



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



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My No: NP/09/FRM/CIR/2014

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Provincial Financial Circular No: PF/04/2014

Provincial Secretaries,
 Heads of Departments,
 Northern Province.

Grant of Authority to incur Expenditure for the Year 2014 and Financial Management

1) Authority for incurring of Expenditure for 2014

The Hon. Chief Minister has granted his approval for the incurring of the expenditure of the amounts included in the Budget for the year 2014 in accordance with the provisions of Financial Statute No: 01 of 2013 which was passed in the Provincial Council on the 12th day of December, 2013 in conformity with the provisions of Section 27 of the Provincial Councils Act which has been duly sanctioned by the Hon. Governor.

Accordingly, the payments will have to be incurred in the following manner:-

2) Management of Government Expenditure

It is the responsibility of the Accounting Officers to ensure that the expenditure of the allocations of the sums shown under Recurrent and Capital Expenditure in the Budget for the year 2014 by the respective Departments that incur such expenditure are properly managed and to ensure that they stand within their limits that have been set.

2.1 Recurrent Expenditure

2.1.1 Salaries and Other Allowances

When applications for imprest are submitted the statements for imprest will have to be tendered along with the relevant forms. The following conditions that have been laid down in Public Industrial Enterprises Circular No:2/2013 dated 11.09.2013 will have to be strictly adhered to at the time of payment of salaries. It is the responsibility of the Accounting Officers to ensure that abatements towards Employees Provident Fund, Employees Trust Fund, PAYE Tax etc. are regularly made in accordance with the relevant provisions and that the contribution that should be made from the employees are also made and that the said recoveries are remitted to the relevant establishments in terms of the relevant regulations. No over time is payable for the days on which salaries are paid.

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 DEPUTY CHIEF SECRETARY

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 CHIEF INTERNAL AUDITOR } Fax : 021 222 0796
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2.1.2 Payments of Overtime

As recruitment to fill the vacancies in the Provincial Council have been effected, payment of overtime should only be incurred in exceptional and very important occasions. The overtime in respect of a particular month should not be incurred during the course of the same month. It is absolutely necessary that the overtime for the year 2014 should be stricted to the allocations set apart for the said purpose. Supplementary allocations for incurring of overtime will not be granted nor will authority be granted for effecting transfers as laid down in the financial regulations.

2.1.3 Fuel, Electricity and Transport Charges

With a view to limit the expenditure on fuel, electricity and transport charges and to manage it effectively and to keep the same within the annual allocation. It is necessary to follow the under mentioned guidelines.

- i. Action should be taken to settle the bills relating to supply o fuel, electricity and water within one month from the date of receipt of such bills.
- ii. When the fuel allowance is paid to the Government officers, the computation of the rates of payment shall be based on the prices of ordinary petrol, diesel that prevailed on the first day of the relevant month as published by the Ceylon Petroleum Corporation.
- iii. Those officers who have been authorized to use of official vehicles will be either entitled to prefer claim for transport allowance or obtain a official vehicle through the Ministry or Department and the officer will be entitled to opt for the preference of one of the above only. This is in terms of the Public Administration Circular No: 14/2008 of 26/06/2008.
- iv. In the event number of officers participates in the execution of the same official duty, appropriate steps should be taken to limit the number of vehicles that would be used for such purpose thereby controlling the amount of expenses involved.

2.1.4 Expenditure on Foreign Travel

The expenditure that is met object code 1102 for foreign travel should be spent for the travelling expenses of officers who proceed on journeys covering duties other than training and attendance at various sessions. Expenses connected with training and human resource development of officers should not be charged to this object code. That type of expenditure is chargeable to object code 2401 of Capital Expenditure.

2.1.5 Payments made to Public Officers

All payments that are made to public officers attached to Provincial Council Ministries or Departments and Statutory Organizations shall be made in conformity with the relevant circulars.

2.1.6 Payments in respect of supplies and services that are procured from Government Departments

If supplies or services are procured from Government Departments the payments due in such respect shall be made from funds that are specially allocated for the said purpose. The postponement of settling such dues or the utilization of the relevant funds for any other purpose should be avoided.

2.2 Capital Expenditure

When the funds that have been allocated for Capital Expenditure are utilized care should be exercised to ensure that the expenditure is confined to Provincial Council's development activities that have been approved by the Board of Ministers and the Provincial Council in respect of the budgetary allocations that have been passed for the year 2014, as appearing in the Appropriation Statute for the year 2014.

3) Advance accounts

It is essential that the management of activities connected with the Advance Accounts is confined within the limits imposed by the Provincial Appropriation Statute. In attempting to dispose of the maximum number of applicants for emergency loans tendered by the Public Officers action could be taken in accordance with the provisions contained in Public Administration Circular No: 30/2008 of 31/12/2008. In this context it would be appropriate if the employees who are in lower grades are favourably considered for grant of loans as compared to officers in the Staff Grades (Staff Officers) as this step would help many employees to obtain loans.

4) Management of Revenue

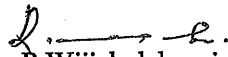
It is necessary that all Accounting Officers take due care to ensure that the revenue that should accrue to their Ministries and Departments are properly recovered and brought to the credit of the Provincial Council's Fund.

5) Management of Liabilities

It is the responsibility of every Accounting Officer to effectively manage the liabilities in terms of the financial allocations made in accordance with the Provincial Appropriation Statute to each Ministry and Department.

- It is necessary that an action plan for the year 2014 be prepared in accordance with the financial allocations made in respect of every Ministry or Department and updated as at the 31st January, 2014.
- Whenever any payment is made in respect of any item for 2014, it must be ensured that the said expenditure does not exceed the financial provision allocated.
- While handling settlement of bills, it is necessary that the provisions of the Circular No:162 dated 06/09/2013 issued by the Dept; of national Budget is complied with so that priority would be given to small scale suppliers.(those who tender bills for small amounts)
- In terms of the Provincial Financial Regulation No: 65, it is necessary to ensure that adequate financial provision is available under the relevant Expenditure Object Code to meet the proposed commitment. It is necessary that all Accountants keep in constant touch with the Deputy Chief Secretary- Finance in this respect.
- If the need for effecting changes in the financial allocations under extra ordinary circumstances, prior approval shall be obtained for such variations. The applications prepared on the relevant forms should be presented well in time and the desired approval should be sought, and obtained. The balance in savings to credit shall be ascertained by reckoning the expenditure already incurred and the liabilities that are outstanding under the said Object Code.

- The following forms (DCS-F/ IMP/1, DCS-F/ IMP/2, DCS-F/ IMP/3, DCS-F/ IMP/CBG1, DCS-F/IMP/PSDG 1) which have been forwarded by the office of the deputy Chief Secretary- finance should be utilized for seeking imprest for Recurrent Expenditure and Capital expenditure and should be forwarded to the Deputy Chief secretary- Finance well in advance. The required amounts will be granted to you on receipt of funds from the General Treasury.
- The Office of the Deputy Chief Secretary- Finance will take steps to closely monitor the functions and responsibilities that have been charged to the various ministries and departments under them. In this connection, you are requested to forward to the deputy Chief Secretary- Finance a monthly statement on the form described in annexure 1 (attached hereto) by the 25th by e-mail to (npctreasury@ gmail.com). If it is not possible to e- mail it, the information could be faxed to 021-2220853.
- As the Office of the Deputy Chief Secretary- Finance would be able to release the imprest in terms of the approved budgetary limitations, it is of great importance that the Accounting Officers and the Chief Accountants do not take cover under the excuse that they have not received the imprest from the Deputy Chief Secretary- finance after they or the officers in their charge create situations whereby the limits imposed on them are violated regardless.


 R. Wijialudchumi,
 Chief Secretary

Chief Secretary
 Northern Province

Copies to:-

- 1) Secretary to the Hon. Governor - to be informed to the Hon. Governor, N.P
 - 2) Asst. Auditor General, N.P
 - 3) Chief Internal Auditor, N.P
- } For information pl

Projection of Commitments and Imprest Requirement - 2014

Expenditure Head :

Ministries / Department :

Month :

Rs.Mn

Object Code	Expenditure Item *	(1) Estimates 2014	(2) Commitments and Liabilities Brought Forward from the previous year	(3) Commitments and Liabilities made in 2014	(4) Provisions Allocated/ Received under the FR 189	(5) (1)-(2)-(3) ±(4) = Provisions	Imprest Requirement *** (as per (2), (3) and (4))												
							1 st Qu	2 nd Qu	3 rd Qu	4 th Qu									
							January	February	March	April	May	June	July	August	September	October	November	December	
	Personal Emoluments - Sub total																		
1001	Salaries and Wages																		
1002	Overtime and Holiday Payments																		
1003	Other Allowances																		
	Other Recurrent - Sub total																		
1101/1102	Travelling Expenses																		
1201	Stationery and Office Requisites																		
1202	Fuel																		
1203	Diet and Uniforms																		
1204	Medical Supplies																		
1205	Other Supplies																		
1301	Maintenance of Vehicles																		
1302	Maintenance of Plant and Machinery																		
1303	Maintenance of Buildings and Structures																		
1401	Transport																		
1402	Postal and Communication																		
1403	Electricity and Water																		
1404/1405	Kents and Local Taxes and Other																		
1406	Interest payments for lease																		
1501	Welfare Programmes																		
1502	Retirement Benefit																		
1505	Subscriptions and Contributions Fees																		
1506	Property Loan Interest to Public Servants																		
	Total - Recurrent Expenditure																		
	Capital Expenditure																		
2001	Rehabilitation and Improvement of Capital Assets																		
2002	Rehabilitation and Improvement of Plant, Machinery and Equip																		
2003	Rehabilitation and Improvement of Vehicles																		
2101	Acquisition of Vehicles																		
2102	Acquisition of Furniture and Office Equipment																		
2013	Acquisition of Plant, Machinery and Equipment																		
2104	Acquisition of Buildings and Structures																		
2105	Acquisition of Lands and Land Improvements																		
2401	Staff Training																		
	Development Projects **																		
	Total - Capital Expenditure																		
	Advance Accounts / Deposit Accounts																		
	Grand Total																		

* Expenditure items can be amended suitably.

** All the approved projects should be given separately.

*** Previous month actual expenditure should be given from February onwards.