



பிரதம செயலாளர் செயலகம், வட மாகாண சபை
 ප්‍රධාන ලේකම් කාර්යාලය- උතුරු පළාත් සභාව
 Chief Secretary's Secretariat, Northern Provincial Council



இல 187, ஆடியாபாத்தம் வீதி, திருநெல்வேலி, யாழ்ப்பாணம்
 No. 187, அடிசொடதி சாட, திரனெல்வேலி, யாழ்ப்பாணம்

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My No:- NP/09/FRM/2012

05.03.2012

Provincial Treasury Circular No: PT/03/2012

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

**ASSESSMENT OF FINANCIAL NEEDS
 FOR THE FISCAL YEAR 2013**

The Government of Sri Lanka has introduced and implemented a comprehensive six years (2011-2016) development frame work to enable Sri Lanka to attain the status of a middle income earners' nation. Investment is made in the areas of social infrastructure facilities, rural development and social security network continuously to confirm the social wellbeing of the general public and to improve the activities of the private sector. The Government pays special attention to ensure equality in receiving benefits of economic development by all citizens of Sri Lanka by reducing the imbalances in the regional development and strengthening the present social security network work plan.

**Guidelines for presentation of request
 for Finances for the Fiscal Year 2013**

Finance Commission has provided a Guide Line for the above and seeks compliance with its instructions.

1. General

- The proposals should be prepared based on the Budget Guidelines, PFR and Provincial needs.
- Secretaries and Heads of Departments should conform to the steps already established in the Budget Process.
- Adequate consideration should be given to the needs arising out of the specific situation that prevails in the Northern Province. Extra Commitment already made, cost escalation, etc should be taken into consideration in determining the recurrent cost. Particularly the cost of maintenance of Public Assets has to be considered in the light of the back log of the maintenance and development during past few decades.
- Formulation of Financial Proposals should be done in a participatory manner.

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2. This Provincial Council solely depends on the Grants received from the General Treasury for its functions. Hence it is the responsibility of Secretaries and Heads of Departments to justify and establish rational for the needs of the sectors so that Finance Commission will be able to recommend the required amount to the General Treasury.

3. Revenue Estimate

Preparation of Revenue Estimate will not arise as this Provincial Council does not collect Revenue.

4. Expenditure Estimate

Expenditure Estimate has to be prepared for the following two categories:

4:1. Recurrent Expenditure

4:2. Capital Expenditure

4:1 Recurrent Expenditure

- No Grants shall be provided without proper authorization.
- Every effort should be made to improve the quality of recurrent cost calculations to the maximum extent possible, so that recurrent cost could be attributed to the specific services.
- Every effort should be made to identify the gaps and additional needs in the quantity and quality of services and provisions made.

The Recurrent Expenditure has to be prepared under the following two categories.

4:1:1. Staffing and Personal Emoluments

4:1:2. Other Recurrent Expenditure

4:1:1. Staffing and Personal Emoluments

4:1:1:1. Salary of Provincial Council Staff

4:1:1:2. Salary and Reimbursement of Local Authority Staff

For the above a set of Forms have been introduced by the Finance Commission. Copies of which are annexed herewith.

4:1:1.1. Salary of Provincial Council Staff

Based on the Approved Cadre this estimate should be prepared. Details of Approved Cadre have already been distributed. There will be some amendments in the Cadre. It will be obtained in due course before finalizing the Draft estimate. Until such time you are requested to collect the data of the Living Cadre in the annexed formats and be ready for finalizing same.

4:1:1.2. Salary and Reimbursement of Local Authority Staff

This Estimate has to be prepared in the following three categories:

- 4:1:1:2.1. Positions approved by Management Service Dept. and salary reimbursed by the Provincial Council.
- 4:1:1:2.2. Positions approved by Local Authority and Salaries paid by the Local Authority.
- 4:1:1:2.3. Positions approved by Management Service Dept. on the basis that the Local Authority pays the salary.

4:1.2. Other Recurrent Expenditure

4:1:2.1. Maintenance Expenditure

As there are no separate formats introduced by Finance Commission, you are requested to annex a separate working sheet in respect of the allocation requested for Maintenance Expenditure of the following:-

- 4:1:2:1.1. Maintenance of Roads
- 4:1:2:1.2. Maintenance of Buildings
 - 1. Hospitals
 - 2. Schools
 - 3. Offices
- 4:1:2:1.3. Maintenance of Tanks

4:1:2.2. Transfer Expenditure

It is provided under 1501 – 1509. Hence you are requested to justify the requirements by submitting a worksheet as provision is based on No. of beneficiaries.

4:1:2.3. Expenditure on Supplies

It is being prepared based on No. of employees and No. of persons entitled.

4.2. Capital Expenditure

- Careful assessment of Commitments, continuation items, counterpart funding requirements and any liabilities should be clearly identified and provisions made.
- In deciding for capital Programme Socio-Economic, Lively hood, Rehabilitation and Development Needs should be clearly prioritized.

This Estimate is being prepared under the following categories:

4:2:1. Provincial Specific Development Grant

4:2:2. Criteria Based Grant

4:2:3. Matching Grant

In determining the capital expenditure needs of the sector the Secretaries and Heads of Departments shall follow the need analysis steps that were followed last year. Initially the Five Year Development Plan of the sector should be updated according to the guidelines given. In line with the **Strategic Result Areas** determined for the Provincial Administration, the respective sector shall appropriately identify their **Key Result Areas** and services to be provided under each Key Result Area and this can then be appropriately presented in the format proscribed by the Finance Commission. Also you are requested to consider the **Service Performance Plan** already prepared in this task.

4:2:1. Provincial Specific Development Grant

After assessing broader needs resources available and identifying activities that could be accommodated under any other source of funds, determine the activities that have to be carried out under PSDG. As you are already aware, the need for any new services and expansion of services should be carefully determined in deciding the activities under PSDG. Specimen format for this purpose is annexed herewith.

4:2:2. Criteria Based Grant

It will be allocated in terms of Finance Commission Guideline FC/2/2004 dated 5th September 2003.

4:2:3. Matching Grant

This Provincial Council does not receive this grant as this Council does not collect any revenue. It is allocated against revenue collection. Hence it is not applicable to this Provincial Council.

5. **Advances to Provincial Public Officers.**

Since the Northern Provincial Council does not get revenue and as the officers are encountering enormous difficulties, adequate provision shall be included for the payment of Advances to Provincial Public Officers' for both Provincial Council and Local Government staff. This is particularly needed in order to eliminate the discrimination between the Central and Local Government staff of the Province.

6. **Calendar for receipt of applications for financial requirements**

S.N	Form/Record (with softcopy)	No. of copies	Last date for receipt of applications
01	Approved cadre/ Present (existing) cadre and Personal emoluments - 2013 'D' Form	02	31.03.2012
02	Cadre and personal emoluments - 2013 D-1 Form	02	31.03.2012
03	Transfer to Local Govt. Departments - 2013 'E' Form	02	31.03.2012
04	Summary of transfers to Local Govt. Departments - 2013 E-I Form	02	31.03.2012
05	Financial statement of Local Govt. Departments - 2011,2012 'E' - II Form	02	31.03.2012
06	Proposal for capital expenditure for 2013 'G' II Form	02	To be finalized
07	Transfers from Central Govt. revenue to local bodies - 2013 'H' - I Form	02	31.03.2012
08	Total of Provincial Revenue 2013 'H' II Form	02	31.03.2012
09	Financial summary - 2011 'T' Form	02	31.03.2012
10	Estimate of financial requirements item wise Form 'A'	02	10.04.2012
11	Estimate of financial requirement Form 'A' i	02	10.04.2012
12	Estimate of financial requirement - Summary of Provincial expenditure according to each item - Form 'A' III	02	10.04.2012
13	Summary of cadre and programme and recurrent expenditure according to each activity - Form 'A' IV	02	10.04.2012
14	Summary of Provincial recurrent expenditure according to the classification of the items - Form 'A' V	02	10.04.2012

o/c. L.
R.Wijjaludchumi,
Chief Secretary-NP.

R.Wijjaludchumi (Mrs)
Chief Secretary
Northern Province

- Copy to :
1. Hon. Governor, Northern Province.
 2. Secretary, Finance Commission, Colombo.
 3. Deputy Chief Secretary-Administration - NP
 4. Deputy Chief Secretary-Planning - NP
 5. Auditor General
 6. Provincial Director - Provincial Audit - NP

For Information pl.