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BUDGET CIRCULAR NO. : 06/2022

All Secretaries to Ministries
Chief Secretaries of Provincial Councils
Heads of Departments
District Secretaries
Heads of Statutory Boards

Authorization for Incurring Expenditure under the Revised Estimates 2022, Reporting and Accounting of Expenditure for the Year 2022

Appropriation Act for the Fiscal Year 2022

The Appropriation (Amendment) Act No. 21 of 2022 was passed at the Parliament on 02.09.2022, amending the Appropriation Act No. 30 of 2021 by which approval had been granted to incur expenditure in the fiscal year 2022.

2. Further, in terms of the provisions of Article 150(1) of the Constitution, the Minister of Finance has signed the relevant warrants in order to incur the expenditure according to the Appropriation (Amendment) Act No. 21 of 2022.

3. Accordingly, the relevant authority should be quoted on the documents related to the Fiscal Year 2022 after 12.09.2022, as follows.

In case of General Public Services	-	General Warrant No. 4 of 2022
In case of Special Law Services	-	Special Law Warrant No. 4 of 2022
In case of Advance Account Activities	-	Advance Warrant No. 4 of 2022

4. The Expenditure Estimates for the year 2022 mentioned in the Appropriation (Amendment) Act No. 21 of 2022 have been formulated by making the following adjustments to the Appropriation Act No. 30 of 2021.

- I. Inclusion of provisions of Rs. 695 Billion in the Revised Budget Estimates 2022 which was included in the Supplementary Estimates approved by Parliament on 08.06.2022.
- II. Making necessary adjustments to exclude Rs. 300 billion that was frozen out of the provisions of Appropriation Act No. 30 of 2021 pertaining to the projects that may be considered to be of less priority/expenditure that are difficult to be incurred upon practical reasons, by removing the respective provision made to each Expenditure Head and vote particulars .
- III. Inclusion of additional allocations provided in terms of the section 6(1) of the Appropriation Act during the period from 01.01.2022 to 15.07.2022, in to the Revised Budget Estimates 2022 under the relevant vote particulars.
- IV. Making necessary adjustments in relation to the transfer of provisions made under "Financial Regulations 66 -Virement Procedure" through ITMIS system during the period from 01.01.2022 to 15.07.2022, in to the Revised Budget Estimates 2022 as appropriate.
- V. Inclusion of a certain amount of provisions for the expenditure further required for the year 2022, in to the Revised Budget Estimates 2022 in line with the inflation and other requirements.
- VI. The Ministerial structure that existed when the Appropriation Act No. 30 of 2021 was passed, has changed at present and the Revised Budget 2022 formulated as above has been structured in terms of the Ministerial structure as at the date on which the Revised Budget 2022 was passed in Parliament. Accordingly, the budgetary provisions pertaining to the State Ministries and Cabinet Ministries that were abolished have been included under the Expenditure Heads of the new Ministries assigned with the subjects thereof. The projects pertaining to the said abolished Ministries have been indicated in the Estimates in a manner that they can be identified separately.

5. Accordingly, it is emphasized that the expenditure limits applicable to the entire Fiscal Year 2022 should be consistent with the Appropriation (Amended) Act No. 21 of 2022 and the Revised Budget Estimates. The additional allocations provided in terms of the section 6(1) of the Appropriation Act and the transfers of financial provisions made under "Financial Regulations 66 -Virement Procedure" during the period from 01.01.2022 to 15.07.2022 are included in the Revised Budget Estimates, and therefore, they should be considered to have been abolished.

Implementation of the Revised Budget Estimates 2022 through the ITMIS (Integrated Treasury Management Information System)

6. Due to technical limitations, "Chart of Accounts" in the detailed Revised Budget Estimates 2022, could only be executed with effect from 01.10.2022 through ITMIS. Therefore, release of imprest and reporting of transactions should be executed without exceeding the limits of the each object code in Revised Estimates 2022, using previously existed corresponding vote particulars.

7. In the event where the Third Quarter Ceilings are inadequate to incur the essential expenditure, requests should be made immediately to the Department of National Budget through the Chief Accounting Officer, in order to make the required amendments. In instances where there is no corresponding vote particulars such as "Budget Proposals", a suitable alternative arrangement could be made after discussing with the Department of National Budget.

Reporting and Accounting of Expenditure

8. In preparing the Annual Financial Statements 2022, the expenditure incurred during the period of 01.01.2022 to 30.09.2022 under the vote particulars pertaining to the Appropriation Act No. 30 of 2021 should be reported under the corresponding vote particulars in the Revised Budget Estimates 2022, as per instruction of this circular.

9. Column 1 of Annexure I hereto illustrates the Expenditure Heads contained in the Revised Budget Estimates 2022. The vote particulars mentioned in the initial Budget Estimates 2022 corresponding with the vote particulars in column 2 under the aforesaid Expenditure Heads (Revised Budget) are indicated in column 3. Accordingly, the expenditure reported under the vote particulars in column 3 from 01.01.2022 to 30.09.2022 should be "credited" to the new corresponding vote particulars in Column 2 before 31st October 2022 through journal entries. It is emphasized that the Account Summaries for the month of October should be reported after making such adjustments.

10. Budgetary Ceilings will be included in the ITMIS System by the new Expenditure Heads and new vote particulars from 01.10.2022. Accordingly, it will enable the reporting of expenditure for the remaining period of the year, under new Expenditure Heads and new vote particulars.

Expenditure related to New State Ministers

11. State Ministers have been appointed with effect from 08.09.2022 and it has been informed by the Circular Letter No. PS/CSA/00/1/4/12 dated 09.09.2022 issued by the Secretary to the President that, it is not intended to assign separate Expenditure Heads for State Ministers at this juncture. Accordingly, the expenditure regarding State Ministers should be covered by utilizing the provisions allocated under each new Cabinet Ministry appropriately, as far as possible. If it is unable to do so, required additional allocations should be requested from the Department of National Budget. Incurring relevant expenditures should be in compliance with the Circular Letters no. PS/CSA/00/1/4/1 dated 09.09.2022 and no. PS/CSA/00/1/4/12 dated 12.09.2022 issued by the Secretary to the President.

12. If any issue or ambiguity arises in making these adjustments, further clarifications could be obtained from the Officers-in-Charge of the subjects in the Department of National Budget or through the Telephone no. 011-2484681.

Release of Imprest

13. The Treasury will release imprest based on the Revised Estimates 2022 in the remaining period of the year. Instruction on calculation of the limits of imprest from 01.10.2022 onwards, will be issued by the Department of Treasury Operations in due course. Until then, the method which is being followed at present should be continued.

Advance Account Activities

14. The Third Schedule containing the limits of Advance Accounts authorized by the Appropriation Act No. 30 of 2021 has been replaced by the Appropriation (Amendment) Act No. 21 of 2022. Action has been taken to absorb the Advance Account limits pertaining to the Ministries that were abolished, in to the limits related to the corresponding new Ministries in line with the adjustments stipulated in Annexure I. Accordingly, the limits related to Advance Account activities for the year 2022 should be executed subject to the limits set out in the Part

III of the Revised Budget Estimates 2022 and/or Schedule III of the Appropriation (Amendment) Act No. 21 of 2022.

15. In accounting, the balances of the Advance Accounts related to the completely abolished Ministries should be transferred to the relevant new Ministries without leaving any balance. In the event where a particular Ministry is abolished and its functions are assigned to two or more new Ministries, the relevant loan balances should be transferred in compliance with the exchange of staff between the Ministries and the Department of State Accounts should be informed before 15th of November 2022. Responsibility of settlement of Advance Accounts is assigned to the Chief Financial Officer/Chief Accountant of the Expenditure Head abolished. Instructions regarding any issue that arises in settling Advance Accounts, could be obtained from the Department of State Accounts through Telephone No. 011-2484733 or 011-2484826.

16. If acting as aforesaid leads to any requirement for amendment of the limits set out in Public Officers' Advance "B" Accounts under new Expenditure Heads, the requests for amendment should be immediately submitted to the treasury, in accordance with the due procedure, before 31.12.2022.

17. Further, it is strictly emphasized that the Department of National Budget plans to obtain the parliament approval before 28.02.2023, enabling to make necessary amendments in the Annual Final Account 2022. Therefore, any request to revise the limits of Advance Accounts should be submitted to the Cabinet of Ministers or to the Treasury, before 31.12.2022 as appropriately.

Approved Imprest Accounts and Official Bank Accounts

18. The responsibility of closing the dormant official bank accounts and approved imprest accounts relevant to the abolished Expenditure Heads is hereby assigned to the Chief Financial Officer/Chief Accountant who served in the abolished Ministries. If any further instruction is required in this regard, the Director (Consolidated Fund Management) of the Department of Treasury Operations should be contacted through the Telephone No. 011-2484738.

Deposit Accounts

19. In the event where a particular Ministry is abolished and its functions are assigned only to one Ministry, the deposit accounts under the abolished Ministry shall be transferred to the respective new Ministry under the same account number. In the case where a particular Ministry is abolished and its functions are assigned to several other Ministries, the deposit accounts of the abolished Ministry should be transferred under the same account numbers to the respective new Ministry to which most of the functions of the abolished Ministry is assigned. Subsequently, in case of any deposit balance pertaining to the other Ministries assigned with the functions of the previous Ministry, such balance should be transferred by journal entries. The relevant journal entries and individual balances should be submitted to the Department of State Accounts before 31.10.2022. Accordingly, the Chief Financial Officers/Chief Accountants of the Ministries then prevailed are held responsible for transferring the balances to be carried forward to respective new Ministries and duly closing the accounts of abolished Ministries appropriately. The Chief Financial Officers/Chief Accountants of the new Ministry is held responsible of undertaking such balances. Further instructions required in this regard could be obtained by contacting the Department of State Accounts through the Telephone No. 011-2440857.

Transfer of Non-Financial Assets

20. Action should be taken in the following manner with regard to non-financial assets under abolished Expenditure Heads;

- i. Non-financial assets accounted under the completely abolished Expenditure Heads should be transferred to the respective Expenditure Head/Heads of new Ministry/Ministries in line with the assignment of functions.
- ii. Even though the Expenditure Head of a particular Ministry remains unabolished, when a part of its functions is assigned to one or several other Expenditure Head/Heads, the non-financial assets should also be transferred to the new Expenditure Head/Heads, in accordance with the assignment of functions.

21. When taking actions as above mentioned, the relevant officers of the Expenditure Head which held the assets, should proceed with the consent of the relevant officers of the Expenditure Head to which the assets are transferred. The relevant officers of the Expenditure Head to which the assets are transferred should ensure that the transferred assets are duly accounted under their Expenditure Head.

22. Transfer of assets should be done based on the individual balances in the non-financial assets ledger. Submitting a soft copy, containing the individual balances along with the journal entries to the Department of State Accounts before 30th of November would make the relevant transfer of assets easy.

23. If any non-financial asset which has not been accounted so far is to be transferred, the relevant officers of the Expenditure Head which held the assets are responsible to provide the particulars of such assets to the officers of the Expenditure Head to which the assets are transferred. Further, the relevant officers of the Expenditure Heads to which the assets are transferred are obliged to duly account such assets under their respective Expenditure Heads.

Unsettled liabilities

24. Action should be taken to transfer the commitments and liabilities of the abolished Expenditure Heads as at 30.09.2022, in line with the transfer of budgetary provisions of new Expenditure Heads. When utilizing the provisions pertaining to assigned functions, priority should be given to settling liabilities.

Work done and Rent Advances

25. Already opened Work done and Rent Advance Accounts with recoverable balances, remaining under the abolished Expenditure Heads, should be transferred to the Expenditure Heads to which the functions of the abolished Expenditure Heads were assigned. In the event where only certain functions of an Expenditure Head are assigned to another Expenditure Head without abolishment of the Expenditure Head, the transfer of Work done and Rent Advance Accounts should be done in line with the assignment of functions. This procedure should be completed before 30th of November 2022.

26. Accordingly, the journal entries required for the transfer of the balance of Work done and Rent Advance Accounts should be submitted to the Department of State Accounts by the Expenditure Heads which held the accounts. Separate account numbers should be obtained by the Expenditure Heads (to which the said Advance Account balances are transferred), from the Department of State Accounts, for the purpose of accounting of the said balances.

27. Instructions required regarding the transfer of non-financial assets and the accounting of Work done and Rent Advance balances could be obtained by contacting the Department of State Accounts through the Telephone No 011-2484733.

Annual Statements of Accounts 2022

28. Annual Financial Statements for the year 2022 should be prepared after making the necessary adjustment for the expenditure as per the above instructions while following the instructions given in the guidelines on preparation of final accounts, to be issued by the Department of State Accounts, and then submitted to the Auditor General.

Sgd./K.M. Mahinda Siriwardana

Secretary to the Treasury

Copies to:

1. Secretary to the President
2. Secretary to the Prime Minister
3. Secretary to the Cabinet of Ministers
4. Auditor General

Mapping the Provisions of the Appropriation Act No. 30 of 2021(Budget Estimates 2022) with the Appropriation Act No. 21 of 2022 (Revised Budget Estimates 2022)

1 New Expenditure Head as Per Revised Budget 2022	2 Vote Particulars as per Revised Budget 2022 (Appropriation Act No. 21 of 2022)	3 Vote Particulars as per Initial Budget 2022 (Appropriation Act No. 30 of 2021)
101	Ministry of Buddha Sasana, Religious and Cultural Affairs	
	101-01-03	101-01-03 except 101-01-03-001 (1503 & 2201) and 101-01-03-002 (1508 & 2509)
	101-01-07	401-01-01
	101-01-08	401-01-02
	101-02-09	401-02-03
102	Ministry of Finance, Economic Stabilization and National Policies	
	102-01-02 - 031	116-02-06-001
	102-01-02 - 032	116-02-06-006
	102-01-02 - 033	116-02-06-011
	102-01-02 - 034	116-02-06-014
	102-01-02	102-01-02 except 102-01-02-25 , 102-01-02-26 & 102-01-02-27
	102-02-03-12	001-02-06-19
	102-1-12	104-1-01
	102-1-13	104-1-02
	102-01-14	169-01-01
	102-01-15	169-01-02
	102-01-16	116-01-03
103	Ministry of Defence	
	103-01-13	442-01-01
	103-01-14	442-01-02
	103-01-15	442-01-04
	103-01-16	442-01-05
	103-02-17	442-02-06
	103-02-18	442-02-07
	103-02-19	442-02-08
105	Ministry of Mass Media	
	105-02-04 - 009 (1503 & 2201)	101-01-03-001 (1503 & 2201)
	105-02-04 - 010 (1508 & 2509)	101-01-03-002 (1508 & 2509)
110	Ministry of Justice, Prisons Affairs and Constitutional Reforms	
	110-01-06	418-01-01
	110-01-07	418-01-02
111	Ministry of Health	
	111-01-02- 016 - (1503/1509/2201)	441-02-03-001 (1503/1509/2201)
	111-02-14 - 2509	441-02-03-2509
	111-02-14 - 043	441-02-03-005
	111-01-11	416-01-01
	111-01-21	416-01-02
	111-02-19	416-02-03
	111-01-22	423-01-01

New Expenditure Head as Per Revised Budget 2022	Vote Particulars as per Revised Budget 2022 (Appropriation Act No. 21 of 2022)	Vote Particulars as per Initial Budget 2022 (Appropriation Act No. 30 of 2021)
	111-02-25	423-01-02 , 423-02-03
	111-01-23	441-01-01
	111-01-24	441-01-02
112	Foreign Minister	
	112-02-02	112-02-02 except 112-02-02-005
	112-01-04	419-01-01
	112-02-05	419-01-02
116	Ministry of Trade ,commerce and Food Security	
	116-2-05- 09	426-2-3-10
	116-1-07	438-1-01
	116-1-08	438-1-02
	116-2-09	438-2-03
	116-2-06	116-2-06 except 116-02-06-001, 116-02-06-006, 116-02-06-011 & 116-02-06-014
117	Ministry of Transport and Highways	
	117-01-18	435-01-01
	117-01-19	435-01-02
	117-01-20	114-01-01
	117-01-21	114-01-02
	117-01-22	436-01-01
	117-01-23	436-01-02
	117-02-24	435-02-03
	117-02-25	114-02-03
	117-02-26	114-02-04
	117-02-27	436-02-03
118	Ministry of Agriculture	
	118-01-18	407-01-01
	118-01-19	407-01-02
	118-02-20	407-02-03
	118-01-21	426-01-01
	118-01-22	426-01-02
	118-02-23	426-02-03 except 426-2-3-10
	118-01-24	427-01-01
	118-01-25	427-01-02
	118-02-26	427-02-03
119	Ministry of Power & Energy	
	119-1-3	406-1-2
	119-1-4	115-1-1
	119-1-5	115-1-2
	119-1-11	406-1-1
	119-2-7	406-2-3
122	Ministry of Tourism and Lands	
	122-01-04	159-01-01
	122-01-05	159-01-02
	122-02-06	159-02-03
123	Ministry of Urban Development and Housing	
	123-1-8	411-1-1

New Expenditure Head as Per Revised Budget 2022	Vote Particulars as per Revised Budget 2022 (Appropriation Act No. 21 of 2022)	Vote Particulars as per Initial Budget 2022 (Appropriation Act No. 30 of 2021)
	123-1-9	411-1-2
	123-2-10	411-2-3
	123-1-12	415-1-1
	123-1-13	415-1-2
	123-1-14	415-1-3
	123-2-15	415-2-4
	123-1-16	417-1-1
	123-1-17	417-1-2
	123-2-18	417-2-3
	123-1-19	443-1-1
	123-1-20	443-1-2
	123-2-21	443-2-3
126	Ministry of Education	
	126-1-02	126-1-02 & 403-1-05
	126-2-03	126-2-03 & 403-2-06
	126-2-05	126-2-05 & 422-2-03
	126-2-07	126-2-07 & 403-2-07
	126-1-12	404-1-01
	126-1-13	404-1-02
	126-1-14	422-1-01
	126-1-15	422-1-02
	126-1-16	421-1-01
	126-1-17	421-1-02
	126-1-18	421-1-03
	126-2-19	421-2-04 & 444-2-3-004 , 444-2-3-005, 444-2-3-006, 408-2-3-001
	126-2-20	421-2-05
	126-2-21	421-2-06
130	Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government	
	130-01-15	409-01-01
	130-01-16	409-01-05
	130-01-17	409-01-06
	130-01-18	420-01-01
	130-01-19	420-01-02
	130-02-20	409-02-08
	130-02-21	420-02-03
135	Ministry of Plantation Industries	
	135-02-03-018	102-01-02-26
	135-02-04-010	102-01-02-25
	135-02-03-012	102-01-02-27
	135-02-04	135-02-04 , 410-02-4 , 431-2-4 & 432-2-4
	135-01-05	410-01-01
	135-01-06	410-01-02
	135-02-07	410-02-03

New Expenditure Head as Per Revised Budget 2022	Vote Particulars as per Revised Budget 2022 (Appropriation Act No. 21 of 2022)	Vote Particulars as per Initial Budget 2022 (Appropriation Act No. 30 of 2021)
	135-01-08	431-01-01
	135-01-09	431-01-02
	135-02-10	431-02-03
	135-01-13	432-01-01
	135-01-14	432-01-02
	135-02-15	432-02-03
149	Ministry of Industries	
	149-02-03-004	439-2-3-004
	149-02-05-009	439-2-3-001
	149-02-05-001	439-2-3-003
	149-02-05-018	440-2-3-001
	149-01-08	439-01-01
	149-01-09	439-01-02
	149-01-10	408-01-01
	149-01-13	408-01-02
	149-02-14	408-02-03 except 408-2-3-001
	149-01-15	440-01-01
	149-01-16	440-01-02
151	Ministry of Fisheries	
	151-01-05	405-01-01
	151-01-06	405-01-02
	151-02-07	405-02-03
	151-02-04	405-02-04
160	Ministry of Environment	
161	Ministry of Wildlife and Forest Resources Conservation	
	161-01-04	424-01-01
	161-01-05	424-01-02
166	Ministry of Water Supply	
	166-01-14	433-01-01
	166-01-15	433-01-02
	166-02-16	433-02-03
171	Ministry of Women, Child Affairs and Social Empowerment	
	171-01-01	414-01-01
	171-01-02	414-01-02
	171-02-03	414-02-03
	171-02-07	414-02-07
	171-01-04	403-01-01
	171-01-05	403-01-02
	171-02-06	403-02-03
	171-02-08	403-02-04
	171-02-09	441-02-03 except 441-02-03-2509 and 441-02-03-005-2509
176	Ministry of Ports, Shipping and Aviation	
	176-01-06	434-01-01
	176-01-07	434-01-02
	176-01-08	437-01-01

New Expenditure Head as Per Revised Budget 2022	Vote Particulars as per Revised Budget 2022 (Appropriation Act No. 21 of 2022)	Vote Particulars as per Initial Budget 2022 (Appropriation Act No. 30 of 2021)
	176-01-09	437-01-02
	176-02-10	434-02-03
	176-02-11	437-02-03
186	Ministry of Technology and Investment Promotion	
	186-2-03- 005	444-2-3-003
187	Ministry of Investment Promotion	
	187-01-01	444-01-01
	187-01-02	444-01-02
	187-01-03	442-01-03
	187-02-04	444-2-3-001 , 444-2-3-002
189	Ministry of Public Security	
	189-01-02- 002	112-02-02-005
	189-01-04	445-01-01
	189-01-05	445-01-02
193	Ministry of Labour and Foreign Employment	
	193-01-13	412-01-01
	193-01-14	412-01-02
194	Ministry of Youth and Sports	
	194-01-11	402-01-01
	194-01-12	402-01-02
	194-02-13	402-02-01
	194-02-14	402-02-03
	194-02-15	402-02-04
198	Ministry of Irrigation	
	198-01-08	428-01-01
	198-01-09	428-01-02
	198-02-10	428-02-03
	198-01-12	429-01-01
	198-01-14	429-01-02
	198-02-15	429-02-03