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நிதி அமைச்சு  
MINISTRY OF FINANCE

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திகதி } 2015.06.24  
Date }

**State Accounts Circular No: 243/2015**

All Secretaries to Ministries

Heads of Departments

**Strengthening of Parliamentary Public Financial Control**

In accordance with Article 148 of the Constitution, Parliament shall have full control over public finance and accordingly, the collection of government revenue and incurring of expenditure should be done with the approval of the parliament.

2. In terms of Article 149 (1) of the Constitution, all receipts of the Republic, not allocated by law to specific purposes, should be credited to the Consolidated Fund of the government and in terms of Article 149 (2) of the Constitution, expenditure from the Consolidated Fund should only be incurred for expenses approved by the Appropriation Act or any other Act passed by Parliament,.

3. However, it has been observed that some Ministries/Departments and District Secretariats collect various revenues extraneous to revenue estimates approved, retaining such revenues under the Class III of the General Deposits Account operated in terms of F.R 569 and utilized to incur expenditure outside the expenditure approved by the Annual Appropriation Act.

4. As receipts so collected under the deposits accounts and payments thereupon are not recorded as revenue and expenditure of the Republic Account, actual revenue and expenditure of the government are not reflected in the Republic Account.

5. Hence, it is emphasized that the following procedure should henceforth be adopted with regard to deposits of category No 15 of the general deposit account No.6000 and the deposit account No. 6003 allocated for District Secretariats.

- 5.1. It is necessary to adhere with the following procedure for all receipts related to general deposits under deposit accounts 6000 (15) and 6003.
  - a) All receipts which can be identified under a specific revenue code should be credited to the relevant revenue code.
  - b) For receipts which are constantly being collected but no revenue code has been introduced, should be informed to the Department of Fiscal Policy and obtain a revenue code for such receipts
  - c) All other receipts collected to the general deposit accounts 6000 (15) and 6003 that are not coming under item (a) and (b) above, should be credited to the Miscellaneous Revenue Code No 2003.02.99.
- 5.2. The receipts identified under the 5.1 above should not be retained as receipts of the deposit account under any circumstances and if any amount from revenue so collected has to be incurred as expenditure, allocations required for that purpose should be provided by budget estimates.
- 5.3. Accordingly, the remaining balance holding in the General Deposit Account as at 31<sup>st</sup> July 2015, except the amount which is expected to be paid within next 5 months of the year 2015, should be credited to the revenue code 2003.02.99. Money received under the 5.1 above, should not be credited to the General Deposit Account from August 2015 onwards. Similarly, if any expenditure is expected to be incurred with regard to the collection of such revenue, budgetary provisions required for that purpose should be made from annual estimates from 2016.
- 5.4. If any amount of money out of the receipts collected under the 5. 1 above is further required to be retained without crediting as revenue to the Consolidated Fund of the government and the said receipts can be related to any category of deposits mentioned in the annexure 01, measures should be taken to open a separate account under that category through the Department of State Accounts. Further, when any receipts mentioned above cannot be related to any category of deposits referred to in the annexure 01 and such receipts are being constantly collected, a new deposit account category can be obtained from the Department of State Accounts by forwarding adequate information for the same

6. It is emphasized that provisions of this Circular should be strictly adhered with and you may contact Mr. A.P. Kurumbalapitiya, Director, Department of State Accounts (Tel. 011-2484753) for any clarification on this Circular

Sgd. R.H.S. Samarathunga  
Secretary to the Treasury

Copy: Auditor General

### Category of Deposits -6000

<b>Type</b>	<b>Name of the Account</b>
01	Security Deposits
02	Tender Deposits
04	Corporation and Funds
05	Institutions take over by Government
06	Funds
07	Surplus Funds
08	Depreciation Reserves
09	Temporary Borrowings
10	Grant (Foreign)
11	Allocation Deposits
12	Contingencies Funds
13	Temporary Retained Deposits Payable to Third Parties (Any Receipt to be Incurred for Incentive Payments to Staff of the Ministry/ Department Should not be Deposited in this Account)
14	Revenue transfer to Provincial Councils
16	Retention Money for Construction
17	Compensation
18	Temporary Retention for Statutory Payments
19	Grant (Domestic) -Corporate Social Responsibility