

ANNUAL ACTION PLAN

2015

Department of Fiscal Policy
Ministry of Finance and Planning

Effective from 01st January to 31st December 2015

Table of Contents

1.	About the Department.....	1
1.1	Introduction.....	1
1.2	Vision	2
1.3	Mission.....	2
1.4	Functions and Responsibilities of the Department.....	2
2.	Administration and Financial Responsibilities of the Department.....	3
2.1	Existing Organization Structure.....	3
2.2	Proposed Organization Structure	4
2.3	Approved and Existing Cadre.....	5
2.4	Proposed Cadre	6
2.5	Financial Resources Allocated for Implementation of the Annual Action Plan 2015 as per the Budget Estimates 2015.....	7
3.	Activity Plan – 2015.....	9
4.	Annual Procurement Plan – 2015.....	14
5.	Imprest Requirement Plan – 2015.....	15
6.	Internal Audit Plan - 2015.....	16

1. About the Department

1.1 Introduction

The main responsibility 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 the country as well as analyzing the developments in revenue, expenditure and financing activities, and the domestic and global macroeconomic developments in order to facilitate appropriate adjustments in the country's fiscal policy to achieve desired outcomes.

The Department of Fiscal Policy has identified 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

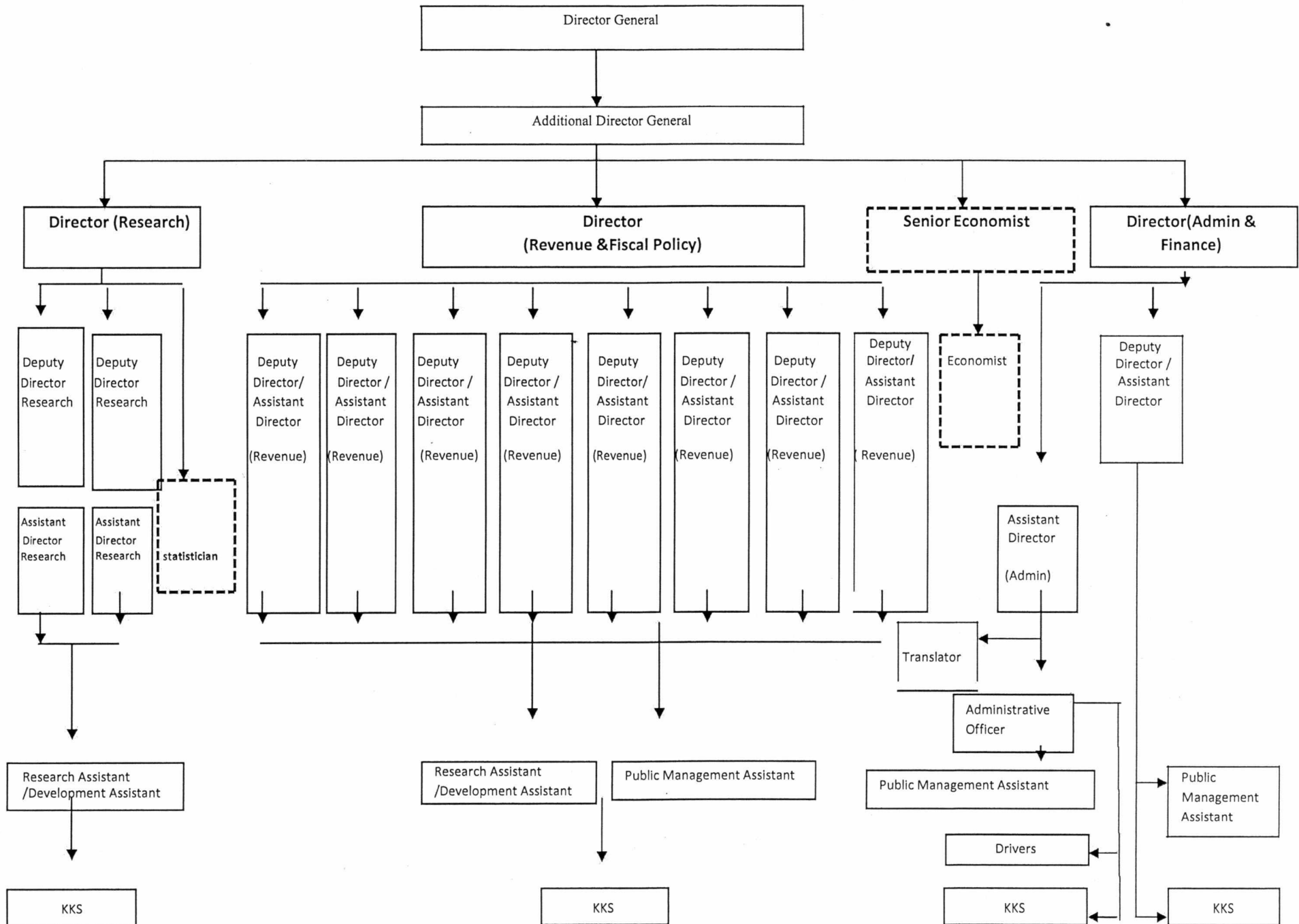
Formulation and implementation of fiscal policy within the broad development framework of the government.

1.4 Functions and Responsibilities of the Department

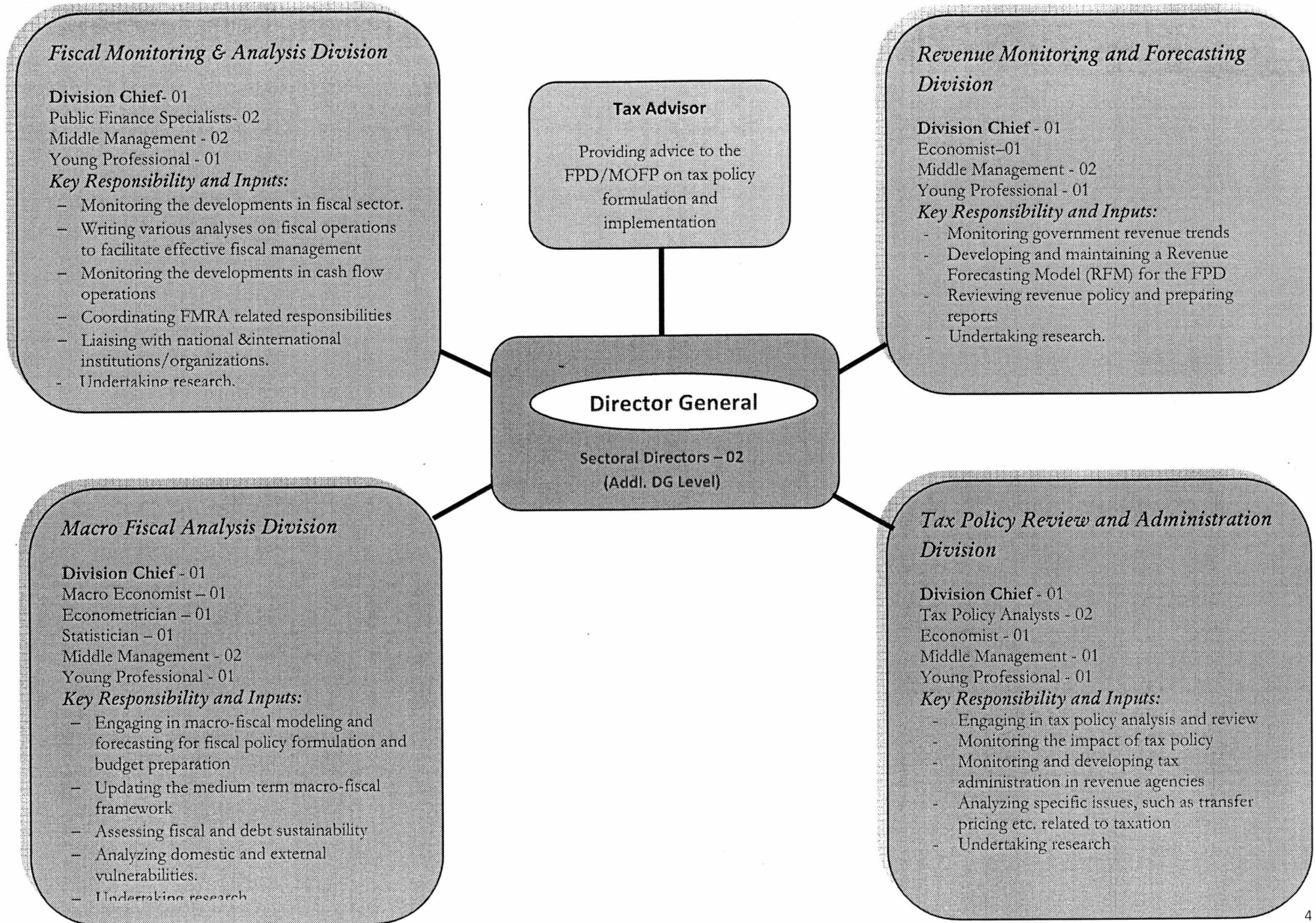
- Formulation and implementation of Fiscal Policy and Medium Term Fiscal Strategy by coordinating public, private and international agencies.
- Formulation of Tax Policy and related statutes other than the Customs Duty and the Special Commodity Levy.
- Management and review of Fiscal Out-turn and Fiscal 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 (Responsibility) Act, including all Reporting.
- Undertaking analyses/research on various fiscal and macroeconomic matters

2. Administration and Financial Responsibilities of the Department

2.1 Existing Organization Structure



2.2 Proposed Organization Structure: 2014 - 2016



2.3 Approved and Existing Cadre

Approved and Existing Cadre - Department of Fiscal Policy		
Designation	Approved Cadre ^(a)	Existing Cadre
Director General	1	1
Additional Director General	1	1
Director (SLAS)	1	-
Director (SLPS)	1	1
Senior Economist	1	-
Dy. Director /Asst. Director (SLAS)	9	07 ^(a, b)
Dy. Director /Asst. Director (SLPS)	4	4
Dy. Director /Asst. Director (SLAcS)	1	-
Economist	1	-
Statistician	1	-
Administrative Officer (PMAS- Supra)	1	1
Translator (Eng/Sin)	1	-
Translator (Eng/Tam)	1	1
Development Assistant	6	3
Research Assistant	6	3
Management Assistants (PMAS)	13	12
Drivers	6	4
KKS	9	8
Total	65	46

^(a) One officer is out of the country for higher education and one officer release for local higher education

^(b) Two officers from the Department of Inland Revenue

2.5 Financial Resources Allocated for Implementation of the Annual Action Plan 2016 and Medium Term Budget as per the Budget Estimates 2015

Medium Term Budget Estimate: 2015 - 2017

Description	2014 Revised Budget	2015 Estimate	2016		2017	Rs '000
			Projections			2015 - 2017 Total
Recurrent Expenditure	74,680	75,880	80,050	84,500		240,430
Personal Emoluments	24,000	25,400	26,350	27,350		79,100
Salaries and Wages	16,200	17,000	17,850	18,750		53,600
Overtime and Holiday Payments	600	600	600	600		1,800
Other Allowances	7,200	7,800	7,900	8,000		23,700
Travelling Expenses	3,900	2,100	2,350	2,600		7,050
Domestic	100	100	150	200		450
Foreign	3,800	2,000	2,200	2,400		6,600
Supplies	2,480	2,580	2,900	3,250		8,730
Stationery and Office Requisites	1,200	1,300	1,400	1,500		4,200
Fuel	1,200	1,200	1,400	1,600		4,200
Diets and Uniforms	80	80	100	150		330
Maintenance Expenditure	2,300	3,000	3,300	3,600		9,900
Vehicles	1,200	1,500	1,600	1,700		4,800
Plant and Machinery	600	800	900	1,000		2,700
Buildings and Structures	500	700	800	900		2,400
Services	41,500	42,300	44,600	47,100		134,000
Transport	500	1,000	1,100	1,200		3,300
Postal and Communication	1,000	1,300	1,500	1,800		4,600
Other	40,000	40,000	42,000	44,100		126,100
Transfers	500	500	550	600		1,650
Property Loan Interest to Public Servants	500	500	550	600		1,650








Medium Term Budget Estimate: 2015 - 2017 Contd...

Description	2014 Revised Budget	2015 Estimate	2016	2017	Rs '000
			Projections		2015 - 2017 Total
Capital Expenditure	1,120	2,500	2,700	3,500	8,700
Rehabilitation and Improvement of Capital Assets					
Buildings and Structures					
Plant, Machinery and Equipment					
Acquisition of Capital Assets	720	2,000	1,700	2,000	5,700
Furniture and Office Equipment	720	2,000	1,700	2,000	5,700
Plant, Machinery and Equipment					
Capacity Building	400	400	500	600	1,500
Staff Training	400	400	500	600	1,500
Total Expenditure	75,800	78,380	82,750	88,000	249,130
Total Financing	75,800	78,380	82,750	88,000	249,130
Domestic	75,800	78,380	82,750	88,000	249,130

03. Department of Fiscal Policy - Activity Plan - 2015

No	Function and Key Activities	Responsible Officer	Target Date	Year 2015												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/D D/ADs														
Key Activities																
i	Reviewing macroeconomic conditions of the country	DG/ADG/D D/ADs	Throughout the Year													
ii	Co-operating with the relevant agencies which have an impact on economic policy direction	DG/ADG/D D/ADs	Throughout the Year													
iii	Taking measures to adjust the situations where a reaction is needed	DG/ADG/D D/ADs	Throughout the Year													
Function 02																
	Review the present fiscal policy stance and propose appropriate adjustments	DG/ADG/D D/ADs	Throughout the Year													
Function 03																
	Preparation of Revenue Estimates - 2015	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/D D/ADs	4 th Week of August													
iii	Finalization of Estimates	DG/ADG	4 th Week of Sept													Final Estimates.

No	Function and Key Activities	Responsible Officer	Target Date	Year 2015												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 2014	DG/ADG/DD/ADs														
Key Activities																
i	Monitoring performance of revenue estimates of 2014	ADG/DD/ADs	Throughout the Year													Achieved the targeted revenue.
ii	Monitoring progress of policy and administrative changes introduced in 2014 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 2015 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													
iii	Analyze Revenue proposals of the budget	DG/TA/ADG/DD/ADs	4 th Week of October													

No	Function and Key Activities	Responsible Officer	Target Date	Year 2015												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 - 2014	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 2015												Output / Outcome
				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 2015												Output / Outcome
				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 - 2014	DG/ADG/DD/ADs	4 th week of May												Submission of Report on time	
	2. Mid year Fiscal Position Report - 2015	DG/ADG/DD/ADs	4 th week of June												- do -	
	3. Fiscal Management Report - 2015	DG/ADG/DD/ADs	Budget Date												- do -	
	4. Budget Speech - 2015	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 - 2015

ANNUALPROCUREMENTPLAN -: DEPARTMENTOF FISCALPOLICY

Department	Types of Procurements	Estimated Cost	Source of	Procurement	Level of	Priority Status	Current	Scheduled	Scheduled	Remarks
Line Agency/ Ministry	(Goods, Works, Equipments & services	(Rs.)	Financing/ Name of the Donor	Method	Authority	U= Urgent P= Priority N= Normal	Status of Procurement Preparedness Activities	Date of Commencement	Date of Completion	
Department of Fiscal Policy	Works									
	Building & Structures		Domestic Funds	Shopping	DPC	N	-	01.01.2015	30.04.2015	
	Goods									
	Stationary & office Requisites	1,300,000.00	Domestic Funds	Shopping	DPC	N	-	01.01.2015	30.11.2015	
	Diets and Uniforms, Other	80,000.00	Do	Shopping	DPC	N	-	01.01.2015	30.11.2015	
	Annual Report & budget Printing	40,000,000.00	Do	Shopping	DPC	N	-	01.04.2015	30.11.2015	
	Furniture & Office Equipments	2,000,000.00	Do	Shopping	DPC	N	-	01.09.2015	30.11.2015	
	Related services									
	Cleaning Service	700,000.00	Do	Shopping	DPC	N	-	01.05.2015	31.07.2015	
	Consultant services									

05. Imprest Requirement Plan – 2015

Monthly Imprest Requirement as per the Approved Expenditure Plan – 2015

Expenditure Items	Amount (Rs. Mn)												Total
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
Salaries & Wages	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	22,800
Overtime & Holiday Payments	40	40	40	60	60	50	40	40	40	50	60	50	600
Other Recruitment Expenditure	1,187	1,962	962	1,887	1,017	20,867	1,067	1,017	1,017	1,167	1,167	17,167	50,480
Total Recurrent Expenditure	3,127	3,902	2,902	3,847	2,977	22,847	3,007	2,957	2,957	3,117	3,127	19,117	73,880
Reimbursable Foreign Grants													
Other Capital Expenditure	42	42	1,542	42	542	42	30	42	42	42	42	42	2,500
Loans & Advances to Public	235	185	185	300	190	185	200	285	185	190	185	190	2,500
Deposit Account													
Other													
Total	3,403	4,128	4,628	4,188	3,708	2,657	23,073	3,333	3,183	3,188	3,343	19,348	78,880

Internal Audit Plan - 2015

Department of Fiscal Policy

No	Name of the Department	Institutional Activities according to action plan/estimate	Internal Audit Plan										
			Department of Fiscal Policy	Annual Financial Provision Rs.Mn	Planned Activities under each area	Identified Auditable areas	(5) Evaluated Risk	Planned Internal Audit Activities and objectives of audit	Timeframe 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		iii. Taking measures to adjust the situations								One Staff Officer, a Development	

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	Timeframe Audit Operation				(8) Required Resources
								Q1	Q2	Q3	Q4	
		appropriate adjustments		where a reaction is needed								Assistant, a Management Assistant And Allocated Resources
3		Preparation of Revenue Estimates - 2015		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				v	One Staff Officer, a Development Assistant, a Management Assistant and Allocated Resources
4		Monitoring revenue performance of 2014		i. Monitoring performance of revenue estimates of 2014 ii. Monitoring progress of policy and administrative changes	i. Departmental procedures to submit real data in correct time	3	i. Evaluate the efficiency of providing real data	v	v	v	v	

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	
			introduced in 2014 budget & previous budgets 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 2014	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.	v	v	v	v	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						
		(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	Timeframe 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. Inventory Mgt iii. Imprest Management	i. Related files, ledgers, cash book, Accounts and other Reports		i. Preparation of Internal Audit Quarter Reports to ensure continuous 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 Audit Operation				(8) Required Resources
								Q1	Q2	Q3	Q4	
						financial regulations						
8		Publish reports according to the Fiscal Management (Responsibility) Act		i. Annual Report – 2013 ii. Mid Year Fiscal Position Report – 2014 iii. Fiscal Management Report -2015 iv. Budget Speech -2015	i. Procedure 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 Data base		Maintain an Updated data base	Database Mgt	2	Check whether the Database is updated	√	√	√	√	
11		Activities related to international		Maintain a good	Actions taken	3	Review the actions	√	√	√	√	

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/quarter Audit Operation			
							Q1	Q2	Q3	Q4	
		organizations		relationship							