

ANNUAL ACTION PLAN

2021

Department of Public Finance

Ministry of Finance

Effective from January 01, 2021 to December 31, 2021

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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:

Following 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 quarries 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.

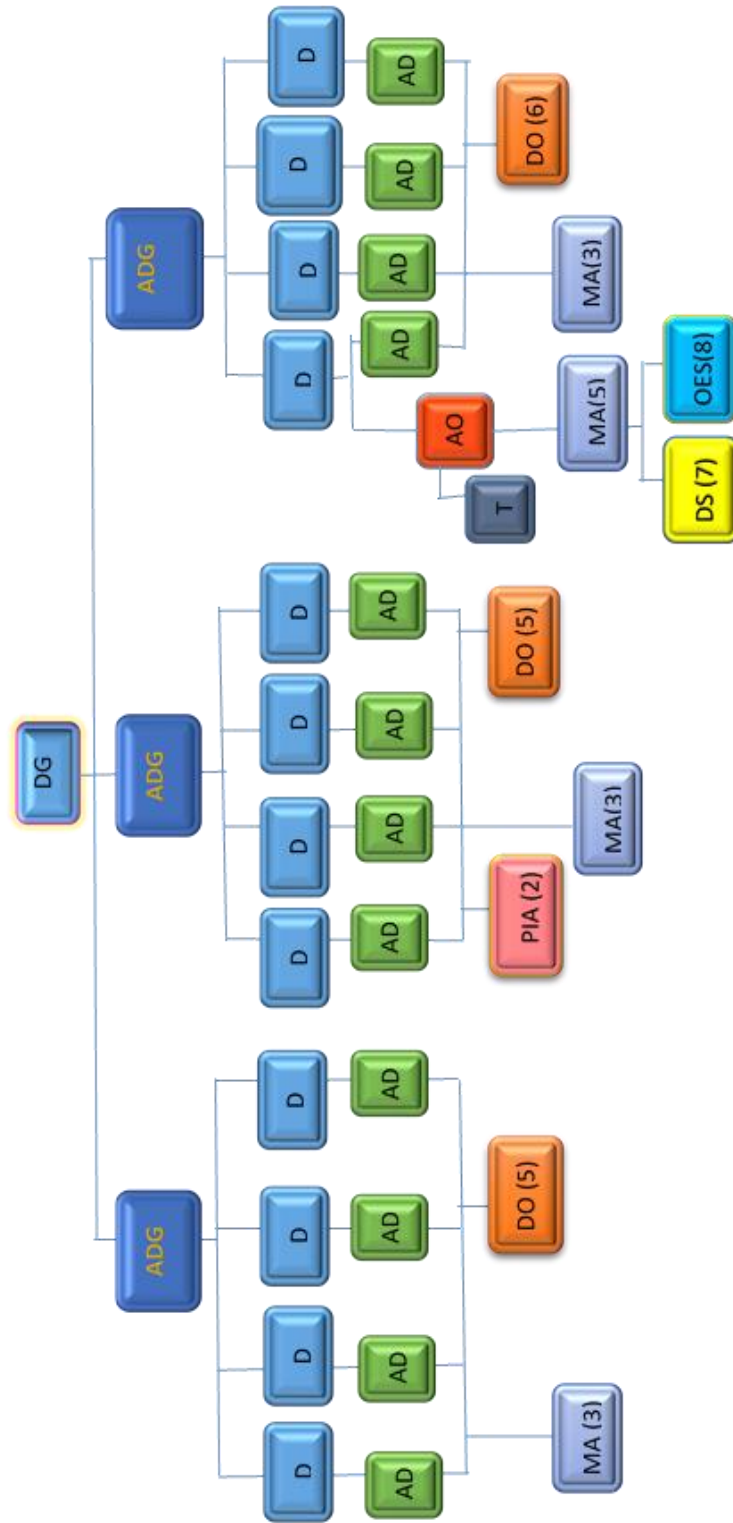
- (vii) Review and monitor the operation of funds maintained under various Ministries/Departments.

- (viii) 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.

- (ix) Assist the functions of the Minister of Finance in the formulation of government policies within the financial vision of the government.

02. Financial and Human Resources of the Department

Organizational Structure of Public Finance Department (PFD)



DG –Director General	ADG – Additional Director	D – Director
AD- Assistant Director	AO – Administrative Officer	DO – Development Officer
PIA-Plan Implementation assistant	MA- Management Assistant	T – Translator
OES – Office Employee Service	DS- Driver Service	

2.2 Approved Cadre and Existing Cadre

(As at January 01, 2021)

Designation	Approved Cadre	Existing Cadre
Director General	01	01
Additional Director General	03	02
Director	12	08
Deputy Director/Assistant Director	12	06
Administrative Officer	01	01
Translator	01	01
Development Officer	17	16
Public Management Assistant	15	14
Driver	07	07
O.E.S	08	08
Total Cadre	77	64

Table 1: Approved Cadre and Existing Cadre

2.3 Budgetary Framework

Project : 01 Public Financial management Category : Recurrent Expenditure

Rs '000

Object	Category /Object /Item Description	2021	2022	2023
	Personal Emoluments	56,100	58,000	60,500
1001	Salaries and Wages	37,700	39,000	40,500
1002	Overtime and Holiday Payments	1,400	1,500	2,000
1003	Other Allowances	17,000	17,500	18,000
	Traveling Expenses	1,200	1,300	1,500
1101	Domestic	200	200	300
1102	Foreign	1000	1,100	1,200
	Supplies	4,300	4,500	5,100
1201	Stationery and Office Requisites	1,200	1,300	1,500
1202	Fuel	3000	3,100	3,500
1203	Diets & Uniforms	100	100	100
	Maintenance Expenditure	3,700	3,900	4,200
1301	Vehicles	2,500	2,600	2,700
1302	Plant, Machinery and Equipment	1,200	1,300	1,500
	Services	12,900	13,500	14,100
1401	Transport	3,800	4,000	4,100
1402	Postal & Telecommunication	1,700	1,800	1,900
1406	Interest Payment for Leased Vehicle	2,900	3,000	3,200
1408	Lease Rental for Vehicles procured Under Operational Leasing	1,500	1,600	1,700
1409	Other	3,000	3,100	3,200
	Transfers	1,200	1,300	1,400
1506	Property Loan Interest	1,200	1,300	1,400
	Total Recurrent Expenses	79,400	82,500	86,800

Category : Capital Expenditure				Rs '000
Object	Category /Object /Item Description	2021	2022	2023
	Rehabilitation and Improvement of Capital Assets	750	850	1,100
2001	Buildings and Structures	250	300	400
2002	Plant, Machinery & Equipment	-	-	-
2003	Vehicles	500	550	700
	Acquisition of Capital Assets	8,450	8,950	9,300
2102	Furniture and Office Equipment	2,500	2,700	2,800
2108	Capital Payment for Leased Vehicles	5,950	6,250	6,500
	Capacity Building	1,600	1,700	1,800
2401	Staff Training	1,600	1,700	1,800
	Total Capital Expenditure	10,800	11,500	12,200

Table 2: Budgetary Framework

03. Activity Plan – 2021 – 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, regulations in line with the request and policy requirement from the government.	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
	Promote, review, implement and follow up policies, procedures and practices in the field of Financial Regulation (FR).	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, AD															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																		
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

12	General Administration of the Department	Maintenance of staff records in an organized manner	ADGs, Ds, DDs, ADs																Completion duties entrusted without delay	Ability of smoothly conducting day to day functions of the department
		Maintain Audit quarry register of the department and organize the replay of quarries centrally	ADGs, Ds, DDs, ADs																	
		Approval process of Advance "B" account activities	ADGs, Ds, DDs, ADs																	
		Activities of department vehicles and related matters	ADGs, Ds, DDs, ADs																	
		Maintenance of department stores	ADGs, Ds, DDs, ADs																	
		Maintenance of department record room	ADGs, Ds, DDs, ADs																	
		Capacity Building programmes of employees	ADGs, Ds, DDs, ADs																	

13	Accounting functions of the Department	Management of Accounting functions of the Department	ADGs, Ds, DDs, ADs		Completion of financial recording and preparation of next year pan within given time frame	Ability of smoothly conducting day to day functions of the department
		Activities related to printing and issuing of Counter-foil books to Ministries & Department	ADGs, Ds, DDs, ADs			
		Payment of Stamps duties to Local Authorities	ADGs, Ds, DDs, ADs			
		Preparation of procurement plan of the Department	ADGs, Ds, DDs, ADs			

Table 3: Activity Plan - 2021- Time line

04. Imprest Requirement Plan – 2021 Monthly/Quarterly imprest requirement as per approved Expenditure Plans for the year 2021 (January –December)

	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 - 2021