

## **1. Introduction**

The Department of State Accounts of the Ministry of Finance and Planning is responsible for maintaining a central accounting and financial information system in relation to the implementation of the annual budget, as approved by Parliament with the passage of the Annual Appropriation Act, through Government Ministries and Departments. Accordingly the Department maintains a central computerized Data Base to collect and store all the relevant accounting data from all the Ministries and Departments on a monthly basis.

Collected data are processed monthly and released to user Departments and the Central Bank of Sri Lanka in the required form for monitoring, analytical work and decision making purposes. After the closure of the Financial Year, the Department is responsible for the preparation of the annual Financial Statements of the Government as prescribed in Government Financial Regulation 430, and also fulfilling the requirement as to the information to be disclosed in this Financial Statement in terms of all other applicable statutory and regulatory provisions and for rendition of same for audit.

After the audit, such audited annual Financial Statements should be tabled in Parliament and published them for the information of the General Public, as a Session Paper.

## **2. Vision, Mission and Major Functions of the Department**

- **Vision**

“Be the Center for Excellence in Government Financial Information”.

- **Mission**

“Presentation of Government financial information for decision making, empower compliance and reporting, for Government, Ministries and Departments, and perform as the provider of integrated Annual Financial Statements of the Government to its all the stakeholders.”

- **Major Functions**

- (i) Perform as the Central Agency of the Government to provide necessary instructions, guidelines and other accounting support services like providing required software system and regular training to Government, Ministries and Departments to maintain a sound accounting system to capture accounting data generated with the implementation of the annual budget and their work programmes, record and compile them in conformity with prevailing rules, regulations and classification coding systems.
- (ii) Take action to get the accounting data compiled in Accounting Units of Government, Ministries and Departments transmitted to this Department at regular time intervals with least possible delay and at least cost via E-mail.
- (iii) Maintenance of a Central Accounting data-base by making use of the accounting data received from Ministries and Departments for the generation of required accounting and statistical information.
- (iv) Process the accounting data collected to make periodical reports as required for the review of the progress on the implementation of the Budget and the other monitoring and decision making purposes.
- (v) Provide required instructions and guidelines to all Ministries and Departments as to the closure of the accounts at the end of the financial year and provide them with accounting information for the preparation of their Annual Appropriation Account in conformity with prevailing rules and regulations to fulfill their public accountability as to the utilization of the public funds for the implementation of their work programmes as stipulated in the Annual Budget. Similarly, take action to get Revenue Departments to prepare the Annual Revenue Accounts.
- (vi) Collect the copies of Audited Appropriation Accounts of all Ministries and Departments and Audited Revenue Accounts of Revenue Departments for taking action to publish them and also to review the comments make by the Auditor General for taking appropriate action to rectify the system deficiencies, if any.

- (vii) Compile the accounting data on revenue, expenditure and public debt already collected from Ministries and Departments, process them further to have required information for drafting Annual Financial Statements of the Government in conformity with Generally Accepted Accounting Principles and Practices and publish them for the information of all stake holders and also take measures to improve the quality of presentation of such financial statements in conformity with International Public Sector Accounting Standard.(IPSAS)

### **3. Organizational Structure and Staff Information**

#### **3.1 Staff Strength (as at 31.12.2008)**

	<b>Position</b>	<b>Actual Cadre</b>	<b>Approved Cadre</b>
(a)	Director General	01	01
(b)	Additional Director General	-	01
(c)	Directors	02	03
(d)	Economist	-	01
(e)	Deputy / Asst. Directors	07	09
(f)	Statistician	01	01
(g)	Administrative Officer	01	01
(h)	Translator	-	01
(i)	Accounts Analysts (Graduate Scheme)	04	05
(j)	Programmers(Non-Transferable)	04	05
(k)	Management Assistants	23	25
(l)	Data Entry Operators (Non-Transferable)	04	06
(m)	Drivers	04	05
(n)	O.E.S.	14	15
	<b>Total Cadre</b>	<b>65</b>	<b>79</b>

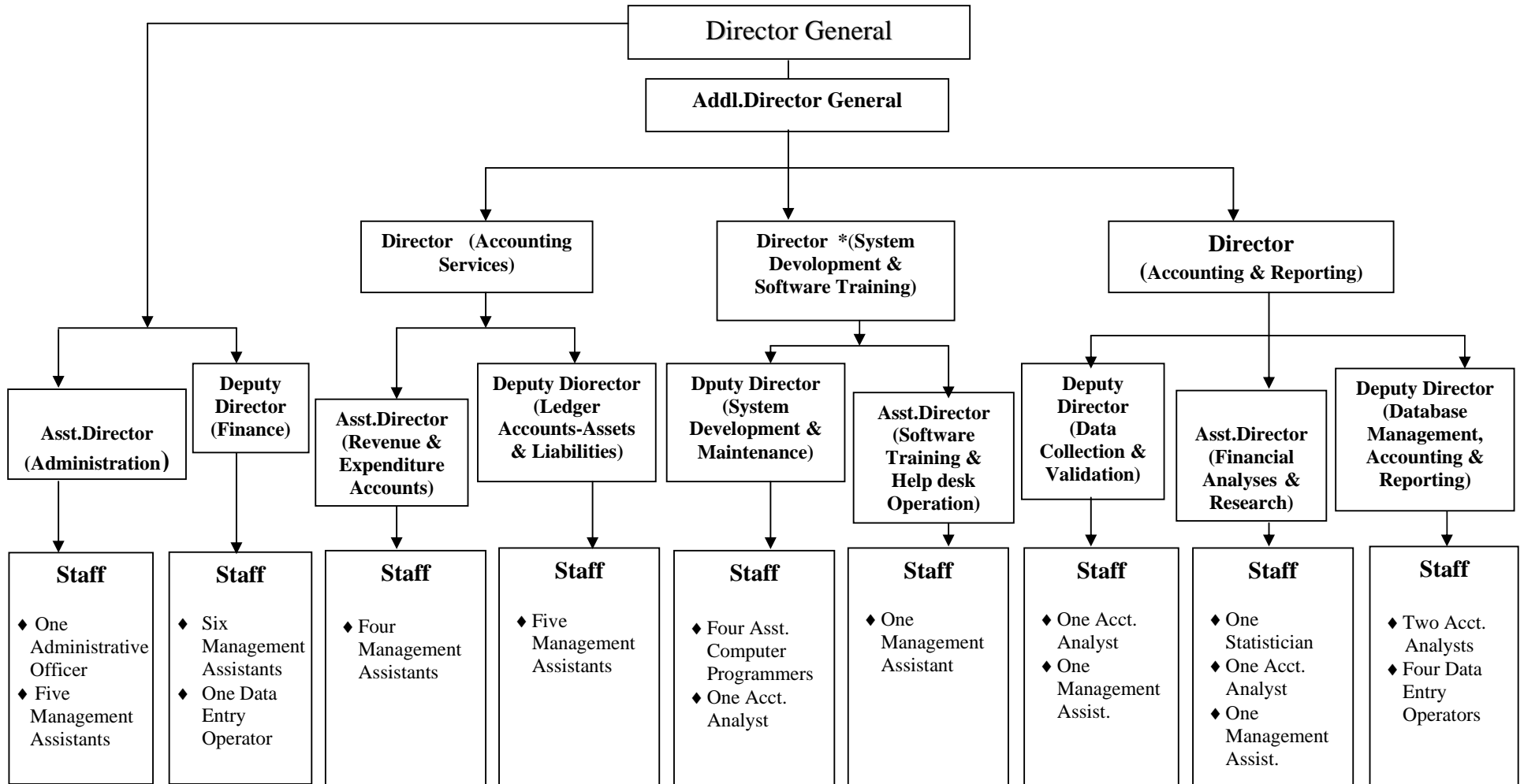
## **4. Human Resource Development and General Administration**

### **4.1 General Administration**

The following organizational changes were made in the year 2008.

- The organization chart was restructured to enable the Financial and Physical resources to be utilized more economically in order to strengthen the sections of the organization which are contributed directly towards primary functions of the department.
- Created a post of Additional Director General.
- Identified a post of Director of Accounting and Reporting.
- Accounting Service unit was brought under a separate Director.
- The accounts branch of the department placed in the room no.104 by moving from room no.109.

## Organizational Chart



\* This post to be created by suppressing the Post of Director/Administration

## **4.2 Skill development and knowledge building**

Each and every officer were facilitated to obtain local or foreign training on their requests by enchanting the needs of training requirements as the last year in order to achieve to objectives laid down in the work plan.

### **4.2.1 Local Training**

Details of local training provided to staff members during the year in order to enhance their knowledge and professional skills are as follows.

<b><u>Course title</u></b>	<b><u>Staff category and number</u></b>		<b><u>Institute</u></b>
Diploma in Communication in English	Staff Officer	01	Institute of Government Accounts and Finance
Master of Public Management(MPM)Finance Degree	Staff Officer	01	Sri Lanka Institute of Development Administration
Diploma in Professional English	Staff Officer	01	Sri Lanka Institute of Development Administration
Diploma in Information Technology	Staff Officer	01	Sri Lanka Institute of Development Administration
Computer Courses	Staff Officers	02	University of Colombo/SLIDA Institute of Government Accounts and Finance
	Data Entry Operator	01	
Certificate Course for Practical Statistics	Statistician	01	Department of Census & Statistics.
Development Management	Account Analysis	01	Institute of Management Post Graduate
Certificate Course in English	Public Management Assistant	01	University of Colombo
Course on Advance Computers	Public Management Assistant	01	Training Institute of Public Services
Managing of Records	Public Management Assistant	01	Department of National Archives
Diploma in Communication in English	Public Management Assistant	01	Institute of Government Accounts & Finance

#### 4.2.2 Foreign Training

Following officers were given short term foreign training under the Foreign Aid Technical Assisting Programmes.

<u>Name of Officer</u>	<u>Designation</u>	<u>Country</u>	<u>Duration</u>	<u>Field of Training</u>
D.Widanagamachchi	Director General	Singapore	14 days	Financing Market and New Borrowing Instruments.
		Pakistan	04 days	Financial Reporting
M.K.S. De Alwis S.A.C.Kulathilaka P.Ariyasena B.A.T.Rodrigo K.G.Warnasooriya	Director Deputy Director Deputy Director Deputy Director Account Ayalysis	India	10 days	Public Accounts and Financial Management
K.P.Indran S.A.A.Sandarapperuma W.G.R.I.Watagoda	Addl.Director General Programmer Programmer			
S.A.C.Kulathilaka	Deputy Director	India	03 days	Public Financial Management
B.A.T.Rodrigo	Deputy Director	Singapore	08 days	Transparency and Risk in Public Finance
W.A.K.S. De Alwis	Asst.Director	Malaysia	15 days	Constructing of web pages
K.G.P.Pushpakumara	Asst.Director	India	08 days	Training of Planning and Development

#### 5. Financial Performance

Accounting Data of the **Table No.1** shows that the expected expenditure was bellow the target under some of the objects of recurrent expenditure.

However, there was no adverse impact on physical performance of the department as a result of expenditure cuts and under utilization of recurrent and capital provisions. Department has achieved its performance effectively in terms of Action Plan – 2008. (Note 1 – 5)

The Annual Appropriation Account under the signatures of the Accounting Officer and Chief Accounting Officer was submitted to the Auditor General within the stipulated time period in terms State Accounts Circular No.198/2008. Explanation for savings in Capital and Recurrent provisions has been given therein.

Table-1

**Financial Performance - 2008 with Comparative Figures - 2007**

Object Code	Category Object Title	2007		2008		Increase/ (Decrease) Over 2007	% Increase/ (Decrease) over Actual 2007
		Estimate	Actual	Estimate	Actual		
		Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000		
	<b>Recurrent Expenditure</b>	<b>29,039</b>	<b>22,982</b>	<b>24,305</b>	<b>23,562</b>	<b>580</b>	<b>2.52</b>
	<b>Personal Emoluments</b>	<b>21,867</b>	<b>17,831</b>	<b>18,670</b>	<b>18,643</b>	<b>812</b>	<b>4.55</b>
1001	Salaries & Wages	18,500	15,019	15,715	15,710	691	4.60
1002/1003/	Overtime & Holiday Payments	3,367	2,811	2,955	2,933	122	4.34
	<b>Travelling Expenses</b>	<b>625</b>	<b>862</b>	<b>700</b>	<b>432</b>	<b>(430)</b>	<b>-49.88</b>
1101	Domestic	125	125	200	75	(50)	-40.00
1102	Foreign	500	737	500	357	(380)	-51.56
	<b>Supplies</b>	<b>1,340</b>	<b>1,051</b>	<b>1,480</b>	<b>1,448</b>	<b>397</b>	<b>37.77</b>
1201	Stationary & Other requisites	790	550	700	686	136	24.73
1202	Fuel	490	446	720	704	258	57.85
1203	Diets & Uniforms	60	54	60	58	4	7.41
1206	Plant & Electrical Equipment	0	0	0	0	0	0
1207	Others	0	0	0	0	0	0
	<b>Maintenance Expenditure</b>	<b>1,987</b>	<b>1,391</b>	<b>1,455</b>	<b>1,273</b>	<b>(118)</b>	<b>-8.48</b>
1301	Vehicles	392	390	400	284	(106)	-27.18
1302	Plant, Machinery & Equipment	1,595	1,001	1,055	989	(12)	-1.20
	<b>Contractual Services</b>	<b>2,082</b>	<b>1,175</b>	<b>1,220</b>	<b>1,156</b>	<b>(19)</b>	<b>-1.62</b>
1401	Transport	201	151	50	28	(123)	-81.46
1402/1403	Postal & Communication	1,781	927	1,070	1,032	105	11.33
1405/1407	Others	100	96	100	96	0	0
1408	Rental Charges	0	0	0	0	0	0
	<b>Transfers</b>	<b>898</b>	<b>672</b>	<b>780</b>	<b>610</b>	<b>(62)</b>	<b>-9.23</b>
1502	Foreign Pension Benefits	210	0	0	0	0	0
1505/1507	Subscriptions Contribution & Membership Fees - Foreign	175	165	180	167	2	1.21
1506/1006	Property Loan Interest to Public Servants	508	507	600	443	(64)	-12.62
1508	Others	5	0	0	0	0	0
	<b>Other Recurrent Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1902	Losses & Write-offs	0	0	0	0	0	0
1904	Implementation of the official language policy	0	0	0	0	0	0
1905	News Papers & Others	0	0	0	0	0	0
	<b>Total Capital Expenditure</b>	<b>11,045</b>	<b>9,652</b>	<b>8,425</b>	<b>7,375</b>	<b>(2,277)</b>	<b>-23.59</b>
	<b>Rehabilitation &amp; Improvement of Capital Assets</b>	<b>2325</b>	<b>1427</b>	<b>450</b>	<b>73</b>	<b>(1,354)</b>	<b>-94.88</b>
2001	Building & Structures	2,000	1,303	0	0	(1,303)	-100.00
2002	Plant, Machinery & Equipment	200	0	100	0	0	0
2003	Vehicles	125	124	350	73	(51)	-41.13
2004	Other Capital Assets	0	0	0	0	0	0
	<b>Acquisition of Capital Assets</b>	<b>7,700</b>	<b>7,595</b>	<b>6,900</b>	<b>6,417</b>	<b>(1,178)</b>	<b>-15.51</b>
2101	Vehicles	6,600	6,500	0	0	(6,500)	-100.00
2102	Furniture & Office Equipment	1,100	1,095	6,900	6,417	5,322	486.03
2103	Plant & Machinery	0	0	0	0	0	0
2106	Others	0	0	0	0	0	0
	<b>Capacity Building</b>	<b>1,020</b>	<b>629</b>	<b>1,075</b>	<b>885</b>	<b>256</b>	<b>40.70</b>
2401/1907	Training & Capacity Building	1,020	629	1,075	885	256	40.70
	<b>Total Expenditure</b>	<b>40,084</b>	<b>32,634</b>	<b>32,730</b>	<b>30,937</b>	<b>(1,697)</b>	<b>-5.20</b>



Note 1

## GANTT CHART

### Progress on Implementation of the Action Plan - 2008

#### Core Fuction: Accounting Services - Ledger Accounts

Activities	Time Span												Remarks	Expected Output
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
1 Feedback and Facilitation to Department of Treasury Operations for reconciliation of Treasury Main Ledger Accounts being operated by TOD													On-going activity	Reliable accounting information for Financial Statements
i Quarterly reconciliation of the balances of Main Ledger Control Accounts with the Balances of Sub Ledger accounts maintained by TOD.		Actual		Planned			Planned			Planned	Actual			
ii Rectification of errors detected through the reconciliation process			Actual	Planned	Actual		Planned	Actual		Planned	Actual			
iii Closing down of non- operative and zero balance accounts			Actual	Planned		Actual	Planned							
2 Feedback & Facilitation to CAO/ AOO for reconciliation of Ledger Accounts													On-going activity	Reliable accounting information for Financial Statements
a Sub ledger accounts - Advance to public officers accounts														
i Supervision, Updating and reconciliation of Advance "B" Accounts on quarterly basis .				Planned			Planned			Planned				
ii Rectification of errors detected through the reconciliation process				Planned			Planned			Planned				
b Sub ledger accounts - Deposits Accounts														
i Maintenance, Supervision, Reconciliation and Updating of Deposits accounts				Planned			Planned			Planned				
ii Rectification of errors detected through the reconciliation process				Planned			Planned			Planned				
iii Monitoring of actions to be taken by CAO/ AOO on lapsed deposits in terms of FR 570			Actual	Planned										
3 Departmental Services													On-going activity	Services provided to Line Ministries/ Departments in terms of FRR
(a) Operation of Treasury Miscelanious Advance Accounts														
i Recovery of Advances given under FR 106														
ii Recovery of Advances released for purchase of paddy 2001-2007														
(b) Operation of advance accounts (Payment of pension on behalf of other Govts.														
(c) Operation of Crowns Agent's accounts														

 Planned  
 Actual



Note 2

## GANTT CHART

### Progress on Implimentation of the Action Plan - 2008

Core Function: Accounting Services - Revenue & Expenditure

Activity Plan	Time Span												Remarks	Expected Output	
	Jan	Feb	Mar	Apr	may	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
1 Feed back and Facilitate to CAO/AOO for reconciliation of Expenditure and Revenue Accounts.														On going activity	Accuracy of Expenditure and Revenue Accounts
(i) Collect Monthly Confirmation 2007															
2008															
(ii) Ractify accounting deficiencies 2007															
2008														Quality improvement in accounting information	
2 Issuing if instructions to CAO/AOO pertaining to Accounting and transmitting of Data to SAD and change in procedure and Systems, Closing of Accounts, Preparatrin of Annual Appropriation and Revenue Accounts													On going activity		
3 (i) Collection of Audited Revenue and Appropriation Accountst and Publications of Summarized Revenue & Expenditure figures														Accounting Requirments	
4 Scrutinizing authorized application for transfer of Provision under FR 66 & 69 and Supplimentary Provision allocated under Miscellaneous Vote 2007													On going activity		
2008															

 Planned  
 Actual

## GANTT CHART

### Progress on Implimentation of the Action Plan - 2008

#### Core Function: Accounting & Financial Reporting

	Activities	Time Span												Remarks	Expected Output
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
1	Compilation of Monthly Summaries of Accounts - December 2006													On-going activity	
	Compilation of Monthly Summaries of Accounts - Year 2007 (Jan-Nov.)													On-going activity	Compiled accounting data in timely passion to stakeholders
2	Preparation & Publication of Financial Statements of Central Govt. - Monthly - 2008 - Semi Annually - 2008 - Annually - 2007 Collection of Financial Statements from Provincial Councils for 2007 Preparation of Annual Consolidated Financial Statements 2007													On-going activity  New New	Credible Accounting Information on time to Stakeholders to satisfy statutory requirements
3	(i) Improvement & maintenance of Accounting Information Systems & Database (ii) Web-based Publication of Financial Information on quarterly Basis													On-going activity	Efficiency in providing information
4	Introduction of elements to move towards accrual Basis accounting with IPSAS & GFS  (i) Disclosures on compiled data relating to movable assets purchased after 01.01.2004 upto 31.12.2006 (ii) Disclosures on data relating to outstanding liabilities as at the year end													Action based on recommendations of Task Forces  New New	Enhanced financial accountability
5	Generating management information													Ad-hoc basis	Financial statistics for rational Decision making
6	Providing Accounting Information to Government Agencies including Treasury Departments													On-going activity	Primary Accounting data for Economic analysis and statistical analysis

Planned  
 Actual



Note 4

## GANTT CHART

### Progress on Implementation of the Action Plan - 2008

**Core Function : Systems & Training**

	Activity	Time Span												Remarks	Expected Output	
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
1	Operate the Help-Desk to attend to software related technical issues reported by Budget executing Agencies														On-going activity	Error-free and speedy accounting data for compilation
2	Provide technical advice to Accounting personnels of Ministries & Departments at their request														On-going activity	Minimization of reporting delays
3	Conduct regular training programs on Computerized Accounting Systems for (CIGAS & GPS) Accounting Staff of Ministries & Departments														On-going activity	Efficiency in transmitting Accounting data
4	Arrange a Test-run based on Financial Statements for the year 2006 to ensure smooth consolidation for the year 2007														New	Successful Operations
5	Introduction of elements to move towards accrual Basis accounting with IPSAS & GFS  * Developing a accounting and reporting system for movable assets														New	Timeliness in reporting

 Planned  
 Actual

# GANTT CHART

## Time-bound Activity Plan - 2008

**Supporting Function : Administration & Finance**

Activities	Time Span												Remarks	Expected Output	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
(a) Performance Report for the year 2007 * Cordinating works relating to drafting * Editing & Publication														On-going	Performance Report
(b) Work Mannual for the Department														New	Work Manual
i Organizing Seminars/ Workshops for the Departmental Staff															
ii Cordinating works relating to drafting of the Manual															
iii Cordinating works relating to editing of the draft															
(c) Implementation of Procument Plan - 2008														On-going	Goods/ Equipment

□ Planned

▨ Actual

## 6. Physical Performances

### 6.1 Collection, Processing and Storing of accounting data pertaining to Implementation of Annual Budget and Financial Reporting

#### 6.1.1 Collection of Accounting Data monthly from Ministries and Departments and Release of Accounting Statements.

During the year 2008, accounting data were collected monthly from 57 Ministries 25 District Secretariats and 118 Departments. According to the circular issued by Department of State Accounts in respect of transmission of accounting data 2008, it was observed that large member of institutions have failed to submit monthly summary of accounts on time.

All Ministries and Departments have been grouped into two groups depending on complexity of functions, volume of transactions and size of the Institution. Target dates for submission of monthly summaries were fixed accordingly. In order to improve the timeliness of reporting, these target dates were advanced with effect 1<sup>st</sup> January 2006. But due to reasons beyond the control of this Department, reporting gap could not be narrowed in year 2008 too as anticipated.

However, this Department was able to release accounting data in prescribed formats monthly before due dates to the Central Bank of Sri Lanka, Department of Census & Statistics and relevant Treasury Departments in spite of constraints experienced by the Department.

The Position with regard to release of monthly Accounting Statements is shown in the following Table.

**Table – 2 Release of Accounting Statements**

	<b>Month</b>	<b>Date on which Accounting Statements were released to the Web</b>
1	January	04 th March
2	February	24 th March
3	March	23 rd April
4	April	23 rd May
5	May	27 th June
6	June	18 th July
7	July	20 th August
8	August	16 th September
9	September	21 st October
10	October	20 th November
11	November	22 th Decmber
12	December	26 th January 2009 17 th February 2009

### **6.1.2 Annual Financial Statements of the Government.**

These formats used in presenting the Annual Financial Statements of the Government for the 2006 in Parliament in order to discharge public accountability and for the information of all its interesting stakeholders have assured the advanced and meaningful presentation of Financial Information.

Accordingly, Financial Statements of the Democratic Socialist Republic of Sri Lanka comprising the followings were forwarded to the Auditor General on 16<sup>th</sup> May 2008, in newly designed format. The audited Financial Statements along with the Auditor General's Report thereon were sent to the Parliament on 22<sup>nd</sup> October 2008 for tabling in terms of Treasury Circular 1/2004.

- Statement of Financial Performance for the year ended 31<sup>st</sup> December, 2007.
- Statement of Cash Flows for the year ended 31<sup>st</sup> December 2007.
- Statement of Financial Position as at 31<sup>st</sup> December 2007.
- Statement of Accounting Policies.
- Statement of Changes in Equity.
- Detailed, comprehensive and analytical schedules and Notes to Financial Statements to make all the necessary disclosures by maintaining the entire necessary audit trail in order to ensure the important fundamentals of Good Governance in accordance with transparency and accountability.

### **6.1.3 Expansion of the Coverage of Financial Reporting**

All Financial Statements for the year 2007 Provincial Councils were collected and prepared amalgamated Financial Statements for the year as previous year.

## **6.2 Strengthening and Monitoring of the Reconciliation Process on Revenue Expenditure and other Ledger Accounts.**

A rapid progress has been achieved in getting confirmation continuously on monthly basis from Chief Accounting Officers and Accounting Officers on Accounting Statements released from Central Computerized Accounting System to ensure credibility of figures relating to revenue and expenditure accounted into Consolidated Funds. This function is required by the Financial Regulation No.427 and 70% heads continually fulfill this condition. Comparing with the previous year rapid progress is being reflected in this area. It has been proven that credibility in proper accounting under relevant revenue and expenditure codes have been established. Therefore, credibility on figures in Annual Financial Statements have been confirmed by Internal Control System. As a result, abnormal balances do not arise with regard to Revenue accounts and revenues have been recognized correctly and accounted for.

In addition, queries which were made from this department relating to accounting deficiencies for the year 2008, have been relatively low as a result of continuous monitoring on reconciliation process. As a result of monitoring process, excesses have been confined to 3 Heads and Advance accounts were able to be operated within prescribed limits.

### **6.3 Maintenance and Improvement of Computerized Government Accounting Systems and Training of Accounting Staff.**

#### **6.3.1 Maintenance and Upgrading of Computer Software and Providing Help Desk Services**

The System and Training Division is responsible for upgrading, maintenance, Training and providing helpdesk service, on Computer Software System for Government Accounting which is used by the all Ministries, and department of the central government and Provincial councils. Above-mentioned tasks have been done for the two main system named GIGAS (Computerized Integrated Government Accounting System) and GPS (Government Payroll System) continuously in 2008 too. For the purpose of that, following services were provided:

- Provide necessary instructions, guidelines for maintenance of the accounting system,
- Assist in the recording and compilation of accounts in conformity with prevailing rules, regulations and classifications and coding system at the accounting units and transmit them to central accounting units,
- Help central accounting units to accept data validate, combine together, convert to acceptable format and transmit to the Department of State Accounts at regular time intervals with least possible delay and at least cost,
- Maintain the software systems at the Department of State Accounts established to collect, monitor validate, convert to acceptable format and transmit data for the Maintenance of a Central Accounting data-base for the generation of required accounting and statistical information by making use of the accounting data received from Ministries and Departments..
- Release an updated user manual for the CIGAS and GPS Accounting Software for the year 2008 for the use of about 1180 individual installations in accounts unit functioning under Ministries and Departments of the Central Government and around another 1000 units in the Provincial Councils,
- Provide regular training to Government Ministries and Departments to maintain a sound accounting system with the help of accounting software to capture accounting data generated with the implementation of the Annual Budget.

### **6.3.2 Training on Government Accounting Software**

- In the year 2008, one day training was provided to 450 officers representing all Ministries, Departments and Provincial Councils at the end of the year so that they could start the New Year's accounts successfully. The officers were also given training on the national budget figures for the year 2008 and relevant changes in accounting for it. Reading in the national budget to their accounts electronically was demonstrated. A Compact Disk containing CIGAS software for the year 2009, National Budget in electronic format, User manual for CIGAS and GPS was distributed. It was emphasized at this training the necessity of the reconciliation of their accounts with Treasury Accounts.
- In addition 377 officers were provided a six days training course in usage of CIGAS through the Institute of Government Accounting and Finance utilizing comprehensive training materials prepared by the Department of State Accounts for the year covering the answers to most relevant problems to users.
- 260 new Accountants recruited in 2008 were given induction training by the Sri Lanka Institute of Development Administration with the help of Treasury Departments including our department.

### **6.4 Auxiliary Functions Performed**

#### **6.4.1 Operation of Advance Accounts**

- **Treasury Miscellaneous Advance Account**

The Accounting Services Division is responsible for the operation of Treasury Miscellaneous Account since the year 2000. This account has been mainly operated during the year under review for the release of advances to District Secretaries for purchase of Paddy under Priced Stabilization Programme and issue advances to Ministries and Departments under FR106. Approved limits for 2008, were maximum Debit limit - Rs.200 million, minimum credit limit - Rs.750 million and maximum debit balance limit - Rs.700 million. During the year these limits were revised so that the maximum debit limit was increased up to Rs.210 million, minimum credit limit was reduced to Rs.480 million and maximum debit balance limit was increased up to Rs.746 million. Total Advance amounting to Rs.102.17 million has been released to the 17 District Secretaries and Rs.101.02 million has been released to the other Ministries and Departments during the year. Out of the balance outstanding of Rs.1,015.89 million at the beginning of the year Rs.606.9 million was recovered during the year. The balance outstanding as at 31.12.2008 was Rs.612.18 million. The breakup of above figures is shown in **Table 3**.

**Table 3****District-wise Classification of Operational Results**

District	Outstanding Balances as at 01.01.2008 Rs. '000	Payments Rs. '000	Settlements Rs. '000	Outstanding Balance as at 31.12.2008 Rs. '000
Polonnaruwa	426.45	7.00	220.54	212.91
Anuradhapura	154.93	-	113.97	40.96
Ampara	322.20	32.81	72.97	282.07
Badulla	0.17	10.00	9.17	1.00
Trincomalee	48.70	10.00	27.43	31.27
Kurunegala	7.08	-	1.64	5.44
Puttalam	3.82	0.30	0.30	3.82
Hambantota	-0.54	3.00	3.00	-0.54
Monaragala	8.01	2.00	10.01	-
Bataloa	-	2.00	1.27	0.73
Kandy	4.55	2.50	2.50	4.55
Ratnapura	3.99	5.00	5.00	3.99
Mannar	1.45	3.00	3.00	1.45
Vaunia	0.27	-	-	0.27
Mulatiu	0.63	10.00	10.00	0.63
Kilinochchi	-	10.00	10.00	-
Matale	2.95	4.57	3.56	3.96
Department of Agrarian Development	25.48	-	12.57	12.91
Department of Treasury Operation	-	100.00	100.00	-
Ministry of Foreign Affairs	-	1.01	-	1.01
Ministry of Mahaweli Development	-3.60	-	-	-3.60
Other Ministries & Departments	9.35	-	-	9.35
<b>Total</b>	<b>1,015.89</b>	<b>203.19</b>	<b>606.90</b>	<b>612.18</b>

The reconciliation Statement confirming balances in terms of FR 506 has been submitted to Auditor General before due date.

- **Advance Accounts for Payments on Behalf of Other Governments**

This account is operated in order to pay the foreign pension to Sri Lankan who had worked in foreign countries and get their pension from these Governments (Singapore, Malaysia and United Kingdom). The approved limits for the year 2008 under this advance accounts were Maximum debit limit Rs.5.3 million, Minimum credit limit Rs.5.3 million and Maximum debit balance limit Rs.4.7 million.

In operating the account the credit limit could not be achieved and limit had to be revised reducing up to Rs.5.25 million. The reason for the fall of receipts was due to non reimbursement of the payments related to October and November 2008.

#### **6.4.2 Operation of the Current Account with the Crown Agents**

The Department of State Accounts has been operating this account for the following purposes:

- For purchase of items in special nature.
- For payment of Pensions to Sri Lankan pensioners, living in foreign countries where there are no Sri Lanka missions.

#### **6.5 Servicing the Committee on Public Accounts (COPA) at its Deliberations, Representing the Treasury.**

One of the activities of these responsibilities of this Department is to represent the Treasury in serving the COPA at its deliberations on excesses, non-compliances and performance of Government Ministries and Departments observed in the report on the Auditor General. During the year under review, the representative on the Department serviced the Committee at its deliberations. In performing this function, the Department has monitored the progress on answering to Audit Queries issued to all Accounting Officers and on timely taking actions to rectify deficiencies as pointed out by the Auditor General.

#### **6.6 Affairs of Association of Government Accounts Organization of Asia (AGAOA)**

The Department contributed towards activities performed by the AGAOA during the year 2008, as the founder-member who pioneered mark in formation of AGAOA.

##### **Video Conference**

Director General of State Accounts was attended to this conference held on 13.03.2008 and it was discussed about utilization of Financing and Technical resources

##### **Experience Sharing Workshop**

This three days work shop was held at Lahore in Pakistan from 28th to 30th August 2008. The Director General and other 2 members attended to this workshop.

##### **Three days Workshop on Financial Management**

Four officials of this department including a Deputy Director were participated in this work shop which was held in New Delhi, India from 20 to 22 in October 2008. This participation on an invitation for representation as a member country of the Association. This was organized by the Ministry of Finance of India.

##### **Role of Treasurer of the Association**

Sri Lanka has being working the Treasurer from the beginning of the Association and therefore we played the same role in 2008 also.

## **7. Conclusion**

The following were the major achievements in relation to the performance of the Department of State Accounts during the year 2008.

- Clarifying the strategic direction of the Department, allocate resources and drawing of a comprehensive Action Plan based on the same for the year 2008 as well as for the year 2009.
- Preparation of Financial Statements on monthly basis for the period ended in each month with cumulative and comparative figures.
- Making the office environment pleasant clean and comfortable to increase the efficiency of the staff.
- Presentation of Annual Financial Statements for the year 2007.
- Providing financial and accounting information to base policy decision using the accounting information database of the department during the year.
- Maintenance and further development of government accounting software systems in country.
- Developing Human Resources for the operation of the accounting information system by providing training.
- Payment to foreign pensioners and obtaining re-imbusement in time.
- Facilitating the process necessary for certain Departments for procurements from Crown Agents. Managing the resources of the Department including the human resources efficiently and effectively.
- Compilation of all financial information with regard to the movable assets acquired since 01.01.2004 and taking steps to disclose them outside the balance sheet as a prerequisite condition to adopt the accounting procedures in accordance with standards for accounting of public assets.
- Representation at AGAOA at expected level and the post of Treasurer was held for the year 2008 also.

