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1.0. CORPORATE GOVERNANCE STATEMENT

Name of the Institute	: Sri Lanka Institute of Local Governance (Incorporated by an Act of Parliament No. 31 of 1999)
Date of commencement of the Operations	: 15.10.1999
Registered Office	: No. 17, Malalasekara Mawatha, Colombo 07.
Auditors	: Auditor General Department of the Auditor General
Bankers	: Bank of Ceylon Independence Square Branch, Colombo 07.
Overseas Associations	: (a) Commonwealth Local Government Forum (CLGF)
Local Associations	: a) Federation of Sri Lanka Local Government Authorities b) The Asia Foundation - Colombo c) Care International
Affiliated Projects	: (a) Disaster Resilient Project

2.0. GOVERNING COUNCIL

The Governing Council of the Institute comprises thirteen (13) members including eight (08) ex officio members and four (05) appointed members.

2.1. The ex officio and the appointed members are as follows,

- Mr. R.A.A.K. Ranawaka - Chairman
Secretary – Ministry of Local Government and Provincial Councils
- Mr. P.B. Abeykoon - Member
Secretary – Ministry of Public Administration and Home Affairs
- Mr. Wimalasiri Perera - Member
Secretary – Ministry of Construction, Engineering Services,
Housing and Common Amenities
- Mr. Wijith Kanugala - Member
Director – Dept. of Culture & Arts
- Mr. B.M.U.D. Basnayaka - Member
Secretary, Ministry of Environment & Renewal Energy
- Mr. A.K. Seneviratne - Member
Additional Director General,
Department of National Budget, Ministry of
Finance and Planning
- Prof. (Mrs.) A.S.P. Abeyratne - Member
Consultant, University of Peradeniya
- Dr. M.A. Abdul Rakeeshthu - Member
Medical Officer In-Charge
Asst. Post Health Office
- *****Eng. M.S. Nazeer - Member
Co-ordinating Secretary to Hon. Minister of Local Government
and Provincial Councils
- Mr. M.H.A. Samad - Member
Private Secretary to Hon. Minister of Local Government
and Provincial Councils
- Mr. I.A. Hameed - Member and Convener
Director, Chief Executive Officer
Sri Lanka Institute of Local Governance

Secretary of the Governing Council

- Ms. Niranjala Perera

***** Eng. M.S. Nazeer also performed as the Acting Director from 21.08.2014 due to bad health conditioned by Mr. I.A. Hameed.

3.0. AUDIT AND MANAGEMENT COMMITTEE

The following members were engaged in activities of the Audit and Management Committee during year 2014.

- (a). Mr. A.K. Seneviratne - Chairman
Additional Director General,
Department of National Budget, Ministry of Finance and Planning
- (b). Eng. M.S. Nazeer - Member
Co-ordinating Secretary to Hon. Minister of Local Government
and Provincial Councils
- (c). Mr. M.H.A. Samad - Member
Private Secretary to Hon. Minister of Local Government
and Provincial Councils
- (d). Mr. Ranjith Liyanarachchi - Convener
Internal Auditor
Sri Lanka Institute of Local Governance

External Observers

- (e). Ms. Udeni Perera
Superintendent of Audit

Secretary to the Audit & Management Committee

- (f). Ms. Niranjala Perera
Board Secretary

4.0 Review of the Mandate and the Role of the Institute in Improving the Performance of Provincial Councils and Local Authorities

Sri Lanka Institute of Local Governance was established in a situation where boosting the performance of local authorities throughout the country required a vision for the future. In order to make this vision a reality, a Presidential Commission was appointed in 1997 to carry out a study and make recommendations in this regard. This Commission emphasized the importance of creating a national institute in order to cater to the need of enhancing the performance of the local governance sector. The Presidential Commission noted that the local governance sector should be considered as an independent sector with self-authority which can directly contribute to the development activities and provide people with an efficient and satisfactory service to achieve their aspirations in order to uplift their living standards. Sri Lanka Institute of Local Governance was believed to be the most appropriate institute that can work towards achieving these goals. As a institute that is closest to the public, this has the ability to act as a representative body of the general public. With these objectives, Sri Lanka Institute of Local Governance was established under the parliament act No. 31 of 1999. Its functions were commenced in October the same year.

The prime objective of this institute is to improve their organizational systems and management excellence of the provincial councils and local authorities in order to enable them to provide people with an efficient and satisfactory service. Decentralization of administrative powers was commenced with the introduction of the 13th amendment to the constitution in 1987. It is an essential condition that the powers that are vested be implemented correctly in order to achieve the objectives of transferring administrative powers and the primary objectives of democracy. Accordingly, it was expected to establish an institutional administrative role at provincial council level.

It has been twelve (12) years since the establishment of Sri Lanka Institute of Local Governance as mentioned above. During this period it has implemented the plans that should be put into operation annually by the institute and has effectively conceptualized the aims and objectives of the Institute under the guidance of the Governing Council of the Institute. The Institute has received invaluable co-operation of international local government institutes as well as local training institutes in achieving its conceptualized aims and objectives successfully within a short period of time. The contribution of the staff of the Institute, particularly that of the consulting staff, and the research contribution have helped immensely in achieving the expected objectives of the Institute.

However, the decentralization programme seems to have distanced itself especially in the process of implementation. For example:

- Increase of efficiency resulting from decentralization and ensuring the distribution of resources for addressing the immediate and prioritized needs of society.
- Ability to enhance the responsiveness of decentralization in policy making and implementation of policies in addressing the needs of target groups.
- Effectiveness of decentralization in poverty reduction and development activities.
- Implementing the decisions taken at these levels to reflect the high priority placed on citizens, especially the poor categories.
- Concerns of decision making with the involvement of grass root communities in order to uplift their living standards.

Thus, the goal of every year would be to consider showing the path way leading to provincial level democratic processes to which local authorities and provincial councils are committed and to orient the capacity enhancement process in local authorities & provincial councils accordingly.

4.1. MANDATE OF THE INSTITUTE

Sri Lanka Institute Local Governance was established as a public sector agency to perform the following functions as stated in the strategic plans.

- Train the members, officers and other employees attached to provincial councils and local authorities and building up of a cadre of competent officers in those institutes with a view to ensuring good governance in the country.
- Providing consultancy services for improving the organizational structures and management capabilities of provincial councils and local authorities.
- Providing a forum for the critical appraisal of management systems and processes of provincial councils and local authorities.
- Assisting Provincial Management Development Training Units in management development.
- Providing necessary information to the Hon. Minister for formulating the national policies in local government.
- Collaboration with local and international networks for publishing books and magazines on provincial and local government, disseminating information and conducting seminars and workshops.

4.2. VISION

"To be the apex national agency for provincial and local government sector learning."

4.3. MISSION

"To build up the capacities of members and officers of sub-national government institutions by providing training, consultancy services and researches with the view of producing efficient and effective service delivery to the general public.

4.4 OBJECTIVES

The above mission leads towards the achievement of following objectives;

1. To formulate programmes for improvement of performance in order to enhance institutional strengthening of provincial and local governance in partnership with Provincial Management Development Training Units.
2. To strengthen the capacity of Provincial Management Development Training Units towards formulating and delivering training programmes for improving the performance of provincial councils and local government bodies giving assistance for the same.
3. To function as a resource center for provincial councils and local government providing technical and other information to the stakeholders local governance.
4. To function as the central institute for provincial and local governance in collaboration with relevant national and international institutions.
5. To provide special support services in the development of human resources, improvement of management systems and facilitating organizational changes to sub national government institutions .
6. To improve the performance of Sri Lanka Institute of Local Governance to enable efficient and effective provision of training, consultancy and research services for strengthening provincial and local government institutions.

4.5 CONSULTANCY SERVICE OF SRIL LANKA INSTIUTE OF LOCAL GOVERNANCE

SLILG has established six (07) major divisions for consultancy services, namely:

- a. Engineering
- b. General Management & HRD division
- c. Physical Planning
- d. Financial Management
- e. Legal and Legislative Affairs
- f. Research and Development
- g. Training and Development

4.6 TARGET GROUP

The beneficiaries of training, research and consultancy services, etc. are the nine provincial councils and the 335 local government bodies which comprise 418 and 4391 elected representatives respectively. The total strength of office staff, field staff and the employees of other grades that draws our concern amounts to around 50,000.

Each category of the target group differs from one another. Therefore programmes have been designed to cater to the needs identified through training need analysis and discussions with Provincial Management Development Training Units. The SLILG has also played a supporting role in designing provincial level programmes.

The total component of activities for year 2014 was set out bringing forward the training programmes that had been scheduled for year 2013 as well and in addition to those that are set out for year 2014.

4.7 CO-ORDINATION AND MONITORING

Co-ordination and monitoring of training activities implemented by Provincial Management Development Training Units and Local Government Commissioners are considered to be important activities implemented by this institute. The progress of these activities is reviewed through monthly review sessions conducted by Provincial Management Development Training Units and the SLILG.

4.8 BUSINESS PROMOTION

The past experience of the SLILG makes it clear that various governmental and non-governmental organizations seek the support of the SLILG for the implementation of their projects related to local governance. It is necessary to filter these activities in order to identify the result oriented projects. These business promotion activities are under the supervision of the Director of the SLILG. After negotiating with the relevant organizations, the Director has taken measures for the appropriate implementation of the programmes with the approval of the Governing Council as well.

4.9 LINKAGES WITH NATIONAL / INTERNATIONAL TRAINING AND EDUCATIONAL INSTITUTIONS

Sri Lanka Institute of Local Governance is linked with both national and international organizations. These linkages have been maintained in a way that both parties are mutually benefited. The linkages thus established have helped in creating the opportunity for enhancing overseas training opportunities with their facilitation (CLGF).

SLILG expects to exchange information with LOGOTRI, UNESCAP, JICA, CITYNET, USAID and UN-HABITAT during the year 2013.

4.10. MANAGEMENT STRUCTURE OF SLILG

All the decisions related to the functioning and management of the Institute is made by the Governing Council. The Governing Council of the Institute consists of secretaries to specified ministries and representatives of professional organizations. The chairperson is the Secretary to the Ministry of Local Government & Provincial Councils.

The Director of SLILG, who is also the convener of the Council, is the Chief Executive of the Institute. He acts on the overall guidance of the Governing Council. The Director is assisted by the Additional Director and a team of Consultants, Deputy Directors, Accountant and the support staff.

SLILG is presently organized into seven divisions, namely the Human Resources Development Division, Engineering Division, General Management Division, Physical Planning Division, Financial Management Division, Legal and Legislative Affairs division, Research and Publications division, and Administration and Accounts division.

4.11. EXPANSION OF THE SUPPORT STAFF

There has been an increase in the human resources factor in all the local government bodies with the recent appointment of graduates as Development / Programme Assistants, which is a positive factor. However, improvement of performance and quality of work of the staff is essential in order to ensure efficient and effective services to local government sector.

Therefore, SLILG has organized various staff development programmes to improve their knowledge and understanding with a view to ensuring effective and efficient service provision.

5.0 CADRE POSITION OF THE INSTITUTE DURING YEAR 2014

The total cadre position for year 2014 is as follows;

Division	Approved Cadre Position			Actual Cadre		
	Executive	Non Executive	Total	Executive	Non Executive	Total
Administration Division	06	22	29	04	21	20
Engineering Division	01	01	02	01	01	02
Management & HRD Division	01	01	02	01	01	02
Physical Planning Division	01	01	02	01	01	02
Financial Management Division	01	01	02	01	01	02
Legal & Legislative Affairs Division	01	01	02	01	01	02
Research Division	-	02	-	01	01	02
Training Division	-	01	-	01	01	02
Accounts Division	02	03	05	01	02	03
Total			44		Total	42

6.0 OVERALL PERFORMANCE OF THE INSTITUTE DURING YEAR 2014

	DETAILS	APPROVED BUDGET	TOTAL EXPENDITURE	USAGE % OF APPROVED BUDGET	NO. OF WORKSHOPS COMPLETED
01	Engineering Division	2,400,000.00	2,071,149.15	86	16
02	General Management & Human Resource Development Division	2,400,000.00	1,928,327.00	80	49
03	Physical Planning Division	2,400,000.00	2,223,080.00	93	43
04	Financial Management Division	2,400,000.00	3,017,490.78	126	78
05	Legal & Legislative Affairs Division	2,400,000.00	2,754,016.77	115	77
06	Training Division	2,400,000.00	3,900,469.19	163	100
07	Director's Division	3,200,000.00	2,144,870.29	67	--
08	Research and Development Division	2,400,000.00	2,316,170.00	97	23
	Total	20,000,000.00	20,355,573.18	102	386

7.0. INFORMATION ON THE PERFORMANCE OF EACH DIVISION OF THE INSTITUTE

7.1. ENGINEERING DIVISION

Engineering Division of SLILG bears the complete responsibility of improving the performance of Technical Departments of Local Authorities and Engineering Divisions of Provincial Councils. These objectives are expected to be achieved through training and research activities designed in accordance with the institutional objectives. Engineers, Work Superintendents and Technical Officers were given training on relevant areas that were selected. In addition, programmes on capacity building were provided to Technical Officers and Provincial Engineers attached to Provincial Councils.

- Funds utilized from the allocated Budget (LKR 000') - Rs. 2,071/-
- No. of Programmes / Workshops etc. completed - 16
- Usage percentage of funds - 86%

Budget Code	Programme/Activity	No. of Budgeted Days	No. of Actual Days	Budgeted Expenditure Rs.	Actual Expenditure Rs.
E01	Specialized Programmes for Provincial Engineers	02	--	100,000.00	--
E02	Knowledge Enhancement Programme for Technical Officers in Local Authorities	04	04	300,000.00	267,637.50
E03	Skill Development Programme for Technical Officers in Provincial Councils	02	02	100,000.00	101,043.00
E04	Training Programme for Newly Recruited Technical Officers in Local Authorities	03	03	200,000.00	108,966.90
E05	Training Programme for Work Supervisors of Local Authorities	04	03	240,000.00	157,459.50
E06	Specialized Programmes for all Provinces	02	04	160,000.00	214,891.50
E07	Provincial Level Training Programmes	01	05	400,000.00	312,315.75
E08	Updating of Rural Road Data Base	05	05	160,000.00	88,223.00
E09	Conducting Diploma in Local Government Engineering	--	--	150,000.00	Not Approved
E10	Knowledge Enhancement and Skills Development for Relevant Non- Technical Staff of Provincial Councils and Local Authorities	04	07	360,000.00	582,517.00
E11	Reprinting of Technical Books (Sinhala & Tamil)	--	--	230,000.00	238,095.00
	Total	76	16	2,400,000.00	2,071,149.15

7.2. GENERAL MANAGEMENT & HUMAN RESOURCE DEVELOPMENT DIVISION

The General Management Division of the SLILG is set up to enhance the managerial capabilities of the elected members and the staff of the Provincial Councils and the Local Government Institutions in Sri Lanka. The Institutional strengthening programmes implemented under the division especially focus on the contemporary capacity building needs of the PCs and LAs. Priority is given to raise the general awareness on devolution and good governance among political leaders, government officials and the civil society. In addition to the national level programs, customized programs too are to be introduced according to needs.

The action plan for every year is formulated after scrutinizing the best practices in local governance in the country as well as in the region. Especially the present situation and the existing capacity levels in the provincial councils and local authorities are taken into accounts.

Objectives of the Division

- ❖ Improve managerial capabilities of elected members and officials of Provincial Councils and Local Authorities for good governance.
- ❖ Strengthen the capacity of elected members and officials of PCs and LAs to improve their performances and changing attitudes to provide better public service to the community.
- ❖ Develop private public partnership to eliminate any barriers for the development in sub national level.
- ❖ Improve the institutional efficiency, effectiveness and productivity to provide better service to general public and other customer satisfaction.

- Funds utilized from the allocated Budget (LKR 000') - Rs. 1,928/-
- No. of Programmes / Workshops completed - 49
- Usage Percentage of Funds - 80%

Budget Code	Programme / Activity	No. of Budgeted Days	No. of Actual Days	Budgeted Expenditure Rs.	Actual Expenditure Rs.
GM/1	Training Programme for Elected Members	03	03	150,000.00	113,508.00
GM/2	Knowledge Enhancement Programme for LAs	06	04	300,000.00	180,463.00
GM/3	Skills Development Programmes for LAs	06	04	300,000.00	208,313.00
GM/4	Library Development Programmes for LAs	04	02	200,000.00	107,427.00
GM/5	Training Programmes for Minor Staff and other related staff of LAs	02	03	100,000.00	71,757.00
GM/6	Programmes for Performance Improvement on Office Management, Institutional HRD and Good Governance	06	07	300,000.00	220,409.00
GM/7	Certificate Course in Project Management	12	12	150,000.00	186,588.00
GM/8	Certificate Course in Library Management	12	12	150,000.00	363,025.00
GM/9	Certificate Course in HRM	12	00	150,000.00	--
GM/10	Special Training Programmes	02	02	200,000.00	76,837.00
GM/11	Provincial Level Training Programmes	--	--	400,000.00	400,000.00
	TOTAL	65	49	2,400,000.00	1,928,327.00

7.3. PHYSICAL PLANNING DIVISION

The main objective of this Division is to improve the performance of political representatives and other relevant officials of the local government bodies and provincial councils of Sri Lanka through the improvement of knowledge, attitudes, skills and quality of service, training and consultancy services in the area of physical planning. The ultimate goal is to improve the living standards and the environment in the relevant local government area.

- Funds utilized from the allocated Budget (LKR 000') - Rs. 2,223/-
- No. of Programmes / Workshops completed - 43
- Usage Percentage of Funds - 93%

Budget Code	Programme / Activity	No. of Budgeted Days	No. of Actual Days	Budgeted Expenditure Rs.	Actual Expenditure Rs.
PP/NL/01	Training Programmes for Elected members	04	06	200,000.00	190,300.00
PP/NL/02	Training Workshop on Disaster Risk Reduction	04	04	240,000.00	240,000.00
PP/NL/03	Workshop on Rating and Valuation	02	02	120,000.00	102,450.00
PP/NL/04	Training Workshop on GIS, GPS remote sensing	10	10	600,000.00	610,000.00
PP/NL/05	Training Programmes for Urban Design & Urban Management	04	02	240,000.00	78,830.00
PP/NL/06	Certificate Course in Project Management	12	12	400,000.00	400,000.00
PP/NL/07	Preparation of Model Development Plan for selected LAs	02	07	200,000.00	201,500.00
PP/PL/01	Provincial Level Training Programmes	--	--	400,000.00	400,000.00
	Total	38	43	2,400,000.00	2,223,080.00

7.4 FINANCIAL MANAGEMTN DIVISION

The Financial Management Division mainly focuses on;

- ✧ improving the knowledge and understanding of local authority staff on financial management
- ✧ conducting workshops for elected members on financial management
- ✧ providing consultancy services to local authorities for improving their efficiency in financial management
- ✧ training of trainers on financial management

The programmes developed by the SLILG in this respect have been very effective in improving the performance of Local Authorities. Yet the demand for knowledge in Financial Management still exists.

Training programmes have also been conducted in the following areas based on the requirement.

- ✧ preparation and presentation of financial statements
- ✧ preparation of budgets, budgetary controls and monitoring
- ✧ raising awareness on Sri Lanka Accounting Standards and their applications
- ✧ preparation of cash flow statements and fund flow statements
- ✧ raising awareness on auditing and auditing standards in Sri Lanka
- ✧ raising awareness on internal control systems
- ✧ conducting diploma courses in Local Government Financial Management
- ✧ providing on-the-job training lagging local government bodies on preparing financial statements

- Funds utilized from the allocated Budget (LKR 000') - Rs. 3,017/-
- No. of Programmes / Workshops completed - 78
- Usage Percentage of Funds - 126%

Budget Code	Programme / Activity	No. of Budgeted Days	No. of Actual Days	Budgeted Expenditure Rs.	Actual Expenditure Rs.
FM-01	Diploma in Local Government Financial Management	24	23	960,000.00	741,576.60
FM-02	Certificate Course on Local Government Accounting System, Preparation & Presentation of Financial Statements for LAs Based on Sri Lanka Public Sector Accounting Standards	18	24	900,000.00	1,043,464.68
FM-03	Preparation of Financial Statements Financial Year 2013 & on the Job Training Programmes For Backward Local Authorities	04	10	140,000.00	79,358.75
FM-04	Preparation of Annual Budget For LAs	10	21	400,000.00	1,153,090.75
	Total	56	78	2,400,000.00	3,017,490.78

7.5 Legal & Legislative Affairs Division

The Legal and Legislative Affairs Division of SLILG is mandated to strengthen the legislative capacities of elected members and officials of Sub – National Government Institutions in Sri Lanka. The Provincial Councils and Local Authorities which constitute the Sub – National Government of the country derive their legal mandate by the respective governing legislations. Therefore the constitution, establishment, powers and functions of them have been built on a legislative foundation. It has been observed that, elected members and officials of PCs and LAs lack the legislative capacities namely drafting, reviewing, validation and approving By-Laws and Statutes as well as applying the prevailing laws in day to day activities. This has been identified as a major drawback which led PCs and LAs to face with wide range of legal issues, irregularities, malpractices and violation of laws.

The programs of the Legal and Legislative Affairs Division are specially designed having identified and assessed the present situation, training needs and requirements of PCs and LAs and to address them effectively. Moreover a new program titled “Certificate Course on Local Government Law “ has been introduced in order to fill the existing knowledge gap of LAs on general laws of the country with a deeper emphasis on the Constitution, By–Laws, Administrative Law, Court Procedure and Council Affairs of LAs.

Having focused on the overall objective of strengthening legislative capacities of PCs and LAs, the following specific objectives will be addressed by the division.

* Funds Utilized from the allocated Budget (LKR 000')	=	Rs. 2,754/-
* No of programmes / Workshops Completed	=	77
* Usage Percentage of funds	=	115%

Budget Code	Programme / Activity	No of Budgeted Days	No. of Actual Days	Budgeted Expenditure Rs.	Actual Expenditure Rs.
LD/01	Certificate Course on Local Government Law (paid course)	28	29	100,000.00	767,846.00
LD/02	Courts Procedure & publishing accurate Gazette Notifications and other Notices of LAs	04	04	200,000.00	106,635.00
LD/03	Council Meeting and Committee meetings for LAs	06	11	300,000.00	444,103.95
LD/04	Preparation & Implementation of By Laws	06	04	300,000.00	94,930.00
LD/05	Programme on Drafting and Implementation of statutes	04	01	200,000.00	129,659.36
LD/06	Introduction of Local Government Law	06	07	300,000.00	278,209.86
LD/07	Evolution of Local Government Law (1861-2012)	06	11	300,000.00	524,217.05
LD/08	Provisions related to Local Government in the Constitution & Writ Applications	06	10	300,000.00	408,415.55
LD/09	Providing Consultancy Services on Legal issues of LAs and PCs	--	--	--	--
LD/10	Provincial Training	--	--	400,000.00	--
Total		66	77	2,400,000.00	2,754,016.77

7.6. TRAINING DIVISION

Training division of the institute has carried out the following activities relating to human resource development of officers and elected members of provincial councils and local authorities.

- Assessment of Training needs
- Identification of target groups
- Development of training manuals and modules
- Conduct training of trainers programme
- Arrange training programmes in key areas for members and staff of Provincial Councils and Local Government Institutions
- Conduct the National level Diplomas / Certificate Courses on Local Governance.
- Disseminate information on Local Governance
 - Quarterly Newsletter (Tamil/Sinhala)
 - Governance Journal (Annually)
- Establish and maintain an up to date Library on Local Governance
- Support and strength the MDTUs and PCLGs for conducting Provincial and Local Government training.
- Co-ordinate, monitor and evaluate the training programmes conducted by MDTUs and PCLGs t local levels.

Funds Utilized from the allocated budget (LKR 000') = Rs. 3,900

No of programmes / Workshops Completed = 100

Usage Percentage of Funds = 163 %

Budget Code	Programme / Activity	No of Budgeted Days	No. of Actual Days	Budgeted Expenditure Rs.
T/01	TOT Programmes for Provincial Trainers	300,000.00	04	331,069.00
T/02	Strengthen Provision of women in Provincial and Local Government Administration	300,000.00	03	245,534.08
T/03	Training Programme on Community Development	300,000.00	05	214,695.00
T/04	Provincial Level Training Programmes	400,000.00	12	233,000.00
T/05	Meeting of Management Development and Training Institutions	300,000.00	03	207,691.35
T/06	Training Manuals and Training Guidelines	200,000.00	--	255,980.00
T/07	Library Development	200,000.00	--	269,084.26
T/08	News Letter	200,000.00	--	81,731.50
T/09	"Local Governance" Journal	200,000.00	01	100,000.00
T/10	* Advanced Diploma in Local Governance – 2014/2015	40,000/- per participant	31	884,364.50
T/11	* Advanced Diploma in Local Governance – 2013/2014	40,000/- per participant	16	561,867.00
	* Diploma in Local Governance – 2014/2015		25	515,452.50
	Total	2,400,000.00	100	3,900,469.19

* A portion from the External Funds as Course Fee

7.7. CAPACITY BUILDING OF SLILG

Having passed several landmarks during the period of past six (06) years, it is important that the SLILG, as an Institute, looks back on its own performance up to now and gain from the exercise to guide its functions in specialized functional agendas and need to assess the impact in achieving its goals and objectives. It was expected to perform the functions of the institute eliminating isolation.

- Funds utilized from the allocated Budget (LKR 000') - Rs. 2144
- No. of Programmes / Workshops completed - --
- Usage Percentage of Funds - 67%

Budget Code	Programme / Activity	Budgeted Expenditure Rs.	Actual Expenditure Rs.
DD/01	Capacity Building of the Institute's Staff (Local & Foreign)	300,000.00	80,900.00
DD/02	Network with International Organizations, Membership Fees and Looking for more opportunities in experience sharing in Local Government with foreign institutions.	150,000.00	156,983.60
DD/03	Preparation of Annual Report 2012 & 2013, Annual Board Survey, Annual Action Plan and Budget for the year 2015.	--	1,548.00
DD/04	Completion of Restructuring of SLILG and obtaining formal approval	--	--
DD/05	Purchasing of a Tax Free vehicle to SLILG	--	--
DD/06	Conducting Exhibitions, National and International Programmes & Symposiums	400,000.00	278,056.50
DD/07	Subsidy for National Diplomas and Certificate Courses	550,000.00	532,696.00
DD/08	Awarding Ceremonies of the National Diplomas and Certificate Courses	350,000.00	102,500.00
DD/09	**IT Courses and Training Programmes	750,000.00	709,648.69
DD/10	Enhancement of Training Facilities	500,000.00	43,537.50
DD/11	Looking for Foreign and Local funded Projects	--	--
DD/12	Preparation of an Incentive Plan for SLILG Staff	--	--
DD/13	Special Assignments from the Ministry	100,000.00	239,000.00
	Total	3,200,000.00	2,144,870.29

** IT Certificate Course is a self funded programme.

7.8. Research & Development Division

The Research & Development Division of the SLILG is mainly concern on supporting Local Authorities & Provincial Councils by conducting Research & Surveys and dissemination of results and necessary Information for policy makers to strengthen the Local Government & Provincial Council sector. Additionally the Division is conducting training programmes on related activities based on research findings.

Objectives:

- ❖ To undertake and promote Research Studies of Local Authorities and Provincial Councils to improve and develop their capacities.
- ❖ Dissemination of Research findings among relevant Policy Makers & Implementing Agencies.
- ❖ Link with National as well as International Research Bodies in the area of Governance.
- ❖ To unearth areas of Importance for new Research initiatives.
- ❖ Maintain a Data Base of Provincial Councils & Local Authorities.
- ❖ Documentation of Research outputs.
- ❖ Publishing relevant publications related to Local Government & Provincial Councils.
- ❖ Conducting Research Methodology courses for relevant officials of the Local Government and Provincial Council sector at National, Provincial & District levels
- ❖ Provide required training for Elected Members, Officials of Local Authorities and Provincial Councils on Development issues based on research findings.

- Funds utilized from the allocated Budget (LKR 000') - Rs. 2,316
- No. of Programmes / Workshops completed - 23
- Usage Percentage of Funds - 97%

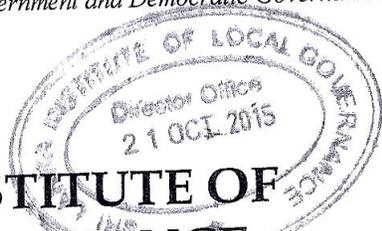
Budget Code	Programme / Activity	No. of Budgeted Days	No. of Actual Days	Budgeted Expenditure	Actual Expenditure
RD/01	Study on the effectiveness of public utility services provided by local authorities / research study on unauthorized constructions within the local authority areas	01	01	400,000.00	400,000.00
RD/02	Study on business promotions by LAs: How effectively local authorities implementing them and impact on them	01	01	275,000.00	275,000.00
RD/03	Training need assessment for all divisions of SLILG	01	01	150,000.00	96,300.00
RD/04	Monitoring Process of Revenue Enhancement for backward local authorities	As per the sample	11	250,000.00	254,767.00
Rd/P/01	Local Authority Level Programme on Enhancement of Revenues of Local Authority	09	09	750,000.00	862,893.00
Rd/P/04	Preparation of Database for Local Authorities/Updating Database from next local government election			150,000.00	7,800.00
RD/EF	Certificate Course in Research Methodology for relevant Officials of Provincial Councils and Local Authorities at National, Provincial & District level in Sinhala, Tamil & English mediums	04	00	25,000.00	19,410.00
**PCLA	Allocation for Provincial Councils & Local Level Programs			400,000.00	400,000.00
TOTAL		16	23	2,400,000.00	2,316,170.00

Remarks

- 1 On the approval of the Governing Council remaining balance of Rs. 142,200/- allocated for Data Base Programme has been transferred to conduct two research studies. (Study on pre school in SL & review of protection of environment by PCs)

Ministry of Public Administration, Local Government and Democratic Governance

HAG-5p,
No 10/69
DAG-155



SRI LANKA INSTITUTE OF LOCAL GOVERNANCE



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FINANCIAL STATEMENTS

For the year ended 31st December 2014

No. 17, Malalasekara Mawatha,
Colombo - 07
Tel : 011-2580307
Fax : 011-2580316
E-mail : info@slilg.gov.lk
Web Site : www.slilg.lk

SRI LANKA INSTITUTE OF LOCAL GOVERNANCE
STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 31st December 2014

	<i>Notes</i>	<i>31/12/2014</i>	<i>31/12/2013</i>
Operating Revenue			
Government Contribution - Recurrent	01	48,167,000.00	42,078,600.00
Other Income	02	<u>13,151,735.05</u>	<u>9,433,325.25</u>
Total Operating Revenue		<u>61,318,735.05</u>	<u>51,511,925.25</u>
Operating Expenses			
Administration & Establishment Expenses	03	30,772,839.84	27,114,697.69
Human Resources Development Expenses	04	21,466,810.22	19,069,655.44
Consultancy Services Expenses	05	2,116,853.79	5,097,457.86
Retirement Benefit Obligations and Depreciation	06	<u>9,464,934.81</u>	<u>8,805,137.47</u>
Total Operating Expenses		<u>63,821,438.66</u>	<u>60,086,948.46</u>
Surplus / (Deficit) for the year		<u>(2,502,703.61)</u>	<u>(8,575,023.21)</u>

SRI LANKA INSTITUTE OF LOCAL GOVERNANCE

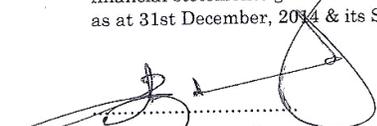


STATEMENT OF FINANCIAL POSITION

As at 31st December 2014

	<i>Notes</i>	<u>31/12/2014</u>	<u>31/12/2013</u>
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	07	✓ 25,152,769.43	30,932,277.96
		<u>25,152,769.43</u>	<u>30,932,277.96</u>
WORKING CAPITAL			
New Construction Building	08	✓ 44,757,072.25	3,762,415.04
Current Assets			
Stocks	09	✓ 2,035,695.39	1,854,681.39
Pre - Payments & Receivables	10	✓ 1,881,469.90	680,733.60
Staff Debtors & Advances	11	13,889,550.97	13,744,422.05
Cash and Cash Equivalents	12	3,995,904.13	572,018.69
		<u>21,802,620.39</u>	<u>16,851,855.73</u>
Total Assets		<u>91,712,462.07</u>	<u>51,546,548.73</u>
EQUITY & LIABILITIES			
Government Contribution - Capital		85,885,195.41 ✓	45,885,195.41
Accumulated Fund		(5,965,003.59) ✓	(3,462,299.98)
UNDP Grant		714,658.79 ✓	714,658.79
Projects Contribution - Capital		1,595,824.75 ✓	1,595,824.75
Grant from Asia Foundation		291,000.00 ✓	291,000.00
		<u>82,521,675.36</u>	<u>45,024,378.97</u>
Non Current Liabilities			
Retirement Benefit Obligations	13	5,239,264.50	3,690,570.50
Retention Money		1,512,000.00	
		<u>6,751,264.50</u>	<u>3,690,570.50</u>
Current Liabilities			
Provisions - Audit Fees		500,000.00	500,000.00
Creditors & Accrued Charges	14	1,939,522.21	2,331,599.26
		<u>2,439,522.21</u>	<u>2,831,599.26</u>
		<u>91,712,462.07</u>	<u>51,546,548.73</u>

The Accounting Policies & Notes on pages 05 to 14 from an integral part of these Financial Statements. These financial statements give a true and fair view of the state of affairs of Sri Lanka Institute of Local Governance as at 31st December, 2014 & its Surplus / (Deficit) for the ended 31st December 2014.


 Kasthuri Anuradhanayaka
 Director/ C.E.O.


 K.R.K. Amarasena
 Ass. Director (Finance)

SRI LANKA INSTITUTE OF LOCAL GOVERNANCE

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December 2014

	31/12/2014	31/12/2013
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Surplus /(Deficit) from ordinary activities</i>	(2,502,703.61)	(8,575,023.21)
Adjustments for Non - Cash Movements		
Depreciation	7,916,240.81	8,169,170.47
Interest Expenses	7,916,240.81	-
Provision - Audit Fees	-	100,000.00
Operating Surplus before working capital changes	5,413,537.20	(305,852.74)
Working Capital Changes		
Increased Stocks	(181,014.00)	-
Increased Pre Pay/Receivable	(1,200,736.30)	330,826.35
Increased Sundry Debtors	(145,128.92)	-
Increased Retirement Benefit	1,548,694.00	535,967.00
Decreased Creditors	1,119,922.95	(1,363,064.48)
Cash generated from Operation	6,555,274.93	(802,123.87)
Gratuity paid	-	-
Cash flow before extraordinary item	-	-
Net cash from operating activities	6,555,274.93	(802,123.87)
Cash flows from investing activities		
Purchase of fixed assets	(43,140,714.67)	(3,912,175.04)
Proceeds from sale/Disposal of equipment	9,325.18	-
Net cash from investing activities	(43,131,389.49)	(4,714,298.91)
Cash flows from Financing Activities		
Proceeds from Capital Grant	40,000,000.00	4,000,000.00
Interest/Gratuity paid	-	-
Net cash used in financing activities	40,000,000.00	4,000,000.00
Net increase in cash and cash equivalents	3,423,885.44	(714,298.91)
Cash and cash equivalents at beginning of period	572,018.69	1,286,317.60
Cash and cash equivalents at end of period (see Note 1)	3,995,904.13	572,018.69

Note No 1

Cash at Bank

Cash in Hand

Cash at Bank - Bank of Ceylon A/C No. 2323344

943,151.31

343,573.34

Cash at Bank - Bank of Ceylon A/C No. 2323350

1,406,058.83

223,862.98

Savings Account - Bank of Ceylon A/C No. 2329975

1,646,693.99

4,582.37

Fixed Deposits - Peoples Bank

3,995,904.13

572,018.69

SRI LANKA INSTITUTE OF LOCAL GOVERNANCE

STATEMENT OF CHANGES IN NET ASSETS

For the year ended 31st December 2014

Description	Government Contribution Capital	Accumulated Fund	UNDP Grant	Project Contribution - Capital	Grant from Asia Foundation	TOTAL
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01/01/2014	45,885,195.41	3,462,299.98	714,658.79	1,595,824.75	291,000.00	45,024,378.97
Surplus / Deficit for the period	-	2,502,703.61	-	-	-	(2,502,703.61)
Transfer for the period	40,000,000.00	-	-	-	-	40,000,000.00
Prior year Adjustments	-	-	-	-	-	-
Balance as at 31/12/2014	85,885,195.41	(5,965,003.59)	714,658.79	1,595,824.75	291,000.00	82,521,675.36

ACCOUNTING POLICES

1. GENERAL ACCOUNTING POLICES

1.1 Financial Statements of the institute are prepared in accordance with Sri Lanka Public Sector Accounting Standards and generally accepted accounting principles on a historical cost basis.

1.2 Generally accepted accounting principles have been followed in the preparation of the Balance Sheet and accounting policies have been applied consistently. Revenue and Expenditure been accrued and recorded in the financial Statements of the period to which they related.

1.3 Fixed Assets have been shown in the Balance Sheet at cost less depreciation. Capital working progress is treated as Fixed Assets. The Board of Directors has been given their approval of Value of Rs. 324,990.00 Bajaj Three Wheeler had been handed over as Donation to Putlam PS.

1.4 There was no any adjustment made for inflationary factors affecting the accounts in the primarily financial statements.

1.5 Certain Assets had been transferred from Ministry of Provincial Council and Local Government without any cost. As per the information's available the said assets were purchased before 1995.

Therefore they were treated as fully depreciated but decided to shown in records with residual value of LKR 100.00 per each.

1.6 Among the items transferred from Ministry of Provincial Council and Local Government certain items were appeared immaterial in pricing. A decision was taken to continue these items only on quantity basis in records without a valuation.

1.7 Stock valuation is made on basis of First in First out (FIFO) method.

1.8 Depreciation is not providing in the year of acquisition or commissioning Assets.

1.9 Depreciation is charged on all Assets on a straight Line Basis.

1.10. For the purpose of depreciation the effective life time Assets are as given below

Category of Assets	Life Time Year	Depreciation Rate
Machinery & Office Equipments	10	10%
Computers & Accessories	5	20%
Vehicle	5	20%
Library Books	10	10%

2. LIABILITIES AND PROVISIONS

2.1 A provision of LKR 5,239,264.50 had been made in the accounts for terminal benefits under the Gratuity Act no 12 of 1983 and this had been grouped under non Current Liabilities in the Balance Sheet. Half month salary for every year of service to employees on retirement has been provided. This Position is prudent, fair and reasonable.

3. CAPITAL EXPENDITURE

Expenditure incurred for the purpose of acquiring extending or improving Assets of a permanent nature by means of which to carry on the objectives or for the purpose of increasing the earning capacity had been treated as Capital Expenditure.

SRI LANKA INSTITUTE OF LOCAL GOVERNANCE

NOTES TO THE ACCOUNTS

For the year ended 31st December, 2014

		<u>31/12/2014</u>	<u>31/12/2013</u>
Note 01 - Government Contribution - Recurrent :-			
2100 - 02	General Treasury	48,167,000.00	42,078,600.00
	Total	<u>48,167,000.00</u>	<u>42,078,600.00</u>
Note 02 - Other Income :-			
1505 - 01	Miscellaneous Income	120,427.14	35,750.00
1505 - 02	Interest on Loan to Employees	508,854.84	520,255.03
1505 - 03	Sales of Publication	71,378.00	43,904.00
1505 - 05	Interest on FD & SA	28,146.69	6,912.02
1505 - 07	Rental Income	-	8,000.00
2101 - 01	Certificate Course of Computer Application	-	520,000.00
2101 - 04	Advance Account - Common	-	1,409,590.00
2101 - 07	Facilitating Initiatives For School Cohesion & Transformation	-	1,138,085.50
2101 - 10	Local Government Diploma Course	7,285,000.00	2,588,000.00
2101 - 15	UNHABITAT Project	3,532,509.15	-
2101 - 16	Expansion of Rural Road Pilot Project - Min. of PC. & LG	1,603,950.90	2,932,828.70
2101 - 16	Local Government Infrastructure Improvement Project - II	-	60,000.00
2101 - 17	Ministry of PC & LG - Programme Advance	-	170,000.00
2101 - 17	Others	1,468.33	-
	Total	<u>13,151,735.05</u>	<u>9,433,325.25</u>

SRI LANKA INSTITUTE OF LOCAL GOVERNANCE

NOTES TO THE ACCOUNTS

For the year ended 31st December, 2014

	<u>31/12/2014</u>	<u>31/12/2013</u>
Note 03 - Administration & Establishment Expenses :-		
Personal Emoluments		
1503 - 01 - 01 Salaries & Wages	15,798,746.31	13,369,215.47
1503 - 01 - 02 E. P.F	1,741,362.00	1,450,212.87
1503 - 01 - 03 E. T.F	435,340.76	361,561.71
1503 - 01 - 04 Holiday Payments & O.T	716,818.91	686,584.95
1503 - 01 - 05 Other Allowance	438,158.21	337,566.00
1503 - 02 - 01 Travelling Expenses - Local	294,779.62	286,286.75
Supplies		
1503 - 03 - 01 Stationary	1,364,097.14	1,927,809.26
1503 - 03 - 02 Fuel Lubricants	2,414,071.51	2,676,628.99
1503 - 03 - 03 Uniform	40,000.00	36,624.00
Maintenance Expenses		
1503 - 04 - 01 Vehicles	1,966,101.57	1,963,825.42
1503 - 04 - 02 Plant, Machinery & Equ.	256,531.85	304,962.30
1503 - 04 - 03 Building	1,535,185.15	483,525.45
Contractual Services		
1503 - 05 - 02 Telephone	731,205.88	578,290.39
1503 - 05 - 03 Postal Charges	155,905.00	65,956.50
1503 - 05 - 04 Water & Electricity	1,399,546.76	1,158,312.88
1503 - 05 - 05 Newspapers & Periodicals	38,040.00	37,748.00
1503 - 05 - 06 Security Service	624,133.59	659,613.54
1503 - 05 - 07 Others	822,815.58	729,973.21
Total	<u>30,772,839.84</u>	<u>27,114,697.69</u>

SRI LANKA INSTITUTE OF LOCAL GOVERNANCE

NOTES TO THE ACCOUNTS

For the year ended 31st December, 2014

	<u>31/12/2014</u>	<u>31/12/2013</u>
Note 04 - Human Resources Development Expenses :-		
2201 - 05 - 01 H.R.D Expenses - National Level Training Programme	12,342,807.01	13,001,989.73
2201 - 05 - 01 - 01 H.R.D. Expenses - National Level Training - Human Resource Development		
2201 - 05 - 01 - 02 H.R.D. Expenses - National Level Training - Engineering	2,076,876.65	1,649,334.87
2201 - 05 - 01 - 03 H.R.D. Expenses - National Level Training - General Management	1,264,672.43	3,212,545.44
Certificate Course in Project Management	226,333.50	
Certificate Course in Library Management	372,153.50	
2201 - 05 - 01 - 04 H.R.D. Expenses - National Level Training - Physical Planning	1,607,818.49	1,993,281.85
Certificate Course on AutoCAD Software	338,595.00	
2201 - 05 - 01 - 05 H.R.D. Expenses - National Level Training - Financial Management	2,532,462.68	3,338,530.10
Diploma in Local Government Financial Management (DLGFM) - 2014 for Provincial Councils and Local Authorities	727,934.40	
2201 - 05 - 01 - 06 H.R.D. Expenses - National Level Training - Legal	2,186,326.96	2,808,297.47
2201 - 05 - 01 - 07 H.R.D. Expenses - National Level Training - Academic	16,500.00	
Certificate course in local Government Law- Subsidized Course	993,133.40	
2201 - 05 - 02 H.R.D Expenses - Provincial Level Training Programme	2,729,048.21	849,411.50
Advanced Diploma in Local Governance - Sinhala/Tamil	962,478.00	
Diploma in Local Governance - Sinhala/Tamil	1,471,224.00	
2201 - 05 - 03 H.R.D Expenses - Capacity Building of SLILG	1,733,749.15	1,730,238.09
2201 - 05 - 04 H.R.D Expenses - Research, Library & Publications	2,227,503.85	2,561,985.12
2201 - 05 - 05 H.R.D. Expenses - Certificate Course of Computer Application		926,031.00
Total	<u><u>21,466,810.22</u></u>	<u><u>19,069,655.44</u></u>

SRI LANKA INSTITUTE OF LOCAL GOVERNANCE

NOTES TO THE ACCOUNTS

For the year ended 31st December, 2014

	<u>31/12/2014</u>	<u>31/12/2013</u>
Note 05 - Consultancy Services Expenses :-		
1504 - 05	2,116,893.79	1,271,219.29
1504 - 13	-	2,964,187.07
1504 - 14	-	862,051.50
Total	<u><u>2,116,893.79</u></u>	<u><u>5,097,457.86</u></u>
Note 06 - Retirement Benefit Obligations and Depreciation		
2102 - 03	1,548,694.00	535,967.00
2102 - 04	-	100,000.00
2105 - 02	7,916,240.81	8,169,170.47
Total	<u><u>9,464,934.81</u></u>	<u><u>8,805,137.47</u></u>

SRI LANKA INSTITUTE OF LOCAL GOVERNANCE

NOTES TO ACCOUNTS

For the year ended 31st December, 2014

Note 07 - Property, Plant & Equipment :-

	Cost as at 01/01/2013	Additions 2014	Removals 2014	Total	Depreciation as at 01.01.2014	Depreciation 2014	Removals 2014	Accumulated Depreciation as at 31.12.2014	W.D.V. as at 31/12/2014	W.D.V. as at 31/12/2013
2201 - 01	33,824,990.00	-	(324,990.18)	33,499,999.82	7,806,917.33	6,748,748.50	(315,665.00)	14,240,000.83	19,259,998.99	26,018,072.67
2201 - 02	4,348,768.38	972,746.20	-	5,321,514.58	2,722,883.69	295,132.21	-	3,018,015.90	2,303,498.68	1,625,884.69
2201 - 03	193,593.20	102,355.36	-	295,948.46	153,493.20	4,000.00	-	157,493.20	138,455.26	40,100.00
2201 - 04 - 01	213,300.00	-	-	213,300.00	85,320.00	21,330.00	-	106,650.00	106,650.00	127,980.00
Computers & Computer Accessories	12,858,857.68	1,070,956.00	-	13,929,813.68	9,738,617.08	847,030.10	-	10,585,647.18	3,344,166.50	3,120,240.60
Total	51,439,509.26	2,146,057.46	(324,990.18)	53,260,576.54	20,507,231.30	7,916,240.81	(315,665.00)	28,107,807.11	25,152,769.43	30,932,277.96

SRI LANKA INSTITUTE OF LOCAL GOVERNANCE

NOTES TO ACCOUNTS

For the year ended 31st December, 2014

Note 8 WORKING CAPITAL

Description	Cost as at 01/01/2013	Additions 2014	Removals 2014	Total	Depreciation as at 01.01.2014	Depreciation 2014	Accumulated Depreciation as at 31.12.2014	W.D.V. as at 31/12/2014	W.D.V. as at 31/12/2013
New Construction Building	3,762,415.04	40,994,657.21	-	44,757,072.25	-	-	-	44,757,072.25	3,762,415.04
	<u>3,762,415.04</u>	<u>40,994,657.21</u>	-	<u>44,757,072.25</u>	-	-	-	<u>44,757,072.25</u>	<u>3,762,415.04</u>

SRI LANKA INSTITUTE OF LOCAL GOVERNANCE

NOTES TO THE ACCOUNTS

For the year ended 31st December, 2014

		<u>31/12/2014</u>	<u>31/12/2013</u>
Note 09 - Stocks :-			
2202 - 01	Stationary	440,457.49	317,743.39
2202 - 02	Publication	1,581,987.90	1,536,938.00
2202 - 03	Inventory	13,250.00	-
Total		<u><u>2,035,695.39</u></u>	<u><u>1,854,681.39</u></u>

Note 10 - Pre - Payments & Receivables :-

2206 - 01	Insurance	125,613.75	122,944.10
2206 - 02	Others	1,077,597.00	32,590.00
2206 - 05	Ministry of PC & LG and UNHABITAT	678,259.15	525,199.50
Total		<u><u>1,881,469.90</u></u>	<u><u>680,733.60</u></u>

Note - 11 - Debtors & Advance :-

2203 - 01	Staff Debtors	30,707.42	30,707.42
2203 - 03	Sundry Debtors	32,218.65	27,218.65
2204 - 02	Special Advance	7,850.00	7,850.00
2204 - 04	Festival Advance	31,700.00	45,800.00
2204 - 05	Staff Loan	13,431,574.90	13,622,845.98
2205 - 01	Advance to Emergency Purchases	123,000.00	10,000.00
2205-03	Advance to Credit Purchases	77,500.00	
2205-03	Advance to HRD	45,000.00	
2205-06	Advance to Incidental	100,000.00	
2207-01	Advance to Administration	10,000.00	
Total		<u><u>13,889,550.97</u></u>	<u><u>13,744,422.05</u></u>

Note - 12 - Cash and Cash Equivalents :-

2207 - 02	Bank of Ceylon - A/C No. 2323344	943,151.31	343,573.34
2207 - 03	Bank of Ceylon - A/C No. 2323350	1,406,058.83	223,862.98
2207 - 04	Servings Account - Bank of Ceylon - A/C No. 2329975	1,646,693.99	4,582.37
Total		<u><u>3,995,904.13</u></u>	<u><u>572,018.69</u></u>

SRI LANKA INSTITUTE OF LOCAL GOVERNANCE

NOTES TO THE ACCOUNTS

For the year ended 31st December, 2014

	<u>31/12/2014</u>	<u>31/12/2013</u>
<u>Note - 13 - Retirement Benefit Obligations :-</u>		
Balance as at 01/01/2014	3,690,570.50	3,154,603.50
Provisions During the Period	1,548,694.00	535,967.00
Actual Amount Paid	-	-
Balance as at 31/12/2014	<u>5,239,264.50</u>	<u>3,690,570.50</u>
 <u>Note - 14 - Creditors & Accrued Charges :-</u>		
2103 - 01 Accrued Charges	1,855,272.21 ✓	2,252,349.26
2104 - 02 Deposits - Tender	84,250.00	79,250.00
2104 - 03 Funds Receipt in - Advance - GIZ	-	-
Total	<u>1,939,522.21</u>	<u>2,331,599.26</u>

8.0. CONCLUSION

It is our observation that the Sri Lanka Institute of Local Governance has performed its functions successfully during year 2014 by satisfactorily achieving its targets and objectives.

As a result, the performance and the knowledge of the local authorities, especially those of the elected members and staff were satisfactorily improved.

However, it was observed that the performance of the SLILG has to be further improved in order to accelerate the fulfillment of future needs and to meet the future challenges of local authorities.

It is also my observation that provincial level training activities need to be further strengthened in order to transfer new technology and improved management practices to the local level with a view to enhancing the knowledge of the elected members, officials and business representatives of the local authorities.

It was also observed that the SLILG should act in collaboration with Management Development Training Units in order to meet the quality standards of the local institutes by conducting effective training programmes and providing consultancy services.

It was further observed that follow up activities have to be carried out in order to get the feed back of the participants of those programmes for the purpose of making the necessary adjustments in the course syllabuses and curricula of the courses that have been conducted.

The need for strengthening of the Committee of the Editorial Board was also noted in order to improve the quality of the publications of the Institute.

Reorganizing and developing the library of the institute, too, has become essential in order to enable it to provide an effective and efficient service to the local government sector in transferring new knowledge and technology through computer skills and new publications on various fields.

Since there is a high demand for the training programmes and other services of the Institute, the need for providing adequate building space for conducting those programmes has also been noted. As the institute is housed in an old building, there is little possibility of further expansion. Therefore, arrangements are underway to construct a five storey building in the land adjoining the premises of the existing building.

It has been planned to construct the proposed building with all the required facilities including an auditorium, library, restaurant and other facilities in order to attract both the participants and resource persons of the training programmes. Moreover, the fleet of vehicles of the Institute, too, has to be increased. This is essential to undertake more training programmes in outstation areas. At least 02 Nos. Double Cabs/Jeeps are necessary for this purpose.

SLILG has to provide continuous facilitation for efficient and effective performance of activities of the provincial councils and local government bodies by conducting training programmes and workshops that are necessary for the devolution of the power among the provincial councils and local authorities as well as for improving the performance of those institutes. Therefore, it is also important to develop the infrastructure facilities of the SLILG.

Thus, it is pleasing to note that Sri Lanka Institute of Local Governance has performed its role quite effectively achieving its targets and objectives during the year 2014.

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