

National Budget Circular No: 134

My No:-BDA/965/1/430
Department of National Budget,
General Treasury,
Colombo 01.
2007.02. 21

To:
All Secretaries of Ministries,
Heads of Departments and
Chief Secretaries of Provincial Councils.

**Constitution of New Cabinet of Ministers and Re-assignment of Departments,
Subjects and Functions to Ministries in terms of Gazette No. 1482/9 and
Financial Provision and Accounting Procedures**

As per the Gazette Extraordinary Notification No.1482/9 of 29.01.2007 issued by H.E. the President, in terms of Article 44 (1) (a) of the Constitution, the new Cabinet of Ministers has been constituted. Therefore, provision for services for the financial year 2007 approved by Parliament by Appropriation Act No. 47 of 2006 has to be re-allocated in terms of the above Gazette Notification. The re-allocation of Heads for new Ministries is given in the attached Schedule I, and you are requested to follow the instructions given below for the re-allocation of funds.

- (a) Column 1 and 2 of the Schedule I show the Head Nos. and the previous Ministries as per the Appropriation Act No. 47 of 2006 approved by the Parliament.
- (b) Column 3 of the Schedule I, shows the Head Nos. that will be assigned to the new Ministries and Column 4 shows the name of new Ministries as per the Gazette Extraordinary Notification No.1482/9 of 29.01.2007.
- (c) Column 5 shows provision which is not relevant to respective new Ministries. Such provision should be granted in terms of FR 208, to the relevant Ministry shown in Column 6, by the Ministry referred to in Column 4 of the Schedule. Kindly follow the procedures laid down in F.R. 208 and 449 in these cases.

2. Accounting Procedures

Accounting of expenditure should be made as per the re-allocated Heads shown in Column 3. If two or more Heads are assigned to one (new) Ministry, accounting should be continued as per the Head Numbers allocated to the new Ministries treating these as separate Heads. Likewise, Appropriation Accounts should be prepared for each Head separately.

3. Advance Accounts

The Advance Accounts appearing in the 2007 estimates under each Head are assigned to new Ministries as shown in Schedule II, and such Advanced Accounts should be maintained as per instructions given in the Accounting Procedure. Loan balances of the officers who have been attached to the new Ministries should be settled as per Budget Circular 118.

4. Ministries which were not assigned Expenditure Heads

Action will be taken to provide an advance under the Contingencies Fund for the Ministries which have not been assigned expenditure Heads, until an expenditure Head is assigned, for the expenditure incurring on the Minister's Office and the Ministry Administration. The instructions related to this have been issued in my letter No. BDA/965/1/430 and dated 21.02.2007, to relevant Secretaries. Secretaries of the new Ministries for expenditure heads which have not been assigned, should be consult the General Treasury regarding incurring of expenditure in respect of programmes/projects/activities which now come under their purview.

5 Departments

Where an existing Department has been transferred from one Ministry to another, all expenditure in respect of such Departments should continue to be brought to account under the Head number already assigned to it. The Chief Accounting Officer of such a Department will be the Secretary of the Ministry under which the Department has now been placed.

6. Cadre of the Ministries

The serving personnel should be re-deployed amongst the Ministries in keeping with the re-allocation of subjects and functions amongst the Ministries. Approval of the Department of Management Services should be taken for the necessary cadre. If any redundant cadre is identified, cadre belonged to Combined Services should be transferred to the Ministry of Public Administration and other cadre should be attached to the concerned Appointing Authorities of the Ministries/Departments for re-deployment.

7. General

If any Chief Accounting Officer comes across instances where projects/activities that do not come under a particular Ministry, have not been identified in the attached schedule for re-allocation, such Chief Accounting Officers are requested to allocate budgetary provision for such activities and projects to the relevant Ministry in terms of F.R. 208 with intimation to me.

Further, it is informed that as far as possible, steps should be taken to obtain necessary funds, for the rest of the year, to meet the expenditure required outside the vote particulars given in this Circular, from the balance provisions of Ministries to which these subjects and functions were assigned previously.

8. Clarifications

If you need any clarification, regarding the above instructions, you may please contact Director General of the Department of National Budget. Similarly, if you need any clarification in respect of Schedule II attached to this Circular please contact Director General of the Department of State Accounts.

Sgd./ S. Abeysinghe
Deputy Secretary to the Treasury