



பிரதம செயலாளர் செயலகம், வட மாகாண சபை

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Chief Secretary's Secretariat, Northern Provincial Council

187, அடியாபாதம் வீதி, திருநெல்வேலி, யாழ்ப்பாணம்

187, අඩියපාදම් පාර, තුරුනෙල්වෙලි, යාපනය



Website: www.np.gov.lk

187, Adiyapatham Road, Thirunelvely, Jaffna

e-mail:npes@sltnet.lk

My No:- NP/09/FRM/2012

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Provincial Treasury Circular No: PT/01/2012.

Secretaries,
Deputy Chief Secretaries,
Heads of Departments,
Northern Province.

**AUTHORIZATION FOR INCURRING EXPENDITURE FOR 2012 AND
PUBLIC EXPENDITURE MANAGEMENT**

This has reference to the National Budget Department Circular No.155 dated 30th December 2011.

1. Authorization for incurring expenditure for 2012.

In accordance with the provisions of section 27 of the Provincial Council Act No. 42 of 1987 as amended by Act No. 28 of 1990, the Hon. Governor, Northern Province has signed the warrants to incur expenditure for the financial year 2012.

2. Management of Public Expenditure

In terms of the above mentioned Budget Circular, a compulsory saving of two percent (2%) of recurrent expenditure and nine percent (9%) of capital expenditure have to be made from the Budget Estimates 2012 which were presented along with the Appropriation Bill for 2012 with a view to encouraging effective management of expenditure. Accordingly, Ministries/ Departments should take action to ensure saving budgetary provisions made for recurrent and capital expenditure giving priority to the following.

2.1 Recurrent Expenditure

While ensuring the continuity of the key activities of the institution, the Secretaries of Ministries, Heads of Departments and Chief Accountants should endeavor that two percent (2%) of recurrent expenditure is saved from provisions made for salaries and wages related overtime and expenditure on other goods and services

2.2 Capital Expenditure

Savings should be made from the provisions made for capital expenditure under your ministry/ department including the provisions for rehabilitation and improvement of capital assets, development projects implemented under foreign financing and also from the allocations made for the capital expenditure.

பிரதம செயலாளர் }
ප්‍රධාන ලේකම් } 021-2220843
Chief Secretary }

அலுவலகம் }
කාර්යාලය } 021-3202285
Office }

தொலை நகரி }
දුරකථන } 021 2220841
Fax }

- 2.3 Expected targets in savings could be achieved by identifying capital programmes which are not required to be implemented on priority basis and also by management of the capital expenditure prudently and efficiently.
- 2.4 Additional allocation and transfer of provisions under PFR 45 will not be allowed under normal circumstances. Therefore action should be taken to control the expenditure within the available provisions.

3. Provincial Public Officers' Advance Accounts

3:1 Since the Advances to Provincial Public Officers Account needs to be managed within the recoveries made during the financial year and the Maximum Expenditure Limits indicated in the Second schedule of the Estimate the instructions given below should be followed in making the Distress Loan with effect from 1st January 2012.

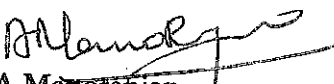
3:1:1 Distress Loan for the year 2012 should be paid, on the basis of basic salary excluding allowances. Maximum loan should be limited to Rs.250,000/=

3:1:2 A proper waiting list should be maintained and payments should be made accordingly.

4. General

4:1 In order to release the monthly imprest you are requested to mention **only the imprest limit** to be informed by the Provincial Treasury in the Monthly Flash Report.

4:2 Secretaries, Deputy Chief Secretaries and Heads of Departments are kindly requested to comply with these circular instructions.


A. Manoranjan,
Deputy Chief Secretary-Finance,
For Chief Secretary.

Copy to: 1. Hon. Governor, Northern Province.
2. Secretary, Finance Commission.
3. Secretary, Ministry of Provincial Councils and Local Government. } F.in.pl.
4. Asst. Auditor General -N.P.
5. Director, Dept. of Provincial Audit, Northern Province.