Quarterly Performance Report of the Finance Commission

(From 01st of April 2019 to 30th of June 2019)

1. Issue the Budget Guidelines on Recurrent and Capital Needs of the Ensuing Year to the Provinces.

The Finance Commission issues guidelines annually to provincial authorities to facilitate the Need Assessment of both recurrent and capital budget. Detailed guidelines on need assessment for the year 2020 were prepared with format to collect information and sent to the all Chief Secretaries of the Provincial Councils.

The formats included in the guideline are used Provincial Councils in an effective manner enabling the need assessment of the provinces to Finance Commission.

The completed formats providing provincial needs assessment on recurrent expenditure for the Financial Year 2020 from all provinces have been received and assessment work has already been started. Five Provincial Councils have submitted their reports on Capital needs by end June an others are being received. The need assessment will be completed by August with the objective of finalizing the recommendation by end August.

2. Reviewing Provincial Annual Development Plans - 2019

The Finance Commission received the Annual Development Plans (ADP) from all nine Provincial Councils. The Plans were studied by the Finance Commission. A team comprising the Chairman, Commission Members, Secretary and other relevant Officials of the Finance Commission along with the Officials from the Department of National Planning and Department of National Budget visited the Provincial Councils of Western, Northern, Central, Sabaragamuwa, Eastern, North Central and North Western to review the Annual Development Plans and several on-going and completed projects. The Chief Secretary, Provincial Secretaries, Heads of Department and other Senior Officials from Provincial Councils participated at these meetings.

The Annual Development Plans of all nine Provincial Councils for the year 2019 were reviewed and concurrence was granted for implementation, subject to certain revisions as discussed and agreed at the review meetings.

3. Supplementary Budget Allocation to Provincial Councils

The Finance Commission receives requests from Provincial Councils for supplementary allocations under recurrent budget. The Commission reviewed and recommended 08 requests up to 25.06.2019 and forwarded them to the Department of National Budget. 03 more requests were under review clarifications from respective Provincial Councils to recommend them.

4. Finance Commission Bill

Several discussions were held with the Attorney General’s (AG’s) Department and the Legal Draftsman’s Department regarding the draft Finance Commission Bill. As per the instructions received from the Attorney General’s Department, an itemized list of salient features to be incorporated in the Finance Commission and the amended Bill was submitted to them. It is expected that the discussion with Attorney General’s Department will be concluded in order that the Bill could be presented shortly.

5. Finance Commission Data Base and MIS

The first phase of MIS for recurrent expenditure has already been completed and a prototype was developed by the System Developer and presented to the Finance Commission for comments and suggestions of the Finance Commission. Theekshana has made a presentation on the developed MIS system on 02nd of May 2019 for all the Executive Officers and Assistant Research Officers of the Finance Commission. The commission adopted MIS with the assessment of 2020 recurrent budget estimates of the provinces with the assistance of the System Developer.

6. Annual Report of the Finance Commission - 2018

The Annual Report for 2018 together with the following three Annexes for Cabinet Memorandum were prepared in English, Sinhala and Tamil and submitted to the President's Office on 19th June 2019.

- Performance Report of the Finance Commission for the year 2018
- Audit Report for the year 2018 and the measures taken to remedy the shortcomings as highlighted in the Audit Report
- Summary of medium term measures to be adopted in order to raise the performance of the Finance Commission.

7. Performance Reports of the Finance Commission

Performance Reports of the Finance Commission for the period from 1st October 2018 to 31st December 2018 (Quarterly Performance Report) and 01st January 2018 to 31st December 2018 (Annual Performance Report) were submitted to Parliament on 8th April 2019 and 27th May 2019. This Year, the First Quarter Performance Report for the 1st Quarter was submitted to the Constitutional Council on 29th April 2019.

8. Review of the Strategic Plan.

Strategic Plan of the Finance Commission was reviewed and redeveloped. A series of relevant discussions were held with the staff and presented to the Commission.

9. Preparation of Highlights of Provincial Audit Reports

During the Quarter the Finance Commission received the Audit Reports of the Northern, Uva and Western Provincial Councils from the National Audit Office for the Financial Year 2017. These reports were reviewed and the highlights of the audit findings were tabled at the Commission meetings and thereafter forwarded to the Auditor General, Provincial Governors, Chief Secretaries and Ministry of Internal and Home Affairs and Provincial Councils and Local Government for follow up action.

10. Human Resources Policy

As per the guidance of Public Administration Circular No. 02/2018, Human Resource Development Plan for the year 2019 has been developed by the Administration Division to enhance the skills, attitudes and performance of the staff of the Finance Commission. This will be reviewed in the light of the revised strategic plan.

11. Work Study

As reported in the last quarter report, the Commission initiated action to carry out a work study with the objective of streamlining the functions and improving effectiveness of the Commission. The Commission had few meetings with The Asia Foundation in this regard and the work study is expected to comments in Quarter 3.

12. Presentation of Mid-Term Sustainable Development Plans of five Provinces to the Expert Committee

Five year Mid-Term Sustainable Development Plans prepared by Uva, Sabaragamuwa, Central, North Central and North Western Provincial Councils with the technical support of UNDP were presented to the Expert Committee comprising the Members and the Secretary of Finance Commission, Secretary - State Ministry of Provincial Councils and Local Government, Director General of Sustainable Development Council, representatives of Departments of National Budget, Census and Statistics, Deputy Chief Secretaries (Planning) of respective Provinces and representatives of UNDP at the Finance Commission.

It was a forum to obtain valuable comments from the expert committee for further development of the plans and to recognize them as overall Mid-Term Plans of those Provinces. The consultants to the preparation of these plans comprised University Academia along with Senior Staff of the Provinces.

13. Developing the Terms of Reference for Study on Balanced Regional Development

Following a discussion held on 8th of March 2019 at the Finance Commission on Balance Regional Development with the participation of the Department of Census and Statistics, Central Bank, Department of National Planning and Department of Fiscal Policy, Terms of Reference (TOR) were prepared by the Operational Committee and forwarded to the Steering Committee. The proposed Steering Committee consists of the Chairman and the Secretary of the Finance Commission, the Director Generals of Departments of Census and Statistics, National Planning, Fiscal Policy, National Budget and representatives from the Economic Research and Regional Development Departments of the Central Bank.

14. Discussion with Director, Department of Regional Development, CBSL

A discussion was held on 27th May 2019 with the Regional Development Department of CBSL on Rural Credit Facilities. The Directors and Assistant Directors of the Finance Commission participated at this discussion.

15. Joint Research Studies with Sri Lanka Institute of Local Governance (SLILG)

The Finance Commission together with the Ministry of Local Government and Provincial Councils has launched a two joint research studies for 2019.

An Independent evaluation meeting was held on 24th June 2019 to select a suitable research from these studies.

16. Audit and Management Committee Meeting

The 02nd Quarter Audit and Management Committee Meeting was held on 26th June 2019 and appropriate follow up action taken.

17. Internal Audit Charter

An Internal Audit Charter for the Finance Commission has been developed. This charter provides the Mission, Scope, Authority, Independence and Responsibility, Code of Ethics to be followed by the Internal Audit Division of the Finance Commission.

18. Capacity Building of the Staff

- **Guest Lectures**

The following guest lecturers made presentation for the staff of the Finance Commission.

Name	Topic	Date
1. Prof. Ajith de Alwis	Creative Thinking	2019.05.24
2. Dr.Dinesh Attygalle, Dr. Shantha Amarasinghe, Mr. Weragoda from the Moratuwa University	Material Science and Economy	2019.05.27
3. Dr. Ajith Rohana Colonne	Success	2019.06.25

- **Human Resource Development of the Staff (Local Trainings)**

The following Officers have been selected and participated the trainings programme during this period

Name	Topic	Date
1. Mrs. W. D.I. D. Ireshika	Stores and Inventory Management	2019.04.25-2019.04.26
2. Mrs. Wijitha Abeywikrama	Stores and Inventory Management	2019.04.25-2019.04.26
3. Mrs. S.N.Sanjeewani	Procurement Procedures for Executive Officers	2019.06.06/ 2019.06.13 / 2019.06.20

- As already reported, Human Resource Development Plan was prepared in line with the Public Administration Circular No.02/2018.

19. Participation of Seminars and Meetings

The Chairman, the Secretary and few Senior Staff of the Finance Commission attended the following meetings/workshops.

- **The World Bank-funded General Education Modernization Project**

  The General Education Modernization Project (GEM) launched in 2018 is funded by the World Bank with a grant of US$ 100 million with the objectives of improving the quality and strengthening stewardship of the General Education System and Modernize the Primary and Secondary Education System, in line with international development in middle-income and high-income education system in Sri Lanka. The project implementation period is 2018-2024.

  Key project components are enhancing quality and strengthening stewardship of primary and secondary education and project operation and technical support.

  A 48 member Steering Committee has been appointed for implementation of the project. The Chairman is one of the members of the Steering Committee. The Steering Committee meetings are held on a quarterly basis.

- **Discussion at the Attorney General's Department regarding the Finance Commission Bill**

  A discussion was held at the Attorney General's Department with the participation of the Chairman, Members, the Secretary and several Officials of the Finance Commission regarding the draft Finance Commission Bill. At the discussion, it was decided to itemize the salient features of the Draft Bill and send them to the Attorney General's Department for their consideration.

- **New Provincial Road Development Project**

  The objective of the project is to improve access and asset management of Provincial Road Network and strengthen the systems and processes of provincial road agencies. There are two major components in this project, namely Provincial Road Program Financing and Asset Management, road safety and institutional strengthening. Under the provincial road program financing component, construction and/or rehabilitation/ improvement of about 500 km of priority provincial roads in the nine provinces will be carried out with a 5 year maintenance period. The asset management will encompass road safety and institutional strengthening component, improving framework for asset management, road safety, establishing linkages for agriculture/logistic value chains and institutional capacity.

- **Meeting on Implementation of National Guideline for the Child Daycare Centers in Sri Lanka**

  Meeting on the above was held on 16th May 2019 at the Presidential Secretariat, for the purpose of reviewing the guidelines collectively prepared by The National Child Protection Authority and The Ministry of Child and Women Affairs. It was agreed to invite all Provincial Commissioners for further consideration.

- **Seminars Attended**
  - "Seminar on Experience Speaks Louder than Theories"
  - Discussion on "Balanced Regional Development, Rural Credit Facilities Programme & Strategies"
  - Meeting on "Supplementary Recommendation for the Provinces"
  - Discussion on "Administration Matters in the Provincial Councils & Local Government"
  - Counter Terrorism in Sri Lanka and Their Impact on National Security

20. Finance Commission Meetings

- Commission meetings were held on the following dates during the quarter.
  - 26.04.2019
  - 25.05.2019
  - 15.06.2019
- The Commission Sub Committee met regularly before each Commission Meeting.
- Co-group meetings were conducted on a weekly basis.