the officials - Distress Loan, Festival Advance and Special Advance, Property Loans and Other Loans.

7. Human Resource Development Programs - referring officials to local and foreign trainings, conducting and organizing training programs.

8. Other administrative matters - sending reports on times.

e. Accounts Division

1. Implementation of financial management in accordance with the provisions of financial regulations, government circulars and guidelines in relation to recurrent and capital budget of the office of the Finance Commission.

2. Performing of the activities related to procurement.

3. Implementation of Asset Management of the office of the Finance Commission.

4. Preparation and submission of annual financial statements, budget estimates.

5. Maintaining the advance B account of public officers within the prescribed limits and submission of annual reconciliation reports.

6. Coordination of internal and general audit matters and Committee on Public Accounts matters relevant to the office of the Finance Commission.

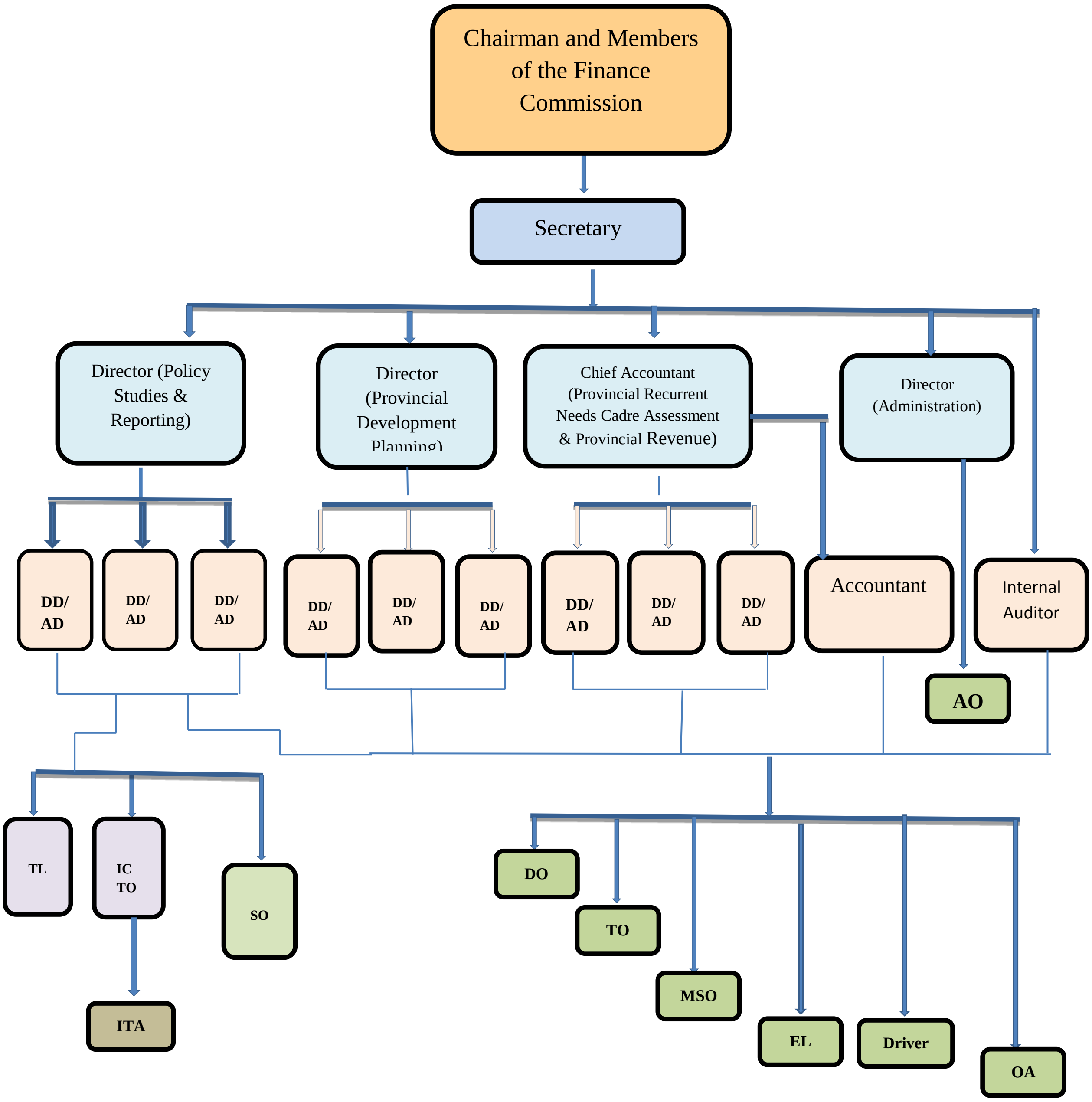
f. Internal Audit Division

1. Preparation of the Annual Internal Audit Plan.

2. Evaluation of the internal control system for managing the resources efficiently and effectively in order to achieve the expected objectives of the Finance Commission and suggesting good practices 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, and making recommendations for corrections and improveme

1.5. Organizational Structure of the Finance Commission



DD/AD	Deputy Director/Assistant Director	**DO**	Development Officer
AO	Administrative Officer	**TO**	Technical Officer
TL	Language Translator	**ITA**	IT Assistant
ICTO	Information & Communication Technology Officer	**MSO**	Management Service Officer
		EL	Electrician
SO	Statistical Officer	**OA**	Office 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 projects implemented by the Finance Commission

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

Chapter - 02: Progress and the Future Outlook

2.1 Progress

During the year 2025, the Finance Commission performed the following major functions which were mandated by the Constitution of the Democratic Socialist Republic of Sri Lanka and inline with the time frame of the Action Plan for the year.

2.1.1. Matters Pertaining to the Provincial Capital Budget

I. Issuing the Guidelines to Provincial Councils for the preparation of capital needs for the year 2026

The Guidelines for the preparation and submission of capital needs for the year 2026 were sent to all Provincial Chief Secretaries on 11th of February 2025. The Finance Commission assesses the financial needs of the Provincial Councils annually, in order to make recommendations to allocate funds from the Annual Budget of the Government for the Provincial Councils to meet their expenditure needs of the ensuing year. These Guidelines assist the Provincial Councils to prepare and submit their annual resource needs for Capital nature expenditure in a rational and meaningful manner.

II. Reviewing and Granting Concurrence for the Provincial Annual Development Plans for the year 2025

The Finance Commission received the Provincial Annual Development Plans (ADPs) for the year 2025 from all nine Provincial Councils as per the Guidelines issued by the Finance Commission on 29th of December 2024.

Each Plan was carefully reviewed, and a series of detailed discussions were conducted virtually to clarify issues and obtain additional information where necessary from Provinces. The meetings were chaired by the Chairman of the Finance Commission and attended by the appointed Commission Members and the Secretary of the Commission, senior officers from the Department of National Planning, Department of National Budget, Department of Treasury Operations and the Department of Project Management and Monitoring. Hon.Governors of the Provinces, Provincial Chief Secretaries, Secretaries of Provincial Ministries, Deputy Chief Secretaries (Planning & Finance), , Heads of Provincial Departments and other senior officials participated in the discussion representing the respective Provinces.

By the end of the first quarter of 2025, reviewing of all Provincial Annual Development Plans was completed. Concurrence in principle was granted up to the Broad Activity Areas of each Plan, subject to necessary amendments based on the observations made by the Commission during the review meetings.

The dates of the Provincial Annual Development Plans received, review meetings held and written concurrence given are as follows:

Table 01 : 2025 Provincial Annual Development Plan Approval Dates

Province	Date of the Annual Development Plan Received	Date of Review Meeting held	Date of Concurrence given
Western	2025.02.20	2025.03.21	2025.04.02
Central	2025.03.04	2025.03.28	2025.04.11
Southern	2025.02.13	2025.03.06	2025.03.29
Northern	2025.02.13	2025.03.11	2025.03.29
North Western	2025.02.24	2025.03.19	2025.04.01
North Central	2025.02.18	2025.03.18	2025.04.01
Uva	2025.02.19	2025.03.25	2025.04.03
Sabaragamuwa	2025.02.24	2025.03.12	2025.03.29
Eastern	2025.02.14	2025.03.14	2025.03.29

III. Reviewing and granting concurrence to the Provincial Maintenance Activity Plans for the year 2025

As it has been a challenge to meet the capital nature expenditure of the Provinces within the limited fiscal space of the Government, the Finance Commission proposed that sufficient funds be allocated to ensure the proper maintenance of existing provincial capital assets that will avoid unnecessary larger expenses for rehabilitation in the future. Accordingly, the Commission recommended that each Provincial Council be provided allocations under recurrent expenditure for maintenance of capital assets.

In response to this recommendation, Rs.25,000 million was allocated by the Treasury through the Annual Budget 2025 for maintenance of provincial capital assets. The Finance Commission issued Guidelines on the preparation of Maintenance Activity Plans for major sectors on 31st of December 2024 and each Provincial Council submitted their Maintenance Activity Plans in line with the Guidelines for the concurrence of the Finance Commission.

Dates of granting the concurrence for implementation of the Maintenance Activity Plans are as follows;

Table 02: Dates of Approval for the Implementation of Maintenance Plans

Province	Date of the Maintenance Activity Plan Received to FC	Date of Concurrence granted
Western	2025.04.25	2025.04.29
Central	2025.03.04	2025.04.10
Southern	2025.04.17	2025.04.29
Northern	2025.02.20	2025.04.10
North Western	2025.02.28	2025.04.10
North Central	2025.02.19	2025.04.10
Uva	2025.04.09	2025.04.10
Sabaragamuwa	2025.04.03	2025.04.10
Eastern	2025.02.14	2025.04.10

IV. Issuing Guidelines for the Implementation of School Nutritional Food Programme for the year 2025

A Budgetary allocation of Rs.32 billion was made to the nine Provincial Councils for the School Nutritional Food Programme -2025. Accordingly, The Guidelines were prepared and sent to the Provincial Councils on 9th of January 2025 on implementation the School Nutritional Food Programme. The purpose of issuing these Guidelines was to facilitate and direct the Provincial Councils for the efficient and effective utilization of the allocated funds for the programme. Therefore, it is expected that the funds provided for this programme are utilized by the Provincial Council in an integrated manner with other relevant sectors with a due consideration to these guidelines in order to provide a better value added meal to the school children with the objective of enhancing the nutritional level of children.

V. Issuing Guidelines on preparation of project proposals on Special Development Projects for the year 2025

The Finance Commission issued Guidelines on 24th of January 2025 to facilitate the Provincial Councils on preparation of proposals of Special Development Projects using the allocations provided under the Provincial Specific Development Grants (PSDG) for the year 2025. Further, a virtual meeting was held on 31st of January 2025 to raise awareness among provincial officers on the preparation of project proposals for Special Development Projects. It was chaired by the Chairman and the Secretary of the Finance Commission and attended by the Provincial Chief Secretaries, Deputy Chief Secretaries (Planning), and other relevant officers of the provincial agencies. In the said meeting, Provincial Councils were guided to identify suitable projects and prepare proposals as per the issued Guidelines, enabling to achieve the expected outcomes through the implementation of such projects.

VI. Clean Sri Lanka Programme

The Presidential Secretariat had allocated funds for the Education Sector of all Provincial Councils and the Local Government Sector of the Western Province under the "Clean Sri Lanka" program in the year 2025. The Finance Commission also provided the necessary guidelines to the Provincial Councils in implementing the various components under this program.

(a) "Clean Sri Lanka" Programme - Provincial Schools Sector

A sum of Rs.760 million has been allocated for Provincial Councils by the Presidential Secretariat under the "Clean Sri Lanka Programme – 2025" to implement the following three projects in Provincial Schools.

(i) Essential renovation and maintenance of school buildings and infrastructure to ensure a safe learning environment in Provincial schools - Rs.250 million

(ii) Improving sanitation facilities in the identified provincial schools to ensure a comfortable learning environment - Rs.500 million

(iii) Awareness programmes targeting attitudes and ethics related to the Clean Sri Lanka concept for school communities - Rs.10 million

The Finance Commission apportioned the above allocations among nine Provinces and issued Guidelines on 29th of April 2025 to facilitate the Provincial Councils in preparation of the Action Plans for above 3 projects. Accordingly, the Action Plans were submitted by all Provincial Councils as per the Guidelines. A review meeting on the plans was held on 20th of May 2025 virtually with the participation Chief Secretaries of all Provinces, Officials from the Ministry of Education, Presidential Secretariat (Clean Sri Lanka Secretariat), officials of Department of National Planning, Department of National Budget, Deputy Chief Secretaries (Planning) and other relevant Provincial officials. The concurrence in principle was granted on 23rd of May 2025 to implement the proposed activities.

(b) "Clean Sri Lanka" Programme - Local Government Sector (Western Province)

An amount of Rs.432.6 million has been allocated for the following projects under the "Clean Sri Lanka" Programme within the 2025 Budget for the Local Government Sector of the Western Province.

i. Developing a new Processing Center (Recycling Center) at Karadiyana for collection and proceeding of non-biodegradables - Rs.222.6 million

ii. Construction of Composting Plant using solid waste at Karadiyana - Rs.100 million

iii. Construction of a Sewerage System in Maligawaththa area - Rs.50 million

iv. Minimizing illegal dumping of waste through monitoring with a mobile CCTV system – Rs.10 million

v. Facilitate 10 mobile libraries with vehicles for selected Local Authorities in Western Province - Rs.50 million

The Finance Commission issued Guidelines on above (i), (ii) and (iii) on 22nd of May 2025 for the preparation of Action Plans for these allocations, and the Western Provincial Council submitted the Activity Plans for those projects as per the guidelines.

Accordingly, after having a discussion on 18th of June 2025 at the Finance Commission with the officials of the Western Provincial Council, the Waste Management Authority of Western Province and the Colombo Municipal Council together with the officials of the Presidential Secretariat (Clean Sri Lanka Secretariat), the Department of National Planning, the Department of National Budget and the Department of Treasury Operations, concurrence was granted in principle for the Activity Plans of projects (i), (ii) and (iii) above on 20th of June 2025. For the Action Plans of project number (iv) and (v), concurrence was granted in principle on 1st of July 2025 after reviewing the Action Plans submitted by the Western Provincial Council.

VII. Assessment of Provincial Capital Needs for the Year 2026

The assessment of provincial capital needs is a prerequisite for making Recommendations to the Government and the Hon. President under Sub Article 154R (3) and (4) of the Constitution.

As per the Guidelines issued on 11th of February 2025 by the Finance Commission, all Provincial Councils submitted their Capital Needs for 2026. Dates on which the capital needs received by the Finance Commission were as follows;

Table 03 : Dates of Submission of Provincial Capital Requirements

Province	**Date of the Provincial Capital Need Received**
Western	2025.05.15
Central	2025.06.05
Southern	2025.04.04
Northern	2025.03.26
North Western	2025.05.22
North Central	2025.04.03
Uva	2025.05.16
Sabaragamuwa	2025.04.29
Eastern	2025.02.15

The Capital expenditure requirement of the Provincial Councils for the year 2026 were assessed which was proposed to be utilized through 23 main devolved subjects to the Provincial Councils. Based on the assessed figures, Finance Commission recommended to the Government regarding the funds requirements for 2026 to meet the capital nature expenditures of the Provinces. This recommended amount was apportioned among Provinces in a rational manner based on the statistical formula which was developed in consultation with Department of Census and Statistics.

VIII. Guidelines for the preparation of the Provincial Annual Development Plans (ADPs) for the year 2026

The Guidelines for the preparation of the Provincial Annual Development Plans (ADPs) 2026 were issued well in advance on 07th October 2025 (compared to last year) with the intention of expediting the preparation & implementation of Provincial Annual Development Plans for the year 2026. It is expected that this arrangement will help to avoid the possible delays experienced in the past on the implementation of the Annual Development Plans by the Provinces, as the availability of funds was communicated in the past only after the passage of the Appropriation Bill for the following year.

These Guidelines directed the preparation of ADPs to ensure the efficient/ effective utilization of funds allocated to Provincial Councils for the year 2026 maximizing the benefits of such expenses for the public. Provincial ADPs were prepared in line with the Medium–Term Development Plans of respective Provincial Councils and based on the National Policy Framework and development priorities of the country and particularly the respective Province.

IX. Guidelines on the preparation and Implementation of Maintenance Activity Plan for the year 2026

A sum of Rs.27,500 million was allocated by the Treasury through the Annual Budget 2026 for maintenance of Provincial Capital assets. Accordingly, the Finance Commission issued guidelines on 20th November 2025 on the preparation and implementation of the Maintenance Activity Plan for the year 2026 with the purpose of effective utilization of funds allocated for this purpose as this allocation also has to be considered as a part of Provincial Development Investments and also in view of the need to utilize limited funds prudently Accordingly, more than 60% of the allocation should be utilized for maintaining assets which provide services to the general public directly.

X. Preparing Guidelines on the implementation of the School Nutritional Food Program for the year 2026

A Budgetary allocation of Rs.33,500 million was made available to the nine Provincial Councils for the School Nutritional Food Programme - 2026. Accordingly, the Guidelines were prepared and sent to the Provincial Councils on 20th of November 2025 to facilitate and direct the Provincial Councils for the efficient and effective utilization of the allocated funds to achieve the objectives of the programme. Therefore, it is expected that the funds provided for this programme are utilized by the Provincial Councils with a due consideration to these guidelines in order to provide a nutritious meal to the school children with the objective of enhancing the nutritional level of children. The Provinces are instructed to implement the School Nutritional Food Programme in an integrated manner with other contributing sectors like Agriculture, Livestock, Inland Fisheries etc.to add value to the meal.

XI. Guidelines on the Implementation Special Development Projects under Provincial Specific Development Grant (PSDG) - 2026

The Finance Commission issued Guidelines on 20th of November 2025 to facilitate the Provincial Councils on preparation of proposals of Special Development Projects using the allocations provided under the Provincial Specific Development Grants (PSDG) for the year 2026 with a view of ensuring the achievement of expected outcomes by utilizing the funds affectively allocated for this purpose.

XII. Discussion on the submission of the Annual Development Plan (ADP) - 2026

A virtual meeting to discuss the preparation and submission of Annual Development Plans of all Provincial Councils for the year 2026 was held with Provincial Authorities on 06th of November 2025. The meeting was held under the chairmanship of Chairman of the Finance Commission with the participation of Secretary of the Finance Commission. The Hon. Governors of nine Provinces, Provincial Chief Secretaries and other senior officers from the Department of National Planning and Department of National Budget, Deputy Chief Secretaries (Planning and Finance), Heads of Provincial Departments, other senior officials of the Provincial Councils and the Finance Commission also participated in the discussion.

The objective of this meeting was to discuss the important matters embodied in the guidelines issued by the Finance Commission on preparation of Annual Development Plans - 2026 and to make aware of the importance of adhering to the project appraisal process as per the Provincial Financial Regulations as provided under the Public Financial Management Act No.44 of 2024, the Provincial Council and Local Government are required to be transparent and responsible for expenses. Accordingly, Provincial Councils were instructed to make sure that the Provincial Planning Committee and Ministry level Planning Unit are functional in order to ensure that projects are appraised properly before incorporating into the Annual Development Plans.

XIII. Reviewing and Granting Concurrence for the Provincial Annual Development Plans for the year 2026

The Finance Commission received the Provincial Annual Development Plans (ADPs) for the year 2026 from all nine Provincial Councils as per the Finance Commission's Guidelines issued on 07th of October 2025.

Each Plan was carefully reviewed, and a series of detailed discussions were conducted virtually with the Provinces (except for Western Province which was held physically at the Western Provincial Council) to clarify issues and obtain additional information where necessary on the

Plans. The meetings were chaired by the Chairman of the Finance Commission and attended by the Hon. Governors of the Provinces, appointed Commission Members and the Secretary of the Commission, senior officers from the Ministry of Public Administration, Provincial Council and Local Government, the Department of National Planning, the Department of National Budget, the Department of Treasury Operations and the Department of Project Management and Monitoring, Hon. Governors of the Provinces, as well as Provincial Chief Secretaries, Secretaries of Provincial Ministries, Deputy Chief Secretaries, , Heads of Departments and other senior officials from the provincial setup.

During the discussions, plans were thoroughly reviewed and observations and recommendations were made with the objective of utilization of funds prudently and effectively for the maximum benefits of the people of the Provinces. Subsequently, the formal concurrence in principle was granted in worthy to all nine Provinces before 31st December 2025 upto Broad Activity Areas in the Development Plans subject to certain amendments which were discussed and informed the provincial Authorities during the discussions.

As concurrence was granted prior to 31st December 2025, the activities of the development plan can be implemented from the beginning of the year 2026 without being delay, ensuring to achieve higher financial and physical progress at the end of the year

Table 04: Dates of Approval for the 2026 Provincial Annual Development Plans

Province	Date of the Annual Development Plan Received	Date of Review Meeting held	Date of Concurrence given
Western	2025.11.19	2025.12.10	2025.12.29
Central	2025.11.17	2025.12.03	2025.12.29
Southern	2025.11.17	2025.12.02	2025.12.29
Northern	2025.11.21	2025.12.15	2025.12.29
North Western	2025.11.14	2025.12.05	2025.12.26
North Central	2025.11.24	2025.12.17	2025.12.29
Uva	2025.11.19	2025.12.13	2025.12.29
Sabaragamuwa	2025.11.25	2025.12.19	2025.12.30
Eastern	2025.11.14	2025.11.27	2025.12.26

XIV. Capital Grants for the Year 2025

A summary of the amounts of capital allocations requested by the provinces for the year 2025, the amounts recommended by the Finance Commission, the amounts of grants allocated by the Budget for the year 2025, and the amounts of imprest released by the Treasury is presented in the table below.

Table 05 : Financial Status of the Capital Funds for the Year 2025

Province	Request (Rs.mn) (a)	Recommendation (Rs.mn)			Budgetary Provision (Rs.mn)			Imprest Released (Rs.mn)			Imprest Released as a % of Budgetory Provision e = (d/c*100)
		PSDG	CBG	Total (b)	PSDG	CBG	Total (c)	PSDG	CBG	Total (d)	
Western	16,429	13,538	1,658	15,196	5,894	585	6,479	5,800	585	6,385	99
Central	9,754	16,905	2,070	18,975	7,360	730	8,090	6,010	725	6,735	83
Southern	15,675	16,023	1,962	17,985	6,976	692	7,668	5,769	692	6,461	84
Northern	20,561	16,832	2,061	18,893	7,328	727	8,055	7,328	727	8,055	100
North Western	19,905	15,700	1,922	17,622	6,835	678	7,513	6,493	678	7,171	95
North Central	7,843	16,111	1,973	18,084	7,014	696	7,710	5,007	679	5,685	74
Uva	11,117	17,655	2,162	19,817	7,688	763	8,451	5,382	534	5,916	70
Sabaragamuwa	13,330	17,420	2,133	19,553	7,584	753	8,337	3,049	386	3,435	41
Eastern	62,634	16,816	2,059	18,875	7,321	726	8,047	6,590	703	7,293	91
Total	**177,248**	**147,000**	**18,000**	**165,000**	**64,000**	**6,350**	**70,350**	**51,427**	**5,709**	**57,136**	**81**

2.1.2. Matters Pertaining to the Provincial Recurrent Budget

I. Issuance of Guidelines for Assessing Recurrent Needs for the Year 2026.

The process of provincial recurrent needs assessment was commenced with the issuance of Guidelines on Recurrent Needs Assessment for the year 2026 to the Provincial Councils on 7th March 2025. These Guidelines were mainly based on assessing the Personal Emoluments, Other Recurrent Expenditure (ORE), Transfers to Local Authorities, and revenue targets for Provinces. Along with the Guidelines, a set of relevant formats were also sent to the Provincial Councils to be filled in presenting their requests for grants.

II. Assessment of Provincial Recurrent Needs for 2026

According to the timeframe annexed to the Guidelines, Provincial Councils submitted their recurrent requirements in duly completed formats to the Finance Commission. Consequently, provincial recurrent needs for the year 2026 were assessed in consultation with provincial authorities. For this purpose, several meetings were held with the participation of provincial officials including Chief Secretaries, Secretaries of the Provincial Ministries, Deputy Chief Secretaries, Department Heads and the Directors of Budget. Department of National Planning, The officials representing the Department of National Budget, Department of Management Services, and Department of Treasury Operations also participated in these meetings.

The schedule of annual budget discussions conducted on recurrent needs assessment is shown below.

Table 06: The schedule of annual budget discussions conducted in 2025

Province	Dates on which discussions held
Western	2025.07.16
Central	2025.07.02
Southern	2025.07.09
Northern	2025.07.07
North Western	2025.07.18
North Central	2025.07.22
Uva	2025.07.14
Sabaragamuwa	2025.07.11
Eastern	2025.06.30

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 sent to the General Treasury to be considered in preparation of National Budget of 2026. The Recommended Block Grant for Provincial Councils was informed to the Treasury on 2025.08.14 as Rs.692,416 million (including revenue transfers for local government authorities, contingency fund and requests for advance B account).

IV. Informing the allocated amounts to the Provinces for the year 2026

Pursuant to the approval of the Appropriation Bill for the year 2026, the Finance Commission informed the Provincial Councils on allocations of Recurrent Budget on 2025.11.14 The Total Allocated Recurrent amount was Rs.586,974.50 Million for the year 2026 from the National Budget. (After adjusting provincial revenues)

V. Supplementary Recommendations for the year 2025

Requests for supplementary allocations made by the Provincial Councils according to salary revision proposed by the Public Administration Circular no.10/2025 in the public service, attachment of cadre by the line Ministries, new recruitments after the budgetary allocations and increased payments for security and cleaning services were recommended to the General Treasury. In 2025 the recommended amounts are as follows.

Table 07: Recommended Supplementary Allocations – 2025

Date	Recommendations as Supplementary (Rs. Mn)
2025.09.16	30,632.82
2025.10.22	1,397.00
2025.10.27	7,488.07
2025.12.08	446.99

VI. Assessment of Provincial Revenue for 2026

In accordance with the Guidelines on Assessment of Provincial Recurrent Needs issued by the Finance Commission on 7th March 2025, the Provincial Councils submitted their estimated revenue targets. The provincial revenue targets presented in the review meetings held with the relevant provincial authorities (Table No. 06) were reviewed and the provincial revenue targets for the year 2026 were assessed taking into account the current trends in the factors affecting to the provincial revenue. Finally, the revenue targets agreed upon by the Finance Commission and the share of revenue transferred to the provinces by the Department of Fiscal Policy were assessed for the year 2026.

VII. Recommending the imprest releases for Recurrent and Capital Needs to the Provincial Councils

Since the Provincial Councils have been recognized as Special Spending Units as per the National Budget Circular No.05/2023 dated 2023.12.29, the Chief Secretaries are directly responsible to Parliament pertaining to budget activities and other consequential matters.

Accordingly, as per the letter No. TO/BE4/01/07/06 dated 2024.03.06 of the Director General of the Department of Treasury Operations, the Finance Commission recommended the imprest releases for both Recurrent and Capital Needs throughout the year 2025.

A summary of the recommendations of the Finance Commission for the Provincial Councils for the year 2025, including the provisions allocated from the national budget, imprest releases, provincial revenues and provincial recurrent expenditures, is given below.

Table 08 : Provincial Financial Performance of the Recurrent Budget -2025

(Rs. Mn)

Province	FC Recommendation	Allocation for Block Grant (Including Supplimentary Allocation)	Imprest Released for BG	Devolved Revenue Collection of the PC (Excluded SD & CF)	Actual Government Revenue Transfers	Total Receipts	Total Recurrent expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)= (4+5+6)	(8)
Western	101,431	76,734	75,082	13,837	11,999	100,918	93,562
Central	77,612	60,997	59,750	3,128	2,249	65,127	62,727
Southern	68,868	61,517	61,257	4,223	2,320	67,799	63,902
Northern	51,126	43,565	43,354	1,518	1,233	46,105	44,622
North Western	68,667	58,283	57,690	6,096	2,296	66,083	61,682
North Central	43,158	36,489	35,201	2,531	1,275	39,008	37,284
Uva	48,081	42,142	41,688	1,842	1,215	44,746	42,779
Sabaragamuwa	59,340	50,607	46,995	2,712	1,321	51,028	50,415
Eastern	59,801	51,303	49,490	1,529	1,261	52,280	50,988
Total	**578,084**	**481,637**	**470,507**	**37,417**	**25,169**	**533,094**	**507,961**

2.1.3 Special meetings held related to provincial development planning activities

I. Review meeting on the project implementation and monitoring mechanism adopted by Sabaragamuwa Provincial Council

meeting was held on 25th June 2025 at the Sabaragamuwa Provincial Council to discuss and review the planning/monitoring process of the Development Plan adopted by the Sabaragamuwa Province under the patronage of the Hon. Governor of the Sabaragamuwa Province and with the participation of the Secretary Finance Commission, Chief Secretary of the Sabaragamuwa Province, and other senior officials of the Province. Objective of the meeting was to identify the issues and gaps in the monitoring system that hinder the implementation and monitoring of the development projects and identify the possible remedial measure to minimize the impact of those issues.

II. Review of Special Development Project proposal "Promoting Bulathsinghala as a Tourist Destination" of the Western Province

A discussion was held at the Finance Commission on 23rd of July 2025 regarding the project proposal submitted by the Western Provincial Council on "Promoting Bulathsinhala as a Tourist Destination through Infrastructure Development" under Special Development Projects. The meeting was co-chaired by the Secretary, Finance Commission and Chief Secretary, Western Province, and the Deputy Chief Sectary (Planning), Deputy Chief Sectary (Finance), Divisional Secretary of Bulathsinhala and other relevant officials of the Western Provincial Council and the Finance Commission also participated in the discussion. The feasibility and contribution of the proposed activities for development of the tourism industry in the area were discussed in detail during the meeting. Subsequently, a field visit was conducted on 10th August 2025 to study the project proposals at field level with the Provincial Authorities, Officials of the Bulathsinhala Pradeshiya Sabha, Divisional Secretary of Bulathsinhala Divisional Secretariat and some representatives of the community.

III. Progress Review Meeting of Implementation of Annual Development Plans of the Provincial Councils - 2025

A meeting to review the progress of implementing Annual Development Plans of all Provincial Councils for the year 2025 was held on 12th of August 2025 at the Finance Commission. The meeting was attended by the Chairman of the Finance Commission, the Secretary to the Treasury, appointed Members and the Secretary to the Finance Commission, Chief Secretaries and Deputy Chief Secretaries of Planning and Finance of Provincial Councils and the Director Generals of the Department of National Budget, Department of Management Services, Department of Treasury Operations and representatives of the Department of National Planning and officials of the Finance Commission.

The objective of this meeting was to review the financial and physical progress of the provincial development activities as per the respective Annual Development Plans of each Province for the year 2025. The issues confronted by the Provincial Councils in the implementation of Annual Development Plans and appropriate measures to be taken in order to solve those issues to expedite the provincial development activities were also discussed.

IV. Progress Review with Hon. Governors and Chief Secretaries of the Provinces.

Prior to the progress review meeting which was scheduled to be held on 11th of September 2025 under the patronage of the Hon. President, a virtual meeting was conducted by the Office of the Finance Commission with the participation of the Hon. Governors of nine Provinces, Chief Secretaries, Deputy Chief Secretaries (Planning) and Deputy Chief Secretaries (Finance) of all nine Provinces on 9th of September 2025 to review the progress and the issues to be resolved to expedite the implementation of Provincial Development Plans of 2025. The Chairman of the Finance Commission chaired the meeting and Secretary of the Commission and other officials of the Commission also participated in the meeting.

2.1.4 Special Committees and Meetings Co-Chaired/Membered by the Secretary of the Finance Commission representing the Finance Commission.

i. Committee for providing Performance Grant for Local Authorities : Co -Chair

ii. Committee on the Regulation and Expedition of the receipts of the Court fines and stamp duties : Member

iii. Committee on Reviewing Recruitment Process and Cardre Management in Public Service : Member

iv. National Committee on the School Nutritional Food Programme : Co-Chair

v. Committee for Recommending a suitable methodology the Minimization Methodology of Salary Reimbursement Grants of Local Authorities : Co-Chair

vi. Steering Committee of the ADB Results Based Loan (RBL) for Strengthening integrated Health Care and Governance for Universal Health Coverage Programme : Co-Chair

vii. Steering Committee of the Primary Health Care Service Enhancing Project (PHSEP) : Member

viii. Steering Committee of the National Evaluation Monitoring Committee : Member

ix. Representing the Finance Commission in various negotiation discussions conducted by the Department of External Resources with foreign delegations.

2.1.5 Submission of the Annual Performance Report - 2024 to Parliament

The Annual Performance Report of the Finance Commission for the year 2024, which was prepared in accordance with the Public Finance Circular No. 02/2020 dated 2020.08.28 and Circular No. 02/2025, dated 2025.05.30 was submitted to the Presidential Secretariat on 19th June 2025 for onward submission to obtain the approval of the Hon. Prime Minister in order to table the same in Parliament.

Accordingly, with the approval of the Hon. Prime Minister, the report was submitted to Parliament on 26th June 2025. The Performance Report included an overview of the Finance Commission, performance of the organization in the year 2024 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.

2.1.6 Matters pertaining to the Recommendations Submitted to the Hon. President

I. Preparation of the Annual Recommendations of the Finance Commission for the year 2026 and submission to Hon. President

The Finance Commission prepared the Annual Recommendations Report as per Sub Article (4) (a) of Article 154R of the Constitution of the Democratic Socialist Republic of Sri Lanka and submitted it to the Hon. President on 2025.10.31. The complete report, prepared in three languages, has been uploaded in Finance Commission's official website. This Report contains recommendations on assessed fund requirements to meet the needs of provinces for the year 2026 and recommendations on principles on apportionment of funds allocated from the annual budget between provinces with the objective of achieving balanced regional development.

As per Sub Article (3) of Article 154R of the Constitution, the Finance Commission submitted its recommendations to the Government concerning the allocation of funds from the National Budget to meet the capital and recurrent expenditure requirements of the Provincial Councils for the year 2026. After adjusting the forecasted revenue, Rs.114,647 million was recommended under the Provincial Specific Development Grants, and Rs.15,000 million under Criteria Based Grants for the year 2026. Accordingly, after adjusting the forecasted revenue targets, the total capital grant recommended for the Provincial Councils for the year 2026 is Rs.129,647 million.

This Report includes recommendations on the apportionment of above stated total capital grant between the nine provinces based on s multivariate statistical methodology developed with the assistance of the Department of Census and Statistics, taking in to consideration the criterion requested to achieve the balanced regional development in Sub Article(5) of the Article 154R and child malnutrition

In the recommendation report it has been stated that, after adjusting the forecasted provincial revenues, a sum of Rs. 692,416 million was estimated as the recurrent expenditure of the Provincial Councils for the year 2026. However, within the 2026–2030 Medium-Term Fiscal Framework, the Appropriation Bill had included that Rs. 533,000 million as the Block Grant for Provincial Councils for the year 2026, in accordance with the expenditure limits specified by the Treasury as per the provisions of the Public Finance Management Act No. 44 of 2024.Due to the gap observed between the estimated recurrent requirements by the Finance Commission after an in-depth analysis and the Block Grant amount included in the Appropriation Bill, the Recommendation Report presented matters relating to the potential issues that may arise in meeting the recurrent needs of the Provincial Councils for the year 2026.

In addition, this report, which was submitted to the Hon. President, also included several policy recommendations that would complement the overall development strategy of the Government and facilitate the effective performance of the Provincial Councils. These are briefly outlined below.

(1). Avoiding delays in implementation of projects in 2026 through planning ahead of time

Provincial Councils as well as line ministries had spent a relatively low percentage of the allocations made by the government for the year 2025. One main factor influenced this situation was that planning of projects for the year 2025 only after the passage of the Appropriation Bill by Parliament on 21 March 2025.

However, based on the binding expenditure ceilings determined by the General Treasury for the year 2026, in line with the Section 15 of the Public Financial Management Act, No. 44 of 2024, the total allocation provided in the Appropriation Bill to the Provincial Councils as binding ceilling was apportioned among the Provinces by the Commission. Accordingly, Guidelines for the preparation of the Annual Development Plans for the year 2026 were issued to the Provincial Chief Secretaries on 2025.10.07 The said Plans were required to be submitted on or before 2025.11.15, and planned to review and grant the concurrence of the Finance Commission by 2025.12.31.

The Commission pointed out that if the Line Ministries also carry out the planning process as above in a timely manner, planning process is carried out in a timely manner, taking into account the amounts of allocations included in the 2026 Appropriation Bill, it will allow the projects of the relevant Ministries to be properly integrated into the development plans of the Provincial Councils. This would help to avoid duplication and enabling more efficient utilization of allocated funds.

(2). Desirability of Implementing Programmes for the Development of Micro and Small -Scale livelihood development Enterprises in a uniform manner at National and Provincial Levels

With the objectives such as livelihood development and introduction of new technology, the majority of micro and small-scale projects related to subjects such as agriculture, animal husbandry, fisheries, small industries, rural development, and cooperatives are implemented by Provincial Councils as programs where 50% of the cost of the project (non-refundable) is provided by the Provincial Council as an outright grant and the remaining 50% to be borne by the beneficiary.

At the review of the Provincial Councils' Annual Development Plans Many issues were identified regarding the effectiveness of implementing such programs on a consistent basis in each year. It was revealed that, although many participants were involved primarily to obtain the grants, a significant number lacked genuine need or commitment, did not possess a proper business plan, lack of necessary capabilities, and loss of their own funds, in cases where projects/activities failed. Additionally, projects that were unprofitable were sometimes mistakenly identified as profitable because government support was not counted as expenditure.

Even though they had potential as entrepreneurs, in situations it was difficult to provide the capital to be invested privately.

Therefore, The Finance Commission informed the Provincial Council authorities regarding the feasibility of providing government support to beneficiaries in the form of interest-free/ subsidized loans instead of a purely beneficiary-contribution-based approach. Consequently, all Provincial Councils commenced the implementation of loan schemes on an interest-free/subsidized basis instead of direct grants during the year 2025. However, the provision of 50% non-repayable financial assistance by line ministries and other institutions within the same sectors has, in certain instances, posed challenges to the Provincial Councils' effective implementation of these programs.

Therefore, to achieve sustainable development by maximizing the return on investment for the promotion of micro and small-scale economic activities for livelihood development the Finance Commission proposed that non-repayable assistance be implemented only for the following categories and that it is appropriate to provide financial facilities to other beneficiaries under an interest-free/subsidized loan scheme for such activities.

i. Persons with special needs;

ii. Persons reintegrating into society after being under probation;

iii. Persons who are unable to engage in normal economic activities due to chronic illnesses or disabilities;

iv. Single mothers; and

v. Youth who have undergone vocational training and are pursuing self - employment in that field (for initial capital).

Accordingly, it was recommended that a uniform methodology be implemented by national and provincial level institutions in providing assistance to such programs/projects

(3). Planning of the foreign funded projects on devolved subjects in a more appropriate manner

It has been observed that foreign-funded projects/project components relevant to Provincial Council subjects are often planned centrally, and implemented directly by line ministries. Such project activities frequently do not align with the priorities identified by the Provincial Councils and are commonly not included in the Provincial Councils' Annual Development Plans.

Many line ministries implemented foreign funded projects not through the provincial councils which possess Human Resources and Capacity to implement those projects but via project offices established by the line ministries. Often, provincial-level project offices were also established, and additional allowances were paid to provincial officers who were employed in these projects resulting higher administrative costs. After completion of the project, there was no one to properly hold the responsibility for the created assets or for the services to be provided under those projects. Although certain such projects could have been constructed at a lower cost using local funding, they were implemented at a higher cost with foreign funds. Most of these constructions were either unusable or underutilized.

Therefore, it is recommended to instruct the relevant authorities to ensure the following aspects when planning the foreign funded projects related to the provincial Councils.

i. To obtain full participation of the Provincial Councils when planning foreign funded projects which are having a provincial components and applying a less- complicated funding mode.

ii. To avoid incorporation of certain small scale activities/projects such as construction of markets, rural roads, assembly halls, etc. under the foreign financing as those activities can be implemented under a lower cost by utilizing local funds.

iii. To plan the foreign funded projects as much as possible in the budget support mode which is targeted towards planned activities in place of the project support mode in which the funding is directed to the project.

iv. To allow Provincial councils to proceed with constructions and purchasing (under the approved procurement procedures) related to the provincial components of the project and those powers should not be centralized in the Line Ministry.

(4). Implementing the re-organizing the schools in rural areas and estate plantation areas as a pilot project

This Commission has emphasized in its Recommendations submitted to the Hon. President for the years of 2024 and 2025 on the desirability of conducting a proper study and amalgamating schools with a small number of students, located in rural areas and estate plantation areas, with nearby schools that have comparatively better facilities, considering that students in these smaller schools do not receive quality education.

According to Provincial Councils, details, there are 1,541 number of schools throughout the country which are having less than 50 number of students. There are 45,659 number of total students studying in those schools and 8,712 number of teachers serving in those schools. It may be observed that some of those schools are located in the areas where transportation is not an acute problem or mobility of students is not restrained due to the presence of wild elephants, rugged terrain or lack of roads or rivers and waterways without bridges.

Accordingly, there are such 24 schools located in Colombo District, There are 718 number of students and 147 number of teachers in those schools. Out of those schools, distance between the school of less than 50 number of students and the school located in the close proximity with more facilities in the Colombo zone is less than 1 kilometer. Accordingly, in the Colombo District, most of these schools can be easily amalgamated with the nearest school without causing any inconvenience to the students. It is also appropriate to provide transportation allowances to these students based on the distance between the small school where those students are currently studying and the school for which those students are to be attached

The Finance Commission has recommended that, by providing the above-mentioned incentives, this project be implemented as a pilot project within the Colombo District. Once this is implemented in Colombo District the practical issues of implementing this programme can be identified and based on those experiences, this programme can be successfully implemented in the other provinces.

(5). Obtaining Public Participation in the Monitoring of Projects

Projects implemented by government institutions using public funds must be subjected to continuous monitoring and supervision to ensure completion of those projects in accordance with the expected standards. While continuous supervision by the responsible officers is the most appropriate method to prevent such situations and ensure the expected quality of construction it has become practically difficult to closely monitor every project implemented due to shortages of officers and facilities required for the task, as well as the large number of projects requiring continuous monitoring and supervision.

As an alternative measure, it was observed that, in addition to official supervision of such projects, it would be appropriate to provide opportunities for the local community and public representatives in the areas where the projects are implemented to remain vigilant regarding the relevant construction activities. Accordingly, the Finance Commission has informed the Provincial Chief Secretaries to instruct the relevant officers to display the Bills of Quantities (BOQs) of construction projects implemented by the Provincial Councils in a manner that is easily understandable to the public within the project areas, and to ensure that any requested information is provided as specified.

They were also instructed to provide information requested by the public regarding those BOQs, in the following manner.

i. Allowing any interested person to inspect the relevant BOQs at the work site.

ii. Allowing any interested person to take photographs of the BOQs.

iii. Displaying the BOQs on a designated Provincial Council website, exhibit a laminated pamphlet at the entry point of the work site explaining how to access the website where BOQs can be viewed, and introduce a mechanism to provide BOQs to anyone requesting them at any time.

These instructions are being implemented in all Provinces, and it has been observed, based on media reports, that they have received public appreciation. The Finance Commission recommended that, when monitoring projects/activities implemented with government funds, all public institutions should be advised to facilitate public access to BOQs and other basic information related to construction. This recommendation takes into consideration the above methodology adopted by the Provincial Councils to ensure public participation in the follow up and oversight of such projects and activities.

(6). Staff requirements for taking care of children under probation

The care of orphaned children who are deprived of affection of parents' due to various reasons as well as juvenile offenders is carried out through various care centers functioning under the Probation Departments of the Provincial Councils. The recommendation submitted by this Commission in the previous year embodied extensive information on the insufficiency of required human and physical resources for these centers which had arisen due to inability of authorities to attend to these needs due to lack of funds. A comprehensive package of reliefs such as providing buildings and physical facilities required for those institutions, providing facilities related to transportation, facilitation of socializing those children when they reach the due age, etc. were provided from the Budget Proposals for the year 2025.

Shortage of staff had led to series of other issues such as confining young children in cramped space for the purpose of taking care of them, failing to maintain proper hygiene, being unable to meet their nutritional needs on time, inability to pay required attention to sick children, disruption of their education and training activities, and the inability to provide adequate protection.

Under these circumstances, a special programme has to be implemented to provide the essential number of staff to the Department of Probation. Therefore, the Commission recommends that relevant authorities be instructed to create required cadre positions and fill existing vacancies in the Provincial Department of Probation without waiting for the completion of the ongoing cadre review.

II. Submission of the Recommendations for the year 2026 to the Parliament

A Cabinet Memorandum on Recommendations 2026 of the Finance Commission was submitted to the Cabinet of Ministers by the Hon. President on 16th of November 2025 seeking the approval for implementation of recommendations and to table the same in Parliament. Accordingly, the approval of the Cabinet to the recommendations was granted on 24th of November 2025 and same was submitted to Parliament on 19th of December 2025 for tabling.

2.1.7 Conducting quarterly Audit and Management Committee Meetings

For the year ended 31 December 2025, the overall performance of the Internal Audit Division was as follows.

1. In accordance with the Financial Regulation 134(2), the Internal Audit Plan was approved at the Audit and Management Committee meeting held on 2025.12.22 and submitted to the Management Audit Department and the Auditor General.

2. In accordance with Management Circular DMA/1–2019, the preliminary report for the year 2025 was prepared and submitted to the Secretary of the Commission before 31 January 2025.

3. Responses were obtained for all internal audit reports

4. Copies of Internal Audit Reports were submitted to the Department of Management Audit in accordance with Sub-section 40(4) of the National Audit Act No. 19 of 2018.

5. Copies of Internal Audit Reports were submitted to the Auditor General in terms of the Financial Regulation 134(3)

6. Evaluation Reports were submitted at the end of each quarter.

7. Internal audit meetings were held during all four quarters of the year :

   - First Quarter : 2025.03.21
   - Second Quarter : 2025.06.27
   - Third Quarter : 2025.09.17
   - Fourth quarter : 2025.12.22

2.2 Achievements of the Finance Commission

I. Avoiding delays in implementation of projects in 2026 through planning ahead of time: - Approval of the annual development plans of the provinces for the year 2026 by 2025.12.31

Traditionally, until 2025, the Finance Commission issued guidelines to the Provincial Councils for the preparation of their Annual Development Plans (ADPs) only after the Appropriation Bill had been passed by Parliament. As a result, review meetings and the concurrence granting process for ADPs were generally completed during the first quarter of the respective year, causing delays in the implementation of development activities at the provincial level.

To address this issue, the Finance Commission issued the guidelines for the preparation of the Provincial Annual Development Plans for 2026 to the Chief Secretaries well in advance in October 2025 before the Appropriation Bill was passed by Parliament. This proactive approach was intended to expedite the planning process and enable Provincial Councils to prepare their ADPs earlier than in previous years and submit to the Finance Commission by mid November 2025 for the concurrence.

The Estimated budgetary provisions for all spending agencies, including the Provincial Councils, had been stated in the Appropriation Bill for the ensuing year (2026), which was published in the Gazette dated 2025.09.17. Since, the amounts specified in the Appropriation Bill for the year 2026 were based on the “binding ceiling” fixed in terms of Section 15 of the Public Financial Management Act No. 44 of 2024, it had become possible to communicate these figures this time with more certainty for the use in the preparation of the Annual Development Plan unlike in the past.

Taking the scenario referred above into consideration and based on the information available in the said Appropriation Bill, as well as the information obtained from the General Treasury, the tentative amounts of capital grants (PSDG and CBG) for the year 2026 were communicated to the Chief Secretaries for the purpose of preparation of the ADPs for the year 2026.

As a result, all Provincial Councils were able to prepare and submit their ADPs for 2026 to the Finance Commission by the end of November 2025. Consequently, following the successful completion of the ADP review meetings, the Finance Commission was able to grant concurrence for all Provincial Annual Development Plans during December 2025, well before the commencement of the financial year. This marked a significant improvement in the planning and approval process and facilitated the timely implementation of provincial development programmes in 2026.

II. Important policy decisions taken by the Finance Commission regarding Provincial Councils

The important policy decisions taken at the meetings of the Finance Commission, held with the participation of its members during the year 2025, are shown below.

- Granting approval to distribute the funds allocated to the Provincial Councils for recurrent and capital needs among the nine provinces, in accordance with the Vote on Account approved by Parliament for the first four months of 2025.

- Granting approval to issue to the Provincial Councils the guidelines for the preparation of Provincial Development Plans using the Province-Specific Development Fund for the year 2025; guidelines for maintenance activities; guidelines for the School Nutrition Programme; and guidelines for the implementation of special projects

- Allocating recurrent and capital funds to Provincial Councils from the 2025 Annual Budget

- Issuing guidelines to Provincial Councils for the estimation of recurrent requirements for the year 2026.

- Issuing guidelines to Provincial Councils for the estimation of capital requirements for the year 2026.

- Granting approval to inform Provincial Councils of the concurrence of the Finance Commission for the 2025 Annual Development Plans, subject to decisions taken and proposed amendments made during the review with relevant stakeholders.

- Granting approval to inform Provincial Councils of the concurrence of the Finance Commission for provincial maintenance activity plans relevant to the year 2025.

- Granting approval for the percentages to be used in distributing funds among provinces for the year 2026, based on the formula prepared for allocating funds among provinces.

- Granting approval to recommend to the Director General of Health the distribution of funds among provinces, using the relevant percentages based on the prepared formula, under the "Strengthening Integrated Health Security and Governance for Universal Health Coverage Programme 2025–2030" , to be implemented with financial assistance from the Asian Development Bank.

- Granting approval to inform the Chief Secretaries of Provincial Councils to display Bills of Quantities at construction project sites implemented by Provincial Councils in a manner easily understandable to the public.

- Issuing guidelines for the preparation of action plans relating to projects implemented by Provincial Councils under the "Clean Sri Lanka" Programme, and granting concurrence to the action plans prepared by Provincial Councils accordingly.

- Granting approval to recommend the estimated provincial capital requirements for the year 2026 to the General Treasury.

- Granting approval to recommend the estimated provincial recurrent requirements for the year 2026 to the General Treasury.

- Granting approval to inform Provincial Councils to implement loan schemes (interest-free or at concessionary interest rates) instead of the 50% government grant provided on a non-recoverable basis for revenue-generating projects.

- Granting approval to issue guidelines for the preparation of Provincial Development Plans for the year 2026

III. The observations of the Hon. President and the approval and special instructions given by the Cabinet of Ministers regarding the recommendations submitted to the Hon. President by the Finance Commission for the year 2026 under Sub Article 154R (4) of the Constitution

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 mandate. As set out in Sub Articles 154R (3), (4), and (5) of the Constitution the mandate of the Finance Commission is as follows.

With regard to the recommendations of the Finance Commission for the year 2026, the observations of Hon. President, as contained in the Cabinet Memorandum dated 2025.11.16 submitted to the Cabinet of Ministers, indicate that the recommendations made by the Finance Commission would be carefully considered within the framework of the overall national development strategy. The observations made by the Hon. President are briefly summarized as follows:

- The attention of Hon. President has been drawn to the issues highlighted by the Commission regarding the insufficiency of recurrent allocations allocated to Provincial Councils, particularly in the context of the relatively large number of public servants attached to the education and health sectors under the Provincial Council structure.

- Although the Commission has applied a formula, in compliance with Sub Article (4) (a) of Article 154R of the Constitution, for the equitable distribution of capital grants among Provincial Councils in 2026 with the objective of balanced regional development particularly benefiting economically and socially disadvantaged provinces the effectiveness of such a formula is limited in a context where a larger volume of resources is allocated by line Ministries outside that formula.

- Unlike in previous years, Provincial Councils have been instructed to prepare their development plans within the capital expenditure ceilings determined in advance by the Government for 2026, and approval of such plans has been arranged prior to 2025.12.31 If line Ministries were to adopt a similar planning process, duplication of development activities could be avoided and a higher percentage of annual allocations could be utilized. Accordingly, it would be appropriate for line Ministries to give due attention to this matter.

- Government assistance for livelihood development on a non-reimbursable grant basis should be limited strictly to the individuals/groups specified in the relevant recommendation of the Finance Commission. Financial contributions provided for initiating profitable economic activities should be extended to beneficiaries under interest-free/concessionary loan schemes. It would be appropriate for the Cabinet of Ministers to consider this matter.

- When discussing proposals relating to devolved subjects with development partner institutions due attention should be given to the following:(i).Ensuring full participation of Provincial Councils and using a financial flow system that minimizes complications , (ii).Avoiding the inclusion of small-scale projects/activities that can be implemented at low cost using domestic funds in foreign-funded projects;(iii) Planning to implement the Budget Support mode for planned activities as much as possible.(iv) Allowing Provincial Councils to undertake construction and procurement activities related to the provincial component (to be carried out under the approved procurement process)Accordingly, it would be advisable to direct the Department of External Resources and the Department of National Planning to take the necessary action in this regard.

- Since the consolidation of small schools with fewer than 50 students into nearby schools can be more easily implemented in the Colombo District, it would be appropriate to implement this as a pilot project within the Colombo District. The proposal of the Finance Commission that the process could be facilitated by providing transport allowances to students, where necessary, should be brought to the attention of the Hon. Prime Minister and the Hon. Minister of Education.

- The programme introduced by the Finance Commission for Provincial Councils to facilitate greater public oversight of development projects implemented under the Provincial Council system is to enhance the effectiveness of project monitoring, it would be appropriate to extend the application of this proposal to projects implemented by line Ministries as well.

- As stated in the recommendations of the Finance Commission that there is a serious problem related to human resources in the field of institutionalized child care, a special program should be implemented to provide the necessary number of employees to the Probation Department and that the Department of Management Services should take steps to create the necessary posts for the Provincial Probation Departments and fill the vacant posts without waiting for the completion of he completion of the ongoing cadre review

The Cabinet decisions dated 2025.11.24, No. CP/25/2195/801/027, in relation to the proposals submitted by the Hon. President regarding the recommendations of the Finance Commission, are as follows.

i. To request all Members of the Cabinet to instruct Ministry Secretaries and Heads of Institutions under their respective Ministries to plan, in advance, the projects to be implemented in 2026, as proposed by the Finance Commission.

ii. To instruct the Department of National Planning and the Department of National Budget to guide the relevant state institutions in planning Government assistance for livelihood development projects in accordance with the proposals of the Finance Commission.

iii. To instruct the Department of National Planning and the Department of External Resources to act in accordance with the proposals of the Finance Commission when planning foreign-funded projects relating to devolved subjects.

iv. To direct all Ministry Secretaries to take necessary steps to ensure public participation in monitoring projects implemented under their respective Ministries, as suggested by the Finance Commission.

v. To direct the Secretary to the Ministry of Education, Higher Education and Vocational Education to take necessary steps to implement school reorganization in rural and estate plantation areas as a pilot project, in line with the proposal of the Finance Commission.

vi. To direct the Director General of the Department of Management Services to take necessary action to address staffing requirements related to the care of children under probation, in accordance with the proposal of the Finance Commission.

2.3 Challenges and Future Outlook

Sri Lanka has recently faced a series of severe socio-economic challenges following the COVID-19 pandemic and economic crisis, following the severe flooding and landslides caused by Cyclone ‘Ditwah’ in late 2025. In particular, the natural disaster that occurred last year has severely affected livelihoods and infrastructure in several provinces, including the Central Province, North Central Province, and Uva Province. Other provinces have also been significantly impacted by the disaster.

In this context, since the Provincial Councils are required to address a wide range of socio-economic issues related to the subjects devolved to them, the Finance Commission takes necessary interventions to coordinate Provincial Councils with the national level programmes implemented by the Government to rebuild the country damaged by the disaster.

With the objective of achieving balanced regional development, the Finance Commission distributes funds allocated through the Government's annual budget among the provinces on a scientific basis. Nevertheless, achieving balanced regional development within the country remains a challenge, as line ministries, despite being allocated large amounts of funds from the annual budget; do not apply a scientific basis when investing those funds.

Furthermore, although with the intervention of the Finance Commission, all Provincial Councils prepare their annual development plans in accordance with a common format such a planning mechanism is not implemented within the line ministries. Due to the absence of an integrated development planning mechanism at the provincial and national levels, similar activities are often duplicated and overlapped at the implementation stage. As a result, it becomes difficult to derive maximum benefits from the limited resources available, leading to inefficiencies and waste of resources.

In planning and implementing foreign-funded projects that include activities related to subjects devolved to Provincial Councils, line ministries often manage such projects through separate project offices without utilizing the relevant Provincial Council mechanisms. This practice results in considerable wastage of resources. Moreover, such funds are not invested in a manner that supports the achievement of balanced regional development, as recommended by the Finance Commission.

Nevertheless, the Finance Commission will continue to carry out its constitutionally mandated functions and to sustain its contribution and interventions in relevant contexts to achieve the country's development objectives.

Chapter - 03: Overall Financial Performance for the Year ended 31st December 2025

3.1. Statement of Financial Performance

ACA -F

Statement of Financial Performance
for the period ended 31st December 2025

Revised Budget Allocations 2025 Rs.		Note	Actual 2025 Rs.	Actual 2024 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		119,608,000	101,034,000	ACA-3
-	Deposits		187,643	142,220	ACA-4
-	Advance Accounts		3,211,051	3,998,693	ACA-5
-	Other Main Ledger Receipts		-	-	
-	**Total Non Revenue Receipts (B)**		**123,006,694**	**105,174,913**	
	Total Revenue Receipts & Non Revenue Receipts C = (A)+(B)		**123,006,694**	**105,174,913**	
	Remittance to the Treasury (D)		**30,329**	**892,132**	
-	**Net Revenue Receipts & Non Revenue Receipts E = (C)-(D)**		**122,976,365**	**104,282,781**	
	Less: Expenditure				
	Recurrent Expenditure				
77,350,000	Wages, Salaries & Other Employment Benefits	5	75,851,291	61,617,586	ACA-2(ii)
54,025,000	Other Goods & Services	6	45,322,924	40,101,413	ACA-2(ii)
825,000	Subsidies, Grants and Transfers	7	544,799	613,158	ACA-2(ii)
-	Interest Payments	8	-	-	ACA-2(ii)
-	Other Recurrent Expenditure	9	-	-	ACA-2(ii)
132,200,000	**Total Recurrent Expenditure (F)**		**121,719,014**	**102,332,157**	
	Capital Expenditure				
-	Rehabilitation & Improvement of Capital Assets	10	-	-	ACA-2(ii)
400,000	Acquisition of Capital Assets	11	397,319	1,666,431	ACA-2(ii)
-	Capital Transfers	12	-	-	ACA-2(ii)
-	Acquisition of Financial Assets	13	-	-	ACA-2(ii)
400,000	Capacity Building	14	255,602	297,505	ACA-2(ii)
-	Other Capital Expenditure	15	-	-	ACA-2(ii)
800,000	**Total Capital Expenditure (G)**		**652,921**	**1,963,936**	
	Deposit Payments		109,425	142,220	ACA-4
	Advance Payments		4,613,458	2,906,189	ACA-5
	Other Main Ledger Payments		-	-	
	Total Main Ledger Expenditure (H)		**4,722,883**	**3,048,409**	
	Total Expenditure I = (F+G+H)		**127,094,818**	107,344,502	
	Balance as at 31st December J = (E-I)		**(4,118,452)**	**(3,061,721)**	
	Balance as per the Imprest Adjustment Statement		(4,118,452)	(3,061,721)	ACA-7
	Imprest Balance as at 31st December		-	-	ACA-3
			-	-	

3.2. Statement of Financial Position

ACA-P

Statement of Financial Position
As at 31st December 2025

	Note	Actual 2025 Rs	2024 Rs
Non Financial Assets			
Property, Plant & Equipment	ACA-6	807,456,423	807,288,825
Financial Assets			
Advance Accounts	ACA-5/5(a)	9,603,550	8,201,144
Cash & Cash Equivalents	ACA-3	-	-
Total Assets		**817,059,973**	**815,489,969**
Net Assets / Equity			
Net Worth to Treasury		9,525,332	8,201,144
Property, Plant & Equipment Reserve		807,456,423	807,288,825
Rent and Work Advance Reserve	ACA-5(b)	-	-
Current Liabilities			
Deposits Accounts	ACA-4	78,218	-
Unsettled Imprest Balance	ACA-3	-	-
Total Liabilities		**817,059,973**	**815,489,969**

Detail Accounting Statements in ACA format Nos. 2 to 7 presented in pages from 7 to 25 and Annexures to accounts presented in pages from 26 to 53 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. 02/2025, dated 17.12.2025** 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 as per the Section 38(1) (C) of the National Audit Act No.19 of 2018

Chief Accounting Officer	Accounting Officer	Chief Accountant
Name :	Name :	
Designation :	Designation :	Name :
Date : 16.02.2026	Date :	Date : 2026/02/16

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 Flow

ACA-C

Statement of Cash Flows
for the Period ended 31st December 2025

	Actual 2025 Rs.	Actual 2024 Rs.
Cash Flows from Operating Activities		
Total Tax Receipts	-	-
Fees, Fines, Penalties and Licenses	-	-
Profit	-	-
Non Revenue Receipts	-	-
Revenue Collected on behalf of Other Revenue Heads	3,933,413	3,139,735
Imprest Received	119,608,000	101,034,000
Recoveries from Advance	3,530,165	3,826,779
Deposit Received	187,643	142,220
Total Cash generated from Operations (A)	**127,259,221**	**108,142,734**
Less - Cash disbursed for:		
Personal Emoluments & Operating Payments	121,011,614	101,537,599
Subsidies & Transfer Payments	544,799	613,158
Rehabilitation & Improvement of Capital Assets,Capital Transfers, Capacity Building and Other Capital Expenditure	255,602	297,505
Expenditure incurred on behalf of Other Heads	296,675	-
Imprest Settlement to Treasury	30,329	892,132
Advance Payments	4,613,458	2,993,689
Deposit Payments	109,425	142,220
Total Cash disbursed for Operations (B)	**126,861,902**	**106,476,303**
NET CASH FLOW FROM OPERATING ACTIVITIES(C)=(A)-(B)	**397,319**	**1,666,431**
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 Asset Construction, Purchases and Other Investment Acquisitions	397,319	1,666,431
Total Cash disbursed for Investing Activities (E)	**397,319**	**1,666,431**
NET CASH FLOW FROM INVESTING ACTIVITIES(F)=(D)-(E)	**(397,319)**	**(1,666,431)**
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) Purpose of Preparation

The Financial Statements have been prepared in accordance with the Government Financial Regulations 150 & 151 and State Accounts Guideline No. 02/2025, dated 17.12.2025.

2) Reporting Period

The reporting period for these Financial Statements is from 01st January to 31st December 2025.

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 recognised 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 2025.

8) Comparative information in the year 2024

The errors identified of the financial statements of the year 2024 have been corrected and comparative information has been presented in the financial statements of the year 2025.

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- Other	330,000.00	330,000.00	377,691.91	114%
2003.99.00	Sales Proceeds and Charges – Other Receipts	30,000.00	30,000.00	45,927.21	153%
2004.01.00	W & OP Fund	-	-	3,480,313.77	-
2006.02.02	Income from Sales of Non Financial Assets – Other	12,000.00	12,000.00	29,480.00	245%

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	132,200,000	132,200,000	121,719,014	92%
Capital	800,000.00	800,000	652,921	82%

3.7 In terms of F.R.208 grant of allocations for expenditure to this Department/District

Serial No.	Allocation revised from which ministry/ department	Purpose of the allocation	Allocation		Actual Expenditure (Rs.)	Allocation utilization as a% of Final Allocation
			Original	Final		
01	Election Commission	Payment for Election Staff	296,675	296,675	296,675	100%

3.8 Secretariat/Provincial Council as an agent of the other Ministries/ Departments

Assets Code	**Code Description**	**Balance as per board of survey report as at 31/12/2025 (Rs.)**	**Balance as per the statement of financial position at 31/12/2025 (Rs.)**	**Yet to be accounted**	**Reporting progress as %**
9151	Building and Structure	449,009,540.32	449,009,540.32	-	100%
9152	Machinery and equipment	100,446,882.85	100,446,882.85	-	100%
9153	Land	258,000,000.00	258,000,000.00	-	100%
9154	Intangible Assets	-	-	-	-
9155	Biological Assets	-	-	-	-
9160	Work in Progress	-	-	-	-
9180	Lease Assets	-	-	-	-

3.9. Auditor General's Report

ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

මගේ අංකය எனது இல. My No.	PIC/C/FC/2/25/18	ඔබේ අංකය உமது இல. Your No.		දිනය திகதி Date	2026 මැයි 26 දින

ප්‍රධාන ගණන්දීමේ නිලධාරී

මුදල් කොමිෂන් සභාව

ශීර්ෂය 011 - මුදල් කොමිෂන් සභාවේ 2025 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන පිළිබඳව 2018 අංක 19 දරන ජාතික විගණන පනතේ 11(1) වගන්තිය ප්‍රකාරව විගණකාධිපති සම්පිණ්ඩන වාර්තාව

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1. මූල්‍ය ප්‍රකාශන

1.1 මතය

ශීර්ෂය 011 - මුදල් කොමිෂන් සභාවේ 2025 දෙසැම්බර් 31 දිනට මූල්‍ය තත්ත්ව 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 2025 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 මුදල් 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 නිලධාරි 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.

මුදල් කොමිෂන් සභාවේ 2025 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශනවලින්, මූල්‍ය තත්ත්වය, මූල්‍ය කාර්යසාධනය හා මුදල් ප්‍රවාහ, මූල්‍ය ප්‍රකාශන වලට අදාළ සටහන් 1 හි සඳහන් මූල්‍ය ප්‍රකාශන සකස් කිරීමේ පදනමට අනුකූලව සියලුම ප්‍රමාණාත්මකතාවයන් සම්බන්ධයෙන් සාධාරණ තත්ත්වයක් පිළිබිඹු කරන බව මා දරන්නා වූ මතය වේ.

1.2 මතය සඳහා පදනම

ශ්‍රී ලංකා විගණන ප්‍රමිතිවලට (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 ලබාගෙන ඇති විගණන සාක්ෂි ප්‍රමාණවත් හා උචිත බව මාගේ විශ්වාසයයි.

අංක 306/72, පොල්දුව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව. இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை. No. 306/72, Polduwa Road, Battaramulla, Sri Lanka.
+94 11 2 88 70 28 - 34 +94 11 2 88 72 23 ag@auditorgeneral.gov.lk www.naosl.gov.lk

1.3 කරුණක් අවධාරණය කිරීම - මූල්‍ය ප්‍රකාශන සකස් කිරීමේ පදනම

මෙම මූල්‍ය ප්‍රකාශන සකස් කිරීමේ පදනම විස්තර කරන මූල්‍ය ප්‍රකාශනවලට අදාල සටහන් 1 කෙරෙහි අවධානය යොමු කරවමි. මූල්‍ය ප්‍රකාශන, රජයේ මුදල් රෙගුලාසි 150 හා 151 සහ 2025 දෙසැම්බර් 17 දිනැති රාජ්‍ය ගිණුම් මාර්ගෝපදේශ අංක 02/2025 අනුව මුදල් කොමිෂන් සභාවේ, මහා භාණ්ඩාගාරයේ සහ පාර්ලිමේන්තුවේ අවශ්‍යතාවය සඳහා සකස්කර ඇත. එම නිසා, මෙම මූල්‍ය ප්‍රකාශන වෙනත් අරමුණු සඳහා සුදුසු නොවිය හැක. මගේ වාර්තාව මුදල් කොමිෂන් සභාවේ, මහා භාණ්ඩාගාරයේ සහ ශ්‍රී ලංකා පාර්ලිමේන්තුවේ භාවිතය සඳහා පමණක් අරමුණු කර ඇත. මෙම කරුණ සම්බන්ධයෙන් මගේ මතය විකරණය කරනු නොලැබේ.

1.4 මූල්‍ය ප්‍රකාශන සම්බන්ධයෙන් ප්‍රධාන ගණන්දීමේ නිලධාරීගේ වගකීම

රජයේ මුදල් රෙගුලාසි 150 හා 151 සහ 2025 දෙසැම්බර් 17 දිනැති රාජ්‍ය ගිණුම් මාර්ගෝපදේශ අංක 02/2025 ට අනුකූලව සියලුම ප්‍රමාණාත්මකතාවයන් සම්බන්ධයෙන් 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 මුදල් 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 මුදල් කොමිෂන් සභාවේ මූල්‍ය පාලනය සඳහා සඵලදායි අභ්‍යන්තර පාලන පද්ධතියක් සකස් කර පවත්වා ගෙන යනු ලබන බවට ප්‍රධාන ගණන්දීමේ නිලධාරී සහතික විය යුතු අතර එම පද්ධතියේ සඵලදායිත්වය පිළිබඳව කලින් කල සමාලෝචනයක් සිදු කර ඒ අනුව පද්ධතිය ඵලදායි ලෙස කරගෙන යාමට අවශ්‍ය වෙනස්කම් සිදු කරනු ලැබිය යුතුය.

1.5 මූල්‍ය ප්‍රකාශන විගණනය පිළිබඳ විගණකගේ වගකීම

සමස්තයක් ලෙස මූල්‍ය ප්‍රකාශන, වංචා හා වැරදි හේතුවෙන් ඇතිවන ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශයන්ගෙන් 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 සැම විටම ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශයන් 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 විනිශ්චය සහ වෘත්තීය සැකමුසුබවින් යුතුව ක්‍රියා කරන ලදී. මා විසින් තවදුරටත්,

- ප්‍රකාශ කරන ලද විගණන මතයට පදනමක් සපයා ගැනීමේදී වංචා හෝ වැරදි හේතුවෙන් මූල්‍ය ප්‍රකාශනවල ඇති විය හැකි ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශයන් ඇතිවීමේ අවදානම් හඳුනාගැනීම හා තක්සේරු කිරීම සඳහා අවස්ථාවෝචිතව උචිත විගණන පරිපාටි සැලසුම් කර ක්‍රියාත්මක කරන ලදී. වරදවා දැක්වීම් හේතුවෙන් සිදුවන ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශයන්ගෙන් සිදුවන බලපෑමට වඩා වංචාවකින් සිදුවන්නා වූ බලපෑම ප්‍රබල වන්නේ ඒවා දුස්සන්ධානයෙන්, ව්‍යාජ ලේඛන සැකසීමෙන්, චේතනාන්විත මඟහැරීමෙන්, වරදවා දැක්වීමෙන් හෝ අභ්‍යන්තර පාලනයන් මඟ හැරීමෙන් වැනි හේතු නිසා වන බැවිනි.

- අභ්‍යන්තර පාලනයේ සඵලදායිත්වය 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 අගයන ලදී.

- මූල්‍ය ප්‍රකාශනවල ව්‍යුහය හා අන්තර්ගතය සඳහා පාදක වූ ගනුදෙනු හා සිද්ධීන් උචිත හා සාධාරණව ඇතුළත් වී ඇති බව සහ හෙළිදරව් කිරීම් ඇතුළත් මූල්‍ය ප්‍රකාශනවල සමස්ථ ඉදිරිපත් කිරීම අගයන ලදී.

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

2. වෙනත් නෛතික අවශ්‍යතා පිළිබඳ වාර්තාව

2018 අංක 19 දරන ජාතික විගණන පනතේ 6(1)(ඈ) වගන්තිය ප්‍රකාරව පහත සඳහන් කරුණු මා 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.

3. මූල්‍ය සමාලෝචනය

3.1 වියදම් කළමනාකරණය

රජයේ මුදල් රෙගුලාසි 50 ප්‍රකාරව 2025 වර්ෂයේදී වියදම් ඇස්තමේන්තු පිළියෙල කර නොතිබුණු අවස්ථා නිරීක්ෂණය වූ අතර විස්තර පහත පරිදි වේ.

(අ) පුනරාවර්තන වැය විෂයයන් 09ක් හා එක් මූලධන වැය විෂයයකට අදාලව වෙන්වූ ශුද්ධ ප්‍රතිපාදනයෙන් එකතුව රු.4,913,419ක ප්‍රතිපාදන උපයෝජනය නොකර ඉතිරි වී තිබුණු අතර එය සියයට 30 සිට සියයට 72 දක්වා වූ පරාසයක් ගෙන තිබුණි.

(ආ) පුනරාවර්තන වැය විෂයයන් 04ක් සඳහා මුලික ඇස්තමේන්තුව මඟින් අධි ප්‍රතිපාදන සලසාගෙන තිබීම හේතුවෙන් මු.රෙ. 66 යටතේ එකතුව රු.2,600,000ක ප්‍රතිපාදන වෙනත් වැය විෂයයන් සඳහා මාරු කර තිබූ අතර එම මාරු කිරීම් අගය මුල් ඇස්තමේන්තුවෙන් සියයට 20 සිට සියයට 83 දක්වා පරාසයක පැවතුණ

(ඇ) ඌන ප්‍රතිපාදන පැවති පුනරාවර්තන වැය විෂයයන් 03ක් සඳහා රු.3,600,000 ක් මු.රෙ. 66 මගින් අතිරේක ප්‍රතිපාදන සලසාගෙන තිබූ අතර එය මුල් ඇස්තමේන්තුවෙන් සියයට 42 සිට සියයට 88 දක්වා පරාසයක පැවතුණි.

3.2 රජයේ නිලධාරීන්ගේ අත්තිකාරම් "බී" ගිණුම

සමාලෝචිත වර්ෂයේ අයවැය ඇස්තමේන්තුව මගින් ලැබීම්වල අවම සීමාව ලෙස නියම කර තිබූ රු.3,200,000 ලගා කර ගැනීමට කොමිෂන් සභාව අපොහොසත් වී තිබුණු අතර ළඟා කරගෙන තිබූ ලැබීම් ප්‍රමාණය රු.2,895,736ක් පමණක් විය.
කොමිෂන් සභාව විසින් අවම ලැබීම් සීමාව සංශෝධනය කර ගැනීම සඳහා ජාතික අයවැය දෙපාර්තමේන්තුවෙන් ඉල්ලීම් කර තිබුණද, ඒ සඳහා අදාල අනුමැතිය ලැබී නොතිබුණි.

4 මෙහෙයුම් සමාලෝචනය

4.1 කාර්යසාධනය

4.1.1 සැලසුම් කිරීම

2020 අගෝස්තු 28 දිනැති අංක 02/2020 දරන රාජ්‍ය මුදල් චක්‍රලේඛයේ 03 ඡේදය ප්‍රකාරව ඉදිරි වර්ෂය සඳහා වන වාර්ෂික ක්‍රියාකාරී සැලැස්ම ප්‍රවර්ථන වර්ෂයේ දෙසැම්බර් 15 දිනට පෙර සකස් කර ප්‍රධාන ගණන්දීමේ නිලධාරියා වෙත ඉදිරිපත් කර අනුමැතිය ලබාගත යුතු වුවද ඒ අනුව කටයුතු කර නොතිබුණි.

4.1.2 කාර්යභාරය ඉටු කිරීම

ආණ්ඩුක්‍රම ව්‍යවස්ථාමය ප්‍රතිපාදන අනුව මුදල් කොමිෂන් සභාවේ ප්‍රධාන කාර්යය වනුයේ රටතුල තුලිත ප්‍රාදේශීය සංවර්ධනයක් සාක්ෂාත් කර ගැනීම පිණිස පළාත් අවශ්‍යතා සඳහා ජාතික අයවැයෙන් ප්‍රමාණවත් අරමුදල් වෙන් කර ගැනීම හා එම අරමුදල් පළාත් නවය අතරබෙදා දීමේදී අනුගමනය කළ යුතු ප්‍රතිපත්ති පිළිබඳ නිර්දේශ රජය වෙත හා ජනාධිපති වෙත ඉදිරිපත් කිරීම වන අතර මෙම ක්‍රියාවලි සඳහා සමාලෝචිත වර්ෂයේදී සභාව විසින් ඉටුකල කාර්යයන් පිළිබඳ විස්තර පහත සඳහන් වේ.

(අ) පළාත් නිශ්චිත සංවර්ධන ප්‍රදාන යටතේ පළාත් සංවර්ධන වැඩසටහන් ක්‍රියාත්මක කිරීම සඳහා මුදල් කොමිෂන් සභාවේ නිර්දේශ මත අයවැය මගින් 2022, 2023, 2024 හා 2025 වර්ෂ වෙනුවෙන් පිළිවෙලින් රු.මිලියන 10,111 ක්, රු. මිලියන 16,900 ක්, රු. මිලියන 25,000 ක් සහ රු. මිලියන 64,000 ක් අයවැය මගින් වෙන්කර දී තිබුණද ඊට අදාලව අක්මුදල් නිදහස් කිරීම් පිළිවෙලින් රු.මිලියන 5,055ක්, රු.මිලියන 8,600 ක්, රු.මිලියන 17,889 ක් සහ රු. මිලියන 51,426 ක් හෙවත් අයවැය ප්‍රතිපාදනයෙන් පිළිවෙලින් සියයට 50 ක්, සියයට 51 ක්, සියයට 72 ක් සහ සියයට 80 ක් පමණක් විය.
මේ අනුව පළාත් සංවර්ධන වැඩසටහන් සඳහා මුදල් කොමිෂන් සභාවේ නිර්දේශ මත අයවැය ප්‍රතිපාදන ලබාදුන්නද ප්‍රමාණවත් පරිදි භාණ්ඩාගාරය විසින් අක්මුදල් නිදහස් නොකිරීම නිසා සැලසුම්කල පරිදි පළාත් සංවර්ධන වැඩසටහන් ක්‍රියාත්මක කිරීමට

නොහැකි වන අතර ප්‍රාදේශීය තුලිත සංවර්ධනය ඇති කිරීමේ අරමුණද ඉටුනොවන බව නිරීක්ෂණය කෙරේ.

(ආ) පළාත් සංවර්ධන වැඩසටහන් සඳහා පළාත් වෙනුවෙන් වෙන්කරන ලද ප්‍රතිපාදන හා නිදහස් කරන ලද අක්මුදල් ප්‍රමාණය පිළිබඳ සමාලෝචිත වර්ෂයට අදාල ජනාධිපති නිර්දේශ වාර්තාවේ දක්වා තිබුණද, සංවර්ධන වැඩසටහන් ක්‍රියාත්මක කිරිමේ මූල්‍ය කාර්යසාධනය පරික්ෂා කිරීමට හැකිවන ලෙස එක් එක් පළාත සඳහා මුදල් කොමිෂන් සභාවේ එකඟතාවය මත ප්‍රතිපාදන වෙන් කරන ලද සංවර්ධන වැඩසටහන් වෙනුවෙන් වැයකරන ලද මුදල් ප්‍රමාණය පිලිබදව දත්ත නොමැති වීම හේතුවෙන් පළාත් සංවර්ධන වැඩසටහන් ක්‍රියාත්මක කිරීමේ මූල්‍ය ප්‍රගතිය පිළිබඳ පරික්ෂා කිරීමට නොහැකි වනවා මෙන්ම සංවර්ධන වැඩසටහන් වෙනුවෙන් නිදහස් කරන ලද අක්මුදලින් ඉතිරි වූ මුදල් ප්‍රමාණයක් ඇත්නම් එය කොපමණද හා ඒ සඳහා පළාත් විසින් ගත් ක්‍රියාමාර්ග මොනවද යන්න පිලිබඳ තහවුරු කරගත නොහැකි විය.

(ඇ) අරමුදල් භාවිතයේ කාර්යක්ෂමතාවය සහ ඵලදායීතාවය වැඩිදියුණු කිරීමේ අරමුණින් පළාත් වාර්ෂික සංවර්ධන සැලසුම් සැකසීමට අදාලව, පළාත් සභා වෙත මාර්ගෝපදේශ නිකුත් කර, ඒ අනුව පළාත් විසින් සකස් කරන ලද සංවර්ධන සැලසුම් සමාලෝචනයට ලක්කර මුදල් කොමිෂන් සභාවේ එකඟතාවය ලබා දේ. ඒ අනුව එක් එක් පළාත් සඳහා මුදල් කොමිෂන් සභාවේ නිර්දේශ මත මධ්‍යම රජය විසින් ලබාදෙන අරමුදල් ක්ෂේත්‍ර 23ක් ආවරණය කරමින් පළාත් විසින් සංවර්ධන සැලසුම් ක්‍රියාත්මක කරණ නමුත් මෙම ප්‍රතිපාදන උපයෝජනය කරමින් ක්‍රියාත්මක කරන සංවර්ධන වැඩසටහන් පිළිබඳ ගැඹුරු භෞතික අධීක්ෂණය හා පසු විපරම් සිදු කොට සැලසුම්වල සඳහන් අපේක්ෂිත නිමැවුම් හා ප්‍රතිඵල අත්කරගෙන තිබේද යන්න පිළිබඳ සොයාබලා වාර්තා කිරිම සඳහා වගකීම පැවරුණු ස්වාධින ආයතනයකින් හෝ පාර්ශ්වයකින් සිදු නොවන අතර ඒ පිළිබඳව දැක්විය යුතු නිර්දේශ සමාලෝචිත වර්ෂයට අදාලව ගරු ජනාධිපති වෙත ඉදිරිපත් කරනු ලැබූ නිර්දේශ පිළිබඳ වාර්තාවේ සඳහන් කර නොතිබුණි.

(ඈ) ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154 (ජ) (6) අනුව්‍යවස්ථාව පරිදි කොමිෂන් සභාව විසින් ස්වකීය කාර්ය පටිපාටිය තීරණය කර එම කාර්යයන් ඉටු කිරීම සඳහා අවශ්‍ය බලතල පැවරීම පාර්ලිමේන්තුව විසින් නීති මඟින් කොමිෂන් සභාව වෙත පැවරීමක් සිදු කරන බව දක්වා තිබුණද, 2025 දෙසැම්බර් 31 දින තෙක් අනුව්‍යවස්ථාව පරිදි මුදල් කොමිෂන් සභාවේ කාර්යයන් පිළිබඳ කාර්ය පටිපාටියක් සකස්කර එය ක්‍රියාත්මක කිරීමේ බලය පාර්ලිමේන්තුව වෙතින් ලබාගෙන නොතිබුණි.

4.2 ප්‍රසම්පාදනයන්

(අ) 2024 භාණ්ඩ වැඩ සහ උපදේශන නොවන සේවා පිළිබඳ ප්‍රසම්පාදන මාර්ගෝපදේශයේ 04 වැනි පරිච්ඡේදයේ දක්වා ඇති ඇමුණුම්හි සඳහන් ආකෘතින්ට අනුව සකස් කල යුතු සමාලෝචිත වර්ෂයේ පූර්ව සූදානම් සැලැස්ම (PP) සහ ප්‍රසම්පාදන කාල සටහන (PTS) විගණනය වෙත ඉදිරිපත්කර නොවුණි.

(ආ) ජාතික ප්‍රසම්පාදන කොමිෂන් සභාව විසින් රාජ්‍ය අංශයේ ප්‍රසම්පාදන කටයුතු අධීක්ෂණය සඳහා හඳුන්වා දී ඇති විද්‍යුත් ප්‍රසම්පාදන අධීක්ෂණ පද්ධතිය (Electronic Procurement Management System - ePMS) තුලට සමාලෝචිත වර්ෂයට අදාල ප්‍රසම්පාදන සැලසුම් ඇතුලත්කර පද්ධතිය යාවත්කාලීන කිරීම සඳහා ජාතික ප්‍රසම්පාදන කොමිෂන් සභාව විසින් අදාල මූලික පුහුණුවීම් හා දැනුවත්කිරීමේ වැඩසටහන් කොමිෂන් සභාවේ නිලධාරීන් වෙත ලබා දී තිබුණද, 2025 දෙසැම්බර් 31 දින දක්වා අදාල සියළුම ප්‍රසම්පාදන සැලසුම් අධීක්ෂණ පද්ධතියට ඇතුලත්කර එම කාර්යය සම්පූර්ණ වශයෙන් ඉටු කර නොතිබුණි.

4.3 වත්කම් කළමනාකරණය

2025 දෙසැම්බර් 31 දිනට තොග පොත සහ CIGAS පරිගණක පද්ධතියෙහි ස්ථාවර වත්කම් යටතේ වන BOS Report එකිනෙක හා සැසඳීමේදී වත්කම් අයිතම 45 කට අදාලව වත්කම් 518 ක වෙනසක් නිරීක්ෂණය විය.

4.4 කළමනාකරණ අකාර්යක්ෂමතා

(අ) පරිගණක යන්ත්‍ර සහ අනෙකුත් උපකරණ 04 ක් සඳහා නඩත්තු සේවා කිරීම සඳහා පෞද්ගලික ආයතනයක් සමඟ එළඹි සේවා ගිවිසුමක් ප්‍රකාරව එක් එක් යන්ත්‍රය සඳහා වසරකට වැළක්වීමේ සේවා (Preventive Services) වාර 02 ක් සිදු කරන බව දක්වා තිබුණද, යන්ත්‍ර 81 කට අදාලව පළමු සේවා වාරයේදී යන්ත්‍ර 31 ක් හා දෙවන සේවා වාරයේදී යන්ත්‍ර 27 ක් සඳහා පමණක් සේවා කිරීම සිදුකර තිබුණු අතර CCTV සහ Network Switches සඳහා ගිවිසුම් ප්‍රකාරව වාර්ෂික සේවා සිදු කර තිබූ බව ලේඛන පරීක්ෂාවේදී තහවුරු නොවිය.

(ආ) ෆැක්ස් යන්ත්‍ර 03, සේවා කිරීම සඳහා ගිවිසුම්ගතව තිබුණද, 2025 දෙසැම්බර් 31 දිනට CIGAS Bos Report අනුව කොමිෂන් සභාව යටතේ ගිණුම්ගතවී තිබුනේ ෆැක්ස් යන්ත්‍ර 02 ක් පමණි.

5. මානව සම්පත් කළමනාකරණය

5.1 මානව සම්පත් සංවර්ධන සැලැස්ම

සමාලෝචිත වර්ෂයේ මානව සම්පත් සංවර්ධන සැලැස්ම අනුව කොමිෂන් සභාවේ නිලධාරීන් සඳහා පැවැත්වීමට අපේක්ෂිතව තිබූ පුහුණු ක්ෂේත්‍ර වන ප්‍රසම්පාදනය, පර්යේෂණ යෝජනා, සන්නිවේදන කුසලතා, අන්තර් පුද්ගල සම්බන්ධතා, කාර්මික කුසලතා, ලේඛන හැකියාව, රාජ්‍ය මූල්‍ය කළමනාකරණය, පරිගණක දත්ත විශ්ලේෂණය, තාක්ෂණික ඇගයීම් පිළිබඳ පුහුණුව සහ සංඛ්‍යාත්මක කුසලතා පිලිබඳ පුහුණු වැඩසටහන් පවත්වා නොතිබුණි.

5.2 අනුයුක්ත කාර්ය මණ්ඩලය, තත්‍ය කාර්ය මණ්ඩලය

2025 දෙසැම්බර් 31 දිනට අනුමත සේවක සංඛ්‍යාව 85 ක් වුවද, තත්‍ය සේවක සංඛ්‍යාව 72 ක් වුයෙන් නිලධාරීන් 13 ක පුරප්පාඩු පැවතුණි. එයින් ජ්‍යෙෂ්ඨ මට්ටමේ පුරප්පාඩු 05 ක් වූ අතර එය අනුමත සංඛ්‍යාවෙන් සියයට 31 ක් විය.
තත්‍ය සේවක සංඛ්‍යාව තුල රාජ්‍ය පරිපාලන චක්‍රලේඛ අංක 14/2022 අනුව දේශීය/විදේශීය නිවාඩු ලබාගෙන ඇති නිලධාරීන් සංඛ්‍යාව 10 ක් විය. මෙසේ පුරප්පාඩු පැවතීම කොමිෂන් සභාවේ කාර්යසාධනය කෙරෙහි අහිතකර ලෙස බලපෑ හැකි බව විගණනයේදී නිරීක්ෂණය විය.

කේ.කේ.එස්.ජයකොඩි
නියෝජ්‍ය 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 2026	√		
Issued Need Assessment Guidelines on Provincial Recurrent expenditure for 2026	√		
Assessed Provincial Capital expenditure needs for 2026.	√		
Assessed Provincial Recurrent expenditure needs for 2026.	√		
Submitted Recommendation for the year 2026 to the Hon. President.	√		
Issued Guidelines on preparation of the Provincial Annual Development Plan for the year 2026	√		
Issued Guidelines on preparation and implementation of Maintenance Activity Plan for the year 2026	√		
Reviewed Provincial Annual Development Plans – 2025 & 2026 and Granted concurrence.	√		
Managed the financial matters & Administration of the office.	√		
Submitted Annual Performance Report of the Finance Commission 2024 to Parliament.	√		

Chapter - 05: Performance of the achieving Sustainable Development Goals (SDGs)

5.1. 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	1.4 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	▪ Finance Commission Recommendations			√
		▪ Guidelines for Preparation of the Provincial Annual Development Plan (PADP)			√
	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	▪ Assessment of Annual Provincial Capital Needs			√
		▪ Provincial Recurrent Need Assessment			√
	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	▪ Guidelines for Preparation and Implementation of Maintenance Activity Plan			√
		▪ Guidelines for the School Nutritional Food programme			√

Goal/ Objective	Targets	Indicators of the achievement	Progress of the Achievement to date		
			0% - 49%	50% - 74%	75%- 100%
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	▪ Finance Commission Recommendations			√
		▪ Provincial Annual Development Plan (PADP) Guidelines			√
		▪ Guidelines for Preparation and Implementation of Maintenance Activity Plan			√
		▪ Provincial Recurrent Need Assessment			√
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	▪ Finance Commission Recommendations			√
		▪ PADP Guidelines			√
		▪ Assessment of Annual Provincial Capital Needs			√
		▪ Provincial Recurrent Need Assessment			√

5.2 Achievements and challenges of the Sustainable Development Goals (SDGs)

Although, the Finance Commission itself does not directly implement development programs to achieve the Sustainable Development Goals, it contributes significantly across a broad spectrum of subjects towards achieving these goals through the fulfillment of its constitutional mandate. Therein, recommending funds for Provinces from the Annual Budget of the Government through the assessment of provincial needs, apportionment of such allocated funds among the Provinces with the objective of achieving the balance regional development as well as issuing Guidelines to prepare Annual Provincial Development Plans, the Finance Commission plays a important role in achieving the Sustainable Development Goals through the Provincial Councils.

Many of the Sustainable Development Goals cover a broad spectrum of social, economic and environmental sectors and most of them entrusted to subjects devolved to the Provincial Councils. Through the issuance of Guidelines for preparing Annual Development Plans as well as the Guideline for Preparing and Implementing Maintenance Plans the Finance Commission directs the Provincial Councils to focus their attention on achieving these goals through their development efforts.

Accordingly, Provincial Councils prepare Annual Development Plans across the following sectors, and during the review of these plans also the Finance Commission emphasizes the importance of achieving Sustainable Development Goals before granting concurrence for respective plans.

* Education	* Provincial Roads	* Land Development
* Western Medicine	* Estate Infrastructure	* Irrigation
* Indigenous Medicine	* Transport	* Agriculture
* Sports	* Housing	* Livestock
* Probation and Childcare	* Rural Development	* Inland Fisheries
* Social Services	* Local Government	* Small Industries
* Cultural and Religious Affairs	- Local Authority Road	* Tourism
* Co-operative Development	- Community Water Supply - Waste Management	* Rural Electrification
* Early Childhood Development	- Others Services	(within the scope of item No. 34 of the Provincial Council list)

However, in comparison with the amount of funds recommended by the Finance Commission to be allocated to the Provincial Councils from the Government's annual budget, the Government annually allocates a comparatively smaller amount of funds due to the prevailing limitations in available resources. As a result, achieving the above-mentioned objectives remains a challenge. Although the allocation of a significant amount of funds to the Provincial Councils from the annual budget from 2025 compared to previous years has helped to alleviate this situation to some extent, the capacity of the Provincial Councils to carry out development activities has become problematic at times due to difficulties such as shortage of technical staff and machinery required to cover provincial subjects, the lack of adequate transport facilities, the difficulty in identifying qualified contractors at the local level, and shortages of raw materials.

Chapter - 06: Human Resource Profile

6.1. Cadre Management

Category	**Approved Cadre**	**Existing Cadre (as per the date of 31.12.2025)**	**Vacancies**
Senior	16	11	05
Tertiary	05	03	02
Secondary	47	37	10
Primary	17	11	06
Total	**85**	**62**	**23**

6.2. Effect of the shortage or surplus of human resources on the functioning of the organization

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 challengeable due to limited capacity of the human resources.

6.3. Human Resource Development (Local and Foreign Training)

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	Diploma in Office Management	01	2024-2025	110,000.00	-	Local	Knowledge of organizational work procedures
02	Diploma in Profesional English	01	2024-2025	46,000.00	-	Local	English knowledge for work
03	Developing the Attitudes of Public Servants -: Resource Contribution - Mr. P.Susantha Jayathilaka (GeneralManager - Lanka Mineral Sands Ltd)	60	2025.03.04	5,600.00	-	Local	Attitude development and knowledge of public officials
04	Office Management-: Resource Contribution - Mr.Y.K.S.S.B. Yatiwella (Administrative Officer of the Ministry of Justies)	60	2025.08.27	5,600.00	-	Local	Knowledge of corporate management, corporate work procedures, and corporate code of conduct
05	Lecture and practical training on fire protection system	60	2025.08.29 - 2025.09.15	-	-	Local	Practical understanding of how to deal with fires
06	Google app and AI tools training	01	2025.09.13	6,000.00	-	Local	Knowledge of using Google app and AI tools

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		
07	Income tax training	02	2025.09.19	16,000.00	-	Local	Knowledge of income tax preparation
08	mastering the Government Payroll systems	02	2025.09.19	30,000.00	-	Local	Knowledge of using payroll systems
09	Employee soft skills development	03	2025.09.19	22,500.00	-	Local	Development of soft skills
10	Tamil language proficiency	02	100 hours	-	-	Local	Improving knowledge of the Tamil language
11	Anticoruption and Intergrity Training Conducted by ADB	04	1 day	-	-	Local	Knowledge related to anti-corruption and interaction training
12	Seminar on Blue Economy Think Tank Network for Indian Ocean Rim - China	01	2025.09.05 – 2025.09.25	-	116,281.00	Foreign	Knowledge of Blue Economic Network Thinking for the Indian Ocean Region
13	Seminar for senior Sri Lankan Government officials of Sri Lanka - China	03	2025.11.26-2025.12.09	-	354,817.98 (Casual offer) 30,829.5 (Warm clothing allowance)	Foreign	Knowledge of China's development policies, good governance, regional development, and urban planning
14	Regional Development and Economic activation	01	2025.04.16-2025.04.25	-	-	Foreign	Knowledge of regional development and economic activity

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
01	**The following Financial statements/accounts have been submitted on due date**			
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		
02	**Maintenance of books and registers (FR445)**			
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		

No.	Applicable Requirement	Compliance Status (Complied/Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
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		
03	**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 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		

No.	Applicable Requirement	Compliance Status (Complied/Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
04	**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		
05	**Audit Queries**			
5.1	All the audit queries have been replied within the specified given time by the Auditor General	Complied		
06	**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 queries have 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		

No.	Applicable Requirement	Compliance Status (Complied/Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
07	**Audit and Management Committee**			
7.1	Minimum 04 meetings of the Audit and Management Committee have been held during the year as per the DMA Circular 1-2019	Complied		
08	**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. 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 carried out in terms of FR 772	Complied		

No.	Applicable Requirement	Compliance Status (Complied/Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
09	**Vehicle Management**			
9.1	The daily running charts and monthly summaries of the pool vehicles have been prepared and submitted to the Auditor General on due date	Complied		
9.2	The condemned vehicles have been disposed within a period of less than 6 months after condemning	Complied		
9.3	The vehicle logbooks have 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 vehicle log books have been transferred after the lease term	Complied		
10	**Management of Bank Accounts**			
10.1	The bank reconciliation statements have been prepared, got certified and made ready for audit by the due date	Complied		
10.2	The dormant accounts that have existed in the year under review or since previous years settled	N/A		
10.3	The action has been taken in terms of Financial Regulations regarding balances that had been disclosed through Bank Reconciliation Statements and for which adjustments were made, and balances were settled within one month	Complied		

No.	Applicable Requirement	Compliance Status (Complied/Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
11	**Utilization of Provisions**			
11.1	The provisions allocated have 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 have been complied with	Complied		
12.2	A time analysis has been carried out on the loans in arrears	Complied		
12.3	The loan balances in arrears for over one year have been settled	Complied		
13	**General Deposit Account**			
13.1	The action has been taken as per F.R.571 in relation to disposal of lapsed deposits	N/A		
13.2	The control register for general deposits has been updated and maintained	Complied		

No.	Applicable Requirement	Compliance Status (Complied/Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
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 have not been issued exceeding the limit approved as per F.R. 371	Complied		
14.4	The balance of the imprest account has been reconciled with the Treasury books monthly	Complied		
15	**Revenue Account**			
15.1	The refunds from the revenue have been made in terms of the regulations	N/A		
15.2	The revenue collection has 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	N/A		
16	**Human Resource Management**			
16.1	The staff had been paid within the approved cadre	Complied		
16.2	Duty Lists for all members of the staff have been issued 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		

No.	Applicable Requirement	Compliance Status (Complied/Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
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 by Website or alternative measures 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		
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	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		

No.	Applicable Requirement	Compliance Status (Complied/Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
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 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	N/A		
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		
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	N/A		

END