



PERFORMANCE REPORT - 2020

Expenditure Head No: 238

Department of Fiscal Policy
Ministry of Finance
Colombo 01

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1.0 Institutional Profile/ Executive Summary

1.1 Introduction

The main responsibility of the Department of Fiscal Policy is formulation and implementation of fiscal policy within the broad developmental framework of the government in consultation with relevant institutions, line ministries and the private sector to achieve desired economic and social outcomes to the country.

The Department is mainly responsible for the taxation policy of the country as well as analyzing the revenue, expenditure and financing activities, and the domestic and global macroeconomic development in order to facilitate appropriate adjustments in the country's fiscal policy to achieve desired outcomes.

1.2 Vision and Mission

Vision

"To Ensure the Establishment of a Sustainable Fiscal Policy Framework"

Mission

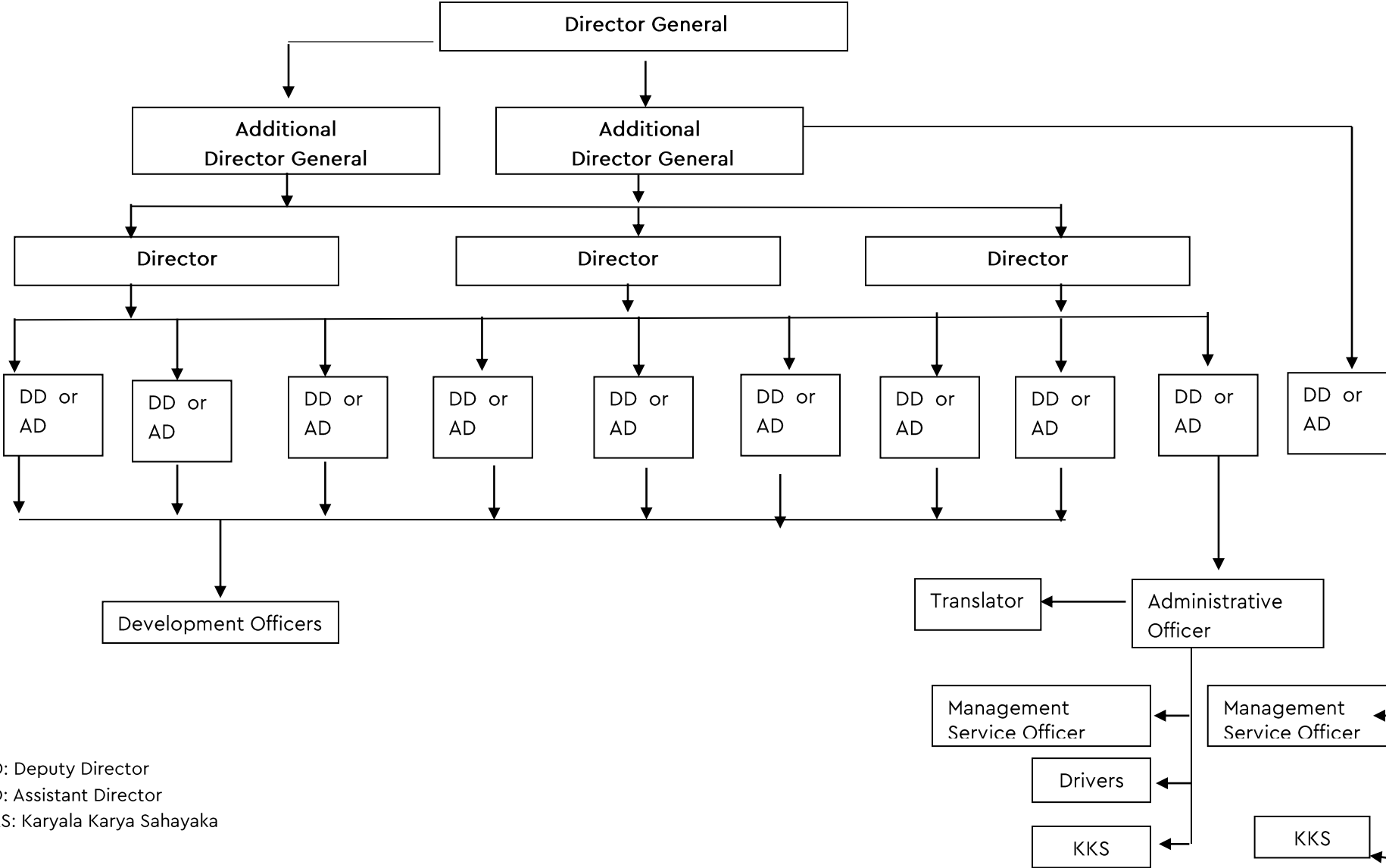
"Formulation and implementation of Fiscal Policies within the Broad Developmental Framework of the Government"

1.3 Objectives and Functions

- Formulation and implementation of Fiscal Policy and Medium Term Fiscal Strategy by coordinating public, private and international agencies.
- Formulation of Tax Policy and related statutes other than the Customs Duty and the Special Commodity Levy.
- Management and review of Fiscal Out-turn and Fiscal Performance including Government Revenue and receipts.
- Maintenance of proper coordination with all departments engaged in revenue collection, implementation of national budget and finance.

- Conduct works related to the amendments of legislations in relation to revenue as per the policy decisions taken by the Government from time to time.
- Implementation of requirements under Fiscal Management (Responsibilities) Act, No.3 of 2003 including Reporting.
- Undertake analysis/research on various fiscal and macroeconomic matters, implementation of budget proposals, and amendment of Acts and prepare gazettes with the assistance of the macro unit.

1.4 Organizational Structure



DD: Deputy Director
 AD: Assistant Director
 KKS: Karyala Karya Sahayaka

2.0 Progress, challenges and goals

2.1 Government Revenue Performance

Reflecting the slow growth of the last few years and the impact of COVID-19, government revenue including grants dropped both in nominal terms and as a percentage of GDP in 2020. The revenue including grants to GDP ratio plummeted to 9.2 percent of GDP and government revenue, in nominal terms, declined to Rs. 1,368.0 billion in 2020 from Rs. 1,891.0 billion in 2019.

Table 2:1 | Summary of Government Revenue

	Rs. million			
Item	2017	2018	2019	2020 ^(a)
Total Revenue and Grants	1,839,562	1,932,459	1,898,808	1,373,308
Total Revenue	1,831,531	1,919,974	1,890,899	1,367,960
Tax Revenue	1,670,178	1,712,318	1,734,925	1,216,542
Income Tax	274,562	310,449	427,700	268,249
Taxes on Goods and Services	1,025,799	1,061,751	975,557	586,650
Taxes on External Trade	369,817	340,117	331,668	361,643
Non Tax Revenue	161,353	207,656	155,974	151,417
Grants	8,031	12,485	7,909	5,348
	As a% of GDP			
Revenue and Grants	13.8	13.5	12.6	9.2
Total Revenue	13.7	13.4	12.6	9.1
Tax Revenue	12.5	12.0	11.6	8.1
Non Tax Revenue	1.2	1.5	1.0	1.0
Grants	0.1	0.1	0.1	0.0

Source: Department of Fiscal Policy

^(a) Provisional

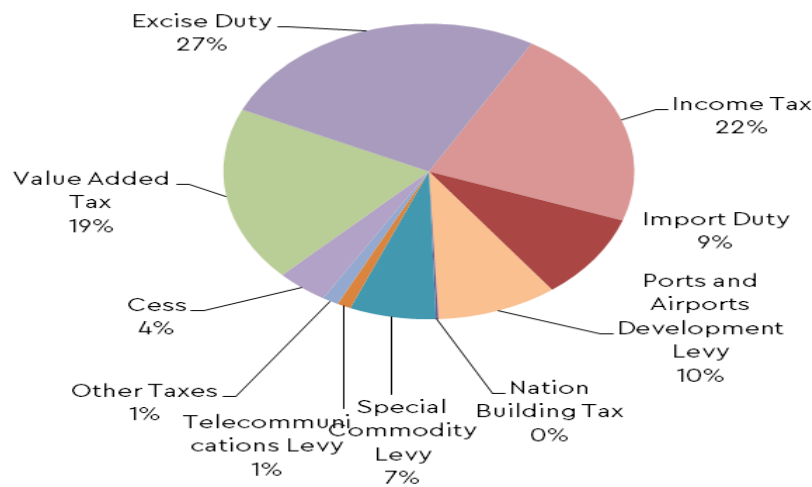
Tax revenue declined by 29.9 percent to Rs. 1,216.5 billion in 2020 compared to Rs. 1,734.9 billion in 2019 while the tax revenue to GDP ratio also fell to 8.1 percent of GDP in 2020. Non-tax revenue has declined marginally by 2.9 percent to Rs. 151.4 billion in nominal terms. However, non-tax revenue to GDP ratio remained at 1.0 percent as recorded in 2019.

2.1.1 Tax Revenue

The tax revenue, comprising of direct tax (Income Tax) and indirect tax (VAT, NBT, Excise Duty, Import Duty, Ports and Airports Development Levy (PAL), and Special Commodity Levy (SCL) etc.) dropped by 29.9 percent to Rs. 1,216.5 billion from Rs. 1,734.9 billion in 2019 which was an aberration of Rs. 152.0 billion from the estimate of Rs. 1,358.0 billion. The decline in tax revenue collection stems from a multitude of reasons which has to be examined against the background of a slow growth economy which was further aggravated due to Covid-19, generating low volume of economic activities. This also resulted in import restrictions being imposed that had a significant impact on import based taxes specially the Excise duty on Motor vehicles and the removal of the applicability of taxes such as NBT during the year 2020 as part of the Tax reforms introduced in 2019.

At the same time, the government being mindful of the revenue losses that could occur due to the reduction or removal of taxes, took various steps to mitigate such revenue losses. As such, to mitigate the revenue losses from the VAT rate reduction and the removal of the domestic NBT, the excise duty applicable on Cigarettes and Liquor was revised upwards while the removal of NBT on imports was captured by increasing the PAL rates of 2.5, 5 and 7.5 percent to 5, 7.5 and 10 percent.

Figure 2:1 | Composition of Tax Revenue



The share of tax revenue from direct taxes was 22.1 percent in 2020 due to the drop in revenue collection from personal and corporate income taxes stemming from the deceleration of economic activities with the spread of COVID-19. The share of tax revenue from indirect taxes increased slightly to 77.9 percent in 2020 reflecting the notable performance of border taxes such as import duty, PAL and SCL.

Income Taxes

Revenue from income taxes declined in 2020 with the drop in tax receipts from corporate and non-corporate taxes together with the abolition of taxes such as Pay-As-You-Earn (PAYE), Economic Service Charge (ESC) and Withholding Tax (WHT). The income tax revenue declined by 37.3 percent to Rs. 268.2 billion in 2020, compared to Rs. 427.7 billion in 2019 with the revision of corporate and non-corporate taxes effective from January 01, 2020 together with other exemptions provided for the revival of economic activities such as information technology and enabling services, agro processing and gem and jewellery sectors. The share of income tax revenue to total tax revenue declined to 22.1 percent in 2020. Also, income tax revenue as a percentage of GDP declined to 1.8 percent in 2020 from 2.8 percent in 2019. However, the realization of income tax collection in 2020 was 82.8 percent of the estimate for 2020 amidst the multiple disturbances that occurred due to the COVID-19 pandemic.

Table 2:2 | Performance of Income Tax

	Rs. million				
Item	2017	2018	2019	2020 ^(a)	Growth %
Total Income Tax	274,562	310,450	427,700	268,249	-37.3
Corporate and Non-Corporate*	143,588	169,672	272,603	228,336	-16.2
PAYE	32,920	41,385	49,445	14,973	-69.7
ESC	44,720	52,979	55,301	14,950	-73.0
Tax on Interest	53,334	46,414	50,351	9,989	-80.2

*Capital Gain Tax Included

Source: Department of Fiscal Policy

Value Added Tax (VAT)

In 2020, VAT revenue collection was 233.8 billion, a realization of 97 percent of the estimate of Rs. 241.0 billion. Total VAT collection from domestic activities was Rs. 148.1 billion while VAT collection from import related activities was Rs. 85.7 billion in 2020 totaling VAT revenue of Rs. 233.8 billion in 2020, compared to Rs. 443.9 billion in 2019. The revenue shortfall is mainly due to the slowdown of economic activities especially in key sectors of the economy such as tourism, domestic trade and imports. The rate reduction in VAT could also be attributed to the revenue shortfall.

Table 2:3 | Value Added Tax Revenue

	Rs. million					
Item	2015	2016	2017	2018	2019	2020 ^(a)
Domestic	131,662	168,817	276,065	283,327	275,089	150,823
Imports	89,174	115,339	168,394	179,163	169,914	85,727
Gross Revenue	220,836	284,156	444,459	462,490	445,003	236,550
Refunds	1,136	686	720	840	1,126	2,764
Net Revenue	219,700	283,470	443,739	461,651	443,877	233,786
Net Revenue as a % of GDP	2.0	2.4	3.3	3.2	3.0	1.6

Source: Department of Fiscal Policy

^(b) Provisional

Although the VAT rate on financial services remained at 15 percent, VAT revenue from financial services declined to Rs. 42.4 billion in 2020 from Rs. 49.8 billion in 2019, due to the slow credit growth and the debt moratoriums granted by the Banks. VAT revenue as a percentage of total tax revenue dropped to 19.2 percent in 2020 from 25.6 percent in 2019. VAT revenue as a percentage of GDP declined to 1.6 percent in 2020 from 3.0 percent in 2019.

Excise Duty

Excise Duty, the single largest contributor to the total tax revenue, declined significantly both as a percentage of GDP and in nominal terms mainly due to the restriction imposed on the imports of motor vehicles and the revenue reduction from petroleum products given its reduced demand stemming from the mobility restrictions from the lockdowns in particular. However, collection from liquor and cigarettes increased, reflecting the upward revision in the rate to accommodate the VAT rate reduction and NBT removal, despite the quantity sale of cigarettes and production

of liquor reducing during the year. Revenue from Excise Duty as a percentage of GDP declined to 2.2 percent in 2020 from 2.7 percent in 2019.

In nominal terms, revenue from Excise Duty declined significantly by 19.4 percent to Rs. 321.9 billion in 2020 from Rs. 399.5 billion in 2019. However, revenue from Excise Duty continued to be the major contributor to the total tax revenue in 2020, accounting for 26.5 percent of total tax revenue in 2020. The actual Excise Duty collection was 90.7 percent from the estimated revenue in 2020.

Table 2:4 | Excise Duty Revenue

	Rs. million						
Item	2014	2015	2016	2017	2018	2019	2020 ^(a)
Liquor	69,100	105,234	120,238	113,684	113,944	115,443	120,990
Cigarettes	57,204	79,981	88,752	85,956	92,198	87,367	94,345
Motor Vehicles	98,531	263,470	186,499	189,740	204,081	130,378	48,760
Petroleum Products	28,732	45,092	55,719	73,983	66,318	61,740	53,111
Other	3,087	3,812	3,704	6,091	7,701	4,549	4,727
Total	256,654	497,589	454,912	469,454	484,242	399,478	321,932

Source: Department of Fiscal Policy

(c) Provisional

Reflecting the impact of the imposition of import restriction on non-essential goods from March 2020 as a measure of cushioning the pressure exerted on the exchange rate, the importation of motor vehicles declined significantly by 67.7 percent to 110,947 vehicles in 2020, compared to 344,059 vehicles in 2019. Consequently, revenue from motor vehicles declined notably by 62.6 percent to Rs. 48.8 billion in 2020, compared to Rs. 130.4 billion in 2019.

The revenue generated from petroleum products significantly declined by 14.0 percent to Rs. 53.1 billion in 2020 from Rs. 61.7 billion in 2019 mainly due to the decline in the importation of petrol by 4.2 percent and diesel by 21.6 percent in 2020, compared to 2019 together with the reduction in consumption of fuel with the imposition of mobility restriction measures in response to the COVID-19 pandemic in 2020. Furthermore, the Excise Duty revenue generated from other excisable items such as sweetened beverages, refrigerators, palm oil, fatty acid etc. marginally increased by 3.9 percent to Rs. 4.7 billion in 2020 reflecting the increase in import volumes of selected items and improved tax compliance.

Figure 2:2 | Production and Excise Duty Revenue from cigarettes

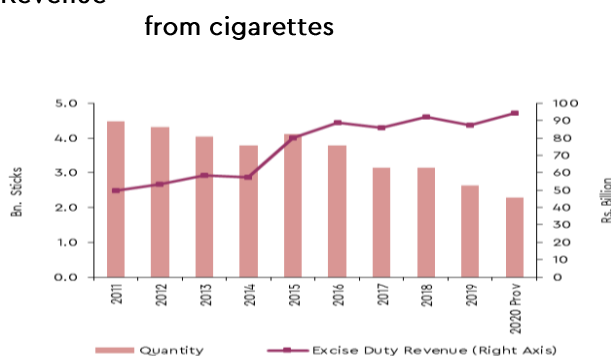


Figure 2:3 | Production and Excise Duty Revenue from liquor



Ports and Airports Development Levy (PAL)

Revenue generated from Ports and Airports Development Levy (PAL) augmented by 2.9 percent to Rs. 115.4 billion in 2020, compared to Rs. 112.2 billion in 2019 reflecting the increase in PAL rate from 7.5 percent to 10 percent in December 2019. This was a realization of 100.4 percent of estimate. *Source: Department of Fiscal Policy* as a percentage to GDP increased to 0.8 percent in 2020 from 0.7 percent in 2019. Major contributors to this surge were the import of milk powder, petrol, diesel, wheat grain, cement, cellular phones, LP gas and Urea. The share of the revenue from PAL to total tax revenue rose by 2.5 percentage points to 8.4 percent in 2020 from 5.9 percent in 2019.

Commodity Export Subsidy Scheme Levy (CESS)

Total revenue collection from CESS declined by 2.7 percent to Rs 49.3 billion in 2020, compared to Rs. 50.7 billion in 2019 reflecting the shrinkage of import related activities due to the COVID-19 pandemic. Accordingly, revenue from CESS as a percentage of GDP remained unchanged at 0.3 percent in 2020. Revenue from CESS on imports has declined by 1.9 percent to Rs. 47.5 billion in 2020 from Rs. 48.4 billion in 2019. Beedi leaves, Portland cement, fabrics and ceramic products were the largest contributors to the CESS revenue in imports. Meanwhile, revenue from CESS on exports declined significantly by 21.7 percent to Rs. 1.8 billion in 2020 from Rs. 2.3 billion in 2019 due to the reduction of exports of tea, coconut and minerals. CESS exemptions were granted on selected goods such as health protection equipment, machinery and equipment including medical, surgical and dental instruments, medical furniture and drugs, chemicals and similar items to facilitate the health measures taken by the Government to fight against the COVID-19 pandemic. The realization of CESS revenue collection was 98.6 percent of the estimates in 2020.

Other Taxes

Telecommunication Levy (TL): Revenue from Telecommunication Levy (TL) declined by 28.1 percent to Rs. 13.2 billion from 18.7 billion in 2019 due to the reduction of TL rates by 25 percent to 11.25 percent from 15 percent.

Stamp Duty: Revenue collection from Stamp Duty declined to Rs. 7 billion in 2020 from Rs. 10.6 billion in 2019 mainly due to the reduction in usage of related instruments with the COVID-19 pandemic.

Teledrama, Films and Commercials Levy: Revenue from the Teledrama, Films and Commercials Levy declined to Rs. 158.5 million in 2020 from Rs. 615.0 million in 2019 reflecting the exemption granted on the telecast of foreign tele-dramas and films as a temporary measure effective from March 27, 2020 having considered the COVID-19 led interruptions on local production of tele-dramas and films.

Betting and Gaming Levy: Revenue from Betting and Gaming Levy declined to Rs. 142.8 million in 2020 from Rs. 243.5 million in 2019 due mainly to the closure of casinos and betting centers together with the closure of hotels and restaurants due to COVID-19 restrictions.

2.1.2 Non-tax Revenue

Reflecting the impact of COVID-19 on the revenue generation efforts of the Government, non-tax revenue, in nominal terms, has declined slightly by 2.9 percent to Rs. 151.4 billion in 2020, compared to Rs. 156.0 billion in 2019. However, non-tax revenue as a percentage of GDP remained unchanged at 1.0 percent in 2020. The transfer of profits from Central Bank of Sri Lanka amounted to Rs. 24 billion. Profits and dividends generated by State Owned Business Enterprises (SOBEs) dropped to Rs. 17.6 billion in 2020 from Rs. 27.8 billion in 2019 due to the deterioration of the financial position of such entities while revenue from sales and charges declined to Rs. 47.4 billion in 2020 from Rs. 73.9 billion in 2019.

Revenue from interest income declined to Rs. 7.3 billion in 2020 from Rs. 13.8 billion in 2019. However, revenue from rent income increased significantly by 155.0 percent to Rs. 12.1 billion in 2020, compared to Rs. 4.7 billion in 2019. Revenue from social security contribution has increased by 11.8 percent to Rs. 32.4 billion in 2020, reflecting the increase in the salaries. The actual non-tax revenue collection in 2020 was a realization of 93.5 percent against the estimate.

Table 2:4 | Non Tax Revenue

Item	Rs.million						2019/2020(% change)	2020 (% of Total Non Tax Revenue)
	2015	2016	2017	2018	2019	2020 ^(a)		
Interest/Rent	7,321	15,806	11,845	13,731	18,547	19,351	4.3	12.8
Profits and Dividends	29,798	108,160	53,998	41,828	27,857	17,624	-36.7	11.6
Sales and charges	44,632	72,606	66,575	105,202	73,884	47,370	-35.9	31.3
Social Security contribution	15,213	18,046	22,940	25,214	28,985	32,417	11.8	21.4
Central Bank Profit Transfers	-	5,000	-	15,000	-	24,009	-	15.9
Other	2,135	2,754	5,995	6,681	6,701	10,646	58.9	7.0
Total	99,999	222,372	161,353	207,656	155,974	151,417	-2.9	100.0

Sources: Department of Treasury Operations, Department of State Accounts and Department of Fiscal Policy

^(d) Provisional

Box/2:1 Major Fiscal Measures: January – December 2020

Effective Date	Measures																
	Income Tax – Amendments to the Inland Revenue Act, No. 24 of 2017																
	Inland Revenue (Amendment) Act, No. 10 of 2021																
Personal Income Tax																	
01.01.2020	<ul style="list-style-type: none"> - Personal income tax-free allowance was increased to Rs. 3 million per year of assessment from Rs. 500,000 per year of assessment. - Personal income tax rates were revised as follows: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Taxable Income</th> <th>Tax Rate</th> </tr> </thead> <tbody> <tr> <td>First Rs. 3 Million</td> <td>6%</td> </tr> <tr> <td>Next Rs. 3 Million</td> <td>12%</td> </tr> <tr> <td>On the Balance</td> <td>18%</td> </tr> </tbody> </table> - Income Tax rates applicable for Terminal Benefits were revised as follows: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Total Terminal Benefits</th> <th>Tax Rate</th> </tr> </thead> <tbody> <tr> <td>First 10 Million</td> <td>0%</td> </tr> <tr> <td>Next Rs. 10 Million</td> <td>6%</td> </tr> <tr> <td>On the Balance</td> <td>12%</td> </tr> </tbody> </table> - Expenditure relief on following expenditure up to a maximum deduction of Rs. 1.2 million. <ul style="list-style-type: none"> a) Health expenditure including contributions to medical insurance b) Educational expenditure (including vocational education) incurred locally for the individual or on behalf of his/her children c) Interest paid on housing loans d) Contributions made to a pension scheme (other than under employer or on behalf of employer) e) Expenditure incurred for the purchase of equity or security (includes treasury securities, listed shares and listed financial instruments). 	Taxable Income	Tax Rate	First Rs. 3 Million	6%	Next Rs. 3 Million	12%	On the Balance	18%	Total Terminal Benefits	Tax Rate	First 10 Million	0%	Next Rs. 10 Million	6%	On the Balance	12%
Taxable Income	Tax Rate																
First Rs. 3 Million	6%																
Next Rs. 3 Million	12%																
On the Balance	18%																
Total Terminal Benefits	Tax Rate																
First 10 Million	0%																
Next Rs. 10 Million	6%																
On the Balance	12%																
Changes to Withholding Tax																	
01.01.2020	<ul style="list-style-type: none"> - Withholding Tax on employment income (Pay-As-You-Earn), on investment receipts, on share of partnership income, and on service fees and contract payments to residents is removed. - Withholding Tax continues to be applied to the following items. <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Item</th> <th>Tax Rate</th> </tr> </thead> <tbody> <tr> <td>Payments of winning a lottery, a reward or from betting or gambling.</td> <td>14%</td> </tr> </tbody> </table> 	Item	Tax Rate	Payments of winning a lottery, a reward or from betting or gambling.	14%												
Item	Tax Rate																
Payments of winning a lottery, a reward or from betting or gambling.	14%																

	On sale price of gems sold in an auction conducted by the National Gem and Jewellery Authority.	2.5%
	Interest payments to non-resident (subject to the deduction of personal relief for citizens).	5%
	On dividend, interest, discount, charge, natural resource payment, rent, royalty, premium, service fee or an insurance premium with a source in Sri Lanka to a non-resident person.	14%

Tax rates on Partnerships

01.01.2020	- Tax rates on partnerships were revised as follows.		
	Taxable Income	Amount	Tax Rate
	If Taxable income consists of capital gain	On capital gain	10%
	Balance Taxable Income	First Rs. 1,000,000	0%
		On the Balance	6%

Corporate Income Tax (CIT)

01.01.2020	- Standard CIT rate – 24 percent - Application of special CIT rates		
	Gains and Profits from	Tax Rate	
	Exports, specified undertakings, educational services, promotion of tourism, construction services, agro processing, healthcare and dividends received by a resident company	14%	
	Small and Medium Enterprises (SMEs) (excluding liquor, tobacco, and betting and gaming)	14%	
	Supply of health protective equipment and similar products by BOI companies on the request of Ministry of Health, Department of Health Services, Tri-Forces, Sri Lanka Police and COVIDcentre	14%	
	Manufacturing	18%	
	Betting and Gaming	40%	
	Manufacturing and sale or import and sale of liquor to tobacco	40%	

Tax rates for other entities

01.01.2020	- Tax rates of other entities are revised effective from January 1, 2020	
	Entity	Tax Rate
	Trusts	18%
	NGOs	24%
	Unit Trust or Mutual Fund	24%
	Charitable Institutions	14%

Income Tax Exemptions

01.01.2020	- Gains and profits from Information technology and enabled services
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	<ul style="list-style-type: none"> - Gains and profits from any foreign sources or services rendered to person outside Sri Lanka to utilize outside Sri Lanka, and the income received in foreign currencies through a bank. - Interest income derived from any foreign currency account approved by the Central Bank of Sri Lanka. - Dividend paid to any non-resident person. - Dividend distributed by Commercial hub enterprises. - Amounts received by non-resident person from the laboratory services or standard certification services. - Amounts received by any religious institution which is registered with the Ministry in charge of the subject of religious affairs, by way of grants or donations. - Dividend paid by a resident company to a member to the extent that dividend payment is attributable to, or derived from gains and profits from dividend received (net gain after the deduction of expenses, losses or tax) by that resident company.
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Advance Personal Income Tax (APIT) and Advance Income Tax (AIT)

01.04.2020	<ul style="list-style-type: none"> - Introduce Advance Personal Income Tax (APIT) for employment income as a compulsory deduction on the relevant payments made by an employer to non-residents and non-citizens but as an optional deduction for residents and citizens. - Introduce Advance Income Tax (AIT) on the payments of dividend, interest, discount, charge, natural resource payment, rent, royalty, premium or any similar periodic payments made to a resident. AIT is optional for them and will be deducted only at their request.
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Economic Service Charge (ESC) - Economic Service Charge Act, No. 13 of 2006

01.01.2020	- To remove ESC.
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Value Added Tax (VAT) – Value Added Tax Act, No. 14 of 2002

01.01.2020	<ul style="list-style-type: none"> - To increase the threshold for registration of VAT to Rs. 300 million per annum from Rs. 12 million per annum. - To grant permission for voluntary registration for VAT for any person who carries on or carries out a taxable activity, even if such person is not within the VAT threshold.
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VAT exemptions

01.01.2020	- On Information Technology (IT) and enabled services.
01.04.2020	- On supplying services in respect of inbound tours, by a travel agent registered with the Sri Lanka Tourism Development Authority.
22.04.2020	- On supplying or donating health protective equipment and similar products by export-oriented BOI enterprises to the Ministry of Health & Indigenous Medical Services, Department of Health Services, Tri Forces and Sri Lanka Police and COVID Centre on their request.

20.05.2020	- Importation or importation and supply or importation and donation of machinery and equipment including medical, surgical, and dental instruments, apparatus, accessories and parts thereof, hospital/medical furniture and drugs, chemicals and similar items, required for the provision of health services to address the COVID-19 pandemic recommended by the Secretary, Ministry of Health.
Excise (Special Provisions) Duty - Excise (Special Provisions) Act, No. 13 of 1989	
06.03.2020	Gazette Notification No. 2165/60 of 06.03.2020 - To amend the Schedule II of the Extraordinary Gazette Notification No. 2113/9 of 05.03.2019.
02.06.2020	Gazette Notification No. 2178/15 of 02.06.2020 - To increase duty rate to 24% from 20% on Industrial fatty acids.
22.08.2020	Gazette Notification No. 2189/47 of 21.08.2020 - To revise tax free threshold and duty rates on carbonated beverages and fruit-based beverages.
13.10.2020	Gazette Notification No. 2197/3 of 12.10.2020 - To revise tax free threshold and duty rates on fruit-based beverages.
Excise (Ordinance) Duty - Excise Ordinance (Chapter 52)	
01.03.2020	Excise Notification No. 01/2020 (Gazette Notification No. 2164/72 of 01.03.2020) - To amend the date of implementation of Foolproof Stickers System for importers and licensed manufactures.
30.04.2020	Excise Notification No. 02/2020 (Gazette Notification No. 2173/11 of 30.04.2020) - To revise Excise Duty on locally supplied Ethyl Alcohol for industrial purpose
01.06.2020	Excise Notification No. 03/2020 (Gazette Notification No. 2178/4 of 01.06.2020) - To extend the date of implementation of Foolproof Sticker System only for licensed manufacturers.
09.06.2020	Excise Notification No. 04/2020 (Gazette Notification No. 2179/9 of 09.06.2020) - To revise Excise Duty on locally supplied Ethyl Alcohol for the production of sanitizers.
Ports and Airports Development Levy (PAL) - Ports and Airports Development Levy Act, No. 18 of 2011	
25.02.2020	Gazette Notification No. 2164/8 of 24.02.2020 - To grant concessionary rate of 7.5 percent on the importation of clinker.
16.04.2020	Gazette Notification No. 2171/6 of 16.04.2020 - To exempt the payment of PAL: On the importation of medical equipment and hospital furniture consigned to the Secretary, Ministry of Health & Indigenous Medical Services as a donation.

23.04.2020	Gazette Notification No. 2172/10 of 22.04.2020 - To grant concessionary rate of 5.0 percent on the importation of steel industry related raw materials.
19.05.2020	Gazette Notification No. 2176/10 of 19.05.2020 - To exempt the payment of PAL: On supplying or donating of health protective equipment and similar products by export-oriented BOI enterprises to the Ministry of Health & Indigenous Medical Services, Department of Health Services, Tri Forces, Sri Lanka Police and COVID Centre (National Operation Centre for Prevention of COVID-19 Outbreak) on their request; and On the importation or importation and supply or importation and donation of machinery and equipment including medical, surgical, and dental instruments, apparatus, accessories and parts thereof, hospital/medical furniture and drugs, chemicals and similar items, required for the provision of health services to address the COVID-19 pandemic, to the Secretary, Ministry of Health & Indigenous Medical Services.
26.05.2020	Gazette Notification No. 2177/4 of 26.05.2020 - To exempt the payment of PAL: On the importation of raw materials and packing materials by pharmaceutical manufacturers for manufacture of pharmaceuticals.
03.09.2020	Gazette Notification No. 2191/25 of 02.09.2020 - To grant concessionary rate of 2.5 percent on the importation of machineries used in oil extraction industry.
24.10.2020	Gazette Notification No. 2198/57 of 23.10.2020 - To exempt the payment of PAL: On the importation of pharmaceutical machinery & equipment including accessories and spare parts for pharmaceutical machinery & equipment by pharmaceutical manufacturers for manufacture of pharmaceuticals.
27.10.2020	Gazette Notification No. 2199/2 of 26.10.2020 - To exempt the payment of PAL: On the importation or importation and supply of Medical instrument & equipment including test kits required for the provision of health services by any agency.
30.11.2020	Gazette Notification No. 2203/37 of 28.11.2020 - To amend PAL rates published in Extra Ordinary Gazette Notification No. 2152/32 dated 05.12.2019 in order to implement policy decisions of Budget 2021.
CESS Levy - Sri Lanka Export Development Act, No. 40 of 1979	
14.01.2020	Gazette Notification No. 2158/1 of 13.01.2020 - To remove CESS levy on the importation of wheat flour.
20.05.2020	Gazette Notification No. 2176/13 of 20.05.2020 - To exempt the payment of CESS: On the supply or donation of health protective equipment and similar

	<p>products by export-oriented BOI enterprises to the Ministry of Health & Indigenous Medical Services, Department of Health Services, Tri Forces, Sri Lanka Police and COVID Centre (National Operation Centre for Prevention of COVID-19 Outbreak) on their request.</p> <p>On the importation or importation and supply or importation and donation of machinery and equipment including medical, surgical, and dental instruments, apparatus, accessories and parts thereof, hospital/medical furniture and drugs, chemicals and similar items, required for the provision of health services to address the COVID-19 pandemic, to the Secretary, Ministry of Health & Indigenous Medical Services.</p>
03.06.2020	<p>Gazette Notification No. 2178/21 of 03.06.2020</p> <p>- To revise CESS levy base to unit rate from advalorem rate on the importation of cement clinker and cement.</p>
01.07.2020	<p>Gazette Notification No. 2182/21 of 30.06.2020</p> <p>- To introduce CESS levy on the importation of papadam, palmyrah toddy, palmyrah-based arrack, cinnamon-based cigarettes, shoe uppers and filament bulbs and to revise CESS levy on the importation of cement.</p>
01.07.2020	<p>Gazette Notification No. 2182/22 of 30.06.2020</p> <p>- To remove CESS levy on the importation of cement clinker.</p>
29.10.2020	<p>Gazette Notification No. 2199/14 of 28.10.2020</p> <p>- To revise applicable CESS levy on importation of footwear.</p>
01.11.2020	<p>Gazette Notification No. 2199/21 of 29.10.2020</p> <p>- To re-gazette Gazette Notification Nos. 2176/13,2178/21,2182/21 and 2182/22 due to the expiration of 4 months time bar.</p>
18.11.2020	<p>Gazette Notification No. 2202/6 of 17.11.2020</p> <p>To amend CESS rate published in Gazette Notification on selected items in order to implement policy decisions of budget 2021.</p>
Finance Act, No. 35 of 2018	
Luxury Tax on Motor Vehicles	
20.02.2020	<p>Gazette Notification No.2163/26 of 20.02.2020</p> <p>- To extend the tax relief granted for luxury tax on motor vehicles by two months.</p>
26.05.2020	<p>Gazette Notification No.2177/2 of 26.05.2020</p> <p>- To grant tax relief for locally assembled vehicles.</p>
17.06.2020	<p>Gazette Notification No. 2180/21 of 17.06.2020</p> <p>- To extend the tax relief granted for luxury tax on motor vehicles by two months.</p>
Debt Repayment Levy (DRL)	
01.01.2020	- To remove Debt Repayment Levy.
Levy on Tele-dramas, Films and Commercials-Finance Act, No. 11 of 2006	
27.03.2020	Gazette Notification No.2168/9 of 27.03.2020

	- To exempt the foreign tele dramas and films from the levy on Tele-dramas, Films & Television Commercials.
Embarkation Levy-Finance Act, No. 25 of 2003	
01.10.2020	Gazette Notification No.2194/6 of 21.09.2020 - To exempt Embarkation Levy (EL) for Persons Leaving persons from Mattala Rajapaksha International Airport and reduce EL Persons Leaving from Bandaranaike International Airport from USD 60 to USD 30 per persons .
Strategic Development Projects Act, No.14 of 2008	
10.11.2020	Gazette Notification No. 2201/6 of 10.11.2020 - To rescind the Extraordinary Gazette Notification No.1841/4 of 17.12.2013 and No.1847/37 of 30.01.2014 published under Sub Section (4) of the Section 3 of the Act. With regard to Lake Lesure Holdings (PVT) Ltd.
16.11.2020	Gazette Notification No. 2202/3 of 16.11.2020 - To impose exemption on the enactment specified in the schedule to the "Colombo International Container Terminals Limited (CICTL)".
24.11.2020	Gazette Notification No. 2203/16 of 24.11.2020 - To publish relevant information of the "Colombo International Financial Center Mixed Development Project (CIFCMDP)".
18.12.2020	Gazette Notification No. 2206/18 of 18.12.2020 - To amend the Extraordinary Gazette Notification No. 1714/3 of 11.07.2011 in order to extend the time granted to implement commercial operation of the Project of "Shangri-La Hotels Lanka (Pvt) Ltd".
18.12.2020	Gazette Notification No. 2206/19 of 18.12.2020 - To amend the Extraordinary Gazette Notification No. 1789/22 of 19.12.2012 in order to extend the time granted to implement commercial operation of the Project of "SINOLANKA HOTELS & SPA (Pvt) Ltd".

Challenges and Future Goals

1. Formulating effective fiscal policies to maintain a sustainable economic growth amidst global and local challenges of COVID-19 pandemic.
2. Initiate necessary measures to maintain the government debt at a sustainable level.
3. Introduce institutional reforms at main revenue collecting agencies and introducing policies to raise government revenue so that the government revenue to GDP ratio is comparable with that of similar economies.
4. Ensuring healthy tax administration and tax compliance

Dr.M.K.C.Senanayake

Director General

3.0 Overall Financial Performance for the Year ended 31st December 2020

3.1 Statement of Financial Performance

ACA -F

Statement of Financial Performance

for the period ended 31st December

Rs.

Budget (Current Year)	Note	Actual	
		Current Year	Previous Year
-	Revenue Receipts	24,008,992,826	-
-	Income Tax	-	-
-	Taxes on Domestic Goods & Services	-	-
-	Taxes on International Trade	-	-
-	Non Tax Revenue & Others	24,008,992,826	-
<u>20,000,000,000</u>	Total Revenue Receipts (A)	24,008,992,826	-
-	Non-Revenue Receipts	-	-
-	Treasury Imprests	45,174,000	60,010,000
-	Deposits	26,367	443,346
-	Advance Accounts	4,043,027	4,397,505
-	Other Receipts	2,201,923	2,185,354
-	Total Non-Revenue Receipts (B)	51,445,317	67,036,205
-	Total Revenue Receipts & Non Revenue Receipts C = (A) + (B)	24,060,438,142	67,036,205
	Less: Expenditure		
-	Recurrent Expenditure	-	-
-	Wages, Salaries & Other Employment Benefits	36,984,540	38,303,821
39,700,000	Other Goods & Services	13,383,615	24,480,218
16,350,000	Subsidies, Grants and	861,465	813,874
1,000,000			

ACA-

ACA-3

ACA-4

ACA-

5/5(a)

ACA-

2(ii)

	Transfers			
-	Interest Payments	8	-	-
-	Other Recurrent Expenditure	9	-	-
<u>57,050,000</u>	Total Recurrent Expenditure (D)		51,229,619	63,597,912
	Capital Expenditure			
-	Rehabilitation & Improvement of Capital Assets	10	-	-
1,300,000	Acquisition of Capital Assets	11	18,000	1,202,859
-	Capital Transfers	12	-	-
-	Acquisition of Financial Assets	13	-	-
400,000	Capacity Building	14	95,000	193,450
-	Other Capital Expenditure	15	-	-
<u>1,700,000</u>	Total Capital Expenditure (E)		113,000	1,396,309
	Main Ledger Expenditure (F)		1,907,354	4,196,662
	Deposit Payments		26,367	442,973
	Advance Payments		1,880,987	3,753,689
	Total Expenditure G = (D+ E+ F)		53,249,972	69,190,883
<u>-</u>	Imprest Balance as at 31st December..... H = (C-G)		24,007,188,170	(2,154,678)

ACA-2(ii)

ACA-4
ACA-5/5(a)

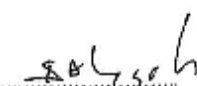
3.2 Statement of Financial Position- As at 31st December 2020

ACA-P

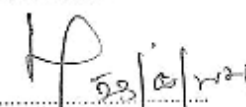
Statement of Financial Position
As at 31st December 2020

	Note	2020 Rs	Actual 2019 Rs
Non Financial Assets			
Property, Plant & Equipment	ACA-6	33,055,068	33,379,278
Financial Assets			
Advance Accounts	ACA-5/5(a)	7,055,670	9,218,710
Cash & Cash Equivalents	ACA-3	-	-
Total Assets		40,111,738	42,597,988
Net Assets / Equity			
Net Worth to Treasury		7,015,270	9,177,310
Property, Plant & Equipment Reserve		33,055,068	33,379,278
Rent and Work Advance Reserve	ACA-5(b)	-	-
Current Liabilities			
Deposits Accounts	ACA-4	41,400	41,400
Imprest Balance	ACA-3	-	-
Total Liabilities		40,111,738	42,597,988

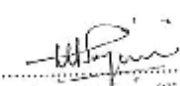
Detail Accounting Statements in ACA format Nos. 1 to 6 presented in pages from C1 to 52 and Notes to accounts presented in pages from 53 to 60 form and integral parts of these Financial Statements. The Financial Statements have been prepared in complying with the Generally Accepted Accounting Principles whereas most appropriate Accounting Policies are used as disclosed in the Notes to the Financial Statements and hereby certify that figures in these Financial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found to be in agreement.


Chief Accounting Officer
Name : S.R. Attygalle
Designation : Secretary
Date : 24.02.2021

S. R. Attygalle
Secretary to the Treasury and
Secretary to the Ministry of Finance


Accounting Officer
Name : Dr. M.K.C. Senanayake
Designation : Director General
Date : 24.02.2021

Dr. M.K.C. Senanayake
Director General
Department of Fiscal Policy
General Treasury
Colombo 01.


Assistant Director (Finance)
Name : S.S. Matararachchi
Date : 24.02.2021

Srimali S. Matararachchi
Assistant Director (Finance)
Department of Fiscal Policy
General Treasury
Colombo 01.

Statement of Cash Flows
for the Period ended 31st December 2020

	Actual	
	Current Year Rs.	Previous Year Rs.
<u>Cash Flows from Operating Activities</u>		
Total Tax Receipts	-	-
Fees, Fines, Penalties and Licenses	-	-
Profit	-	-
Non-Revenue Receipts	348,493	72,878
Revenue Collected for the Other Heads	-	-
Imprest Received	45,174,000	60,010,000
Total Cash generated from Operations (a)	45,522,493	60,082,878
<u>Less - Cash disbursed for:</u>		
Personal Emoluments & Operating Payments	43,178,331	55,973,238
Subsidies & Transfer Payments	861,465	813,874
Expenditure on Other Heads	230,185	309,080
Imprest Settlement on Treasury	313,453	1,013
Total Cash disbursed for Operations (b)	44,583,434	57,097,205
NET CASH FLOW FROM OPERATING ACTIVITIES (C)=(a)-(b)	939,059	2,985,673
<u>Cash Flows from Investing Activities</u>		
Interest	-	-
Dividends	-	-
Divestiture Proceeds & Sale of Physical Assets	29,350	17,925
Recoveries from On Lending	-	-
Recoveries from Advance	247,500	-
Total Cash generated from Investing Activities (d)	276,850	17,925

Less - Cash disbursed for:

Purchase or Construction of Physical Assets &
Acquisition of Other Investment
Advance Payments

18,000	1,202,859
1,181,946	-

Total Cash disbursed for Investing Activities (e)

1,199,946	1,202,859
------------------	------------------

NET CASH FLOW FROM INVESTING ACTIVITIES (F)=(d)-(e)

(923,096)	(1,184,934)
------------------	--------------------

NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (g)=(c) + (f)

15,963	1,800,739
---------------	------------------

Cash Flows from Financing Activities

Local Borrowings

-	-
---	---

Foreign Borrowings

-	-
---	---

Grants Received

-	-
---	---

Deposits Received

9,279	5,133
-------	-------

Total Cash generated from Financing Activities (h)

9,279	5,133
--------------	--------------

Less - Cash disbursed for:

Repayment of Local Borrowings

-	-
---	---

Repayment of Foreign Borrowings

-	-
---	---

Deposit Payments

25,242	1,805,871
--------	-----------

Total Cash disbursed for Financing Activities (i)

25,242	1,805,871
---------------	------------------

NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(h)-(i)

(15,963)	(1,800,738)
-----------------	--------------------

Net Movement in Cash (k) = (g) - (j)

0	0
----------	----------

Opening Cash Balance as at 01st January

-	-
---	---

Closing Cash Balance as at 31st December

-	-
---	---

3.4 Notes to the Financial Statements

Basis of Reporting

1) Reporting Period

The reporting period for these Financial Statements is from 01st January to 31st December 2020.

2) Basis of Measurement

The Financial Statements have been prepared on historical cost modified by the revaluation of Certain assets and accounted on a modified cash basis, unless otherwise specified.

The figures of the Financial Statements are presented in Sri Lankan rupees rounded to the nearest rupee.

3) Recognition of Revenue

Exchange and non-exchange revenues are recognized on the cash receipts during the accounting period irrespective of relevant revenue period.

4) Recognition and Measurement of Property, Plant and Equipment (PP & E)

An item of Property, Plant and Equipment is recognized when it is probable that future economic benefit associated with the assets will flow to the entity and the cost of the assets can be reliably measured.

PP & E are measured at a cost and revaluation model is applied when cost model is not applicable.

5) Property, Plant and Equipment Reserve

This revaluation reserve account is the corresponding account of PP&E.

6) Cash and Cash Equivalents

The reporting period for these Financial Statements is from 01st January to 31st December 2020.

3.5 Performance of the Revenue Collection - N/A

Rs. ,000

Revenue Code	Description of the Revenue Code	Revenue Estimate		Collected Revenue	
		Original	Final	Amount (Rs.)	as a % of Final Revenue Estimate
-	-	-	-	-	-

3.6 Performance of the Utilization of Allocation

Rs. ,000

Type of Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
	Original	Final		
Recurrent	57,050	57,050	51,230	89.80%
Capital	1,700	1,700	113	6.65%

3.7 In terms of F.R.208 grant of allocations for expenditure to this Department/District Secretariat/Provincial Council as an agent of the other Ministries/ Departments - N/A

Rs. ,000

Serial No.	Allocation Received from Which Ministry /Department	Purpose of the Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
			Original	Final		

3.8 Performance of the Reporting of Non-Financial Assets - N/A

Rs. ,000

Assets Code	Code Description	Balance as per Board of Survey Report as at 31.12.2020	Balance as per financial Position Report as at 31.12.2020	Yet to be Accounted	Reporting Progress as a %
9151	Building and Structures	-	-	-	-
9152	Machinery and Equipment	24,355	24,355	-	100%
9153	Land	-	-	-	-
9154	Intangible Assets	-	-	-	-
9155	Biological Assets	-	-	-	-
9160	Work in Progress	-	-	-	-
9180	Lease Assets	-	-	-	-

3.9 Auditor General's Report** -

** Refer Sinhala Version

4.0 Performance indicators

4.1 Performance indicators of the Institute (Based on the Action Plan)

Specific Indicators	Actual output as a percentage (%) of the expected output		
	100%- 90%	75%-89%	50%- 74%
01. To Formulate and Implementation of Fiscal Policy and Medium term Fiscal Strategy			
i. Monitoring the implementation of policies and performance of revenue and expenditure		Continuous Activity	
ii. Reviewing macro fiscal condition of the country		Continuous Activity	
iii. Collaborating with the relevant agencies which have an impact on economic policy direction		Continuous Activity	
iv. Taking measures to adjust the situation where a reaction is needed.		100%	
02. Preparation of Revenue Estimate 2021			
i. Requesting the estimate for each revenue agencies		100%	
ii. Evaluating of the revenue estimates		100%	
iii. Finalizing of the estimate		100%	
03. Fiscal Policy Review			
i. Attending the review meeting of revenue performance on cash flow in the every month under the chairman ship of Secretary to the Treasury		100%	
04. To Monitor the Revenue Performance - 2020			
i. Attending to the meeting on review revenue performance at the cash flow		100%	
ii. Monitoring Performance of revenue estimates of 2020		Continuous Activity	
iii. Monitoring progress of policy and administrative changes introduced in the budget 2020		Continuous Activity	
iv. Revision of tax policies as required		100%	
05. To prepare the Budget Speech 2021 to the Parliament			
i. Moulding necessary and requisite policy direction into the budgetary Framework		100%	
ii. Request for budget proposal from general public, private sector and government agencies		100%	
iii. Analyzing the revenue proposals for the budget 2021		100%	
iv. Preparing and publishing Gazette Notifications relating to the revenue proposals		100%	
v. Preparing of relevant Act amendments, if any		100%	
06. To Implement the Revenue Proposals of the Budget 2020/2021			
i. Drafting acts and make amendments to the relevant acts		100%	} There were no budget for year 2020 until November 2020. Therefore, no revenue proposals at the beginning of 2020
ii. Obtaining the certification from the legal Draftsman and Attorney General		100%	
iii. Obtaining the Cabinet approval			

Specific Indicators	Actual output as a percentage (%) of the expected output		
	100%- 90%	75%-89%	50%- 74%
iv. Publishing the Acts and Bills			
v. Submission to Parliament to approval.			
07. To Grant Various Tax Concessions and Exemptions in Terms of the Applicable Laws			
i. Making necessary revisions on taxes		100%	
ii. Attending the representations made by public, government organizations and international organizations on tax matters.		100%	
08. To Develop Skills of Human Resources (Staff Training)			
i. Local Training		100%	
ii. Foreign Training		0%	
09. To Carry out the Administrative and Financial Matters of the Department		100%	
10. To Prepare of the Reports Under the Fiscal Management (Responsibility) Act, No.3 of 2003 and Tabled them in the Parliament			
i. Annual Report		100%	
ii. Midyear Fiscal Position Report		100%	
iii. Fiscal Management Report		100%	
iv. Records on Right to Information		100%	
v. Pre-election Budgetary Position Report		100%	
11. Respond to the Parliamentary Questions		100%	

5.0 Performance of the Achieving Sustainable Development Goals (SDG)

5.1 Indicate the Identified respective Sustainable Developments Goals

Goal / Objective	Targets	Indicators of the achievement	Progress of the Achievement to date		
			0%-49%	50%-74%	75%- 100%
Affordable and clean energy	By 2030, increase substantially the share of renewable	Tax exemptions granted for renewable energy			75% - 100%

	energy in the global energy mix	project			
Decent work and economic growth	Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries	Keep the GDP Growth rate around 1.5 per cent	0-45%		
Peace, Justice and Strong Institutions	Develop effective, accountable and transparent institutions at all levels.	Primary government expenditures as a proportion of original approved budget, by sector			100%

5.2 Briefly explain the achievements and challenges of the Sustainable Development Goals

Performance of the department contributes to achieve some of the Sustainable Development Goals in the country as mentioned below.

- Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all
- Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

6.0 Human Resource Profile

6.1 Cadre Management

	Approved Cadre	Existing Cadre	Vacancies/ (Excess)**
Senior	21	13	08
Tertiary	03	01	02
Secondary	18	16	02
Primary	14	12	02

6.2 **Briefly state how the shortage or excess in human resources has been affected to the performance of the institute.

It was managed by utilization of existing cadre

6.3 Human Resource Development

6.3.1 Local Training

Name of the Program	No. of Staff Trained	Duration of the Program	Total Investment (Rs.)	Nature of the Program	Output/Knowledge Gained
01. Diploma in English for professionals	01	01 Year	Free of Charge	Mid term	Use of English language in office work
02. Master of Business of Business Studies (MBS) Degree Programme	01	01 Year	Rs. 95,000	Mid term	This is still continuing and intend to obtain knowledge in business studies

Due to COVID 19 no. of training programs were conducted in online basis

6.3.2 Foreign Training

Name	Designation	Program	Country	Duration	Remarks
)		No training programs were held			

*Briefly state how the training program contributed to the performance of the institution

Knowledge gained from the training programs applied for the official activities

) No one was participated for foreign training due to the COVID pandemic situation.

7.0 Compliance Report (Preliminary Draft)

No.	Applicable Requirement	Compliance Status (Complied/Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
1	The following Financial Statements/accounts have been submitted on due date			
1.1	Annual financial statements	Complied		
1.2	Advance to public officers account	Complied		
1.3	Trading and Manufacturing Advance Accounts (Commercial Advance Accounts)		Not Relevant	
1.4	Stores Advance Accounts		Not Relevant	
1.5	Special Advance Accounts	Complied		
1.6	Others			
2	Maintenance of books and registers (FR445)			
2.1	Fixed assets register has been maintained and update in terms of Public Administration Circular 267/2018	Complied		
2.2	Personal emoluments register/ Personal emoluments cards has been maintained and update	Complied		
2.3	Register of Audit queries has been maintained and update	Complied		
2.4	Register of Internal Audit reports has been maintained and update	Complied		
2.5	All the monthly account summaries (CIGAS) are prepared and submitted to the Treasury on due date	Complied		

No.	Applicable Requirement	Compliance Status (Complied/Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
2.6	Register for cheques and money orders has been maintained and update	Complied		
2.7	Inventory register has been maintained and update	Complied		
2.8	Stocks Register has been maintained and update	Complied		
2.9	Register of Losses has been maintained and update	Complied		
2.10	Commitment Register has been maintained and update	Complied		
2.11	Register of Counterfoil Books (GA – N20) has been maintained and update	Complied		
03	Delegation of functions for financial control (FR 135)			
3.1	The financial authority has been delegated within the institute	Complied		
3.2	The delegation of financial authority has been communicated within the institute	Complied		
3.3	The authority has been delegated in such manner so as to pass each transaction through two or more officers	Complied		
3.4	The controls has been adhered to by the Accountants in terms of State Account Circular 171/2004 dated 11.05.2014 in using the Government Payroll Software Package	Complied		
4	Preparation of Annual Plans			

No.	Applicable Requirement	Compliance Status (Complied/Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
4.1	The annual action plan has been prepared	Complied		
4.2	The annual procurement plan has been prepared	Complied		
4.3	The annual Internal Audit plan has been prepared	Complied		
4.4	The annual estimate has been prepared and submitted to the NBD on due date	Complied		
4.5	The annual cash flow has been submitted to the Treasury Operations Department on time	Complied		
5	Audit queries			
5.1	All the audit queries has been replied within the specified time by the Auditor General	Complied		
6	Internal Audit			
6.1	The internal audit plan has been prepared at the beginning of the year after consulting the Auditor General in terms of Financial Regulation 134(2)) DMA/1-2019	Complied		
6.2	All the internal audit reports has been replied within one month	Complied		
6.3	Copies of all the internal audit reports has been submitted to the Management Audit Department in terms of Sub-section 40(4) of the National Audit Act No. 19 of 2018	Complied		
6.4	All the copies of internal audit reports has been submitted to the Auditor General in terms of Financial Regulation 134(3)	Complied		
7	Audit and Management Committee			
7.1	Minimum 04 meetings of the Audit and Management Committee has been held during the year as per	Complied		

No.	Applicable Requirement	Compliance Status (Complied/Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
	the DMA Circular 1-2019			
8	Asset Management			
8.1	The information about purchases of assets and disposals was submitted to the Comptroller General's Office in terms of Paragraph 07 of the Asset Management Circular No. 01/2017	Complied		
8.2	A suitable liaison officer was appointed to coordinate the implementation of the provisions of the circular and the details of the nominated officer was sent to the Comptroller General's Office in terms of Paragraph 13 of the aforesaid circular	Complied		
8.3	The boards of survey was conducted and the relevant reports submitted to the Auditor General on due date in terms of Public Finance Circular No. 05/2016	Complied		
8.4	The excesses and deficits that were disclosed through the board of survey and other relating recommendations, actions were carried out during the period specified in the circular	Complied		
8.5	The disposal of condemn articles had been carried out in terms of FR 772	Complied		
9	Vehicle Management			
9.1	The daily running charts and monthly summaries of the pool vehicles had been prepared and submitted to the Auditor General on due date	Partially Complied	Two quarters have already completed & sent.	Other two quarters have already been completed & ready to be sent.

No.	Applicable Requirement	Compliance Status (Complied/Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning	Complied		
9.3	The vehicle logbooks had been maintained and updated	Complied		
9.4	The action has been taken in terms of F.R. 103, 104, 109 and 110 with regard to every vehicle accident	Complied		
9.5	The fuel consumption of vehicles has been re-tested in terms of the provisions of Paragraph 3.1 of the Public Administration Circular No. 30/2016 of 29.12.2016	Complied		
9.6	The absolute ownership of the leased vehicle log books has been transferred after the lease term	Complied		
10	Management of Bank Accounts			
10.1	The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date	Complied		
10.2	The dormant accounts that had existed in the year under review or since previous years settled	Complied		
10.3	The action had been taken in terms of Financial Regulations regarding balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made, and had those balances been settled within one month	Complied		
11	Utilization of Provisions			
11.1	The provisions allocated had been spent without exceeding the limit	Complied		
11.2	The liabilities not exceeding the provisions that remained at the end of the year as per the FR 94(1)	Complied		

No.	Applicable Requirement	Compliance Status (Complied/Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
12	Advances to Public Officers Account			
12.1	The limits had been complied with	Complied		
12.2	A time analysis had been carried out on the loans in arrears	Complied		
12.3	The loan balances in arrears for over one year had been settled	Complied		
13	General Deposit Account			
13.1	The action had been taken as per F.R.571 in relation to disposal of lapsed deposits	Complied		
13.2	The control register for general deposits had been updated and maintained	Complied		
14	Imprest Account			
14.1	The balance in the cash book at the end of the year under review remitted to TOD	Complied		
14.2	The ad-hoc sub imprests issued as per F.R. 371 settled within one month from the completion of the task	Complied		
14.3	The ad-hoc sub imprests had been issued exceeding the limit approved as per F.R. 371	Complied		
14.4	The balance of the imprest account had been reconciled with the Treasury books monthly	Complied		
15	Revenue Account			
15.1	The refunds from the revenue had been made in terms of the regulations	Complied		
15.2	The revenue collection had been directly credited to the revenue account without credited to the deposit account	Complied		
15.3	Returns of arrears of revenue forward to the Auditor General in	Complied		

No.	Applicable Requirement	Compliance Status (Complied/Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
	terms of FR 176			
16	Human Resource Management			
16.1	The staff had been paid within the approved cadre	Complied		
16.2	All members of the staff have been issued a duty list in writing	Complied		
16.3	All reports have been submitted to MSD in terms of their circular no.04/2017 dated 20.09.2017	Complied		
17	Provision of information to the public			
17.1	An information officer has been appointed and a proper register of information is maintained and updated in terms of Right to Information Act and Regulation	Complied		
17.2	Information about the institution to the public have been provided by Website or alternative measures and has it been facilitated to appreciate / allegation to public against the public authority by this website or alternative measures	Complied		
17.3	Bi- Annual and Annual reports have been submitted as per section 08 and 10 of the RTI Act	Complied		
18	Implementing citizens charter			
18.1	A citizens charter/ Citizens client's charter has been formulated and implemented by the Institution in terms of the circular number 05/2008 and 05/2018(1) of Ministry of Public Administration and Management	Partially Complied	Preparing Citizen charter was delayed due to the COVID	Citizen charter has been prepared in January 2021

No.	Applicable Requirement	Compliance Status (Complied/Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
18.2	A methodology has been devised by the Institution in order to monitor and assess the formulation and the implementation of Citizens Charter / Citizens client's charter as per paragraph 2.3 of the circular	Partially Complied	Preparing Citizen charter was delayed due to the COVID	Citizen charter has been prepared in January 2021
19	Preparation of the Human Resource Plan			
19.1	A human resource plan has been prepared in terms of the format in Annexure 02 of Public Administration Circular No.02/2018 dated 24.01.2018.	Partially Complied	The completion of the preparation of human resource plan has been delayed due to the COVID 19 pandemic	Actions has been taken to prepare and complete the Human Resource Plan in 2021 with the inclusion of new cadre
19.2	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan	Partially Complied		
19.3	Annual performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid Circular	Partially Complied		
19.4	A senior officer was appointed and assigned the responsibility of preparing the human resource development plan, organizing capacity building programs and conducting skill development programs as per paragraph No.6.5 of the aforesaid Circular	Partially Complied		
e20	Responses Audit Paras			
20.1	The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified	Compiled		