Annual Performance Report - 2021

of the

Finance Commission

Expenditure Head No. - 011

Finance Commission of
Democratic Socialist Republic of Sri Lanka

2022

Contents

Chapter - 01: Institutional Profile/Executive Summary

1.1. Introduction

Background

The Finance Commission was brought into being along with the establishment of the Provincial Councils by the 13th Amendment to the Constitution of the Democratic Socialist Republic of Sri Lanka which was promulgated in 1987. In line with Articles 154A- 154Q of the Constitution relating to the establishment of the Provincial Councils, the Provincial Councils Act No. 42 of 1987 was enacted to create a broader governance framework for proper functioning of those entities.

The Provincial Councils are responsible for service delivery pertaining to devolved subjects referred to in the List 1 of the 9th schedule of the Constitution and shared responsibilities of concurrent subjects utilizing public funds in an economic, efficient and effective manner. The Finance Commission provides the necessary guidance to the Provincial Councils for their effective functioning.

Finance Commission and its Mandate

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

> **Article 154 R (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 154 R (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 154 R (5)** The Commission shall formulate such principles with the objective of achieving balanced regional development in the country, and shall accordingly take into account-
>
> a) the population of each Province;
> b) the per capita income of each Province;
> c) the need, progressively, to reduce social and economic disparities; and
> d) the need, progressively, to reduce the differences between the per capita income of each Province and the highest per capita income among the Provinces.

The Recommendations are made by the Finance Commission adhering to the Constitutional requirements. Upon the receipt of the Recommendations of the Finance Commission, H.E. the President submits those to the

Cabinet of Ministers seeking approval to table the same in Parliament. Thereafter, as required under Article 154 R (7) of the Constitution H.E. the President causes those Recommendations to be laid before Parliament.

1.2. Vision, Mission, Objectives of the Institution

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

Vision:

A prosperous Sri Lanka with balanced regional development

Mission:

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

Thrust Areas:

1. Making recommendations to the Government for allocation of adequate funds to the Provinces from the Annual Budget
2. Making recommendations to H.E. the President regarding the principles on which such funds granted annually should be apportioned between the Provinces
3. Making recommendations to H.E. the President regarding any other matter referred to the Finance Commission on Provincial Finance

Objectives of the Commission

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

1.3. Key Functions

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

In this process, the Finance Commission;

I. provides Guidelines to the Provincial Councils on the preparation and submission of their needs of resources annually.
II. assesses the needs of the Provincial Councils on a rational basis after detailed discussions with Provincial Authorities.
III. makes recommendations for allocation of funds required by the Provincial Councils from the National Budget and the apportionment of such funds between the Provinces.
IV. issues Guidelines to the Provincial Councils on Preparation of annual provincial development plans for the funds allocated by the National Budget.
V. assists the Provincial Councils in formulating their Annual Development Plans to ensure the efficiency and effectiveness of use of funds.

1.4. Main Divisions of the Institution

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

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

Functions of the Divisions in Finance Commission

The specific functions performed by the divisions of the Finance Commission are given below.

a. Policy, Studies and Reporting Division

1. Carrying out the studies and identifying the fund allocation and apportionment principles
2. Assisting the Chairman and the members of the Commission in the formulation of recommendation to H.E. the President
3. Preparation and submission of Annual Performance Reports of the Finance Commission to Parliament

b. Provincial Development Planning Division

1. Assessment of Provincial capital needs for the inclusion in the recommendations of the Finance Commission
2. Issuing guidelines for preparation of Provincial Annual Development Plans
3. Review the Provincial Annual Development Plans and granting concurrence for implementation

c. Provincial Recurrent Needs & Cadre Assessment Division

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

d. Provincial Revenue Division

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

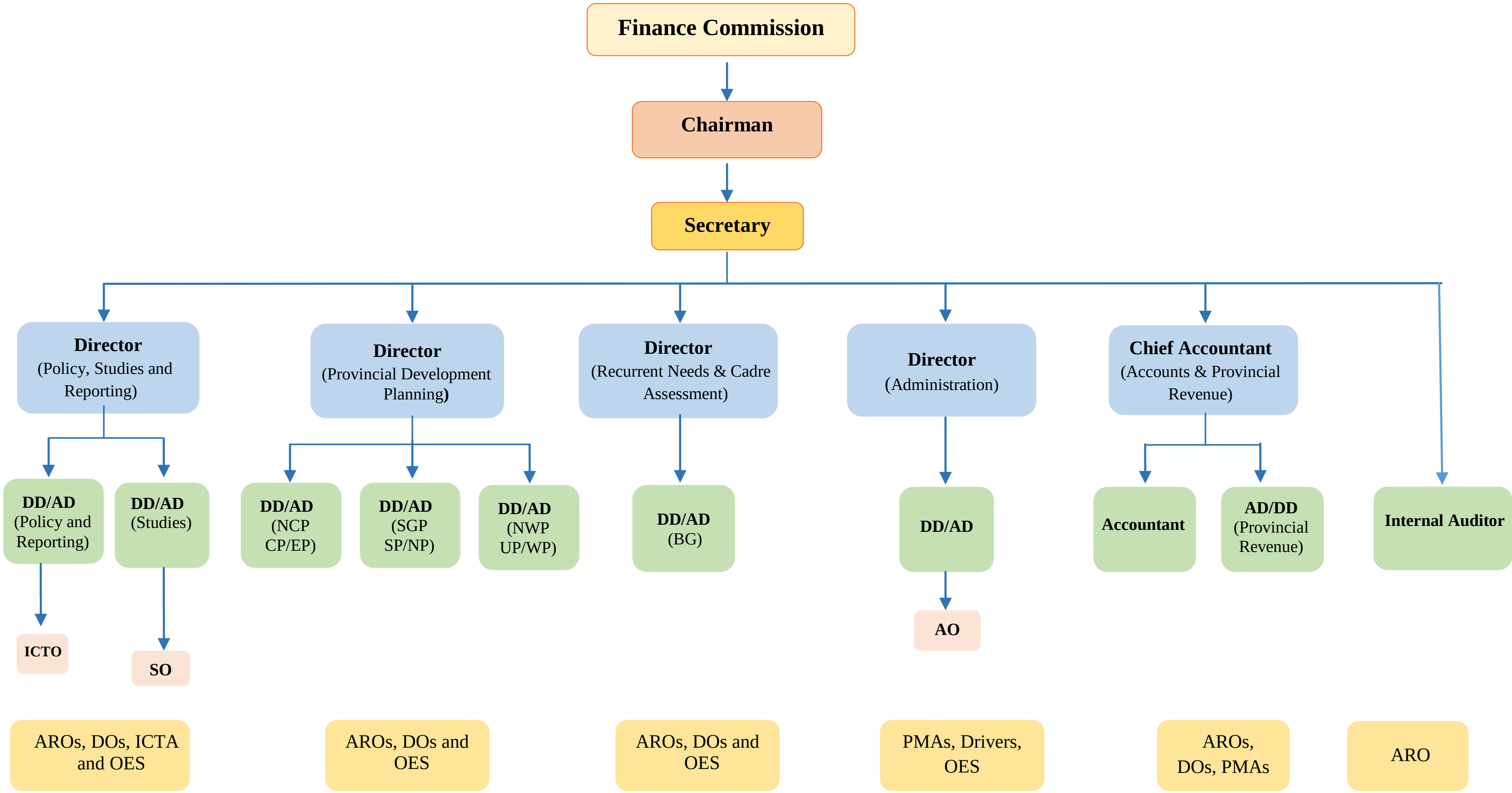
e. Administration Division

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

f. Accounts Division

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

1.5. Organizational Chart



DD/AD - Deputy Director/Assistant Director
AO - Administrative Officer
ICTO - Information Technology & Communication Officer
SO - Statistical Officer

ARO - Assistant Research Officer
DO - Development Officer
PMAS - Public Management Assistant Service
OES - Office Employee Service

1.6. Institutions/Funds coming under the Finance Commission

No institution comes under the Finance Commission. It is a special agency (Independent Commission) established under the Article 154 R of the Constitution.

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

No foreign funded project implemented under 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

The Finance Commission accomplished the following major activities during the year 2021 (in line with the mandatory functions within the timeframe of the Action Plan-2021).

2.1.1. Matters Pertaining to the Capital Budget

i. Issuing Guideline on Provincial Capital Need Assessment

Guidelines were sent to the Provincial Councils on 15th January 2021 for Capital Need assessments for the year 2022.

ii. Reviewing Provincial Annual Development Plans - 2021

In line with the guidelines of the Finance Commission, Annual Development Plans (ADP) of all nine provinces was submitted for concurrence of the Finance Commission. ADPs were studied and subsequently, review meetings were held on scheduled dates as follows at each Provincial Council. The Chairman, some members of the Finance Commission, the Secretary along with other relevant officers of the Finance Commission, relevant officers of the Departments of National Planning and Department of National Budget visited all the nine provinces to review ADPs. Hon. Governors, Chief Secretaries, Secretaries to the Provincial Ministries, Heads of Departments along with relevant responsible officers also attended all the review meetings. Consequently, the concurrence was granted in principle in respect of Broad Activity Areas of the ADPs for the year 2021 subject to amendments to the ADPs mutually agreed with the Provincial Authorities (which was conveyed in writing).

The schedule of annual review meetings conducted is shown below,

Dates on which the meeting held	Province
08.02.2021	North Central
12.02.2021	Western
18.02.2021	Uva
19.02.2021	Central
01.03.2021	Southern
03.03.2021	Sabaragamuwa
09.03.2021	North Western
15.03.2021	Northern
16.03.2021	Eastern

iii. Assessment of Provincial Needs Submitted by the Provincial Councils for the year 2022

Capital needs assessment of the Provincial Councils for the ensuing year is a prerequisite of the preparation of Recommendation to H. E. the President. Hence the financial needs received as per the Guidelines issued by the Finance Commission were reviewed.

The following meetings were conducted via zoom technology with relevant provincial authorities to review the Annual Provincial Capital Needs - 2022 submitted by the Provincial Councils and accordingly common decisions were arrived on the provincial needs avoiding possible duplication and overlapping.

The schedule of meetings held via zoom technology is shown below,

Date	Province
07.07.2021	Uva
08.07.2021	North Western
09.07.2021	Northern
12.07.2021	Eastern
13.07.2021	Western
14.07.2021	Central
15.07.2021	North Central
16.07.2021	Sabaragamuwa
19.07.2021	Southern

iv. Informed the allocated Capital Grants to the Provincial Councils

Pursuant to the Parliament’s approval of the appropriation bill for the year 2022, the Provincial Councils were informed the allocated capital grants for the year 2022 (PSDG - Rs. 15 bn, CBG - Rs. 3 bn and Foreign Assisted Project - Rs. 8 bn) under the National Budget.

2.1.2. Matters Pertaining to the Recurrent Budget

The recurrent needs of the provinces are assessed on the basis of the requests made by the Provincial Councils. The main activities carried out by the Provincial Recurrent Needs Cadre Assessment division in year 2021 are as follows.

i. Issued the Recurrent Budget Guidelines for the year 2022

The process began with the issuance of Guidelines on Recurrent Needs Assessment were sent to the Provincial Councils on 18 January 2021.

These guidelines were issued in accordance with the 13th Amendments to the constitution and the provisions of the Provincial Councils Act, No.42 of 1987. These guidelines are based mainly on the Personal Emoluments, Other Recurrent Expenditure, Transfer of Local Authorities, and Revenue Estimates of provinces. Further to that, set of relevant formats were also sent which should be filled by the Provincial Councils, in presenting their request for grants, were also sent.

ii. Assessment of Provincial Recurrent Needs for 2022

According to the calendar annexed to the guidelines, provincial Councils sent their requirements in duly completed formats to the Finance Commission. Consequently, Provincial Recurrent Needs for the Year 2022 were assessed in consultation with provincial authorities. For this purpose, several meetings with provincial officers including Chief Secretaries, Deputy Chief Secretaries, Secretaries of the Provincial Ministries and Director of Budget were held. The officials representing the Department of National Budget, Department of National Planning also participated in the meetings. Due to the pandemic situation all the meetings were conducted through the Zoom technology.

The schedule of Annual Budget Discussions conducted on Recurrent Need is shown below,

Dates on which discussions held	Province
15.06.2021	Western
16.06.2021	Central
17.06.2021	Sabaragamuwa
18.06.2021	Southern
21.06.2021	North Central
22.06.2021	Eastern
23.06.2021	Northern
25.06.2021	Uva
28.06.2021	North Western

iii. Provide Recommendations on Provincial Recurrent Needs of the provinces

After the discussions with Provincial Authorities, the provincial Recurrent Needs were finalized and obtained the approval of the Finance Commission before sending to the General Treasury in order to prepare National Budget, 2022. The Recommended Financial Provisions for Provincial Councils was informed to the Treasury on 20.08.2021. as Rs. 344,861 Mn (including Revenue Transfer).

iv. Inform the Allocated amounts to the Provinces

Pursuant to the approval of the appropriation bill for the year 2022, the Finance Commission informed the Provincial Councils on 17.11.2021 that the Total Allocated Recurrent amount Rs. 320, 369 Mn under the National Budget.

v. Supplementary Recommendations

Other than the general functions, request made by the provincial Councils for supplementary allocations were recommended to the General Treasury based on the provincial requests. The recommended amounts are as follows.

(Rs. '000)

Date	Supplementary Recommendation for filling vacancies	Supplementary Recommendation for Line Ministry Attachment	New Recommendation	Total Recommendation
2021.05.06	3,125,068	447,803	2,030,617	5,603,488
2021.06.10	0	0	215,018	215,018
2021.07.02	101,599	289,948	5,514,096	5,905,643
2021.09.15	46,891	72,068	479,754	598,713
2021.12.08	4,513	180,748	727,202	912,463
2021.12.20	0	0	9,655	9,655
Total	**3,278,071**	**990,567**	**8,976,342**	**13,244,980**

2.1.3. Matters pertain to the Recommendation Submitted to H.E. the President

i. Making Annual Recommendation of the Commission to H.E. the President for the year 2022

In accordance with Article 154 R of the Constitution of the Democratic Socialist Republic of Sri Lanka the Finance Commission shall make recommendations to H.E. the President on the policies to be followed in the disbursement of funds from the annual budget to the provincial councils. Accordingly, the Finance Commission submitted its recommendations to H.E. the President for the year 2022 on 04th of October 2021 on allocating funds to the provincial councils in relation to devolved subjects, with emphasis of the need to allocate resources to acutely felt areas/sectors of the provinces and necessity of removal of discrepancies faced by the provincial councils in comparison to line/ state ministries at national level. Further, the Commission pointed out the importance of adopting an integrated planning mechanism while considering the inherent needs of the provinces when formulating the national level development plans to achieve the balanced regional development.

Report on the Recommendations Report consists of the following chapters:

- Chapter 1: Introduction
- Chapter 2: Constitutional Directives, Policy Guidelines, and Other Matters Considered in Making Recommendations
- Chapter 3: National Budget and Government Grants to the Provincial Councils
- Chapter 4: Assessment of Capital and Recurrent Needs for Recommending Grants to the Provincial Councils
- Chapter 5: Recommendations on Apportionment of Government Grants among Provincial Councils – 2022

  Chapter 5 explains the criteria used for the apportionment of capital funds among provinces which are allocated from the national budget. At the same time, this chapter indicates the recommended amount of both capital and recurrent amounts by the Finance Commission to provincial councils for the year 2022.

Considering the prevailing financial crisis faced by the government, the Finance Commission recommended capital grants to the provincial councils for the year 2022 under two options. Accordingly, total amounts of Rs. 220000 million and Rs. 100000 million were recommended under option 1 and option 2 respectively for capital grants for the provincial council. At the same time, a total amount of Rs. 344861 million was recommended for the Provincial councils under recurrent budget for the year 2022.

- Chapter 6: Recommendations for Rational Allocation and Efficient Utilization of Resources at Provincial Level

  Chapter 6 presents the policy recommendations of the Finance Commission to H.E. the President in respect of resource allocation to the provinces emphasizing the need of allocating sufficient amount of resources to the acutely felt areas/sectors in provinces. Certain anomalies experienced by the provincial councils vis a vis national level agencies are also highlighted in policy recommendations seeking rectifications for them.

  Among the policy recommendations, the Commission proposes at least 20%of the total capital budget be allocated to provincial councils in the form of direct grants in the future. The importance of getting the provincial councils more and more involved in the identification and implementation of national projects/ programmes in the districts /provinces is emphasized to ensure the optimal utilization of resources available in the provincial council system sharing the human resources. At the same time, need of the adoption of a common and integrated planning mechanism at both national and provincial levels has been pointed out by the Commission to achieve the objective of balanced regional development while minimizing the duplication of resource use enhancing efficiency of resource. In addition, the Commission has recommended the removal of anomalies between national and provincial levels in relation to allocating administrative cost of construction projects and beneficiary contributions under livelihood development projects. At the same time, the Commission has recommended that funds availability at provincial level should be ensured for certain activities such as maintenance, disadvantageous small sectors, social assistances for diseased and indigent segments and grants to local authorities.

ii. Submission of the Recommendation – 2022 to Parliament

A Cabinet Memorandum on Recommendation of the Finance Commission was submitted to the Cabinet of Ministers by H.E. the President on 16th November 2021 seeking the approval for implementation of recommendation and to table in Parliament. The approval of Cabinet of Ministers was granted on 29th November 2021. Accordingly, 270 copies of the Recommendations of the Finance Commission in three languages were sent to Parliament on 27th December 2021. They were tabled in Parliament on 20th of January 2022.

iii. **Submission of the Annual Performance Report - 2020 to Parliament**

The Department of Public Finance has introduced a common format for submission of the Annual Performance Report of Public Institutions. Accordingly, the Annual Performance Report along with the Auditor General's report and Statements of Accounts of the Finance Commission for the year 2020 was submitted in three languages to the Presidential Secretariat and Parliament.

2.2 Noteworthy Events

i. The Recommendation of the Finance Commission for the year 2022 was submitted to H.E. the President and it was approved by the Cabinet of Ministers and tabled in Parliament.

ii. The Annual Action Plan of the Finance Commission was developed and implemented in line with the Strategic Plan (2021-2024) for the accomplishment of necessary tasks.

iii. As per the requests made by the Department of National Budget and relevant Line Ministries, the Finance Commission intervened to provide some necessary guidelines to the Provincial Councils and coordinated with the National Agencies and the Provincial Councils to implement the Budget Proposals of Rural Hospital Development (Rs.5000 mn.), Development of Provincial Ayurveda Hospitals Projects (Rs.320 mn.), Rural Sports Development Projects (Rs.265.6 mn.) and Public Playgrounds Development Program (Rs.830 mn.).

iv. A preliminary meeting was arranged by the Finance Commission on 08th April 2021 on Budget Proposals of Rural Hospital Development with the participation of representatives of the Ministry of Health, Department of National Planning, Director General of the Department of National Budget, Chief Secretaries, Secretaries to the Provincial Ministries of Health, Provincial Directors of the Health Services of all nine provinces. The Provincial Health Authorities were instructed to prepare the Development Plans for Rural Hospital Development, to complete activities within the allocated budget enabling to deliver the services to the beneficiaries and to complete such activities within the current year ensuring that there will not be continuation works in the ensuing year. In line with the guidelines of the Finance Commission on the Budget Proposal of Rural Hospital Development, all nine provinces submitted their Plans as per the guidelines and those were shared with the Presidential Secretariat, Ministry of Finance, and other relevant National Agencies. Having a series of Zoom discussions from 27th to 30th April 2021 with the participation of the above officials, concurrence was granted in principle to implement the proposal based on their Plans. Subsequently, a Zoom meeting was held on 11th August 2021 for Monitoring the Progress of the program with the participation of the officials referred to above.

v. The Chairman and the Secretary along with other relevant officers of the Finance Commission visited the Ridiyagama Detention Home on 15th December 2021 to study the current situation of the Home and also had a discussion on Viharamahadevi Certified School, Akuressa which is currently under construction. The Chief Secretary, Deputy Chief Secretary (Planning), the former and present Provincial Commissioners of Probation and Childcare, and the responsible officers of the Southern Provincial Council also participated. Consequently, a request was made to the Ministry of Justice to make further decisions on the management and development of the Ridiyagama Detention Home through a committee of relevant authorities on which the Ministry of Justice has taken steps to appoint a committee and study further to explore the priorities of improving the condition of the detention home.

2.3 Challenges and Future Outlook

Due to the prevailing fiscal constraints in the country which was occurred as a result of the outbreak of the Covid-19 pandemic, the funds available for development interventions have become very limited at both national and provincial levels. Therefore, a rational allocation of resources between national and provincial levels have become more challengeable than ever before and therefore, the Commission has to pay closer attention on the most critical areas and sectors when making its recommendations in order to get the maximum benefits out of these scarce resources.

In specifying the responsibilities of the Finance Commission, in Article 154 R (5) of the Constitution, the emphasis has been given for the need of formulating principles for allocation of resources with the objective of achieving ‘’balanced regional development’’. This Commission believes that this objective cannot be achieved only through the Provincial Council system primarily due to the fact that funds received by those entities are inadequate when compared to the resources available to the Line Ministries (even for the subjects of devolved nature). Secondly, the agencies in the Centre (Line Ministries and State Ministries) have the responsibility of implementation of projects and programmes for the benefit of the entire country or larger geographical areas and therefore it influences heavily in the regional development. Hence, there is a need for infusing the dimensions of regional development into the planning process of the Line Ministries/ State ministries. Therefore, in working towards achieving a ‘’balanced regional development’’, it is necessary to adopt a common and integrated planning mechanism focusing on this dimension and establishing a close collaboration among the agencies responsible for allocation of resources in the Centre (i.e. the Department of National Budget and the Department of National Planning) with Line Ministries/ State Ministries and also with the Provincial Councils which possess a well-developed planning mechanism. The Finance Commission suggests that when allocating funds by the Line Ministries in the future for projects and programmes which are implemented in provinces/ districts some ratios worked out in consultation with the Finance Commission and the Department of National Planning using certain criteria based on regional inequality be used so that regions which are lagging behind receive a fair share of allocation under these projects/programmes.

Chapter - 03: Overall Financial Performance for the Year ended 31st December 2021

3.1. Statement of Financial Performance

ACA -F

Statement of Financial Performance
for the period ended 31st December 2021

Budget 2021 Rs.		Note	Actual 2021 Rs.	Restated 2.020 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		82,912,000	99,860,000	ACA-3
-	Deposits		111,280	90,277	ACA-4
-	Advance Accounts		3,147,581	2,407,511	ACA-5
-	Other Main Ledger Receipts		-	-	
-	**Total Non Revenue Receipts (B)**		**86,170,861**	102,357,788	
	Total Revenue Receipts & Non Revenue Receipts C = (A)+(B)		**86,170,861**	102,357,788	
	Remittance to the Treasury (D)		**3,087**	42,097	
-	**Net Revenue Receipts & Non Revenue Receipts E = (C)-(D)**		**86,167,774**	102,315,691	
	Less: Expenditure				
-	**Recurrent Expenditure**				
67,200,000	Wages, Salaries & Other Employment Benefits	5	50,811,429	47,212,564	ACA-2(ii)
33,330,000	Other Goods & Services	6	25,767,969	22,915,267	ACA-2(ii)
1,000,000	Subsidies, Grants and Transfers	7	707,312	835,772	ACA-2(ii)
-	Interest Payments	8	-	-	ACA-2(ii)
-	Other Recurrent Expenditure	9	-	-	ACA-2(ii)
101,530,000	**Total Recurrent Expenditure (F)**		**77,286,710**	70,963,603	
	Capital Expenditure				
1,100,000	Rehabilitation & Improvement of Capital Assets	10	460,928	-	ACA-2(ii)
7,100,000	Acquisition of Capital Assets	11	6,750,874	15,892,123	ACA-2(ii)
-	Capital Transfers	12	-	-	ACA-2(ii)
-	Acquisition of Financial Assets	13	-	-	ACA-2(ii)
1,000,000	Capacity Building	14	29,092	116,100	ACA-2(ii)
-	Other Capital Expenditure	15	-	-	ACA-2(ii)
9,200,000	**Total Capital Expenditure (G)**		**7,240,894**	16,008,223	
	Deposit Payments		801,775	12,272,190	ACA-4
	Advance Payments		3,123,765	2,180,042	ACA-5
	Other Main Ledger Payments		-	-	
	Total Main Ledger Expenditure (H)		**3,925,540**	**14,452,232**	
	Total Expenditure I = (F+G+H)		88,453,144	101,424,058	
	Balance as at 31st December J = (E-I)		**(2,285,370)**	**891,634**	
	Balance as per the Imprest Reconciliation Statement		2,285,370	891,634	ACA-7
	Imprest Balance as at 31st December		-	-	ACA-3
			-	-	

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3.2. Statement of Financial Position

ACA-P

Statement of Financial Position
As at 31st December 2021

	Note	Actual 2021 Rs	2020 Rs
Non Financial Assets			
Property, Plant & Equipment	ACA-6	801,008,673	793,432,259
Financial Assets			
Advance Accounts	ACA-5/5(a)	9,674,870	9,698,686
Cash & Cash Equivalents	ACA-3	-	42,097
Total Assets		**810,683,543**	**803,173,042**
Net Assets / Equity			
Net Worth to Treasury		9,665,365	8,998,686
Property, Plant & Equipment Reserve		801,008,673	793,432,259
Rent and Work Advance Reserve	ACA-5(b)	-	-
Current Liabilities			
Deposits Accounts	ACA-4	9,505	700,000
Unsettled Imprest Balance	ACA-3	-	42,097
Total Liabilities		**810,683,543**	**803,173,042**

Detail Accounting Statements in ACA format Nos. 2 to 7 presented in pages from ..07.... to..29 and Notes to accounts presented in pages from .30.. to ..37..... form an integral part of these Financial Statements. The Financial Statements have been prepared in complying with the Generally Accepted Accounting Principles whereas most appropriate Accounting Policies are used as disclosed in the Notes to the Financial Statements and hereby certify that figures in these Finacial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found in agreement.

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

....	....	....
Chief Accounting Officer	Accounting Officer	Chief Financial Officer/ Chief Accountant/ Director (Finance)/ Commissioner (Finance)
Name :	Name :	Name : Sandya Kumudini Kothalawala
Designation :	Designation :	
Date : 17/02/2022	Date :	Date : 17/02/2022

A. T. M. U. D. B. Tennakoon
Secretary
Finance Commission

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

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3.3. Statement of Cash Flows

ACA-C

Statement of Cash Flows
for the Period ended 31st December 2021

	Actual 2021 Rs.	Restated 2020 Rs.
Cash Flows from Operating Activities		
Total Tax Receipts	-	-
Fees, Fines, Penalties and Licenses	-	-
Profit	-	-
Non Revenue Receipts	2,727,369	2,382,889
Revenue Collected on behalf of Other Revenue Heads	-	-
Imprest Received	82,912,000	99,860,000
Recoveries from Advance	2,633,356	2,054,751
Deposit Received	111,280	90,277
Total Cash generated from Operations (A)	**88,384,004**	**104,387,917**
Less - Cash disbursed for:		
Personal Emoluments & Operating Payments	76,243,756	69,844,985
Subsidies & Transfer Payments	707,312	835,771
Expenditure incurred on behalf of Other Heads	835,092	3,735,127
Imprest Settlement to Treasury	3,087	42,097
Advance Payments	2,593,510	1,779,818
Deposit Payments	801,775	12,272,190
Total Cash disbursed for Operations (B)	**81,184,532**	**88,509,988**
NET CASH FLOW FROM OPERATING ACTIVITIES(C)=(A)-(B)	**7,199,472**	**15,877,929**
Cash Flows from Investing Activities		
Interest	-	-
Dividends	-	-
Divestiture Proceeds & Sale of Physical Assets	12,330	14,194
Recoveries from On Lending	-	-
Total Cash generated from Investing Activities (D)	**12,330**	**14,194**
Less - Cash disbursed for:		
Purchase or Construction of Physical Assets & Acquisition of Other Investment	7,211,802	15,892,123
Total Cash disbursed for Investing Activities (E)	**7,211,802**	**15,892,123**
NET CASH FLOW FROM INVESTING ACTIVITIES(F)=(D)-(E)	**(7,199,472)**	**(15,877,929)**
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	-	-

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3.4. Notes to the Financial Statements

Basis of Reporting

1) Reporting Period

The reporting period for these Financial Statements is from 01st January to 31st December 2021.

2) Basis of Measurement

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

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

3) Recognition of Revenue

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

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

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

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

5) Property, Plant and Equipment Reserve

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

6) Cash and Cash Equivalents

Cash & cash equivalents include local currency notes and coins in hand as at 31st December 2021.

7) Changes in Formats of Financial Statements & Adjustment of Comparative Figures

Relevant adjustments have been made to the comparative figures for the year 2020 in line with the changes made in the financial statements for the year 2021.

3.5. Performance of the Revenue Collection

(Rs. '000)

Revenue Code	Description of the Revenue Code	Revenue Estimate		Collected Revenue	
		Original	Final	Amount (Rs.)	as a % of Final Revenue Estimate
2002.02.99	Interest Income	-	-	365	-
2003.99.00	Other Income	-	-	63	-
2004.01.00	W & OP Fund	-	-	2,311	-

3.6. Performance of the Utilization of Allocations

(Rs. '000)

Type of Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
	Original	Final		
Recurrent	110,730	110,730	84,527	76%
Capital	9,200	9,200	7,240	78.71%

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

(Rs. '000)

Serial No.	Allocation Received from Which Ministry /Department	Purpose of the Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
			Original	Final		
-	N/A	N/A	N/A	N/A	N/A	N/A

3.8. Performance of the Reporting of Non-Financial Assets

(Rs. '000)

Assets Code	Code Description	Balance as per Board of Survey Report as at 31.12.2021	Balance as per financial Position Report as at 31.12.2021	Yet to be Accounted	Reporting Progress as a %
9151	Building and Structures	449,009	449,009	-	-
9152	Machinery and Equipment	84,009	84,009	-	-
9153	Land	258,000	258,000	-	-
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/B/FC/2/21/30

ඔබේ අංකය / உமது இல. / Your No. }

දිනය / திகதி / Date } 2022 මැයි 26 දින.

ලේකම්,

මුදල් කොමිෂන් සභාව.

මුදල් කොමිෂන් සභාවේ 2021 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

මුදල් කොමිෂන් සභාවේ 2021 දෙසැම්බර් 31 දිනට මූල්‍ය තත්ත්වය ප්‍රකාශය, එදිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය කාර්යසාධන ප්‍රකාශය හා මුදල් ප්‍රවාහ ප්‍රකාශවලින් සමන්විත 2021 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන 2018 අංක 19 දරන ජාතික විගණන පනතේ විධිවිධාන සමඟ සංයෝජිතව කියවිය යුතු ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154(1) ව්‍යවස්ථාවේ ඇතුළත් විධිවිධාන ප්‍රකාර මාගේ විධානය යටතේ විගණනය කරන ලදී. 2018 අංක 19 දරන ජාතික විගණන පනතේ 11(1) වගන්තිය ප්‍රකාරව කොමිෂන් සභාව වෙත ඉදිරිපත් කරනු ලබන මෙම මූල්‍ය ප්‍රකාශන පිළිබඳව මාගේ අදහස් දැක්වීම් හා නිරීක්ෂණයන් මෙම වාර්තාවේ සඳහන් වේ. 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 මූල්‍ය ප්‍රකාශනවලින් 2021 දෙසැම්බර් 31 දිනට මුදල් කොමිෂන් සභාවේ මූල්‍ය තත්ත්වය සහ එදිනෙන් අවසන් වර්ෂය සඳහා මූල්‍ය කාර්යසාධනය හා මුදල් ප්‍රවාහ පොදුවේ පිළිගත් ගිණුම්කරණ මූලධර්මවලට අනුකූලව සත්‍ය හා සාධාරණ තත්ත්වයක් පිළිබිඹු කරන බව මා දරන්නා වූ මතය වේ.

මුදල් කොමිෂන් සභාව
26 MAY 2022

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව. இல. 306/72, பொல்தூவ வீதி, பத்தரமுல்லை, இலங்கை. No. 306/72, Polduwa Road, Battaramulla, Sri Lanka.
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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 ලබා ගෙන ඇති විගණන සාක්ෂි ප්‍රමාණවත් සහ උචිත බව මාගේ විශ්වාසයයි.

1.3 මූල්‍ය ප්‍රකාශන සම්බන්ධයෙන් ප්‍රධාන ගණන්දීමේ නිලධාරීගේ වගකීම

පොදුවේ පිළිගත් ගිණුම්කරණ මූලධර්මවලට අනුකූලව හා 2018 අංක 19 දරන ජාතික විගණන පනතේ 38 වගන්තියේ සඳහන් විධිවිධානවලට අනුකූලව සත්‍ය හා සාධාරණ තත්ත්වයක් පිළිඹිබු 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.

1.4 මූල්‍ය ප්‍රකාශන විගණනය පිළිබඳ විගණකගේ වගකීම

සමස්ථයක් 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 සැලැසුම් කර ක්‍රියාත්මක කරන ලදී. වරදවා දැක්වීම් හේතුවෙන් සිදුවන ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශයන්ගෙන් සිදුවන බලපෑමට වඩා වංචාවකින් සිදුවන්නා වූ බලපෑම ප්‍රබල වන්නේ ඒවා දූස්සන්ධානයෙන්, 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 ඇගැයීම.
- 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.

1.5 වෙනත් නෛතික අවශ්‍යතා පිළිබඳ වාර්තාව

2018 අංක 19 දරන ජාතික විගණන පනතේ 6 (1) (ඇ) 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.

2. මූල්‍ය සමාලෝචනය

2.1 වියදම් කළමනාකරණය

මුදල් රෙගුලාසි 50 ප්‍රකාරව වියදම් ඇස්තමේන්තු පිළියෙල නොකිරීම හේතුවෙන් හා කොරෝනා වසංගත තත්ත්වය හමුවේ වියදම් අවම වීම හේතුවෙන් එක් පුනරාවර්තන වැය විෂයයක රු.600,000 ක්වූ සම්පූර්ණ ශුද්ධ ප්‍රතිපාදනයම ඉතිරිවී තිබුණු අතර මූලධන වැය විෂයයන් 02 ක එකතුව රු.600,000 ක්වූ සම්පූර්ණ ප්‍රතිපාදනයම ඉතිරිවී තිබුණි. තවත් මූලධන වැය විෂයයක මුළු ප්‍රතිපාදනයෙන් සියයට 97 ක් එනම් රු.970,908 ක් ඉතිරිවී තිබුණි.

3. මෙහෙයුම් සමාලෝචනය

3.1 කාර්යසාධනය

3.1.1 කාර්යභාරයන් ඉටු නොකිරීම.

පහත සඳහන් නිරීක්ෂණයන් කරනු ලැබේ.

(අ) ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154(ජ)(4) ප්‍රකාරව කොමිෂන් සභාවේ කාර්යයන් ලෙස පළාත් සඳහා වාර්ෂිකව ප්‍රදානය කරනු ලබන අරමුදල් පළාත් අතර බෙදාදීමේ ප්‍රතිපත්ති සහ පළාත්වල මුදල් කටයුතු සම්බන්ධයෙන් ජනාධිපතිවරයා විසින් යොමු කරන ලද කරුණු සම්බන්ධයෙන් ජනාධිපතිවරයාට නිර්දේශ ඉදිරිපත් කිරීම දක්වා තිබුණි. ඒ අනුව කොමිෂන් සභාව විසින් එම කාර්යයන් සම්බන්ධයෙන් 154 (ජ) (6) ප්‍රකාරව ස්වකීය කාර්ය පටිපාටිය තීරණය කළ යුතු වුවත් එවැන්නක් සකස් කරගෙන නොතිබුණි.

(ආ) 2018 වර්ෂයේ සිට මුදල් කොමිෂන් සභා පනත සකස් කිරීමේ කටයුතු ආරම්භ වී ඇතත් 2021 වර්ෂය අවසන් වන විටත් එහි කටයුතු අවසන් වී නොතිබුණි.

4. මානව සම්පත් කළමනාකරණය

සමාලෝචිත වර්ෂයේ කොමිෂන් සභාවේ ජ්‍යෝෂ්ඨ මට්ටමේ පුරප්පාඩු 02 ක්, තෘතීයිය මට්ටමේ පුරප්පාඩු 02 ක්, ද්විතියික මට්ටමේ පුරප්පාඩු 07 ක් හා ප්‍රාථමික මට්ටමේ පුරප්පාඩු 08 ක් පැවති අතර එම පුරප්පාඩු පිරවීමට කොමිෂන් සභාව අපොහොසත් වී තිබුණි.

එම්.සෝමතිලක

නියෝජ්‍ය විගණකාධිපති

විගණකාධිපති වෙනුවට

එම්. සෝමතිලක
නියෝජ්‍ය විගණකාධිපති
ජාතික විගණන කාර්යාලය

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 Capital & Recurrent expenditure.	√		
Assessed Provincial Capital & Recurrent expenditure needs for 2022.	√		
Submitted Recommendation 2022 to H.E. the President.	√		
Issued Guidelines for Provincial Development Planning.	√		
Reviewed Provincial Development Plans and Granted concurrence.	√		
Managed the financial matters & Administration of the office.	√		
Submitted Annual Performance Report 2020 to Parliament.	√		

Chapter - 05: Performance of the achieving Sustainable Development Goals

5.1. Indicate the Identified Respective Sustainable Developments Goals

Goal / Objective	Targets	Indicators of the achievement	Progress of the Achievement to date		
			0%-49%	50%-74%	75%- 100%
Not applicable					

Note: The Finance Commission was established with the objective of achieving balanced regional development in the country and this endeavor is facilitated by assessment of capital, recurrent needs of the provinces and making recommendation on apportionment of funds among Provinces and guiding the Provincial Councils in preparation of their Annual Development Plans.

Guidelines for preparation of Annual Development plan focus on a number of factors with current importance of socio-economic development of the country. SDGs have also been given a high priority in Annual Development Plan preparation as Sri Lanka has also endorsed the agenda 2030 on Sustainable Development. Therefore, SDGs are incorporated into Provincial Development Plans by formulating projects within the dimension of SDG framework to achieve the goals and targets of SDGs.

According to the guideline, the SDG targets and indicators to each project in the Annual Development Plan should be indicated in the Form-III to ensure that the Annual Development Plan is aligning with achieving SDGs.

Provincial Councils implement programmes with 23 sectors which come under devolved and concurrent subjects that are directly or indirectly related to SDGs. The following sectors are common for all the Provincial Councils and incorporated in the annual programme, considering specific requirements of the Provinces. Additional sectors could be incorporated according to the needs of the particular Province with proper justifications.

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

Accordingly, the Finance Commission does not implement any development activities directly itself. However, it plays a significant role with Provincial Councils who implement programme in achieving SDGs in Sri Lanka.

5.2. Briefly explain the achievements and challenges of the Sustainable Development Goals

The non-availability of adequate funds for the Provincial Development Needs is the major challenge faced by the Provincial Council system and it limits the achievement of SDGs by the Provincial Councils. Only the projects with high priority are implemented within a particular year considering the availability of limited funds. Therefore, some important sectors may not get the sufficient allocations for implementation of sector programme which contribute to achievement of SDGs.

Chapter - 06: Human Resource Profile

6.1. Cadre Management

Category	Approved Cadre	Existing Cadre	Vacancies / (Excess)
Senior	17	15	02
Tertiary	05	03	02
Secondary	46	39	07
Primary	18	10	08

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

At present, the Finance Commission performs its functions with the existing cadre fulfilling its mandatory functions in achieving all targets in time. In this endeavor the staffs of the Finance Commission work additional hours in order to produce a quality output within the timeframe and to accomplish targets in the Action Plan.

6.3. Human Resource Development

Name of the Program	No. of staff trained	Duration of the program	Total Investment Rs.		Nature of the Program (Abroad/Local)	Output/Knowledge Gained*
			Local	Foreign		
Language Proficiency (Tamil)	03	200 hrs	-	-	Local	Writing, reading and speaking skills in Tamil language
Capacity Development Programme for Strategic Leaders	01	18 days	-	-	Local	To develop management administration skills

Note: Due to the prevailing pandemic issue of Covid 19, officers did not attend any other human resource development courses locally as well as internationally during the year 2021.

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)	Complied		
1.4	Stores Advance Accounts	Complied		
1.5	Special Advance Accounts	Complied		
1.6	Others	None		
02	**Maintenance of books and registers (FR445)/**			
2.1	Fixed assets register has been maintained and update in terms of Public Administration Circular 267/2018	Complied		
2.2	Personal emoluments register/ Personal emoluments cards have been maintained and update	Complied		
2.3	Register of Audit queries has been maintained and update	Complied		
2.4	Register of Internal Audit reports has been maintained and update	Complied		
2.5	All the monthly account summaries (CIGAS) are prepared and submitted to the Treasury on due date	Complied		
2.6	Register for cheques and money orders has been maintained and updated	Complied		
2.7	Inventory register has been maintained and update	Complied		

2.8	Stocks Register has been maintained and update	Complied		
2.9	Register of Losses has been maintained and update	Complied		
2.10	Commitment Register has been maintained and update	Complied		
2.11	Register of Counterfoil Books (GA – N20) has been maintained and update	Complied		
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 has been adhered to by the Accountants in terms of State Account Circular 171/2004 dated 11.05.2014 in using the Government Payroll Software Package	Complied		
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 has 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 reports has been replied within one month	Complied		
6.3	Copies of all the internal audit reports has been submitted to the Management Audit Department in terms of Sub-section 40(4) of the National Audit Act No. 19 of 2018	Complied		
6.4	All the copies of internal audit reports has been submitted to the Auditor General in terms of Financial Regulation 134(3)	Complied		
07	**Audit and Management Committee**			
7.1	Minimum 04 meetings of the Audit and Management Committee has been held during the year as per the DMA Circular 1-2019	Complied		
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 had been carried out in terms of FR 772	Complied		
09	**Vehicle Management**			
9.1	The daily running charts and monthly summaries of the pool vehicles had been prepared and submitted to the Auditor General on due date	Complied		
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning	Complied		
9.3	The vehicle logbooks had been maintained and updated	Complied		
9.4	The action has been taken in terms of F.R. 103, 104, 109 and 110 with regard to every vehicle accident	Complied		
9.5	The fuel consumption of vehicles has been re-tested in terms of the provisions of Paragraph 3.1 of the Public Administration Circular No. 30/2016 of 29.12.2016	Complied		
9.6	The absolute ownership of the leased vehicle log books has been transferred after the lease term	Complied		

10	**Management of Bank Accounts**			
10.1	The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date	Complied		
10.2	The dormant accounts that had existed in the year under review or since previous years settled	Complied		
10.3	The action had been taken in terms of Financial Regulations regarding balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made, and had those balances been settled within one month	Complied		
11	**Utilization of Provisions**			
11.1	The provisions allocated had been spent without exceeding the limit	Complied		
11.2	The liabilities not exceeding the provisions that remained at the end of the year as per the FR 94(1)	Complied		
12	**Advances to Public Officers Account**			
12.1	The limits had been complied with	Complied		
12.2	A time analysis had been carried out on the loans in arrears	Complied		
12.3	The loan balances in arrears for over one year had been settled	Complied		
13	**General Deposit Account**			
13.1	The action had been taken as per F.R.571 in relation to disposal of lapsed deposits	Complied		
13.2	The control register for general deposits had been updated and maintained	Complied		
14	**Imprest Account**			
14.1	The balance in the cash book at the end of the year under review remitted to TOD	Complied		
14.2	The ad-hoc sub imprests issued as per F.R. 371 settled within one month from the completion of the task	Complied		
14.3	The ad-hoc sub imprests had not been issued exceeding the limit approved as per F.R. 371	Complied		

14.4	The balance of the imprest account had been reconciled with the Treasury books monthly	Complied		
15	**Revenue Account**			
15.1	The refunds from the revenue had been made in terms of the regulations	Complied		
15.2	The revenue collection had been directly credited to the revenue account without credited to the deposit account	Complied		
15.3	Returns of arrears of revenue forward to the Auditor General in terms of FR 176	Complied		
16	**Human Resource Management**			
16.1	The staff had been paid within the approved cadre	Complied		
16.2	All members of the staff have been issued a duty list in writing	Complied		
16.3	All reports have been submitted to MSD in terms of their circular no.04/2017 dated 20.09.2017	Complied		
17	**Provision of information to the public**			
17.1	An information officer has been appointed and a proper register of information is maintained and updated in terms of Right To Information Act and Regulation	Complied		
17.2	Information about the institution to the public have been provided by Website or alternative measures and has it been facilitated to appreciate / allegation to public against the public authority by this website or alternative measures	Complied		
17.3	Bi- Annual and Annual reports have been submitted as per section 08 and 10 of the RTI Act	Complied		
18	**Implementing citizens charter**			
18.1	A citizens charter/ Citizens client's charter has been formulated and implemented by the Institution in terms of the circular number 05/2008 and 05/2018(1) of Ministry of Public Administration and Management	Complied		
18.2	A methodology has been devised by the Institution in order to monitor and assess the formulation and the implementation of Citizens Charter / Citizens client's charter as per paragraph 2.3 of the circular	Complied		
19	**Preparation of the Human Resource Plan**			

19.1	A human resource plan has been prepared in terms of the format in Annexure 02 of Public Administration Circular No.02/2018 dated 24.01.2018.	Complied		
19.2	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan	Complied		
19.3	Annual performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid Circular	Complied		
19.4	A senior officer was appointed and assigned the responsibility of preparing the human resource development plan, organizing capacity building 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	Complied		

END