

ANNUAL ACTION PLAN

2020

Department of Public Finance

**Ministry of Finance, Economic and Policy
Development**

Effective from January 01, 2020 to December 31, 2020

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01. The Department

The Department of Public Finance plays a central role in public sector Governance and has a responsibility for a sound public finance regulatory framework which improves transparency, accountability and service delivery in the public sector. The department works with other government institutions to enhance the management of public resources in pursuit of growth, development and poverty reduction, while aiming to strengthen transparency and accountability.

The Department also seeks to strengthen the broader governance environment within which the public sector operates, supporting institutions for public accountability, such as parliaments, tracking improvements by measures of the rule of law, state legitimacy and trust in government institutions by reducing the risk of corruption and conflict of interest in public affairs in order to achieve sustainable economic growth and development.

In carrying out these responsibilities the Department of Public Finance provides a range of regulatory and advisory services on Public Finance for public sector institutions.

1.1 Vision, Mission and Objectives of Department of Public Finance

(a) Vision:

Create a sound Public Finance regulatory framework to improve transparency, accountability and service delivery in the Public Sector.

(b) Mission:

Formulate, develop, review, update and follow up the systems and procedures in the Public Financial Management in order to strengthening broader governance environment within which public sector operates supporting institutions for public accountability.

(c) Objectives:

- (i) Formulate, develop, review, update and follow up the policies, systems and procedures in Public Financial Management to give maximum accountability and transparency.
- (ii) Promote public sector governance and assist the Parliamentary Committee on Public Accounts (COPA) to ensure effective and efficient utilization of public financial resources.
- (iii) Review and monitor effective use of existing departmental fees and charges and explores the possibility of generating non-tax revenue in cost effective manner
- (iv) Regularize, review and monitor the Ministerial / Departmental funds to ensure effective and efficient utilization of public funds.

(d) Functions and Responsibilities of the Department

With effect from 1st July 2018, the duty arrangement has been revised to expedite the service delivery by the Department of Public Finance. As such, the Ministries are clustered as follows and the all the officers in the Department are assigned with the functions related to the Ministries in broader sectors in economy.

- a) Regional Development
- b) Governance
- c) Environment
- d) Defence
- e) Infrastructure
- f) Foreign Employment
- g) Religious and Cultural Affairs
- h) Primary Industry
- i) Social Welfare
- j) Health
- k) Industry
- l) Land
- m) Education
- n) Youth Affairs
- o) Special Spending Units

Following sectoral and non-sectoral assignments are performed by the officers in the Department.

- (i) Formulate, develop, promote, review, implement and follow up policies, procedures and practices in the field of Public Financial Management.
- (ii) Assist the Committee on Public Accounts in their examinations on the transactions of government agencies and take follow up actions regarding the implementation of the recommendation of the Public Accounts Committee including the issuance of Treasury Minutes.
- (iii) Take follow-up actions in terms of reports and audit queries of the Auditor General.
- (iv) Ascertain uniformity in government receipts and create a continuous controlling mechanism in terms of Financial Regulation relating to the government revenue.
- (v) Review Departmental fees and charges and propose revisions when necessary.
- (vi) Scrutinize requests for write-offs and waivers in terms of Financial Regulations 104 & 113.
- (vii) Implement the Government Procurement strategy for the procurement of goods, works and consultancy services to ensure value for money, open and effective competition, ethics and fair dealing, transparency and accountability in Public Procurement.
- (viii) Assist the functions of the Minister of Finance in the formulation of government policies within the financial vision of the government.
- (ix) Review and monitor the operation of funds maintained under various Ministries/Departments.

2.1 Approved Cadre and Existing Cadre
(As at January 01, 2020)

Designation	Approved Cadre	Existing Cadre
Director General	01	01
Additional Director General	03	02
Director	12	08
Deputy Director/Assistant Director	12	07
Administrative Officer	01	01
Translator	01	01
Development Officer	16	13
Management Service Officer	14	14
Driver	07	07
O.E.S	08	08
Total Cadre	75	64

Table 1: Approved Cadre and Existing Cadre

2.2 Budgetary Framework

Project : 01 Public Financial management Category : Recurrent Expenditure

Rs '000

Object	Category /Object /Item Description	2020 (Jan-Apr)	2021&2022 Projections are not included (due to the Vote on Account)	
	Personal Emoluments	15,800		
1001	Salaries and Wages	11,500		
1002	Overtime and Holiday Payments	300		
1003	Other Allowances	4,000		
	Traveling Expenses	550		
1101	Domestic	50		
1102	Foreign	500		
	Supplies	1,160		
1201	Stationery and Office Requisites	300		
1202	Fuel	750		
1203	Diets & Uniforms	110		
	Maintenance Expenditure	600		
1301	Vehicles	500		
1302	Plant, Machinery and Equipment	100		
	Services	2,905		
1401	Transport	900		
1402	Postal & Telecommunication	600		
1406	Interest Payment for Leased Vehicle	700		
1408	Lease Rental for Vehicles procured Under Operational Leasing	450		
1409	Other	255		
	Transfers	300		
1506	Property Loan Interest	300		
	Total Recurrent Expenses	21,315		

Category : Capital Expenditure

Rs '000

Object	Category /Object /Item Description	2020 (Jan-Apr)	2021&2022 Projections are not included (due to the Vote on Account)	
	Rehabilitation and Improvement of Capital Assets	100		
2001	Buildings and Structures	100		
2002	Plant, Machinery & Equipment	-		
2003	Vehicles	-		
	Acquisition of Capital Assets	1,300		
2102	Furniture and Office Equipment	200		
2108	Capital Payment for Leased Vehicles	1100		
	Capacity Building	500		
2401	Staff Training	2,000		
	Total Expenditure	1,900		

Table 2: Budgetary Framework

03. Activity Plan – 2020 – Time line

Corporate Responsibility : Director General of Public Finance				J	F	M	A	M	J	J	A	S	O	N	D	Output	Outcome
Area of Responsibility	Activities	Responsibility															
1	Formulate, develop, promote, review, implement and follow up policies, procedures and practices in the field of Financial Regulation (FR).	Issuance of Instructions on Public Financial Management by circulars	Relevant Staff Officers													No of issued Circulars and instructions	Sound Financial Management system to improve accountability and transparency in Public Financial Management in the Country
		Provide clarifications on Public Finance Circulars	ADGs, Ds, DDs and ADs													No. of clarifications on requests received from Government agencies	
2	Assist the Committee on Public Accounts (COPA) in their examinations on the transaction of government agencies and take follow up actions regarding the implementation of the recommendations of the Committee including the issuance of Treasury Minutes.	Assist COPA meetings on the Financial Regulatory issues by representing the Department	ADGs Ds, DDs, ADs												No. of COPA meetings attended	Minimize number of incidence of irregular transactions and improve Governance in the Public Financial Management	
		Take follow up actions regarding the implementation of the recommendations of the Public Accounts Committee	ADGs, Ds, DDs, ADs												No of follow up actions taken on the COPA directives		
		Drafting Treasury Minutes	ADG AD												Issued Treasury Minutes		

3	Take follow-up actions on the recommendations suggested in Auditor General's reports of respective Ministries and Departments.	Take follow up action on observations on Auditor General's reports	ADGs, Ds, DDs, ADs																Take follow up action on observations on Auditor General's reports	Minimize number of incidence of irregular transactions and improve Governance in the Public Financial Management
4	Ascertain uniformity in government receipts and create a constant mechanism to ensure accountability and transparency in Financial Management.	Study and recommend new payment modes and receipts used for collecting Government Revenue.	ADG/ AD																Approval granted for the requests received	Sound Financial Management system to improve Accountability and Transparency in Public Financial Management in the Country
5	Review Departmental fees and charges and propose revisions in line with the government policy frame work.	Collect, collate, disseminate, review data and information on existing fees and charges in Departments	ADGs, Ds, DDs, ADs																Updated database on fees and charges in departments	Increase revenue to support the National Budget and Government Cash Flow.
		Recommend requests for revision of fees and charges of Government departments	ADGs, Ds, DDs, ADs																Number of approvals given for revisions of fees and charges	
6	Scrutinize requests for write-offs and waivers in terms of Financial Regulations.	Study and recommend requests for Write-offs of losses and waivers of Government dues	ADGs, Ds, DDs, ADs																No of recommendations made on requests on write off/waivers	Improve the accountability and transparency in FM System

		Provide advice and issuance of instructions on write off matters	ADGs, Ds DDs ADs														Number of advice and instructions provided for the requests received	
7	Advice on transfer of vehicles that are brought duty free to Sri Lanka by Foreign Embassies and Diplomatic Missions in consultation with Ministry of Foreign Affairs, Sri Lanka Customs and registration of motor vehicles to facilitate the transfer of vehicles when they sell/re export.	Issuing letters to relevant institutes to take the necessary actions in the process of vehicle transfer	ADG/D														No. of letters on requests of vehicle transfers issued	Ensure the collection of customs duty on the vehicles transferred
8	Assist the functions of the Minister of Finance, Economic and policy Development based on the government policy frame work	Draft observations for Cabinet memoranda	ADGs, Ds, DD's and AD's														No. of observations drafted	Sound Financial Management system to improve Accountability and Transparency in Public Financial Management in the Country

9	Implement the Government Procurement strategy for the procurement of goods, works and consultancy services to ensure value for money, open and effective competition, ethics and fair dealing, transparency and accountability in Public Procurement.	Prepare and issue clarifications and guidance to procuring entities on procurement related issues	ADG's, Ds, DD's and AD's		No. of clarifications issued	
		Facilitate procuring entities with the appointment of Procurement Committees, Technical Evaluation Committees and Project Committees. (SCAPC, CAPC, CANC, TEC, PC)	ADGs, Ds DD's and AD's		No. of Procurement Committees and Technical Evaluation Committees appointed/reconstitutes	
10	Create, maintain and update a database on procurement activities of the Government Agencies	Create a single database on procurement activities and update regularly (appointments to SCAPC, CAPC, CANC, TEC & PC)	ADG IT officer		Updated procurement database	
11	Supervision and monitoring functions relating to Management of Funds.	Monitoring and regulating funds maintained under various Ministries and Departments	ADGs, Ds, DDs, ADs		Properly maintained of Departmental funds	Effective and efficient utilization of Public Funds in line with Constitutional and other legal provisions

Table 3: Activity Plan - 2020 - Time line

04. Imprest Requirement Plan – 2020

Monthly/Quarterly imprest requirement as per approved Expenditure Plans for the year 2020 (January –April)

	Expenditure items (with Expenditure Codes)	Cash Requirement for the approved expenditure plans Rs.'000				
		Jan.	Feb.	March	April	Total
I	Salaries and allowance (1001 and 1003)	3,687	3,687	3,688	3,688	14,750
	Other Allowances paid with salary (Except object code 1003)	710	615	620	605	2,550
II	Overtime and Holiday pay (1002)	75	75	75	75	300
III	All other Recurrent Expenditure	741	742	741	741	2965
	Total Recurrent	5,213	5,119	5,124	5,109	20,565
V	Other all Capital Expenses	20,475	20,475	20,475	20,475	81,900
VI	Public Officers Advance Account	500	500	500	500	2000
VII	Deposit Accounts	125	123	125	125	500
	Grand Total	26313	26,219	26,224	26,209	104,965

Table 4: Imprest Requirement Plan - 2020