



பிரதி பிரதம செயலாளர் செயலகம் - நிதி, கிழக்கு மாகாணம்
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Deputy Chief Secretary's Secretariat - Finance, Eastern Province



கன்னியா வீதி வரோதயநகர்,
 திருகோணாமலை, இலங்கை.

කන්තියා පාර, වරෝදය නගර
 ත්‍රිකුණාමලය, ශ්‍රී ලංකාව.

Kanniya Road, Varothayanagar,
 Trincomalee, Sri Lanka

எனது இல
 මගේ අංකය
 My No.

}EP/09/BD/2014/PTC/36

உமது இல
 මබේ අංකය
 Your No.

திகதி
 දිනය
 Date

} 31.01.2014

Provincial Treasury Circular No. PT/02/2014

31.01.2014

All Secretaries,
 Deputy Chief Secretaries,
 Heads of Department,
 Eastern province.

Authorization for incurring expenditure for 2014 and Public Expenditure Management.

This has reference to the Department of National Budget Circular No. 1/2014 dated 01.01.2014 regarding Public Financial Management.

01. Authorization for incurring expenditure for 2014

In accordance with the terms of the Provincial council Act No. 42 of 1987 as amended by Act No. 28 of 1990 of the constitution and in terms of Appropriation statute No. 03 of 2013 approved by Eastern Provincial Council on 05th December 2013. The Hon. Chief Minister has signed the warrants to incur expenditure on the provisions included in the Budget Estimates for the year 2014.

Accordingly the authority to be quoted on payment vouchers and other documents is as follows:

- For General Services, General warrant No. 01 of 2014.
- For Special Law Services, Special Services warrant No. 01 of 2014.
- For Advance Accounts matters, Advance warrant No. 01 of 2014.

02. Management of Public Expenditure

The Chief Accounting Officer, Accounting Officers, Chief Accountant and Accountant are responsible for managing the expenditure within the limits of provisions for Recurrent and Capital expenditures as provided in the Budget estimates 2014 for each institution under Medium Term Expenditure Frame work 2014-2016. In this regard, special attention should be paid for the followings.

2.1 Recurrent Expenditure

2.1.1 Salaries and Allowances

When applying imprest for the following month, reports should be submitted to the Treasury as per paragraph 4 of the Treasury Operations Circular No. 5/2010 dated 29. 10. 2010. Similarly, statutory deductions from salaries of the employees such as for Provident Fund and PAYE Tax should be deducted and remitted to relevant institutions with the contribution of the employer as per the Public Enterprise Circular No. 2/2013 dated 11 09. 2013. Overtime payments should not be made on salary payment dates.

2.1.2 Overtime Payments

As large number of recruitments have made to the public service to fill the vacancies, overtime payments should be limited only to special and essential situations and payments should not be made before the end of the relevant month. The expenditure on overtime payments should be managed within the limits of the allocations for 2014 and additional allocations or approval for transfer of allocations under the Financial Regulations will not be granted for overtime payments.

2.1.3 Fuel, Electricity, Water and Transport Expenditure

The expenditure on fuel, electricity, water and transport should be managed within the limits of the annual allocation. Attention should be paid for the following matters in managing these expenditures.

- i. Fuel, electricity and water bills should be settled within a month of the receipt of bills.
- ii. Fuel allowance for the government officers should be calculated based on normal petrol and diesel prices published by the Ceylon Petroleum Corporation at the first day of the relevant month.
- iii. The officers eligible for assigned vehicle should either obtain the transportation allowance as per the Public Administration Circular No. 14/2008 dated 26.06.2008 or get a vehicle assigned and not should benefit from both.
- iv. The number of vehicles should be minimized in the instances where several officers participated at the same event by using a common vehicle.

- v. Prior to assigning a vehicle or provision of the fuel allowance for the officers attached on the secondment / temporary basis, a written confirmation should be obtain from the relevant officer's permanent work station that those are not provided by them. An officer should be assigned one official vehicle only, from whichever the institution.

2.1.4 Expenditure on Foreign Travel

Budgetary provision allocated under the object code 1102 Foreign Travel should be utilized to meet expenditure related to travelling abroad for official duties other than training and workshops. No expenditure on training and capacity building of public officers can be incurred from this vote and all such expenditure should be met from the allocation provided under the object code 2401 in Capital Expenditure.

2.1.5 Payments to Public Officers.

All payment to the employees of the Ministries/ Departments should be in line with the relevant circulars and any payment deviating from the circulars must be made only after the prior approval of the relevant authority with the recommendation of the Ministry with the concurrence of the Provincial Treasury.

2.1.6 Payments for Goods and Service Obtained from Government Institutions.

All bills related to good and services obtained from government institutions should be settled from the budgetary allocation already provided for such procurement and postponement of the payments of such bills or utilizing of provisions for other purpose is not permitted.

2.2 Capital Expenditure

The Chief Accounting Officers and Accounting Officers are required to pay their special attention for the following in utilizing the capital expenditure.

2.2.1 Budgetary provision for capital expenditure have been provided considering the requirements for 2014 under the public investment program with in the medium term Expenditure Frame work 2014-2016

2.2.2 No payment should be made deviating from the budgetary allocation provide for 2014 under the aforementioned public investment plan.

2.2.3 Précising should be given for implementing foreign financing projects and programmes with a proper planning and thereby the pressure for domestic funds should be minimized.

3. Advance Account Activities

Advance account activities should be managed within the limits approved by the Provincial Council and the maximum amount of a distress loan for a particular government officer should be determined as per the public Administration circular No. 30/2008 dated 31.12.2008. Priority should be given to non - executive grade officers in granting such loans to enable a large number of lower grade officers to obtain these loans.

4. Implementing of Budget Proposals 2014

It is the responsibility of all Spending Agencies to take necessary actions to deliver the expected benefit of the budget proposals 2014 to the general public. Therefore, early action should be taken to implement the budget proposal enabling completion of them within the specified timeframe while maintaining a proper coordination among Government institutions.

5. Revenue Management

Chief Accounting Officers should take all necessary steps to achieve targets of non-tax revenue by maintaining a close supervision on the preparation of revenue estimates, collection of revenue and on revision of estimates.

6. Management of Commitments

All Chief Accounting Officers and Accounting Officers are responsible for managing commitments within the limits approved by EPC for the respective Ministries, Departments & Institutions.

6.1 None of spending units should enter into commitment exceeding the provision allocated under the Medium term Expenditure Framework 2014-2016 and settlement of bills in 2014 should be strictly within the limits of approved budgetary provisions for the respective expenditure items.


6.2 In settlement of bills priority should be given for the small scale suppliers as per the budget circular No.162 dated 06.09.2013

6.3 Transfer of provisions under Financial Regulation should be limited only to essential situation and when applying for a transfer of allocation under the Financial Regulations, the remaining allocation should be calculated considering the expenditure incurred already and any commitments yet to be settled under that object code.

6.4 Imprest requirement of each Spending unit should be planned on quarterly basis and submitted to the Provincial Treasury two weeks prior to the commencement of the next quarter, to enable the TOD to release imprest within the approved budgetary allocation without any hindrance for the implementation of development projects.

6.5 As Provincial Treasury, imprest are released only within the limits of approved budgetary allocation, Treasury will not be responsible for settlement of bills exceeding such limits and therefore, Chief Accounting Officers and Chief Accountants/Accountants in such situations should not indicate the non-receipt of Treasury imprest as a reason for non-settlement of such bills.

7. You may contact Provincial Treasury for any further clarification on this circular.


Mr. S. Kumarakuru,
Deputy Chief Secretary- Finance,
For Chief Secretary, EPC

- Copy to :
1. Secretary to the Hon. Governor, Easter province.
 2. Secretary, to the Hon. Chief Minister, Eastern Province.
 3. Asst. Auditor General, Eastern Province.
 4. Chief Internal Auditor, Eastern Province.

} For your information please.