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நிதி அமைச்சு
MINISTRY OF FINANCE

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My No. } BD/CPB/4/1/15 - 2016

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Your No. }

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திகதி } 29.12.2015
Date }

National Budget Circular No. 07/2015

All Secretaries to the Ministries
Chief Secretaries of the Provincial Councils
Heads of Departments
Chairmen of Corporations and Statutory Boards

Authorization of Expenditure of Budget 2016 and Public Expenditure Management

01. Authority for incurring Expenditure

Hon. Minister of Finance has signed the warrants in terms of Article 150(1) of the Constitution for incurring expenditure of 2016 relating to provision stipulated in the Appropriation Act No. 16 of 2015 approved by Parliament on 19.12.2015.

Accordingly, the authority that should be quoted on payment vouchers and other documents will be as follows:

- General Warrant No. 4 of 2015 in case of general services,
- Special Law Authority No. 6 of 2015 in the case of Special Law items,
- Advance Warrant No. 4 of 2015 in respect of Advance Accounts activities.

02. Management of Public Expenditure

The Chief Accounting Officers and Accounting Officers are responsible for managing the expenditure within the limits of provisions of recurrent and capital expenditure as provided in Budget Estimates 2016.

Having considered the requirements for effective and efficient utilization of the budgetary provisions, and as proposed by Hon. Minister of Finance during the budget debate, a compulsory saving of 15% of object code 1202 - fuel and 10% of object code 1401 - Transport have to be made from Budget Estimate 2016. Accordingly, Chief Accounting Officers and Accounting Officers should take action to ensure savings from budgetary provisions from those object codes.

03. Implementations of Budget Proposals 2016

The General Treasury will notify the implementing and monitoring agency/agencies of the relevant budget proposals. You are requested to take early actions to implement the budget proposals enabling completion of them within the specified timeframe while maintaining a proper coordination among relevant institutions.

Budgetary provisions for all budget proposals of 2016 are allocated under the project of 240-2-2- "Supplementary Support Services and Contingent Liabilities". Relevant Ministries, Departments and Institutions should submit a well prepared detailed Action Plan to the Department of National Budget in line with the provisions and budgetary provisions will be released accordingly. Separate circular instructions will be issued with regard to the implementation of Budget Proposals 2016.

04. Management of Commitments

(a) The Action Plan of 2016 for each Ministry/Department or Institution should be in line with the budgetary allocations provided under the Medium Term Expenditure Framework 2016-2018.

(b) Under the Zero Based Budgeting approach, each ministry will be strictly monitored by the General Treasury and imprest will be released based on the performance. In addition, all Chief Accounting Officers and Accounting Officers should ensure that sufficient budgetary provisions are available under the relevant object code in making commitments.

(c) Transfer of provisions under Financial Regulations 66 should be limited only to essential situations and such transfers are not allowed if the justifications are not properly stated in respect of each request.

05. Advance Account Activities

Advance account activities should be managed within the limits approved by Parliament and the due attention should be paid to periodic reviews in this respect.

06. Clarifications

Any clarifications on this circular could be obtained from the Director General, Department of National Budget (Contact No 011-2484665).



R.H.S. Samaratunga
Secretary to the Treasury

Copies:

01. Secretary to the President
02. Secretary to the Prime Minister
03. Secretary to the Cabinet of Ministers
04. Auditor General