

My No: III/0266/2/68/L/HA-94(2)
Ministry of Public Administration,
Home Affairs, Plantation Industries and
Parliamentary Affairs,
Independence Square,
Colombo 07.

16th December, 1994.

To all Secretaries
and Heads of Departments,

**Recovery of Instalments of Lady Lochore Loan
Fund**

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The Managing Trustee of the Lady Lochore Loan Fund has informed me through the Ministry of Finance that monthly instalments of Loans were not being regularly paid to the Fund by some Ministries, Departments, Corporations, Boards and Local Government Institutions. Administrative Regulations and Financial Regulations should be followed in recovering loans in transfers, retirement, resignation and vacation of posts etc. Your attention is also drawn to section 1:6, 4:2:4, 4:2:5 and 4:5 of Chapter XXIV of the Establishments Code, the Treasury Circular No. CD 41 of 26.07.1974 and to the Public Administration Circular No. 11 of 24.10.1970. Where the Director of Pensions is mentioned in above sections of the Establishments Code it should be understood as the Director of Pensions or the authority who pays pensions and action should be taken accordingly.

02. i. When an officer who has obtained a loan from this Fund is transferred, the loan particulars should be reported to the Department he/she has been transferred and to the administrator of the Fund.
- ii. When a Public Officer who has obtained a loan from the Fund informs of his retirement, the Head of Department should inform it immediately to the Administrator of the Fund and the outstanding amount should be indicated in the application of the pension or gratuity to enable the Director of Pensions the authority who pays pensions to deduct the same from the officer.
- iii. When an officer who obtained a loan from the Fund Resigns, vacates the post, has been dismissed or vacates the service in any other manner, it should be reported immediately to the Administrator of the Fund along with all other particulars.

03. Recovery

1. The certifying officers should ensure that the outstanding amount to the Lady Lochore fund is fully recovered before the payment of pension gratuity, any amount to be paid from the Provident Fund or unpaid salary and before recommending to refund any security or any payment that is due to any officer. If the certifying officer fails to adhere to these instructions the outstanding balance due from the officer may be recovered from the certifying office.

- ii. If any financial loss to the Fund or failure to recover any loan by the Fund has been caused due to the negligence of an officer to follow the instructions, such amount has action also may be taken against that officer for not following these instructions.

Sgd. R.S. Jayarante
Secretary
Ministry of Public Administration,
Home Affairs, Plantation Industries
and Parliamentary Affairs.