

Secretaries to Ministries,  
Chief Secretaries,  
Heads of Departments,  
Government Agents,  
Divisional Secretaries.

**FUNDING, ACCOUNTING AND REPORTING PROCEDURES**  
**FOR DIVISIONAL SECRETARIATS**

In the estimate of expenditure for 1992, financial provision has been made in respect of the following functions of Government under the respective Ministries and Departments of Government :-

- i. Pensions
- ii Food Stamps
- iii Janasaviya
- iv School Mid-day Meal

These functions are to be decentralised to the Divisional Secretariats by the end of the year. According to public Administration Circular No. 21/92 of 21.05.99, a pilot Divisional Secretariat Offices in each District will be commissioned shortly.

02. In view of the fact that it is not feasible to introduce any new system of accounting and reporting in the middle of the financial year for the Divisional Secretaries to function fully independently within the existing structure itself, it has been decided to retain the existing accounting and reporting system provided in the 1992 Estimates. But to implement and execute the decentralized functions at the Divisional Secretariat Level certain administrative arrangements have been designed.

03. For this purpose the Treasury will continue to release funds to the Kachcheries which will disburse these moneys on an imprest system to the 22 pilot Divisions identified in each District and account for them through the monthly Kachcheri Accounts prepared from information and documentation provided by the Divisional Secretariats to the Kachcheri. Accordingly, the interim measures prescribed for the rest of the financial year 1992 will be as follows:-

- (i) Money will be provided to the Divisional Secretariats through three channells:-
  - (a) Government Agents
  - (b) Chief secretaries
  - (c) Government Departments/Ministries

- (ii) The Government Agents and Chief Secretaries will release monthly to the Divisional Secretaries, allocations under each of the expenditure items coming within their purview and for which funds are release from the Treasury and the provincial Councils as the case may be, together with a cheque for the commitment for that month. The unspent balance if any on each imprest issued should be refunded to the source when documenting the expenditure on the imprest.
- (iii) The Divisional Secretary should also account for all moneys received by him from any other source to the respective source which provided the money.
- (iv) To give effect to this proposal, two Bank Accounts should be opened for each of the Divisional secretaries and two separate Cash Books for each of the two Bank Accounts should be maintained at the Divisional Secretaries as follows:-
- (a) Expenditure and Decentralised functions Bank Account No. 1 and Cash Book no. 1
- (b) Expenditure on devolved functions (Accountable to the Chief Secretary) - Bank Account no. 2 and Cash Book No. 2
- (c) Treasury will authorise for each Divisional Secretary a Bank account at the nearest Branch of the Bank of Ceylon or the People Bank for decentralised functions. The Bank Account for devolved functions should be opened with the approval of the Chief Secretary.
- (v) All Revenue collections should be credited to the relevant Bank Account and remitted weekly intact either to the G.A. or the chief Secretary of the PC as the case may be The weekly statement should indicate details of Revenue Heads etc. to which the moneys are credited.
- (vi) The funding agents will account for the money released to the Divisional Secretary as Follows:-

Reporting/Accounting

Funding Agent

- (a) Govt.Agent - The Divisional Secretary should forwarded paid documents with an account of the imprest indicating the details of Expenditure-Head, Programme ,Project, Object Code and Details etc. and the amounts under each of the Object details and the amount of Cash balances if any within the first 07 working days of the following month to the Govt.Agent who will account for the expenditure through his monthly accounts to the Treasury.
- (b) Chief Secretary -The Divisional Secretary will report to the chief secretary of the province who will account for the expenditure as per procedure laid down by the Governor of the Province.
- (c) Other Heads of Depts. - The Divisional Secretary should forward paid Documents with an account of the imprest indicating the details of expenditure Head, Programme, Project, Object Code, and Details etc. and the amounts of cash balances if any to the Government Departments who will account for the expenditure through his monthly summery to the Treasury.

04. Application to open Bank Accounts for Decentralized functions should be forwarded to the Treasury through this Ministry in terms of F.R. 381.

05. The Divisional Secretariats should follow the Govt. Financial Regulations Establishment Code and other provisions laid down by this Treasury and Governors of the Provincial Councils from time to time, until a separate financial manual is prescribed.

06. This Circular is issued with the concurrence of the Treasury.  
Sgd.

Perakum Wijesinghe  
Acting Secretary  
Ministry of Public Administration  
Provincial Councils & Home Affairs

Independence Square  
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