

ANNUAL ACTION PLAN
2016

Department of Fiscal Policy
Ministry of Finance

Effective from 01st January to 31st December 2016

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1. About the Department

1.1 Introduction

The main responsibilities of the Department of Fiscal Policy is the formulation and implementation of fiscal policy within the broad developmental framework of the government in consultation with relevant institutions, line ministries, other agencies/ institutions and private sector to achieve desired economic and social objectives of the country.

The Department is mainly responsible for the taxation policy of country as well as analyzing the developments in revenue, expenditure and financing activities, and the domestic and global macroeconomic development in order to facilitate appropriate adjustment in the country's fiscal policy to achieve desired outcomes.

The Department of Fiscal Policy has indentified the importance of strengthening its activities further to provide necessary impetus towards undertaking more analyses and research activities in the medium to long run thereby facilitating the General Treasury's transformation to operate in a middle income economy environment.

In line with this, the Department has prepared a New Organization Structure and has identified the cadre requirement to suit for the new structure. Hence, in addition to the present structure and the existing cadre, the proposed organization structure and the new cadre requirement has also been included in this Action Plan with the view of introducing those improvements gradually over the medium term.

1.2 Vision

To ensure the establishment of a sustainable fiscal policy framework.

1.3 Mission

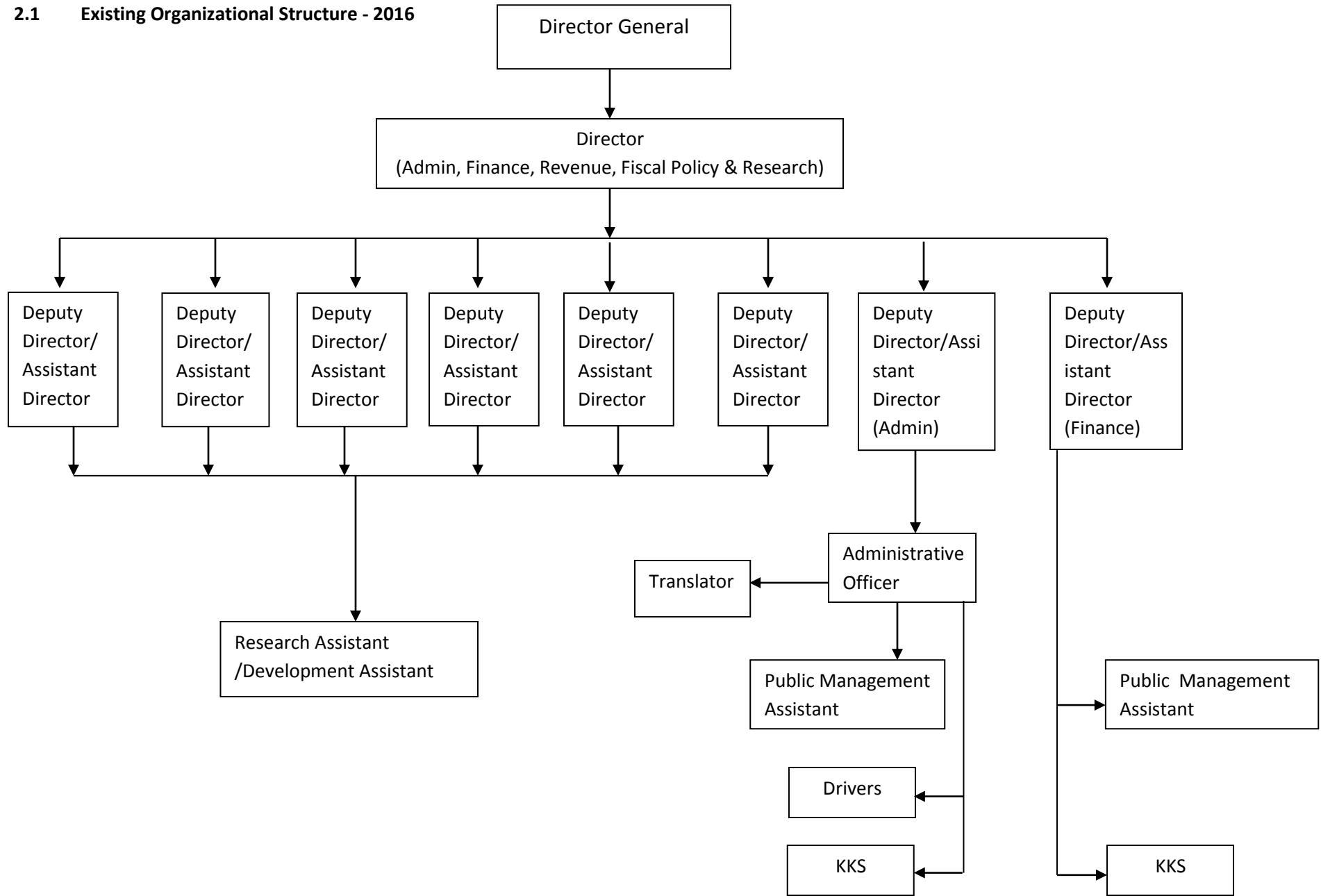
Formulation and implementation of fiscal policy within the broad development framework of the government.

1.4 Functions and Responsibilities of the Department

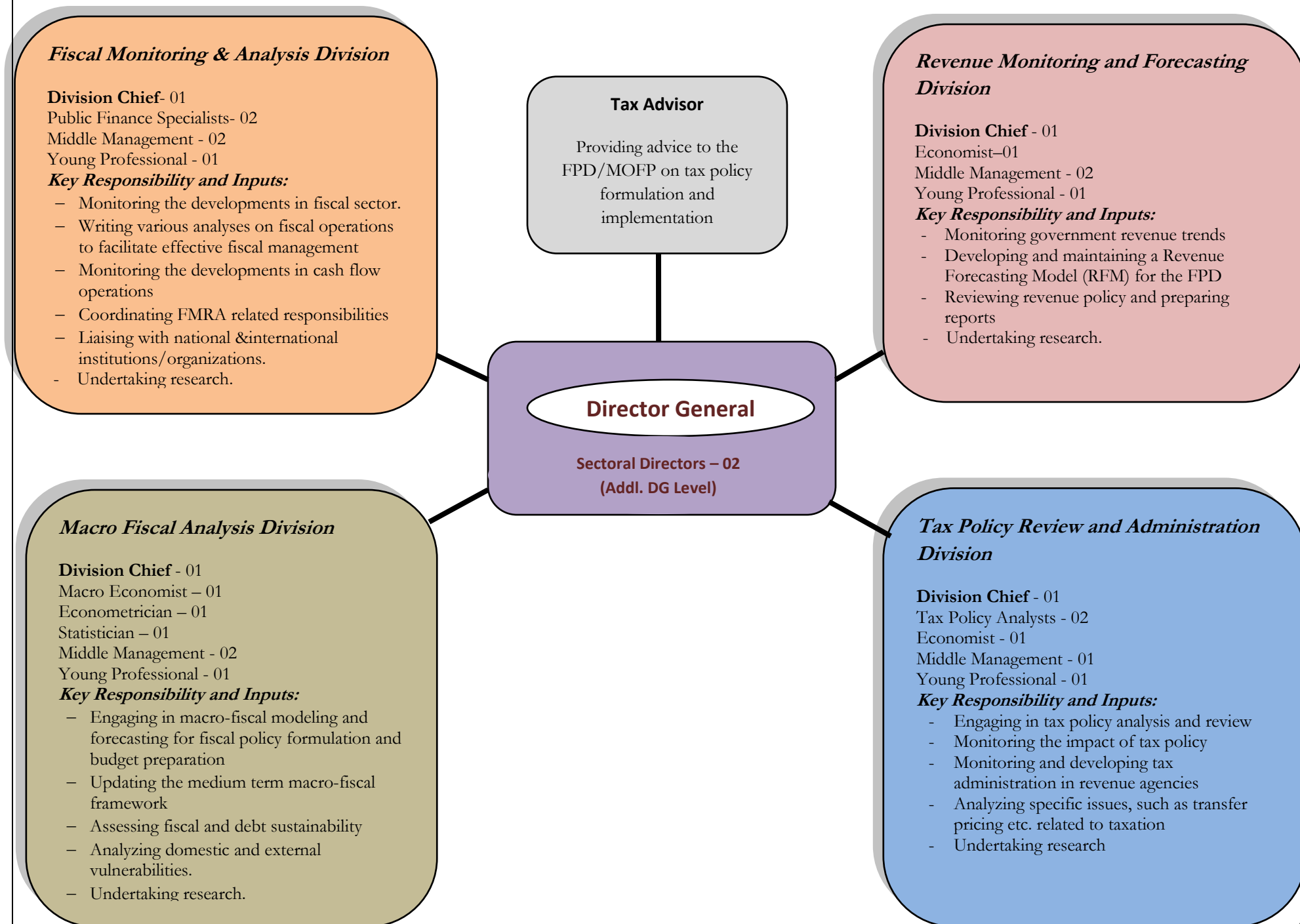
- Formulation and implementation of Fiscal Policy and Medium Term Fiscal Strategy by coordinating public, private and international agencies.
- Formulation of Tax Policy and related statutes other than the Customs Duty and the Special Commodity Levy.
- Management and review of Fiscal Out-turn and Fiscal Performance including Government revenue and receipts while maintaining a proper co-ordination with all departments engaged in revenue collection.
- Handling the work related to the amendments to the legislations as per the policy decisions taken by the government from time to time.
- Implementation of requirements under Fiscal Management (Responsibilities) Act, including Reporting.
- Undertaking analysis/research on various fiscal and macroeconomic matters.

2. Administration and Fiscal Responsibilities of the Department

2.1 Existing Organizational Structure - 2016



2.2 Proposed Organization Structure: 2016 - 2018



2.3 Approved and Existing Cadre

Approved and Existing Cadre - Department of Fiscal Policy

Designation	Approved Cadre	Existing Cadre
Director General	1	1
Additional Director General	1	-
Director (SLAS)	2	-
Director (SLPS)	1	1
Senior Economist	1	-
Deputy Director/Assistant Director (SLAS)	9	3 + 2*** +1**+1*
Deputy Director /Assistant Director (SLPS)	4	4
Deputy Director/ Assistant Director (SLAcS)	1	-
Economist	1	-
Statistician	1	-
Administrative Officer	1	1
Translator (Eng/Sin)	1	-
Translator (Eng/Tam)	1	1
Development Assistants	6	3
Research Assistants	6	3
Public Management Assistants	13	12
Drivers	6	4
KKS	9	6
Total	65	42
*** Two officers from Department of Inland Revenue ** With pay overseas study leave * With pay local study leave		

2.4 Proposed Cadre

Designation	No
Director General	1
Sectoral Directors (Addl. DG Rank)	2
Revenue	1
Administration	1
Division Chiefs (Director Grade)	4
Subject Specialists	9
Economists	2
Macroeconomists	1
Public Finance Specialists	2
Econometrician	1
Tax Policy Analysts	2
Statistician	1
Middle Management - (Deputy/Asst. Directors Rank)	7
Young Professionals - New Recruitment	4
Technical Staff	22
Management Assistants	10
Reserch Assistants	10
Data Entry Operators	2
Administrative Officer	1
Translator	1
Support Staff	14
Staff Assistants	8
Drivers	6
Total	65

**2.5 Financial Resources Allocated for Implementation of the Annual Action Plan 2016
and Medium Term Budget as per the Budget Estimates 2016**

Medium Term Budget Estimate : 2015 - 2018

Rs. '000

Description	2014	2015 Budget Estimates	2016 Estimates	Projections		2015 - 2018 Total
				2017	2018	
Recurrent Expenditure	74,680	75,880	86,780	93,080	99,280	351,720
Personal Emoluments	24,000	25,400	34,800	36,900	39,000	132,800
Salaries abd Wages	16,200	17,000	18,000	19,000	20,000	74,000
Overtime abd Holiday Payments	600	600	800	900	1,000	3,300
Other Allowances	7,200	7,800	16,000	17,000	18,000	58,800
Travelling Expenses	3,900	2,100	3,100	3,600	4,100	12,900
Domestic	100	100	100	100	100	400
Foreign	3,800	2,000	3,000	3,500	4,000	12,500
Supplies	2,480	2,580	2,480	2,880	3,180	11,120
Stationery and Office Requisites	1,200	1,300	1,200	1,400	1,500	5,400
Fuel	1,200	1,200	1,200	1,400	1,600	5,400
Diets and Uniforms	80	80	80	80	80	320
Maintenance Expenditure	2,300	3,000	3,400	4,100	4,800	15,300
Vehicles	1,200	1,500	2,000	2,500	3,000	9,000
Plant and Machinery	600	800	700	800	900	3,200
Building and Structures	500	700	700	800	900	3,100
Services	41,500	42,300	42,100	2,600	47,000	176,000
Transport	500	1,000	900	1,200	1,500	4,600
Postal and Communications	1,000	1,300	1,200	1,400	1,500	5,400
Other	40,000	40,000	40,000	42,000	44,000	166,000
Trasfers	500	500	900	1,000	1,200	3,600
Property Loan Interest to Public Servants	500	500	900	1,000	1,200	3,600

Medium Term Budget Estimate : 2015 - 2018

Rs. '000

Description	2014	2015 Budget Estimates	2016 Estimates	Projections		2015-2018 Total
				2017	2018	
Capital Expenditure	1,120	2,500	2,600	2,700	2,800	10,600
Rehabilitation and Improvement of Capital Assets						
Building and Structure						
Plant, Machinery and Equipment						
Acquisition of Capital Assets	720	2,000	2,000	2,000	2,000	8,000
Furniture and Office Equipment	720	2,000	2,000	2,000	2,000	8,000
Plant, Machinery and Equipment						
Capacity Building	400	500	600	700	800	2,600
Staff Training	400	500	600	700	800	2,600
Total Expenditure	75,800	78,380	89,380	95,780	98,380	362,320
Total Financing	75,800	78,380	89,380	95,780	98,380	362,320
Domestic	75,800	78,380	89,380	95,780	98,380	362,320

Department of Fiscal Policy - Action Plan 2016

No	Function and Key Activities	Responsible Officer	Target Date	Year 2016												Output / Outcome
				January	February	March	April	May	June	July	August	September	October	November	December	
Function 01																
	Formulation and Implementation of Fiscal Policy of the government	DG/ADG/DD/ADs														
Key Activities																
i	Reviewing macroeconomic conditions of the country	DG/ADG/DD/ADs	Throughout the Year													
ii	Co-operating with the relevant agencies which have an impact on economic policy direction	DG/ADG/DD/ADs	Throughout the Year													
iii	Taking measures to adjust the situations where a reaction is needed	DG/ADG/DD/ADs	Throughout the Year													
Function 02																
	Review the present fiscal policy stance and propose appropriate adjustments	DG/ADG/DD/ADs	Throughout the Year													
Function 03																
	Preparation of Revenue Estimates - 2016	DG/ADG														
Key Activities																
i	Call estimates for each Revenue Agencies	DG/ADG	4 th Week of July													
ii	Evaluation of the Revenue Estimates	DG/ADG/DD/ADs	4 th Week of August													
iii	Finalization of Estimates	DG/ADG	4 th Week of Sept													Final Estimates

DG = Director General TA = Tax Advisor ADG = Additional Director General DD = Deputy Director AD = Assistant Director

No	Function and Key Activities	Responsible Officer	Target Date	Year 2016												Output / Outcome
				January	February	March	April	May	June	July	August	September	October	November	December	
	Function 04 Fiscal Policy Review (Conducting meetings with relevant agencies)	DG/ADG/DD/Ads	Throughout the year													At least one meeting is conducted per quarter.
	Function 05 Monitoring revenue performance of 2016	DG/ADG/DD/ADS														
	Key Activities															
i	Monitoring performance of revenue estimates of 2016	ADG/DD/ADS	Throughout the Year													Achieved the targeted revenue.
ii	Monitoring progress of policy and administrative changes introduced in 2016 budget	ADG/DD/Ads	Throughout the year													Budget proposals are implemented as planned.
iii	Revision of tax policies as required	DG/TA/ADG	Throughout the year													Relevant Acts / Gazettes are Issued.
	Function 06 Submission of Budget speech 2016 to the Parliament	DG/ADG/DD/ADS														
	Key Activities															
i	Moulding necessary & requisite policy directions into the budgetary framework	DG/TA/ADG	Throughout the year													Necessary changes are identified
ii	Request for budget proposals from general public, private sector and government agencies	DG/ADG	4 th Week of September													Budget proposals are received.
iii	Analyze Revenue proposals of the budget	DG/TA/ADG/DD/ADS	4 th Week of October													Summary of the proposals.

No	Function and Key Activities	Responsible Officer	Target Date	Year 2016												Output / Outcome
				January	February	March	April	May	June	July	August	September	October	November	December	
iv	Prepare and publish Gazette Notifications relating to the revenue proposals	ADG/DD/ADs													→	Gazettes are Issued on time.
Function 07																
	Implementation of Revenue proposals of the Budget - 2016	DG/TA/ADG/DD/ADs														
Key Activities																
i	Make Amendments to the relevant Acts	DG/TA/ADG		→												Draft Bills with amendments.
ii	Preparation of Draft Bills	DG/TA/ADG	2 nd week of March		→										Final Draft Bills are prepared.	
iii	Obtain the certification from the Legal Draftsman and Attorney General	DG/TA/ADG	3 rd week of March		→										Certification from the AG is obtained.	
iv	Obtain the Cabinet Approval	ADG/DD/ADs	4 th week of March		→										Cabinet approval is received.	
v	Publishing the Bill	ADG/DD/ADs	March		→										Bills are published.	
vi	Submission to the Parliament for approval	ADG/DD/ADs	March		→										All the Bills are approved by the Parliament.	

No	Function and Key Activities	Responsible Officer	Target Date	Year 2016												Output / Outcome	
				January	February	March	April	May	June	July	August	September	October	November	December		
Function 08																	
	Grant various tax concessions/exemptions in terms of the applicable laws, make necessary revisions and attend other representations made by public, government organizations & international organizations on tax matters	DG/TA/ADG/DD/ADs	Throughout the year													- Grant the concessions / deferment or the revisions - Reply to the consent parties.	
	VAT deferment facility for Tsunami reconstruction & rehabilitation activities	ADs	Throughout the year													Facility is granted.	
Function 09																	
	Administrative/Financial matters of the Department	DG/ADG/DD/AD(A) / AD(F)	Throughout the year													Facilitate the activities carried out by the Department through efficient HRM.	

No	Function and Key Activities	Responsible Officer	Target Date	Year 2016												Output / Outcome
				January	February	March	April	May	June	July	August	September	October	November	December	
Function 10																
	Publish reports according to the Fiscal Management (Responsibility) Act	DG/ADG/DD/ADs														
	1. Annual Report - 2015	DG/ADG/DD/ADs	4 th week of May													Submission of Report on time
	2. Mid year Fiscal Position Report - 2016	DG/ADG/DD/ADs	4 th week of June													- do -
	3. Fiscal Management Report - 2017	DG/ADG/DD/ADs	Budget Date													- do -
	4. Budget Speech - 2017	DG/TA/ADG/DD/ADs	Budget Date													- do -
Function 11																
	Research activities & macroeconomic forecasting	DG/ADG/DD/ADs	Throughout the year													Information for decision making is provided as and when necessary.
Function 12																
	Preparation and management of a data base	ADG/DD/ADs	Throughout the year													Updated data base is maintained.
Function 13																
	Activities related to international organizations	DG/ADG/DD/ADs	Throughout the year													A good relationship is maintained.

4. Annual Procurement Plan - 2016

ANNUAL PROCUREMENT PLAN : DEPARTMENT OF FISCAL POLICY

Department/ Line Agency/ Ministry	Type of Procurement (Goods, Works, Equipment & Services	Estimated Cost (Rs.Mn.)	Source of Financing/Name of the Donor	Procurement Method	Level of Authority (CAPC, MPC,DPC, PPC etc.)	Priority Status U - Urgent P = Priority N= Normal	Current status of procurement preparedness activities	Scheduled date of commencem ent	Scheduled date of completion	Remarks
	Works									
Department of Fical Policy	Goods									
	Stationery & Office Requisites	1,200,000.00	Domestic Funds	Shopping	DPC	N	-	01.01.2016	30.11.2016	
	Diets & Uniforms	80,000.00	Domestic Funds	Shopping	DPC	N	-	01.01.2016	30.04.2016	
	Annual Report & Budget Printing	40,000,000.00	Domestic Funds	Shopping	DPC	N	-	01.04.2016	25.12.2016	
	Furniture & Office Equipment	2,000,000.00	Domestic Funds	Shopping	DPC	N	-	01.02.2016	30.11.2016	
	Related Services									
	Cleaning Services	700,000.00	Domestic Funds	Shopping	DPC	N	-	01.05.2016	30.07.2016	
	Consultant Services									

Director General,
Department of Treasury Operations.

Monthly Cash Flow Statement as per Approved Plans for the Year 2016

Expenditure Head No : 238

Ministry / Department of Fiscal Policy

(Rs. 000)

Expenditure Items with Expenditure Codes	Cash Requirement for the approved expenditure Plans												Total	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I Salaries & wages with other allowances (1001 and 1003)	2,834	2,834	2,834	2,834	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	34,000
II Over time & Holiday Pay (1002)	60	60	60	70	70	90	60	60	60	60	70	70	70	800
III All the Other Recurrent Expenditure	1,200	1,700	960	1,890	1,020	21,440	1,090	1,050	1,250	1,180	1,200	18,000	51,980	
Recurrent Total	4,094	4,594	3,854	4,794	3,923	24,363	3,983	3,943	4,143	4,083	4,103	20,903	86,780	
IV Reimbursable Foreign Aid													*	
V All the Other Capital Expenditure	50	50	1,550	50	550	50	50	50	50	50	50	50	2,600	
VI Public Officers Advance Account	235	185	185	300	190	185	285	185	195	185	185	185	2,500	
VII Deposit A / C													0	
VIII Others													*	
Total	4,379	4,829	5,589	5,144	4,663	24,598	4,318	4,178	4,388	4,318	4,338	21,138	91,880	

I certify that the above information is true and correct.

.....
Chief Accountant / Director Finance

.....
Secretary to the Ministry / Head of Department

Internal Audit Plan - 2016

Department of Fiscal Policy

No	Name of the Department	Institutional Activities according to action plan/estimate			Internal Audit Plan							
		Department of Fiscal Policy	(2) Annual Financial Provision Rs.Mn	(3) Planned Activities under each area	(4) Identified Auditable areas	(5) Evaluated Risk	(6) Planned Internal Audit Activities and objectives of audit	(7) Timeframe for Internal Audit Operation				(8) Required Resources
								Q1	Q2	Q3	Q4	
1		Formulation and Implementation of Fiscal Policy of the government	53.58	i. Reviewing macroeconomic conditions of the country ii.Co-operating with the relevant agencies which have an impact on economic policy direction	i. Measures taken to strengthen the fiscal consolidation and rationalizing tax system and action taken to monitor the revenue targets	4	i.Evaluate the actions taken to achieve the objectives & review the progress	√	√	√	√	One Staff Officer, a Development Assistant, a Management Assistant and Allocated Resources
2		Review the present fiscal policy stance and propose appropriate adjustments		iii.Taking measures to adjust the situations where a reaction is needed where a reaction is needed								One Staff Officer, a Development Assistant, a Management Assistant, a Management

No	Name of the Department	Institutional Activities according to action plan/estimate			Internal Audit Plan								
		Department of Fiscal Policy	(2) Annual Financial Provision Rs.Mn	(3) Planned Activities under each area	(4) Identified Auditable areas	(5) Evaluated Risk	(6) Planned Internal Audit Activities and objectives of audit	(7) Timeframe for Internal Audit Operation				(8) Required Resources	
								Q1	Q2	Q3	Q4		
												Assistant and Allocated Resources	
3		Preparation of Revenue Estimates - 2017		i.Call estimates for each Revenue Agencies ii.Evaluation of the Revenue Estimates iii.Finalization of Estimates	i.Procedure of the collecting estimates	4	i.Review the progress & efficiency					√	One Staff Officer, a Development Assistant, a Management Assistant and Allocated Resources
4		Monitoring revenue performance of 2016		i.Monitoring performance of revenue estimates of 2016 ii.Monitoring progress of policy and administrative changes introduced in 2016 budget & previous budgets	i.Departmental procedures to submit real data in correct time	3	i.Evaluate the efficiency of providing real data	√	√	√	√		

No	Name of the Department	Institutional Activities according to action plan/estimate			Internal Audit Plan							
		Department of Fiscal Policy	(2) Annual Financial Provision Rs.Mn	(3) Planned Activities under each area	(4) Identified Auditable areas	(5) Evaluated Risk	(6) Planned Internal Audit Activities and objectives of audit	(7) Timeframe for Internal Audit Operation				(8) Required Resources
								Q1	Q2	Q3	Q4	
				iii.Revision of tax policies as required	ii.Revised tax policies		ii.Ensure the revision of tax policies					
5		Implementation of Revenue proposals of the Budget 2016		<ul style="list-style-type: none"> i. Make Amendments to the relevant Acts ii. Preparation of Draft Bills ii. Obtain the certificate from the Legal Draftsman and Attorney General iii. Obtain the Cabinet Approval iv. Publishing the Bill v. Submission to the Parliament for approval 	The procedure of publishing the bill	2	Review the progress & efficiency of each activity.	√	√	√	√	One Staff Officer, a Development Assistant, a Management Assistant and Allocated Resources

No	Name of the Department	Institutional Activities according to action plan/estimate			Internal Audit Plan							
		Department of Fiscal Policy	(2) Annual Financial Provision Rs.Mn	(3) Planned Activities under each area	(4) Identified Auditable areas	(5) Evaluated Risk	(6) Planned Internal Audit Activities and objectives of audit	(7) Timeframe for Internal Audit Operation				(8) Required Resources
								Q1	Q2	Q3	Q4	
6		Grant tax concessions/ exemptions		i. Grant various tax concessions/ exemptions in terms of the applicable laws, make necessary revisions and attend other representations made by public, government organizations, and international organizations on tax matters. ii. VAT deferment facility for Tsunami reconstruction & rehabilitation activities	The concessions/exemptions granted and the procedure	4	i.Review the performance and efficiency ii.Check the compliance with rules and regulation	√	√	√	√	do
7		Administrative /Financial matters of the Department		i.Procurement ii.InventoryMgt iii.Imprest Management	i.Related files, ledgers, cash book, Accounts and other Reports		i.Preparation of Internal Audit Quarter Reports to ensure continues functioning according to the Institutional and	√	√	√	√	

No	Name of the Department	Institutional Activities according to action plan/estimate			Internal Audit Plan							
		Department of Fiscal Policy	(2) Annual Financial Provision Rs.Mn	(3) Planned Activities under each area	(4) Identified Auditable areas	(5) Evaluated Risk	(6) Planned Internal Audit Activities and objectives of audit	(7) Timeframe for Internal Audit Operation				(8) Required Resources
								Q1	Q2	Q3	Q4	
						financial regulations						
8		Publish reports according to the Fiscal Management (Responsibility Act.)		i. Annual Report - 2014 ii. Mid Year Fiscal Position Report - 2016 iii. Fiscal Management Report - 2017 iv. Budget Speech 2017	i Procedures adopted to prepare relevant reports	3	i. Effectiveness of procedures adopted to achieve targets			√	√	
9		Research activities & macroeconomic forecasting		provide information for decision making as and when necessary	Reports of research & forecasting	2	Review the Reports	√	√	√	√	
10		preparation and Management of a Dara base		Maintain an Updated datavase	Datavase Mgt.	2	Check whether the Database is updated	√	√	√	√	
11		Activities related to international		Maintain a good	Actions taken	3	Review the actions	√	√	√	√	

