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அரசு கணக்குகள் திணைக்களம்  
Department of State Accounts

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29.12.2017

**State Accounts Circular No: - 262/2017**

All Secretaries to the Ministries,  
Heads of the Departments,  
District Secretaries,  
Commanders of Three Forces

**Settlement of the Balances of Advance "B" Account from the retired and deceased officers**

It has been identified by the information collected in relation to the Public Officer's Advance "B" Account that significant amount of loans is existing within the accounts without being recovered yet from the officers who have either retired or deceased. The Department of Pensions has taken actions to release the provisions for the settlement and accounting of the loan balances of the retired /deceased officers at the time of the payment of pensions/death gratuity and inform same to the relevant Chief Accounting Officers and Accounting Officers in writing/through the website. However, it has been observed that the situation referred to above has arisen due to the non-settlement of the loan balances of retired and deceased officers under the Advance "B" account of their respective institutions by keeping records of accounts and reporting same to the General Treasury in the monthly accounts summary by each institution using the said provisions.

02. As the Parliamentary Committee on Public Accounts (COPA) has also paid its attention to such unsettled loan balances of Public Officer's Advance "B" Account, following course of action should be undertaken w.e.f. 01.01.2018 regarding the settlement of the unsettled loan balances of officers who retire with the entitlement for pension or those who pass away.

I (a) The No. of the Public Officers Advance "B" Account of the relevant institution and the updated amounts that has to be recovered to the Public Officers Advance "B" Account from the relevant officers should be accurately recorded in the online Application for Retirement (PD03) and the Application for Death Gratuity (PD05).

(b) The amounts to be recovered to the government other than the amounts to be recovered to the Advance "B" account of the Public Officer's should be recorded correctly including the Revenue Head to which such amounts should be credited or the Expenditure Head to which those should be surcharged.


[The Application for Retirement and Application for Death Gratuity (PD03/PD 05) are equipped with the facility to include the said information]

II The Department of Pensions, based on the details mentioned in I (a), (b) above, should report to the General Treasury through the monthly accounts summary by accounting the

records in relation to the settlement of the loan balance of any officer at the time of the payment of Retirement /Death Gratuity.

III The Department of Pensions should enter the confirmation of the payment of retirement/ death gratuity to its website and having accounted the data related to such payments, report same to the General Treasury with the monthly summary of accounts while the relevant institutions, having examined the Treasury Printouts (Table 67) that are issued after accounting the data reported by the Department of Pensions, should correct their records of all the loan balances settled by the Department of Pensions in relation to the respective institutions in their control accounts and individual balance lists (CC10)

03. As the Secretaries to the Ministries/ Heads of the Departments/ District Secretaries and Commanders of Three Forces are personally accountable for the accurate recording of the details of the relevant loan balances in the application for pensions/death gratuity (PD03/PD05) in relation to the retired or deceased officers and updating the books of accounts of their respective institutions as per the Treasury Printouts (Table 67) in view of the instructions provided in the paragraph 01 above.
04. Heads of the institutions should ensure that no loan balance is included in Advance B accounts in respect of those officers who have been granted the Retirement/ Death Gratuity following the provisions of this circular.
05. These Circular instructions are not applicable in the settlement of loan balances of the Provincial Councils and the existing provisions will continue to be applicable in this regard.
06. This Circular is effective from 01<sup>st</sup> of January 2018 in respect of the settlement of loan balances of officers who retired or deceased.
07. This Circular which is issued with the concurrence of the Department of Pensions, the Department of National Budget and the Department of Treasury Operations, can be downloaded from the website of the Department of State Accounts of the General Treasury. If further clarifications are required with regard to this Circular please contact Mr. A.D.L.G.Kalansuriya, Director of the Department of State Accounts on Tel. No. 011-2484735.



S.G. Senarathna

Director General, Department of State Accounts

Copies:

1. Auditor General, Auditor General's Department
2. Director General - Department of Treasury Operations
3. Director General - Department of National Budget
4. Director General - Department of Pensions