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நிதி அமைச்சு
MINISTRY OF FINANCE

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எனது இல. } BD/CBP/4/1/23-2015
My No. }

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உமது இல. }
Your No. }

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திகதி } 31.03.2015
Date }

National Budget Circular No: 02/2015

All Secretaries to the Ministries
Heads of Departments
Chief Secretaries of Provinces and
Heads of Statutory Boards,

Management of Public Expenditure -Financial Year 2015

You have already been made aware by the National Budget Circular No 01/2015 of the warrants for authorizing the incurring of expenditure utilizing provisions allocated to each institution for the year 2015 under the Appropriation (Amendment) Act No. 1 of 2015.

02. Having considered the necessity of managing provisions allocated to incur the expenditure for 2015 efficiently and productively, Chief Accounting Officers and Accounting Officers are requested to act in accordance with the following procedure.

03. Implementation of Budget Proposals

Your attention is drawn to the budget proposals submitted by the Hon. Minister of Finance with regard to the amended budget 2015 to the Parliament on 29.01.2015. Since implementation of the said budget proposals has been identified as a prioritized activity of the Government, Secretaries to Ministries should draw their personal attention to the implementation of budget proposals expeditiously so as to provide maximum benefits to the public. Currently, financial provisions required for that purpose have been allocated under the Department of National Budget. As such, an Action Plan should be prepared including comprehensive information on a budget proposal, if any, to be implemented by your Ministry/ Department and submitted to the Department of National Budget. Accordingly, action will be taken to release the required budget allocations.

Action should be taken very early to initiate activities relating to the proposals for generating income or proposals which do not require provisions, and implement same while keeping the Treasury informed accordingly. Further, a responsible officer should be nominated by the Chief Accounting Officer /Accounting Officer to provide relevant information so as to review the progress of the budget proposals constantly.

04. Management of Commitments

All institutions should focus on management of their Commitments. If provisions have not been made in the year 2015 for all commitments related to the development programs to be settled as at 31.12.2014, measures should be taken to settle all the commitments from the provisions allocated for the year 2015 and prioritize the balance provisions. Accordingly, the possibility of implementing the projects which are of less priority, through the Medium Term Budgetary Framework in the ensuing years should be looked into.

05. Additional Provisions

Since instructions have been received to drastically restrict the allocation of additional provisions in the year 2015, the Chief Accounting Officer /Accounting Officer should maintain a proper control over the expenditure falling under their expenditure heads. Further, requests made for supplementary provisions with regard to purposes other than budget proposals, essential and unexpected expenditure, will not be considered. Hence, action should be taken to manage the expenditure within the provisions allocated and the Treasury will not hold responsibility for commitments made beyond the limit of the provisions.

06. Transfer of Budgetary Provisions under the Virement Procedure

Action will not be taken to grant approval for transfers under F.R.66 after the accounting year (After 31 December). After the year end, only the transfers under F.R.69 for rectification of accounting error will be considered and submission of such transfers to the Department of National Budget before the stipulated date should be ensured.

07. Use of Vehicles

Action will not be taken to provide new vehicles to Government Institutions during the year 2015 and the vehicles available at present should be managed efficiently.

Heads of the Departments have not been authorized to transfer the vehicles provided to Government Institutions by the Department of National Budget under the leasing procedure to another Institution without prior approval of that Department. Therefore, it is emphasized that the Department of National Budget should be made aware of all the changes made with regard to the ownership of the said vehicles.

Further, in terms of revenue proposal No. 8.51 relating to the revised budget submitted by the Minister of Finance to the Parliament on 29.01.2015, it has been proposed to sell the damaged/ unserviceable condemned vehicles by public auction. Motor Vehicles, Buses, Trains, Lorries as well as other vehicles are included in this regard. A special Board of Survey appointed as per F.R 756(4) should identify the vehicles to be disposed and complete the said survey by 30.06.2015. The composition of said Board should be as follows.

Chairman - Senior Staff Officer
Member - Mechanical Engineer / Technical Officer
Member - A Staff Officer who holds responsibility for the assets of the Institution

Information in respect of the vehicles to be disposed of as per the Form No. 01 should be forwarded to the Department of Public Finance before 10.04.2015 and further instructions in this regard will be issued in due course.


Vehicles over 10 years old from the date of registration will be allowed to be disposed of under this Circular. However, the vehicles recommended by a Committee comprising of persons with technical knowledge as uneconomical vehicles, debris of vehicles and vehicles specifically identified should be disposed of with the approval of the Department of Public Finance.

Taking into consideration the recommendation of the Board of Survey, the final decision in relation to the vehicles to be disposed of, should be taken by the Chief Accounting Officers and Accounting Officers themselves.

08. Expenditure for Publicity and Sponsorship

It has been observed that state funds have been used by Public Institutions to give publicity and sponsorship for various activities in the recent past. Therefore, all Chief Accounting Officers and Accounting Officers should ensure that such expenditure will not be incurred in future, in order to prevent misappropriation of the public funds.

It is anticipated that Chief Accounting Officers and Accounting Officers will give their personal attention to the instructions given in this Circular.


R.H.S. Samaratunge
Secretary to the Treasury

Copies: 1. Secretary to the President
2. Secretary to the Prime Minister
3. Secretary to the Cabinet
4. Auditor General

Identification of Vehicles to be Disposed from the Public Institutions

Ministry:-

Department / Institution:-

| Serial No | Vehicle No | Category & Model | *Purchased Price | Date or Year of Purchase | Engine Capacity | Running Distance | Remarks |
|-----------|------------|------------------|------------------|--------------------------|-----------------|------------------|---------|
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(* Indicate information if any)

Prepared by

Checked by

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Signature of Head of the Department and the Official Frank