

# CA



THE INSTITUTE OF  
**CHARTERED** ACCOUNTANTS OF SRI LANKA

# APFA



ASSOCIATION OF  
**PUBLIC FINANCE ACCOUNTANTS OF SRI LANKA**  
(Public Sector Wing of CA Sri Lanka)

# Annual Report 2020



**Association of Public Finance Accountants of Sri Lanka**  
(Public Sector Wing of CA Sri Lanka)

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### Dear Members

It is with pride and privilege I place before you the 9<sup>th</sup> Annual Report and Accounts of the Association of Public Finance Accountants of Sri Lanka (APFASL) for the year ended 31<sup>st</sup> December, 2020 on behalf of the Board of Management.

Year 2020 had been a year of threat from COVID 19. Despite the threat, we have been able to march forward in achieving our objectives as could be seen from this annual report.

### Our Achievements

As we are now stepping into the 10<sup>th</sup> year and it would be appropriate to look back and see the major achievements during the last 9 years in meeting our objectives.

- Launched a new professional qualification, Chartered Public Finance Accountancy (CPFA) for the public sector in collaboration with the Chartered Institute of Public Finance Accountancy (CIPFA) London. This qualification was introduced as a core qualification to the public sector to enhance the knowledge, skills and status of the Public officers. CPFA members are recognized for membership from CIPFA, London as a dual qualification under the MOU signed with them. The secretary to the Treasury having recognized this qualification, recommended to include the same similar to the Chartered Accountancy qualification in the service minutes of public sector Accountants, Auditors and Assessors as an entry qualification.
- Introduced Sri Lanka Public Sector Accounting Standards (SLPSAS) based on International Public Sector Accounting Standards (IPSAS), and conducting awareness programs to facilitate implementation of these standards to improve financial reporting. So far 20 standards have been formulated, adopted and published in three volumes jointly with the Ministry of Finance.
- Holding Best Annual report and accounts competition annually and awarding the winners.
- Conducting series of capacity development programs by way of seminars, workshops, webinars and conferences.
- Publishing a Bi-annual Newsletter containing articles and news relating to public financial management

Contd....

APFASL has also introduced a new system of accounting and reporting supported by a simplified uniform accounting standard based on SLPSAS for the Local Authorities at the request of the Ministry of Provincial councils and Local Authorities.

Currently the Association is in the process of Launching a Master's Degree in Public Financial Management for which a comprehensive proposal has been submitted to the Ministry of Higher Education for approval. Having obtained the 1<sup>st</sup> clearance, we are awaiting the formal review before granting the approval for us to proceed.

APFASL has celebrated its 4<sup>th</sup> Best Annual Reports and Accounts Awards ceremony for the public sector institutions and *the awarding of Certificate of Membership from CIPFA London for the 3<sup>rd</sup> batch at the Bandaranayake Memorial International Conference Hall on 22<sup>nd</sup> February 2021*. We proudly announce that this competition was initiated with the intention of bringing excellence in financial reporting in the public sector which has resulted in substantial improvement in the quality of annual reports and accounts of the participants.

### **Invitation to take the Association forward**

We invite all our members to actively participate in the activities conducted by APFASL and derive full benefits from the services rendered by the association. It is your continuous commitments and support that can lead the association forward.

### **Appreciation**

I would like to take this opportunity to express my sincere gratitude and appreciation to all our members, Board of Management, Council of CA Sri Lanka, the Secretary and the staff of the Association, CEO and the Staff of CA Sri Lanka and all those who have contributed to take the Association forward.

Wishing you all the best.



**V. Kanagasabapathy**

President

9<sup>th</sup> April, 2021



## 2. ABOUT OUR ASSOCIATION

### 2.1 Establishment

The Association of Public Finance Accountants of Sri Lanka (APFASL) was established on 1<sup>st</sup> January 2012 in terms of Articles of Constitution approved by the Council of CA Sri Lanka

### 2.2 Vision

Leading the way to excellence in Public Financial Management

### 2.3 Mission

Provide leadership and initiative to the members to enhance their professional status and skills thereby make a greater contribution to the Economic Development of Sri Lanka.

### 2.4 Objectives

1. Capacity building among public sector financial management professionals by launching professional qualification on public financial management and conducting professional development programmes.
2. Improving public sector financial reporting by rolling out Sri Lanka Public Sector Accounting Standards through training materials and training manuals.
3. Conducting seminars and workshops on public financial management.
4. Conducting conferences with regional participation on public sector financial reporting and public sector auditing.
5. To provide, or arrange for the provision of seminars conferences and training leading to the professional qualification of Chartered Public Finance Accountant.
6. To award scholarships, certificates and diplomas to persons who have completed the courses, and achieved proficiency.
7. To specify the qualification for membership of the Association and the standards of professional conduct to be maintained by members of the Association, and to ensure the maintenance thereof.
8. To establish and maintain libraries and documentation centers and to provide services to members in other related areas such as finance, auditing and related fields.
9. To provide a platform for Public Finance Accountants to develop their leadership and entrepreneurial skills.
10. To promote the interests, welfare, rights and privileges of the profession of Public Finance Accountants and the interest of the public in relation to that profession and of persons desiring to qualify as Chartered Public Finance Accountants.
11. To enhance the competence of members through a continuing Professional Development Programs.
12. To create opportunities for Public Finance Accountants, to build up a close relationship with the Association and its activities and also to encourage them to develop their network in the field of their own profession and other communities.
13. To conduct disciplinary inquiries related to members in case of misconduct.
14. To liaise with universities with a view to conduct programs leading to further education.

## 3. BOARD OF MANAGEMENT AS AT DATE

### President

**Mr. V. Kanagasabapathy** *MPA (Harvard), CPFA (London) FCA, FPFA, FCMA*  
Director, Hotel Developers (Lanka) PLC

### Vice President

**Mr. W.P.C. Wickramaratne** *FCA, B.Com (Hon) Sp, FCMA, FPFA*  
Auditor General

### Board Members

**Mr. Manil Jayasinghe** *FCA, FCMA(UK),CPFA(London),*  
President of CA Sri Lanka

**Mr. Sanjaya Bandara** *FCA, MBA, BSc*  
Vice President of CA Sri Lanka

**Ms. J.C.Weligamage** *CBA, DPFM, FPFA*  
Director General of Public Finance

**Mr. H.M.W.C. Bandara** *LLB, Attorney -At-Law*  
Commissioner General of Inland Revenue.

**Mr. W.A.S.Upananda** *Bsc, MSc, FCMA, CPFA*  
Director General of State Accounts

**Mr. P.A.S.A. Kumara** *Bsc, MBS, CPFA*  
Director General of Public Enterprises

**Mr. E.A.G.Ananda** *BA, PGD, DPFM, M.Com, FMAAT, CPFA*  
Former Deputy Auditor General

**Ms. M.T.I.V. Amarasekara** *BSc(Hons), MA(USA) , CIMA (UK), CPFA*  
Director, Dept.of External Resources

**Mr. D.H.D. Dharmapala** *FCA , CPFA*  
Deputy Auditor General

**Mr. R.A.L Udayakumara** *ACA, APFA, MSc, MFE*  
Director ( Acting), Dept. of Public Enterprises.

### Treasurer

**Mr. L.P. Wewalage** *ACA,APFA, BSc,*  
Assistant Director , Department of State Accounts

### Secretary

**Mr. Ananda Amarawansa** *FCA, FCMA, FPFA, CPFA (London), BA, B.Com (sp.Hons), MFE*  
Consultant, Public Sector, CA Sri Lanka

### Outgoing Member

**Mr. Nadun Guruge** *B.Com , CPFA*  
Former Commissioner General, Department of Inland Revenue.

### Member Expired

**Mr. G.D.S. Jayaratne** *B.Com. (Sp),MPM, (SLIDA),CPFA, MFE,*  
Senior Commissioner, Inland Revenue

### 3. BOARD OF MANAGEMENT AS AT DATE AND THEIR PROFILES



**Mr. V. Kanagasabapathy**  
**President**

Mr. V. Kanagasabapathy holds a Master's Degree in Public Administration from Harvard University, U.S.A. and is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka, Association of Public Finance Accountants and Institute of Certified Management Accountants of Sri Lanka. He is also a member of the Chartered Institute of Public Finance Accountants (CIPFA) London

He is presently a Director on the Board of Hotel Developers (Lanka) PLC (Fully Owned Government Company Owning Hilton Colombo). In addition he serves as a member of the University Council of Jaffna. He is the President of the Association of Public

Finance Accountants, the public sector wing of the Institute of Chartered Accountants of Sri Lanka and Past President of the Institute of Public Finance and Development Accountancy.

He serves as a Chairman of the Public Sector Accounting Standards Committee and member of the Governmental and Public Sector Enterprise Accounting Committee of the South Asian Federation of Accountants. He is also a member of the Public Sector Financial Management Committee (PSFMC) of the Confederation of Asia and Pacific Accountants (CAPA)

Mr. Kanagasabapathy was the Financial Management Advisor to the Ministry of Finance & Planning and Senior Financial Consultant of the Academy of Financial Studies. He has over forty years of service in the public sector in several senior capacities and retired as the Director General of Public Enterprises.

He served as a member of the Board of Bank of Ceylon, People's Bank, State Mortgage & Investment Bank, Merchant Bank of Sri Lanka and several other Boards of Public Enterprises. He has also served as Director/Financial Consultant of the Associated Newspapers of Ceylon Limited and Executive Director of Hotel Developers (Lanka) PLC



**Mr. W.P.C. Wickramaratne**  
**Auditor General**  
**Ex officio Member and Vice President**

Mr. Wickramaratne, is the Auditor General of Sri Lanka. He has commenced his career as an Audit Examiner in the Auditor General's Department in 1988 and left the Department in 1992 to serve as a Government Accountant for nearly one year. Later he again joined the Auditor General's Department as a Superintendent of Audit in 1992 and was appointed as Deputy Auditor General in 2007 and later on promoted to the post of Additional Auditor General. He was granted no pay leave and worked in Saudi Arabia as a Divisional Accountant in a Private Company for nearly four years. His Excellency the

President has appointed Mr. Wickramaratne to act in the post of the Auditor General for the period from 1<sup>st</sup> November 2014 to 28<sup>th</sup> November 2015. And thereafter as the Additional Auditor General until his appointment as the Auditor General in 2019.

Mr. Wickramaratne has graduated with honors from the Kelaniya University in Commerce and later qualified as a Chartered Accountant. He also holds a Diploma in Information Systems Security, Control and Audit. He is an Associate Member of the Institute of Chartered Accountants of Sri Lanka (ACA), a Qualified Accountant Member of the Chartered Institute of Public Finance & Accountancy of UK (CIPFA) and Institute of Certified Management Accountants of Sri Lanka (ACMA). He also holds Fellowship in the Institute of Financial Accountants of the United Kingdom (FFA). He is an active member of the Governing Council of CA Sri Lanka and the Public Sector Accounting Standards Committee of the Institute of Chartered Accountants of Sri Lanka and a member of the Board of Management of the Association of Public Finance Accountants of Sri Lanka, the public sector wing of the Institute of Chartered Accountants of Sri Lanka since its inception.





**Mr. Manil Jayasinghe**  
President , CA Sri Lanka.  
**Ex -officio Member.**

Mr. Jayasinghe is the President of CA Sri Lanka for the term 2020/2021 and Partner of Earnest and Young, Sri Lanka.

He is a Board Member of the South Asian Federation of Accountants (SAFA) and chairs the SAFA Accounting and Auditing Standards Committee. He also serves as a member of the SAFA Committee on Professional Ethics and Independence and also a member of the Task Force of on BASEL-II adoption in SAARC countries.

Mr. Jayasinghe is the incumbent Chairman of the Statutory Accounting Standards Committee of CA Sri Lanka and serves in many other committees including the Statutory Auditing Committee, Finance and Administration Committee as well as the Education and Curriculum Development committee.

He is also a Commission Member of the Securities and Exchange Commission (SEC), a Council Member of CMA Sri Lanka and a Board Member of the Sri Lanka Accounting and Auditing Standards Monitoring Board (SLAAMB)

Mr. Jayasinghe is a former member of the International Accounting Education Standards Boards (IAESB) of the International Federation of Accountants (IFAC)



**Mr. Sanjaya Bandara**  
Vice President, CA Sri Lanka.  
**Ex-officio Member.**

Mr. Sanjaya Bandara is the Vice President of CA Sri Lanka and Partner of B.R. De Silva & Co.

He is a member of the Board of Directors of the Confederation of Asian and Pacific Accountants (CAPA) and the technical adviser to the South Asian Federation of Accountants (SAFA)

Mr. Sanjaya Bandara serves on numerous committees of South Asian Federation of Accountants (SAFA), which includes the Education Committee, Training and CPD Committee as well as the Auditing Standards and Quality Control Committee. He also serves as a member of the Task Force established to study Sustainable Development Goals (SDGs) and the role of the accountancy profession of SAFA

He is also a Board Member of the Sri Lanka Accounting and Auditing Standards Monitoring Board (SLAASMB)

Mr. Bandara also chairs the Finance and Administration (F&A) Committee and the Board of Management of the School of Accounting and Business (SAB) of CA Sri Lanka. He is a council Member of the Association of Accounting Technicians of Sri Lanka (AAT)





**Mr. H.M.W.C. Bandara**  
Commissioner General, Department of Inland Revenue

**Ex-officio Member**

Mr. H.M.W.C. Bandara has been appointed as the Commissioner General of Inland Revenue with effect from 04<sup>th</sup> December 2020. He joined the Department of Inland Revenue in 1987 as an assessor and was promoted the positions of Senior Assessor, Deputy Commissioner, Commissioner, Senior Commissioner, Deputy Commissioner General and finally as the Commissioner General. During the last 33 years of service at the department he had participated at conglomerations of local and foreign courses, workshops and obtained vast knowledge and skills in taxation.

He received his Bachelor's degree from the University of Colombo. Then he had completed the LLB from open University and was sworn in as an Attorney -At-Law in Supreme Court.



**Ms. J. C. Weligamage**  
Director General Department of Public Finance

**Ex-officio Member**

Ms. Weligamage is a financial management professional having over 37 years of rich professional experience in Public Sector.

Ms. Weligamage joined the Public Service in 1983 as a Book Keeper at Credit Council's Department. Then she served three and half years as an Audit Examiner at Auditor General's Department and successfully accomplished audits of Mahawali Authority, Paddy Marketing Board and Colombo Municipal Council as a co-member of the audit teams. She joined the Sri Lanka Accountant's Service in 1990. After performance of duties of seven years at the Surveyor General's

Department and Textile Industries Department as an Accountant, she joined the General Treasury in 1997 and completed 23 years at the Departments of State Accounts, Treasury Operations and Public Finance holding the posts of Assistant Director, Deputy Director, Director and Additional Director General until assuming duties as the Director General of Public Finance.

She has represented the General Treasury on the Boards of several key State-owned Enterprises including Sri Lanka Ports Authority, Land Reclamation and Development Corporation, Geological Survey & Mines Bureau Technical Services (Pvt.) Ltd., Ceylon Fishery Harbours Corporation, Lanka Phosphate Limited, Lanka Mineral Sands Limited, Cey-Nor Foundation Limited, National Film Cooperation, National Engineering Research and Development Center, Archer C. Clarke Center for of Modern Technology, Skill Development Fund, Tea Shakthi Fund over past 23 years.

She was also a core team member appointed to revise the Financial Regulations (FR) of the Democratic Socialist Republic of Sri Lanka, implement the Treasury Single Accounting (TSA) System and Computerized Integrated Government Accounting System (CIGAS) - Accounting Software Package at National level in Sri Lanka during the period of year 1996 to 2015.

Having obtained the Bachelor of Commerce (Special) Degree from the University of Sri Jayewardenepura, Sri Lanka, she has obtained the fellowship of Association of Accounting Technicians of Sri Lanka, The Association of Public Finance Accountants of Sri Lanka {Public Sector wing of Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)} and The Institute of Public Finance and Development Accountancy Sri Lanka.

Further, she has undergone foreign trainings in UK, Australia, Singapore, China, Philippines, India, Japan, Malaysia and Korea in the fields of Management, Development Economics, Leadership and Information Technology. Also, she has performed as a trainer for more than two thousand accounting personals at SLIDA (Sri Lanka Institute of Development Administration) and InGAF (Institute of Government Accounts and Finance) for the implementation of CIGAS during the period of year 1996 to 2005.



### **Mr. W.A.S.Upananda**

Director General, Department of State Accounts

#### **Ex-officio Member**

Mr. Samantha Upananda is a Public Financial Management Professional having over 28 years of professional experience in Public Sector. He joined the Government Accountants' service in 1992 and has worked various Government organizations. Mr. Samantha Upananda worked as an Accountant in the Divisional Secretariat Balapitiya from 1992 to 1995 and Divisional secretariat Colombo from 1995 to 1997. He joined Department of State Accounts in 1997 as an Assistant Director and worked until 2017. During this period he developed several ICT based systems for the

Treasury including web based Accounting Publication System and he also actively participated in the development of different IT based Systems for the Government. In 2007, Mr. Samantha Upananda joined Presidential Secretariat as the Chief Internal Auditor. After working 12 years in the Presidential Secretariat, he joined Sri Lanka Parliament as the Director Finance in 2019. He has assumed duties as the Director General of Department of State Accounts, General Treasury on 1st January 2021.

Mr. Samantha Upananda was graduated from University of Sri Jayawardenepura with the Bachelor of Science (Business Administration) Special Degree with 2nd class and obtained Master's Degree in IT (MSc in IT). He also completed Post Graduate Diploma in Management, Post Graduate Diploma in IT, Diploma in Public Financial Management, Diploma in E-Government and Diploma in System Security Control and Auditing (DISSCA).

In addition, Mr. Samantha Upananda is a Member of Chartered Public Finance Accountant (CPFA) of the Institute of Public Finance and Accounts UK. He also a Fellow Member of Certified Management Accountants of Sri Lanka (FCMA) and a Fellow Member of Institute of Public Finance & Development Accountants. (FPFA) Mr. Samantha Upananda has more than 20 years of experience as a lecturer in IT, Public Procurement Management, Auditing, and Public Financial Management.



### **Mr. P.A.S. Athula Kumara**

Director General, Department of Public Enterprises

#### **Ex-officio Member**

P.A.S.Athula Kumara is an old boy of Bandaranayaka College, Gampaha and he is a Bsc Management (Public Admin.) (Special) degree holder from the University of Sri Jayawardhanapura. He obtained his Masters degree in Business Studies in the University of Colombo. Athula Kumara is a Class I Officer of Sri Lanka Accountants Service. And also he is a member of Chartered Public Accountant in the Institute of Chartered Accountants of Sri Lanka and Member of Chartered Institute of Public Finance & Accountancy, London

Having joined the Public Service in 1991 as an Audit Examiner in Auditor General's Department, he entered the Sri Lanka Accountants Service in 1992 and served as the Accountant in Lankapura Divisional Secretariat of Polonnaruwa District and in Thalawa Divisional Secretariat of Anuradhapura from 1992 – 1997. During the period of 1997 – 2005, served as an Accountant in Director's Office of Agriculture in the North Central Province and worked 2 years in the Ministry of Mahaweli, Irrigation, Rajarata Development and Agriculture in Battaramulla.

P.A.S.Athula Kumara joined the Department of Public Enterprises, Ministry of Finance in 2007 and held several positions in the Department. Currently he is working as the Director General in Department of Public Enterprises.



**Ms. M.T.I.V. Amarasekare**  
Director, Department of External Resources

**Member**

Ms. Visakha Amarasekere, Director, Department of External Resources, is at present attached to the Department of External Resources of the General Treasury of the Ministry of Finance as a Director, Capital Markets and has over 18 years of experience at the Treasury.

She has represented the Treasury on the Boards of several key State Owned Enterprises including the Bank of Ceylon, Ceylon Electricity Board, the Ceylon Petroleum Corporation and Peoples Bank of Sri Lanka and is at present on the Boards of Hotel Developers Ltd and Selendiva Investments Ltd..

Ms Amarasekere, holds a BSc (Hons) in Economics and Management (UoL UK) (2002), MA in Development Economics (2007) (Vanderbilt University USA). She is a Member of the Chartered Institute of Management Accountants (UK) and is also a Chartered Public Finance Accountant (2018).



**Mr. Dharmapala Gammanpila**  
Deputy Auditor General,

**Member**

Mr. Dharmapala Gammanpila has joined the Auditor General's Department in 1995 as an Audit Examiner and appointed as Superintendent of Audit in 2002. Later he has been appointed as Deputy Auditor General of the National Audit Office of Sri Lanka. At present he is the in-charge of the State Owned Companies and City Planning and Water Supply Sector.

He holds a Master's Degree in Public Administration from University of Kelaniya, and is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka, Associate Member of Public Finance Accountants and Certified Management Accountants of Sri Lanka and also Senior member of the Association of Accounting Technicians of Sri Lanka.





**Mr. E.A.G. Ananda**  
Retired Deputy Auditor General

**Member**

Mr. E.A.G. Ananda was a Deputy Auditor General in the Auditor General Department of Sri Lanka at the time of his retirement. He had been working in the Department 39 years and the last he was in charge of audit of the institutions under Education, Higher Education and Water Sector. Mr. Ananda obtained his undergraduate degree and Post Graduate Diploma in Accounting and Financial Management from the

University of Sri Jayawardanapura and Diploma in Public Finance Management from the Sri Lanka Institute of Development Administration. He has also obtained the Master of Commerce by Research degree from the La Trobe University, Melbourne, Australia. He is a Chartered Public Finance Accountant, Associate Member of the Association of Public Finance Accountants of Sri Lanka and a Fellow Member of the Association of Accounting Technician of Sri Lanka.

During the period of service in the Auditor General Department he has attended several training programmes and seminars held in various countries such as Australia, Russia, Turkey, Brazil, Indonesia, India and Malaysia on Value for Money, Auditing, Environmental Auditing, Public sector Accounting and Financial Management and Performance Auditing etc.



**Mr. R.A.L Udayakumara**  
Director, Department of Public Enterprises.

**Member**

Mr. Udaya Kumara, Director Department of Public Enterprises has more than 10 years experience in the General Treasury engaging with monitoring of major State Owned Enterprises.

He has also served and been serving as a board member of State Owned Enterprises including ETF, Coconut Research Institute, Selendiva Investment Ltd and Sri Lanka Handicraft Board etc.

He holds MSc in Financial management (2007), Master of Financial Economics (2016) and successfully completed the Capital Markets program of George Washington University (2019), USA. He is also an Associate member of the Institute of Chartered Accountants of Sri Lanka.





**Mr. L.P. Wewalage**

Assistant Director , Department of State Accounts

**Member and the Treasurer**

Mr. Lahiru Wewalage joined Sri Lanka Accountants' Service in 2015 and at present attached to the Department of State Accounts of the General Treasury of the Ministry of Finance. He is working as Assistant Director in ITMIS, Financial Information and Reporting Division and has over 04 years of experience at the Treasury.

Mr. Wewalage is an Associate member of the Institute of Chartered Accountants of Sri Lanka (ACA) and Associate member of the Association of Public Finance Accountants of Sri Lanka (APFA). He holds a Bachelor of Science in Accounting (Special) Degree (Second Class Upper division) awarded by Faculty of Management Studies and Commerce of University of Sri Jaywardenepura, Sri Lanka in 2011.



**Mr. Ananda Amarawansa**

Consultant - Public Sector, CA Sri Lanka

**Member and the Secretary**

Mr. W.M.Ananda Amarawansa joined the Sri Lanka Accountants Service in 1982 and assumed his duties at then Department of Telecommunication. He was transferred to the General Treasury in 1992 and promoted as a Deputy Director, Public Enterprises. He got his premature retirement from Government Accountant service in 1997 . Thereafter , he served as a finance Manager in various non governmental

institutions and as a national and international finance expert and a consultant in donor funded projects and reform specialist in local government sector also. He under took the position of Public Sector Consultant at CA Sri Lanka in 2017 after the retirement of Mr. K.L.Perera and became as the Secretary of the APFASL too.

Mr. Ananda Amarawansa holds a Bachelor of Arts and Bachelor of Commerce( Special) Honor degrees from the University of Sri Jayawardanapura and post graduate degree in financial economics from the University of Colombo and he is a fellow member of the Institute of Chartered Accountants of Sri Lanka , Certified Management Accountants of Sri Lanka and the Association of Public Finance Accountants of Sri Lanka . He is also a member of the Chartered Institute of Public Finance Accountancy (CIPFA) UK.

## 4. REPORT OF THE BOARD OF MANAGEMENT

### 4.1 Introduction

The Board of Management is pleased to submit its report as follows .

### 4.2 Membership of the Association



Our members serve in Government Institutions, Provincial Councils, Local Authorities and State Owned Enterprises as financial management personnel in various capacities. We have enrolled 20 members during the year representing 8 Fellow Members and 12 Associate Members . Compared to the last year, the number of members increased by 20

Members Distribution	2020	2019
Govt. Ministries	129	127
Govt. Departments	231	229
Dist. and Div. Secretaries	217	213
Provincial Councils	29	29
Local Authorities	22	22
State Owned Enterprises	277	267
Auditor General's Department	102	100
Department of Inland Revenue	108	108
Retired members	101	101
Direct CPFA Members From CA	17	17
<b>Total members</b>	<b>1233</b>	<b>1213</b>

Composition of the membership as at 31<sup>st</sup>.12.2020

- Associate 397
  - Fellow 580
  - CPFA 256
- 
- 1233**

## 4.3 Organization and Staff

- The management of the affairs of your Association is vested in the Board of Management appointed in terms of the Articles of Constitution.
- The Association is managed under the directions of the Board of Management by a Technical Manager, Administrative Assistant and a Programme Assistant under the supervision of the Secretary.
- Secretary, APFASL co-ordinates the activities of the association and functions as the Head of the management team while serving as the Consultant –Public Sector wing of CA Sri Lanka.
- Consultant -Public Sector as the Secretary together with a Technical Manager are appointed by CA Sri Lanka.

## 4.4 Governance and Accountability

Board of Management is responsible for Governance and Accountability . It normally meets regularly. However in view of the country situation prevailed , there had been only 4 meetings held during the year 2020. It operates as an independent body under the purview of CA Sri Lanka in terms of the Articles of Constitution. It prepares separate set of Accounts and is audited by a qualified Chartered Accountant appointed at the Annual General Meeting.

## 4.5 Taking leadership in strengthening public financial management practices.

Year 2020 had been a restricted period for the normal activities due to COVID 19 pandemic. Despite the restrictions, the association has undertaken following professional development activities in strengthening public financial management practices in the country.

### (i) Implementation of Public Sector Accounting Standards (SLPSAS) and Financial Reporting

It is apparent that the application of accounting standards and best practices in the accounting and auditing fields is proliferating within the public sector. An enabling environment has been created by the APFASL by conducting various awareness programmes and discussions with public sector institutions. Especially , APFASL has been very much concerned about implementation of simplified Public Sector Accounting Standard for Local Authorities at provincial level. As per the Circular issued by His Excellency President, provincial councils are gradually taking steps to implement the standard at provinces from 2020 onwards. Implementation problems faced by them were referred to APFASL for explanatory guidance which was regularly attended as needed. Our members trained at the trainers' training programme to assist the Local Authorities to comply with the standard and prepare financial statements in simplified manner.



**(ii) Assistance to Co - Operative sector and public enterprises.**

The Department of Co-operative Development has sought assistance from APFASL to streamline accounting and financial reporting on accrual basis at co-operative societies and for enhancing the audit skills of cooperative auditors by conducting workshops and awareness programmes .

In this regard, APFASL has initiated several preliminary programmes in 2019 to gain a thorough understanding on the sector's requirements and expected to complete the task in 2020. However, due to the country situation plan was not implemented in full strength. Other than to the Preparation of Audit manual and training of audit staff thereon , preparation of comprehensive accounting manual, as per the LKAS and SLFRS , has been almost completed in the year 2020 and training to commence in 2021.

As an initiations on demand of the public enterprises, APFASL has taken steps to train the staff of public enterprises on procurement procedures and accrual based accounting. Programmes were successfully conducted for CTB staff from all over the island in Colombo coordinating with the head office. This will be a continuous process in 2021 as well.

**(iii) Fourth Best Annual Reports and Accounts Awards Competition:**

Having Committed to infuse excellence in financial reporting by preparing and presenting financial statements in compliance with the Sri Lanka Public Sector Accounting Standards, Despite the country situation , APAFSL has organized the Best Annual Reports and Accounts Awards competition for the fourth time for the benefit of the public sector and completed the works in 2020 , but award ceremony had to be postponed due to COVID 19 restrictions and held in the year 2021. Overall, 24 public sector organizations were honoured at the awards ceremony held on 22<sup>nd</sup> February 2021 at BMICH Colombo, under the patronage of Hon. Ajith Nivard Cabraal State Minister of Money, Capital Market and State Enterprises Reform , Secretary to the Treasury and the Secretary to the Public Services , Provincial Councils & Local Governments. APFASL observed tremendous improvements in the preparation of quality annual reports and the increasing number of participants at the competition, as a results of an awareness programmes and the guidelines issued in this regard.

The main objective of the competition is to improve the quality of annual reports and bring excellence in financial reporting in the public sector, thereby helping improve transparency and accountability of ministries, departments, statutory boards, provincial councils local authorities and foreign funded projects.



## Awards made under each category 2020

Winner	1 <sup>st</sup> Runner up	2 <sup>nd</sup> Runner up
<b>Universities</b>		
Buddhist and Pali University of Sri Lanka	University of Sri Jayawardenepura	University of Colombo
<b>Statutory Boards</b>		
Employee Trust Fund Board	Coconut Cultivation Board	State Pharmaceuticals Manufacturing Corporation of Sri Lanka
<b>Research Institutes</b>		
Coconut Research Board	National Science Foundation	National Engineering Research and Development Center of Sri Lanka
<b>Ministries</b>		
Ministry of Road and Highways		
<b>Departments</b>		
Sri Lanka Air Force	National Intellectual Property Office of Sri Lanka	Department of Buddhist Affairs
<b>Provincial Councils</b>		
Office of the Chief Secretary - North Central Province	Chief Secretary's Secretariat - Northern Province Council	Chief Secretary's Office - Southern Province
<b>Urban Councils</b>		
Urban Council - Balangoda	Urban Council - Kalutara	Urban Council - Mannar
<b>Municipal Councils</b>		
Dehiwala-Mount Lavinia Municipal Council	Colombo Municipal Council	
<b>Pradeshiya Sabhas</b>		
Karuwalagaswewa Pradeshiya Sabha	Nattandiya Pradeshiya Sabha	Puttalam Pradeshiya Sabha

Another improvement was the encouragement of Provincial Annual Reports and Accounts competition among local authorities. APFASL has undertaken to evaluate these reports to encourage them further at the request of the North Central Province which is the pioneer of this activity.

**4<sup>th</sup> Best Annual Report and Accounts Award Ceremony 2020 at BMICH**



**Chief guests and the speakers at the ceremony**



**Overall Winners & The Guests**



**Winners**



**Runners up**



**Audience**

#### **(iv) CIPFA (London) Recognized our CPFA Qualification**

CA Sri Lanka together with APFASL introduced Chartered Public Finance Accountancy (CPFA), a new professional qualification. CIPFA (London) has recognized APFASL members who received the CA Sri Lanka's CPFA qualification as being on par with their members and issued its membership certificates as a dual qualification, which was a strategic step taken to strengthen the qualifications offered within the public sector. The third batch of the CA Sri Lanka CPFA members on merit basis were conferred the CPFA designation at the Convocation ceremony held at BMICH recently. The event was held alongside the Best Annual Report award ceremony 2020.

#### **(v) Training Programmes and Seminars**

APFASL had planned in 2020 to undertake wide range of educational programmes through out the island to train the public sector officers including middle level employees who are working in the field of public financial management at the institutions in Central Governments, Provincial Councils and Local Authorities in collaboration with the Ministries and Provincial Councils and to launch professional development initiatives and promotional campaigns of APFASL activities with a vision to enhance the knowledge, skills and status of the members in order to provide greater contribution to the development of the economy of the country. Unfortunately, situation faced by the country on COVID 19 outbreak curtailed our expectation by 58 percent compared to 2019. However, even with the hardship, APFASL managed to conduct 2 virtual sessions and 5 live training programmes intermittently with the total participation of 965. The salient initiative of this programme series was extending our service to train the subordinate staff of public sector.

Collaboration with the CA Sri Lanka, APFASL members were allowed to participate for many virtual sessions conducted by other faculties of CA Sri Lanka. All information had been intimated to our members by E-Flyers. As a special case our members who are compelled to follow CPD programmes to retain their membership are allowed to participate Online Academy of CA Sri Lanka and informed them the procedures to be followed. But number of participants were very minimal to use these facilities in 2020. Members involvement to the activities provided by APFASL to enhance their knowledge and skills was totally inadequate.



Proposed Tax changes and CPD overview



## (vi) Training programs conducted

The following Programs have been conducted during the year 2020

### Training Programs - 2020

	Name of the Program	Date	No. of Participants
1	Preparing Annual Reports & Accounts - CA Sri Lanka	07.02.2020	46
2	Procurement -CTB	18,19,25,26,27 February and 2 March 2020	50
3	Proposed Tax changes and CPD overview (Free)	25-Feb-20	100
4	Virtual session on Developing our economy post COVID 19	30th April 2020	519
5	Professionalising Public Financial Management to Revive the National Economy in a post COVID-19	16th July 2020.	100
6	Procurement Programme for CTB	27 August, 3, 10, 17, 24 September 2020	30
7	Certificate program on Accounting and Preparation of Financial Statements for CTB	12, 19,26 September,03, 10 October 2020	120
	<b>Total Participants</b>		965



Developing our economy post COVID 19



## (vi) APFASL NEWS LETTER

2<sup>nd</sup> edition of the APFASL NEWS LETTER had been published during the year and the 3<sup>rd</sup> edition is being processed. The News Letter facilitates to publish members' articles and other materials for their benefits. However, the members have not been using this opportunity as expected. Those who are having research papers and thesis submitted for the education purposes shall be published in our news letter. One article will be entitled 5 CPD ours.

## 4.6 Recognitions

### (i) Government recognition of the Chartered Public Finance Accountants (CPFA) qualification and Post Graduate Qualification in Public Financial Management for the public sector and provide Financial Assistance for the officers to sit for the examinations

Secretary to the Treasury having recognized the CPFA qualification recommended to include this qualification for the public sector similar to the Chartered Accountancy Qualification in the service minutes of public sector Accountants, Auditors and Assessors as an entry qualification or their promotions and other career developments.

And also he allowed to use the approved budgetary provisions under the capacity building for the public officers who follow the professional Diploma in Public Financial Management be conducted by APFASL

The above information has been circulated by the Treasury through the letter No.PFD/RED/REG/APFA dated 18.12.2020, with a copy to APFASL, among all Heads of the Ministries, Departments, provincial Councils and other Government Institutions including State Owned Enterprises. This will benefit all our members to enhance their knowledge, skills and status in the particular fields enabling them to discharge their duties more effectively and efficiently with due recognitions.

### (ii) Recognition of APFASL members who obtained higher academic qualification (PhD)

As a policy APFASL felicitates its members who obtained highest academic qualification while they are in the service. Following members have been identified to felicitate at the 9<sup>th</sup> AGM of APFASL having recognized their achievement with highest academic qualification (PhD.)

- (a) Dr. Tharaka Liyanapathirana, *BBA, MPM, CMA, CPFA, PhD*
- (b) Dr. Anura Wickramasinghe, *BBM, MBA, ACA, CPFA, PhD*

## 4.7 Amendment to the Articles of Constitution

### (i) Section 4.2 composition

The Board of Management of APFASL has approved to appoint Director General of Public Enterprises to the Board of Management of APFASL as an ex-officio member by amending the composition of the Board in Section 4.2 of the Articles of Constitution of APFASL. Accordingly, the section 4.2 of the Articles of Constitution of APFASL reads as follows.

The Board of Management shall consist of 15 members i.e President of ICASL, Vice President of ICASL, Auditor General, Director General of State Accounts, Director General of Public Finance, **Director General Public Enterprises** and Commissioner General of Inland revenue as ex-officio members and eight members appointed by the Council of ICASL, from the members of APFASL.

## **4.8. Activities planned for the years to come**

### **(i) Training programs scheduled in the Prospectus**

Several capacity building programmes have been scheduled to be conducted to update the working knowledge of the public sector financial management personnel in the coming year. It has been planned to conduct 17 programs in the year in addition to the training programmes to be conducted for the co-operative auditors and accounting staff under the purview of the Department of Co-operative Development, at their request. In addition to an Audit Manual prepared for them in 2019, Illustrated Accounting Manual for Co-operative societies has been prepared to train the staff in 2021.

### **(ii) Continuing Professional Development Programmes**

It has been planned to conduct continuous professional development programs in collaboration with CIPFA (London) and CA Sri Lanka for the CPFA members and APFASL members. CIPFA is expecting to offer affiliated CPFA membership to APFASL members under the MOU yet to be finalized. Our Members are required to participate virtual sessions conducted by CA Sri Lanka and use the facilities at online academy. Notices will be forwarded in time for the members information to follow the sessions. All CPFA members are facilitated in CA Sri Lanka online academy to follow the programme to acquire CPD hours being at home having certificate online. Members can complete their required CPD hours within the given opportunities easily.

### **(iii) Fifth Best Annual Reports and Accounts Awards Competition 2021**

APFASL in an effort to bring about excellence in financial reporting by preparing and presenting financial statements in compliance with Sri Lanka Public Sector Accounting Standards and best practises, is organizing the Best Annual Reports and Accounts Awards competition for the public sector as a continuous activity. Having conducted the 4<sup>th</sup> competition, applications are already invited to the 5<sup>th</sup> competitions in 2021 in respect of the annual reports and accounts pertaining to the year 2019.

### **(iv) Publication of the news letter.**

APFASL is in the process of publishing its 3<sup>rd</sup> edition of the NEWS LETTER during the 2<sup>nd</sup> quarter and the 4<sup>th</sup> edition in last quarter of the year 2021.

### **(v) Membership enrollment activities.**

APFASL with the consent and the approval of CA Sri Lanka has introduced new policies to expand the opportunities to develop the knowledge and skills of the public servants through CPFA examination route while improving the professional status in the service. In the new policy, APFASL membership has been opened to the public servants, irrespective of the designation, who are having qualifications in finance and accounts field to enter to the CPFA examination route and also student membership to the advance

level qualified public servants who are in service from the beginning of the examination route. APFASL implements these policies and expects to increase the membership from the year 2021 onwards aiming to recognize the financial management service in the public sector as a professional service coming under one umbrella. This expectation was not fulfilled in last year due to the information gap on country situation. Member enrollment drive will be implemented, specially to transfer the knowledge and skills by way of dissemination of professional educational opportunities among the new officers in the relevant services with the assistance of the public Institutions.

#### **(vi) Scholarship scheme**

APFASL has introduced a scholarship scheme using the operational surplus of the association for the members who are following examination path to become Chartered Public Finance Accountants(CPFA), Rs one million has been reserved from the surplus of the year 2020 to establish the fund. At the initial stage of the scheme, registration fees, one time renewal fees, course and examination fees paid to CASL at the attempt of passing the examination will be reimbursed to the students, stage wise. We expect to expand the objective of the fund for professional development of the members as well.

#### **(vii) Introducing Master of Public Financial Management (MPFM) Programme.**

APFASL has identified the gap of finance and accountancy qualifications in the three services, Accountant Service, Audit Service and the Inland Revenue Service in last year and initiated to conduct professional diploma programme since suitable certificate courses were not available in public finance in the country. Considering further to enhance the capacity of the members by extending knowledge and skills aiming to have efficient service and more benefit from the programme for promotions etc, comprehensive proposal has been submitted to the Ministry of Higher Education to conduct Master of Public Financial Management (MPFM) programme at CA Sri Lanka through APFASL. The proposal has been accepted by the Ministry to review it for approval. We expect to schedule the 1<sup>st</sup> intake at the end of this year. The curriculum covers all aspect of public financial management requirements at present and the future.

#### **(viii) Annual Conference of CPFA and APFASL Members.**

APFASL, has planned to conduct conference of CPFA and APFASL members annually and its 2<sup>nd</sup> Annual Conference will be held in 2021. APFASL will contribute to fulfillment of the CIPFA and CASL/APFASL member engagement sessions in 2021.

#### **(ix) Impact of COVID 19 pandemic.**

Unexpected situation faced by the world as the results of COVID 19 outbreak from March 2020 which had a heavy impact on the planned activities is still continued, but APFASL will take every step to face for the challenge in 2021.

#### **(x) Strategies to widen its service for the Public Sector**

APFASL is stepping to spread its service to entire public sector, including public enterprises and other public financial services, getting more involvements of Professionals in the sector to achieve the common goal within the vision.

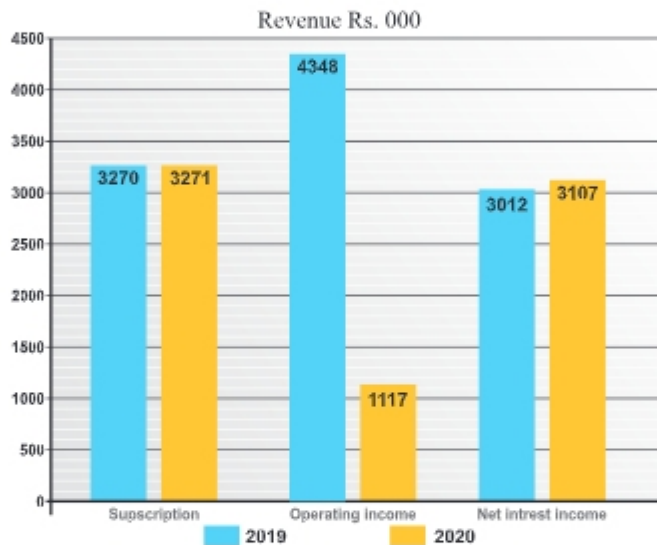


## 4.09 Financial Management of APFASL

Financial management comes under the purview of the Treasurer who submits quarterly Accounts to the Board of Management.

### (i) Financial performances.

Financial performance of the Association for the year under review has resulted in a net surplus of Rs. 2.546 million compared with Rs. 4.498 million in the previous year. Surplus has decreased mainly due to the impact of the COVID 19 pandemic. Expected operations were curtailed by 75% in the year because of the situation of the country reasoning to come down of the operating Income while member subscription income and net interest income remaining same level compared to the previous year. Corresponding to the operation expenditures had decreased.

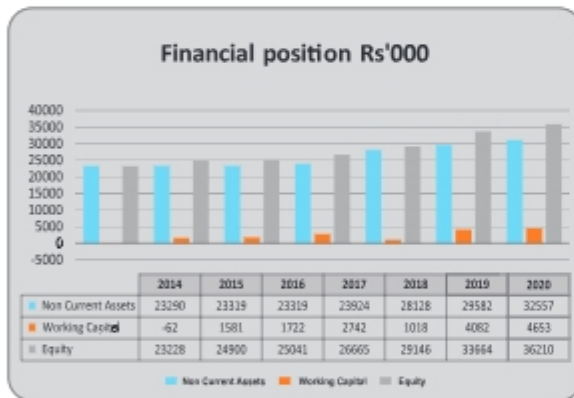
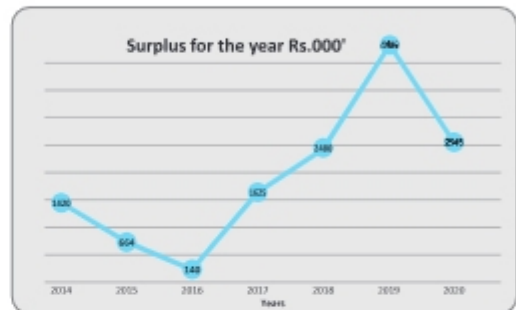


Sources of Income	2020 Rs. 000	2019 Rs. 000
Members Subscription	3,271	3,270
Other operating Income	1,117	4,348
Interest on Fixed Deposits	3,107	3,012
Total	7,495	105,630

### (ii) Financial Position

The accumulated fund as at 31<sup>st</sup> December 2020 amounted to Rs 36.210 million which represents the net assets of the Association as at 31<sup>st</sup> December 2020. This includes Rs 31.511 million of Investments held in Bank of Ceylon in the form of fixed deposits. Working capital at the year end was Rs 4.6 million and the equity has increased by 7.5%

## 4.10 PERFORMANCE HIGHLIGHTS



## 4.11 Invitation to become members of the Association

The APFASL is inviting all financial management personnels in the public sector to become members of the Association in order to obtain maximum benefit from the activities conducted. Accountants, Auditors and Assessors in the public sector who have not applied for membership of the APFASL can submit their applications and obtain their membership to enhance their professional skills and competence and to have CPFA qualification through the examination route with maximum possible exemptions. Existing members are requested to encourage others to become financial management professionals under one umbrella associated with the highly recognized accounting body.

## 5. Management Team



**Mr. V. Kanagasabapathy**  
President



**Mr. Ananda Amarawansa**  
Secretary



**Mr. Susantha Galgodage**  
Technical Manager - Public Sector



**Mr. Ruchira Perera**  
Programme Assistant



**Mrs. Shanika Weerasekera**  
Administrative Assistant



## 6. Audited Financial Statements

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASSOCIATION OF PUBLIC FINANCE ACCOUNTANTS OF SRI LANKA

#### Report on the audit of the financial statements

##### Opinion

I have audited the financial statements of The Association of Public Finance Accountants of Sri Lanka, ('The Association'), which comprise the statement of financial position as at 31<sup>st</sup> December 2020, and the statement of comprehensive income, statement of changes in funds and reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Association as at 31<sup>st</sup> December 2020 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

##### Basis for opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Association in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### Other Information

Management is responsible for other information. The other information comprises the information included in the Annual report, but does not include the financial statements and my auditors' report thereon.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

##### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Contd.....

## **Auditor's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



**S.M.N.L. SENANAYAKE**  
**Chartered Accountant**  
**Colombo 06.**

Date : .....

**ASSOCIATION OF PUBLIC FINANCE ACCOUNTANTS OF SRI LANKA**  
**STATEMENT OF COMPREHENSIVE INCOME**

**For the Year Ended 31st December,**

	Notes	<u>2020</u> Rs.'000	<u>2019</u> Rs.'000
Revenue	7	3,271	3,270
Direct Expenditure	8	<u>(1,273)</u>	<u>(1,349)</u>
<b>Surplus</b>		<u>1,998</u>	<u>1,921</u>
Other Operating Income	9	<u>1,117</u>	<u>4,348</u>
<b>Contribution before Operating Expenses</b>		<u>3,115</u>	<u>6,269</u>
Administration Expenses	10	2,285	2,404
Other Expenses	11	<u>1,391</u>	<u>2,375</u>
<b>Total Operating Expenses</b>		<u>3,676</u>	<u>4,779</u>
Net Finance Income	12	<u>3,107</u>	<u>3,008</u>
<b>Surplus for the Year</b>		<u>2,546</u>	<u>4,498</u>

Figures in Brackets indicate Deductions.

The Significant Accounting Policies and Notes from page 34 to 38 form an integral part of these Financial Statements.



**ASSOCIATION OF PUBLIC FINANCE ACCOUNTANTS OF SRI LANKA**  
**STATEMENT OF FINANCIAL POSITION**

As at 31st December,

	Notes	2020 Rs.'000	2019 Rs.'000
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipment	13	46	60
Intangible Assets - Educational Material	14	-	1
Investment in Fixed Deposits		<u>31,511</u>	<u>29,521</u>
<b>Total Non Current Assets</b>		<u>31,557</u>	<u>29,582</u>
<b>Current Assets</b>			
Receivables	15	3,734	2,665
Cash and Cash Equivalents	16	<u>3,169</u>	<u>2,313</u>
<b>Total Current Assets</b>		<u>6,903</u>	<u>4,978</u>
<b>Total Assets</b>		<u><u>38,460</u></u>	<u><u>34,560</u></u>
<b>FUNDS AND LIABILITIES</b>			
<b>Accumulated Funds and Liabilities</b>			
Accumulated Fund		35,210	33,664
Scholarship Fund		<u>1,000</u>	<u>-</u>
		<u>36,210</u>	<u>33,664</u>
<b>Current Liabilities</b>			
Accrued Expenses	17	200	31
Subscriptions Received in Advance		146	59
Seminar Fees Received in Advance		30	102
Newsletter Sponsorship Received in Advance		-	100
NELSIP Project in Advance		604	604
Retirement Benefit Obligation		330	-
Provision for Best Annual Award Ceremony		<u>940</u>	<u>-</u>
<b>Total Current Liabilities</b>		<u>2,250</u>	<u>896</u>
<b>Total Funds and Liabilities</b>		<u><u>38,460</u></u>	<u><u>34,560</u></u>

The Significant Accounting Policies and Notes to the Financial Statements from pages 34 to 38 form an integral part of these Financial Statements.

  
 Secretary

The Board of Management is responsible for the preparation and presentation of these Financial Statements.

Signed for and on behalf of the Board.

  
 President

  
 Treasurer

Colombo

Date : 08-04-2021

**ASSOCIATION OF PUBLIC FINANCE ACCOUNTANTS OF SRI LANKA**  
**STATEMENT OF CHANGES IN FUNDS AND RESERVES**

**For the Year Ended 31st December 2020**

	<u>Accumulated</u> <u>Fund</u>	<u>Scholarship</u> <u>Fund</u>	<u>Total</u>
	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 <sup>st</sup> January 2019	29,146	-	29,146
Surplus for the Year	4,498	-	4,498
Refund of Expenditure Incurred in Best Annual Report	20	-	20
<b>Balance as at 31<sup>st</sup> December 2019</b>	<b>33,664</b>	<b>-</b>	<b>33,664</b>
<b>Surplus for the Year</b>	<b>2,546</b>	<b>-</b>	<b>2,546</b>
<b>Transferred to Scholarship Fund</b>	<b>(1,000)</b>	<b>1,000</b>	<b>-</b>
<b>Balance as at 31<sup>st</sup> December 2020</b>	<b>35,210</b>	<b>1,000</b>	<b>36,210</b>

Figures in Brackets indicate Deductions.

The Significant Accounting Policies and Notes from page 34 to 38 form an integral part of these Financial Statements

**ASSOCIATION OF PUBLIC FINANCE ACCOUNTANTS OF SRI LANKA**  
**STATEMENT OF CASH FLOW**

**For the Year Ended 31st December,**

	<u>2020</u> Rs. '000	<u>2019</u> Rs. '000
<b>Cash Flow from Operating Activities</b>		
Surplus before Tax	2,546	4,498
<b>Adjustments for;</b>		
Amortization for the Year	1	334
Depreciation	17	8
Refund of Expenditure Incurred in Best Annual Report	-	20
Finance Income	(3,107)	(3,158)
<b>Operating Surplus / (Deficits) before Working Capital Changes</b>	<u>(543)</u>	<u>1,702</u>
(Increase) / Decrease in Trade and Other Receivables	(1,069)	(257)
Increase / (Decrease) in Accrued Expenses	169	(172)
Increase / (Decrease) in Subscriptions Received in Advance	87	14
Increase / (Decrease) in Seminar Fees Received in Advance	(72)	(160)
Increase / (Decrease) in Newsletter Sponsorship in Advance	(100)	100
Increase / (Decrease) in NLSIP Project Received	-	(761)
Increase / (Decrease) in Provision for Annual Report Competition Expenses	940	-
Increase / (Decrease) in Provision for Gratuity	330	-
<b>Cash Generated from / (Used in) Operations</b>	<u>(258)</u>	<u>466</u>
<b>Net Cash Flow from / (Used in) Operating Activities</b>	<u>(258)</u>	<u>466</u>
<b>Cash Flows from / (Used in) Investing Activities</b>		
Interest Income Received	3,107	3,158
Investment in Fixed Deposits	(1,991)	(1,752)
Purchase of Property, Plant and Equipment	(3)	(44)
<b>Net Cash Flow from / (Used in) Investing Activities</b>	<u>1,114</u>	<u>1,362</u>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<u>856</u>	<u>1,828</u>
Cash and Cash Equivalents at the Beginning of the Year	<u>2,313</u>	<u>485</u>
<b>Cash and Cash Equivalents at the End of the Year (Note A)</b>	<u><u>3,169</u></u>	<u><u>2,313</u></u>
<b>Note A:</b>		
Bank of Ceylon - A/c No. 0072937259	323	544
Cash in Hand	10	10
Bank of Ceylon - A/c No. 83109954	2,836	1,759
	<u><u>3,169</u></u>	<u><u>2,313</u></u>

Figures in brackets indicate deductions.

The Significant Accounting Policies and Notes from page 34 to 38 form an integral part of these Financial Statements.



For the Year Ended 31<sup>st</sup> December 2020

## **1. General Information**

### **1.1. Reporting Entity**

The Association of Public Finance Accountants of Sri Lanka (hereafter referred to as the “Association”) was established in terms of Articles of Constitution approved by the Council of the Institute of Chartered Accountants (hereafter referred to as “CA”) of Sri Lanka and operates as the Public Sector Wing of CA Sri Lanka.

The registered office of the Association is at No. 30 A, Malalasekara Mawatha, Colombo 07.

### **1.2. Date of Authorization for Issue**

The financial statements were authorised for issue by the Board of Management on 8<sup>th</sup> April 2021.

### **1.3. Principal Activities and Nature of Operations**

The functions of the Association are to strengthen the financial management practices of the public sector and uplift the quality of public sector financial management.

## **2. Basis of Preparation**

### **2.1. Statement of Compliance**

The financial statements comprise the Statement of Financial Position (“SOFPP”), Statement of Comprehensive Income (“SOCP”), Statement of Changes in Funds and Reserves (“SOCIFR”), Cash Flow Statement and Notes to the Financial Statements. These statements have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRS & LKASs) issued by the Institute of Chartered Accountants of Sri Lanka.

### **2.2. Basis of Measurement**

The financial statements have been prepared on historical cost basis except where appropriate disclosures are made with regard to the fair value clarified by relevant notes.

### **2.3. Functional and Presentation Currency**

The financial statements are presented in Sri Lankan Rupees, which is the functional and presentation currency of the Association. All financial information presented in Sri Lankan Rupees has been given to the nearest thousand, unless stated otherwise.

### **2.4. Use of Estimates and Judgements**

The preparation and the presentation of financial statements in conformity with Sri Lanka Accounting Standards requires the Association to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income & expenses.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and the future period, if the revision affects both current and future periods.

Contd.....

For the Year Ended 31<sup>st</sup> December 2020

**2.5. Depreciation Policy**

APFASL does not expect to purchase more assets. Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. Assets are not depreciated in the year of purchase.

The Property, Plant and Equipment, depreciation rates and their useful lives are as follows.

<u>Asset</u>	<u>Rate</u>	<u>Useful Life</u>
Furniture and Fittings	20%	over 5 years
Computers	33.33%	over 3 years

Information about significant areas of estimates, uncertainty and critical judgments in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements are included in the notes to the financial statements.

**3. Assets and the Bases of their Valuation**

**3.1. Receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in financial income in the statement of comprehensive income. The losses arising from impairment are recognised in the income statement in finance costs. Loans and receivables comprise of trade receivables, employee loans, deposits, advances, other receivables and cash and cash equivalents.

**3.2. Short Term Investments**

**Investments in Fixed Deposits**

Investments in fixed deposits are stated at cost and interest accrued is accounted as a receivable in the financial statements.

**3.3. Patent Rights (CIPFA Study Material)**

Amount paid to purchase CIPFA study materials is stated at cost and will be amortised over a period of four years on the straight line method.

**3.4. Cash and Cash Equivalents**

Cash and cash equivalents comprise cash in hand and deposits at bank.

Bank overdraft is included as a component of cash and cash equivalents for the purpose of the statement of cash flows, which has been prepared using the 'indirect method'.

**4. Liabilities and Provisions**

All known liabilities as at the date of statement of financial position are included in the financial statements and adequate provisions are made for liabilities which are known to exist, but not the amount of which cannot be determined accurately.

Obligations payable on demand or within one year of the date of statement of financial position are treated as current liabilities in the statement of financial position. Liabilities payable after one year from the date of statement of financial position are treated as non-current liabilities in the statement of financial position.

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**4.1. Defined Contribution Plans**

Obligations for contributions to defined contribution plans are recognised as expenses in the statement of comprehensive income as incurred.

The Association contributes a sum not less than 15% and 3% of the gross emoluments of employees to Employees' Provident Fund (EPF) and to the Employees' Trust Fund (ETF) respectively.

**5. Statement of Comprehensive Income**

**5.1. Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to Association and that it can be reliably measured.

Membership fees from members are recognised as revenue on accrual basis from 2018 onwards. That is treated as a policy change and the corresponding entries in the previous year has been restated. The subscription year runs from 1 January to 31 December and revenue is accrued only from active members. Any arrears received from non-active members are accounted as the year revenue. Fees and subscription payments that relate to future periods are shown in the statement of financial position as subscriptions and fees received in advance under current liabilities.

**5.2. Expenditure**

- (a) Expenses are recognised in the statement of comprehensive income on the basis of direct association between the costs incurred and the earning of specific items of income.
- (b) Expenditure on examinations, seminars, courses, and other educational and members' activities is recognized in the statement of comprehensive income on accrual basis.

**6. Events after the Reporting Date**

The materiality of events occurring after the reporting date has been considered and appropriate adjustments, wherever necessary, have been made in the accounts.



ASSOCIATION OF PUBLIC FINANCE ACCOUNTANTS OF SRI LANKA  
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st December,

	2020 Rs. '000	2019 Rs. '000
<b>7. Revenue</b>		
APFASL Subscription	741	740
CPFA Subscription	<u>2,530</u>	<u>2,530</u>
	<u>3,271</u>	<u>3,270</u>
<b>8. Direct Expenditure</b>		
AGM Expenses	(175)	(248)
CPFA Remittance	<u>(1,098)</u>	<u>(1,101)</u>
	<u>(1,273)</u>	<u>(1,349)</u>
<b>9. Other Operating Income</b>		
Training Income	835	6,381
Training Expenses	<u>(663)</u>	<u>(3,114)</u>
	<u>172</u>	<u>3,267</u>
Best Annual Report Award Income	940	976
Newsletter Sponsorship	-	100
Staff Loan Interest	<u>5</u>	<u>5</u>
	<u>945</u>	<u>1,081</u>
NLSIP Project Income	-	761
NLSIP Project Expenses	<u>-</u>	<u>(761)</u>
	<u>-</u>	<u>-</u>
	<u>1,117</u>	<u>4,348</u>
<b>10. Administration Expenses</b>		
Wages and Salaries	993	989
Insurance	25	-
Allowances	34	33
Overtime	43	53
Bonus and Ex-gratia	148	283
Medical Re-imbursment	82	83
Employees' Provident Fund	148	148
Employees' Trust Fund	30	30
Equipment Maintenance	74	83
Rent	360	360
Depreciation	17	8
Amortization Charge	1	334
Gratuity Provision	<u>330</u>	<u>-</u>
	<u>2,285</u>	<u>2,404</u>
<b>11. Other Expenses</b>		
Bank Charges	4	7
Printing and Stationery	98	160
Communication Expenses	46	60
Audit Fees	20	20
Audit Fees Under Provision	-	6
Transport Charges	19	22
Committee Meeting	90	180
Best Annual Report	940	1,195
CPFA Expenses	6	532
Task Force Expenses	50	51
News Letter Printing	32	142
Diploma / Post graduate	<u>86</u>	<u>-</u>
	<u>1,391</u>	<u>2,375</u>
<b>12. Net Finance Income / (Cost)</b>		
<b>Finance Income</b>		
Interest Income on Held - To -Maturity Investments		
Gross Income	3,107	3,158
Withholding Tax	<u>-</u>	<u>(146)</u>
	<u>3,107</u>	<u>3,012</u>
<b>Finance Cost</b>		
Interest on Overdraft	<u>-</u>	<u>(4)</u>
	<u>-</u>	<u>(4)</u>
<b>Net Finance Income</b>	<u>3,107</u>	<u>3,008</u>

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ASSOCIATION OF PUBLIC FINANCE ACCOUNTANTS OF SRI LANKA  
NOTES TO THE FINANCIAL STATEMENTS

As at 31st December,

13. <u>Property, Plant &amp; Equipment</u>	Balance as	Additions	Balance as
	at	During the	at
	01.01.2020	Year	31.12.2020
<u>Cost</u>	Rs. '000	Rs. '000	Rs. '000
External Hard Disk	15	-	15
Scanner	9	-	9
Office Equipments	44	3	47
	<u>68</u>	<u>3</u>	<u>71</u>
	Balance as	Charge	Balance as
	at	During the	at
	01.01.2020	Year	31.12.2020
<u>Accumulated Depreciation</u>	Rs. '000	Rs. '000	Rs. '000
External Hard Disk	5	5	10
Scanner	3	3	6
Office Equipments	-	9	9
	<u>8</u>	<u>17</u>	<u>25</u>
<b>Written Down Value</b>	<u>60</u>		<u>46</u>
	Balance as	Additions	Balance as
	at	During the	at
	01.01.2020	Year	31.12.2020
<u>Cost</u>	Rs. '000	Rs. '000	Rs. '000
Educational Material	1,337	-	1,337
	<u>1,337</u>	<u>-</u>	<u>1,337</u>
	Balance as	Charge	Balance as
	at	During the	at
	01.01.2020	Year	31.12.2020
<u>Amortization</u>	Rs. '000	Rs. '000	Rs. '000
Educational Material	1,336	1	1,337
	<u>1,336</u>	<u>1</u>	<u>1,337</u>
<b>Written Down Value</b>	<u>1</u>		<u>-</u>
		<b>2020</b>	<b>2019</b>
		Rs. '000	Rs. '000
15. <u>Receivables</u>			
Festival Advance		2	2
Interest Income		2,038	1,914
Seminar Income		385	212
Staff Loans		238	80
Subscription Receivables		1,070	457
Overpaid Telephone Bill		1	-
		<u>3,734</u>	<u>2,665</u>
16. <u>Cash and Cash Equivalents</u>			
Bank of Ceylon - A/C No. 0072937259		323	544
Bank of Ceylon - A/C No83109954		2,836	1,759
Petty Cash		10	10
		<u>3,169</u>	<u>2,313</u>
17. <u>Accrued Expenses</u>			
Audit Fees		20	20
Seminar Expenses		-	8
Communication Expenses		-	3
Rent Payable		180	-
		<u>200</u>	<u>31</u>

## 7. CORPORATE INFORMATION

<b>Name of the Association</b>	: ASSOCIATION OF PUBLIC FINANCE ACCOUNTANTS OF SRI LANKA
<b>Affiliations:</b>	: Affiliated to CA Sri Lanka (Public Sector Wing of CA Sri Lanka)
<b>Address</b>	: 30A, Malalasekera Mawatha, Colombo 07.
<b>Telephone</b>	: (011) 2055857 / 2352000
<b>Facsimile Number</b>	: (011) 2055857 / 2352060
<b>E- Mail</b>	: <a href="mailto:apfasl@casrilanka.org">apfasl@casrilanka.org</a>
<b>Web Site</b>	: <a href="http://www.casrilanka.com">www.casrilanka.com</a>
<b>APFASL Web Site</b>	: <a href="http://wisdom.casrilanka.com/apfasl/">http://wisdom.casrilanka.com/apfasl/</a>
<b>Banker</b>	: Bank of Ceylon
<b>Auditor</b>	: S.M.N.L. SENANAYAKE Tudor V. Perera & Co Chartered Accountants No 296/20 Shanthi Mawatha, High Level Road, Kirulapona, Colombo 06.
<b>Registered Office</b>	: No. 30A, Malalasekera Mawatha, Colombo 07



## 8. Notice for the Annual General Meeting

Dear Member,

### NOTICE OF 9<sup>th</sup> ANNUAL GENERAL MEETING. APFASL

Notice is hereby given for the 8<sup>th</sup> Annual General Meeting of the Association of Public Finance Accountants of Sri Lanka (APFASL) to be held at the Auditorium of the Institute of Chartered Accountants of Sri Lanka, 30 A, Malalasekara Mawatha Colombo 07 on **04<sup>th</sup> May 2021 at 2.00 p.m.** followed by CPD accredited Lecture

### AGENDA

1. Arrival of Members and traditional event.
2. Welcome Address by the President.
3. Felicitations of the members who achieved highest academic qualification (PhD) in service recently.
4. Submission of the minutes of the 8<sup>th</sup> AGM and matters, if any, arising from the minutes.
5. Presentation of the Annual Report and Accounts for 2020.
6. Discussion and adoption of Annual Report and Accounts for 2020.
7. To approve the appointment of Auditors and to authorize the Board of Management to determine the remuneration of the auditors
8. Members views
9. Members Resolutions, if any
10. Vote of Thanks.  
CPD accredited lecture by Prof. M. Thilakasiri on Conventional Leadership Vs. Blue Ocean Leadership for the Public Sector Managers.



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**Ananda Amarawansa**  
Secretary APFASL