Performance of the Finance Commission

(From 01st of January 2019 to 31st of March 2019)

This performance report gives a brief account of the main activities performed by the Finance Commission during the period of 1st January 2019 to 31st March 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 regarding the Assessment of Needs under both recurrent and capital budget. A detailed guideline on need assessment for the year 2020 were prepared with necessary attachments and sent to the all Chief Secretaries of the Provincial Councils.

The comprehensive guidelines included specific formats to practice by Provincial Councils in effective manner and for submission of need assessment of the provinces to Finance Commission.

The completed sets of provincial needs assessment on capital expenditure and recurrent expenditure for the financial year 2020 from all provinces are expected to reach the Finance Commission by the 30th April, 2019 and 31st May 2019 respectively.

2. Reviewing Provincial Annual Development Plans - 2019.

The Finance Commission received the Annual Development Plans from few Provincial Councils in March 2019. The plans were carefully studied by the Finance Commission. A team comprising Chairman, Members and 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 Uva Provincial Council on 19th March 2019 and the Southern Provincial Council on 27th March 2019 to review the Draft Annual Development Plans of the Provincial Councils and several ongoing projects.

The Chief Secretary, Provincial Secretaries and Heads of Department and other senior officials from provincial councils participated these review meetings. The Annual Development Plans of these two Provincial Councils for the year 2019 were reviewed and the concurrence of the Finance Commission was granted for implementation subject to make few revisions as discussed and agreed at the review meetings.

The review meetings at other provincial councils were scheduled to be held during April once received the annual plans from other Provincial Councils.

3. Recommendations for 2019

Recommendations on apportionment of funds for capital and recurrent expenditure for the year 2019 were submitted in three languages to Parliament on 21st February 2019. (In line with Article 154 (J) of the 13th Amendment to the Constitution)

4. Annual Report of the Finance Commission - 2017

Annual Report - 2017 of the Finance Commission was prepared in three languages were presented to H E the President Maithripala Sirisena by the Chairman of the Finance Commission Mr. U.H. Palihakkara on 29th January 2019.

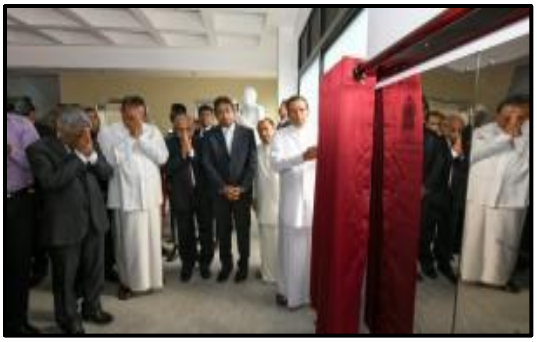
The Commission Members of the Finance Commission, Dr. Indrajith Coomaraswamy, Dr. R.H.S. Samaratunga, Prof. M. M. Zafrullah, Mr. V. Kanagasabapathy and Secretary of the Finance Commission, Mr. A.T.M.U.D.B Tennakoon also attended at this occasion. This report also tabled at the Parliament in March 2019.

5. Preparation of Finance Commission's Observations on Provincial Audit Reports

The Audit Reports of the Auditor General's Department for the Southern, Sabaragamuwa and Uva Provincial Councils were reviewed and observations of the Finance Commission were considered by the Commission and sent the Commission's observation's to the Chief Secretaries of the respective provinces. The observations of the Finance Commission will be useful to improve provincial governance and reduce the audit queries at provincial level.

6. New Building for the Finance Commission

New office building of the Finance Commission at No 03, Sarana Mawatha, Rajagiriya was ceremonially declared opened by H E the President Maithripala Sirisena in the presence of Hon. Speaker Karu Jayasuriya, Hon. Dr. Harsha de Silva, Hon. Governors of Provincial Councils, some Hon. Chief Ministers of Provincial Councils and other invitees and officials were attended for this occasion.



7. Appointment of Members to the Finance Commission

His Excellency the President has re-appointed the following members as Chairman and Members of the Finance Commission under Article 41B and 154 R(1)(C) of the Constitution.

Chairman	:	Mr. Uditha Harilal Palihakkara
Member	:	Mr. V. Kanagasabapathy
Member	:	Prof. H.M. Zafrullah

In addition, according to Article 154 (R) (1) (a) and (b) of the constitution, the Governor of the Central Bank of Sri Lanka and Secretary to the Treasury will serve as Ex-officio Members of the Finance Commission.

8. Finance Commission Data Base and MIS

The first step of process of MIS for recurrent expenditure has already been completed and the prototype was developed by Theekshana and presented to Finance Commission with the comments and suggestions of the Finance Commission. The 2nd phase of the system is being developed by Theekshana system Developer in collaboration with Finance Commission. The system developer was expected to make a presentation on product at the beginning of April. It is expected to hand over the final product to Finance Commission before 25th of April by the system developer.

9. Internal Audit and Management Committee

The 1st Quarter meeting of the Internal Audit and Management Committee was held on 28th March 2018. The Director, Department of Management Audit also participated this audit committee meeting chaired by the Secretary, Finance Commission. Decisions of the meeting were informed to the all staff of the Finance Commission for necessary follow up action. In this connection, the Commission directed that Internal Audit to deal with performance aspects giving importance, in addition to regularity aspects.

10. Work Study

As per the decision taken by the Finance Commission, it was decided to conduct a work study to determine the requirements of staff to perform its mandated functions in a more effective and efficient manner with the objective of improvement the productivity of the organization along with effective utilization of human resources and appropriate scheduling available within the Commission.

11. Performance Reports of the Finance Commission

Performance Report of the 4th Quarter 2018 of the Finance Commission was submitted to the Constitutional Council on 06th February 2019.

12. Capacity building of the staff

12.1 Guest Lectures

The following Guest Lecturers made presentations for the staff of the Finance Commission.

Name	Topic	Date
Prof. Nalin Abeysekera, Senior Lecturer, Open University	For better 2019	1st January 2019
Dr. P.Vishaka Hidellage	Disasters in Sri Lanka	10th January 2019

12.2 Local Training

The officers of the Finance Commission were provided training opportunities and few officers participated following programmes.

- Basic English Languages
- Basic Tamil Languages
- Basic Sinhala Languages

13. Meeting on Provincial Sports Sector Development

A meeting with the Directors of the Department of Sports of nine Provinces was held on 17th January 2019 at the Finance Commission. Director General of Department of Sports also participated for this meeting.

The objective of the meeting was to provide an opportunity to all representatives to discuss issues and problems faced by the Sports Sectors in all Provinces, with a view to making appropriate policy decisions.

14. Meetings on Sectors of Co-operative, Probation & Childcare, Social Services and Early Childhood Development

A Meeting with the Commissioners of Co-operative, Probation & Childcare, Social Services of nine Provinces was held on 01st March 2019 at the Finance Commission. The main objectives of the meeting were to review progress of previous years, discuss relevant issues /challenges and make necessary recommendations.

15. Discussion on Socio Economic Indicators and Measuring Balance Regional Development

A discussion organized by the Finance Commission with the participation of the Department of Census and Statistics, Central Bank, Department of Fiscal Policies, Department of National Planning on 8th March 2019 at the Finance Commission. The objective of this meeting was to discuss and finalized the Terms Of Reference (TOR) for formulation of Socio Economic Indicators for measuring Balance Regional Development. It has decided to revise that TOR and circulate among them for further development.

16. Discussion on Joint Research Studies with Sri Lanka Institute of Local Governance

A discussion organized by the Finance Commission the participation of Sri Lanka Institute of Local Governance on 25th March 2019 at the Finance Commission. The main objective of the discussion was to conduct joint research studies in the area of Local Government and Provincial Councils System in devolution of power and its practices.

It is expected the joint studies will help to efficient and effective operation and best practices in these devolved areas. The MOU prepared and this had been forwarded to Sri Lanka Institute of Local Governance.

17. Workshop on Improving Governance in Provincial Council

A one day workshop on improving Governance in Provincial Councils was organized by the Finance Commission and conducted on 30th March 2019 at the Finance Commission. The Chief Secretaries, Deputy Chief Secretaries (Finance, Planning, Engineering, Administration and Personnel & and Training) and Chief Internal Auditor of all nine Provincial Councils were actively participated this workshop.

Governor of the Central Bank of Sri Lanka, Secretary to the Treasury, Commission Members and Mr. Asoka S. Gunawardena, Former Chairman of the Finance Commission delivered speeches with presentations and participated in the panel discussion.

18. Draft Finance Commission Act

The Attorney General's Department has sent a letter on 25th March 2019 to the Finance Commission giving some observations on the draft of the Bill. The Commission considered the observations and decided to have a further discussion with the AG's Department in this matter.

19. Special Studies

A few Special Studies were carried out for support of Finance Commission activities. These include:

- Transfer of central government revenue to provincial councils
- Indirect revenue (nation building tax) collection by provinces.
- The Administration Division of the Finance Commission prepared a Draft manual on Human Resource Policy of the Finance Commission
- Balanced Regional Development - the practice of NPD and FC
- Provincial Planning Process – the practice of EPC

20. Participation /Attendance Seminars and Workshops

The Chairman, The Secretary and few senior staff of the Finance Commission attended the following Meetings / workshops

- State of Sri Lankan Cities
- Formulation of the National Evaluation Policy framework
- Five years Development Plan- North Western province
- Reviewing the Project Operational Manual
- Regarding Recruitment of Sanitary Labors Harispaththuwa
- Restructuring cadre - Southern Province
- Cadre Review -Department of probation and Child Care & Social Service
- Balance Regional Development
- Local Government Support Project
- Oversight Committee on Mapping of Provincial Statutes Awareness Building Programme on Capabilities of Sri Lanka as a venue
- For holding International /Regional Conferences and meetings
- Building Universal Health Care through strong Public – Private Partnership
- Seminar on Produced milk Vs liquid milk
- Seminar on Government Budget 2019 impact on the Economy
- Seminar on the Present state of the Constitutional Reforms process
- Re: Professor Amartya Sen; (Celebrated Indian Economist/Philosopher)
- India's Economic Outlook in the 21st Century
- Hydro diplomacy: Water as a tool of IR
- Geopolitics of Artificial Intelligence
- Budget Analysis 2019
- National Strategy using Artificial Intelligence

21. Financial Performance of the Finance Commission

The Finance Commission reviewed the performance of the Finance Commission regularly on a monthly basis. Reviewed the performance in 1st quarter of 2019 also.

22. Compliance Report of the Finance Commission

The Commission ensures that all compliances required in its functioning are met. In this regard Compliance Reports are submitted to the Commission on a monthly basis.

23. Recruitment of the Staff to Finance Commission

A Director (Policy Research and Publication), a Public Management Assistants, were appointed to the Commission Secretariat.

24. Commission Meetings

- Commission Meetings were held in following dates.
  - ✓ 26.01.2019
  - ✓ 09.02.2019
  - ✓ 30.03.2019
- The Commission Sub Committee met regularly before each Commission Meeting.
- Weekly Core-group meetings was conducted and followed up decisions and directions.