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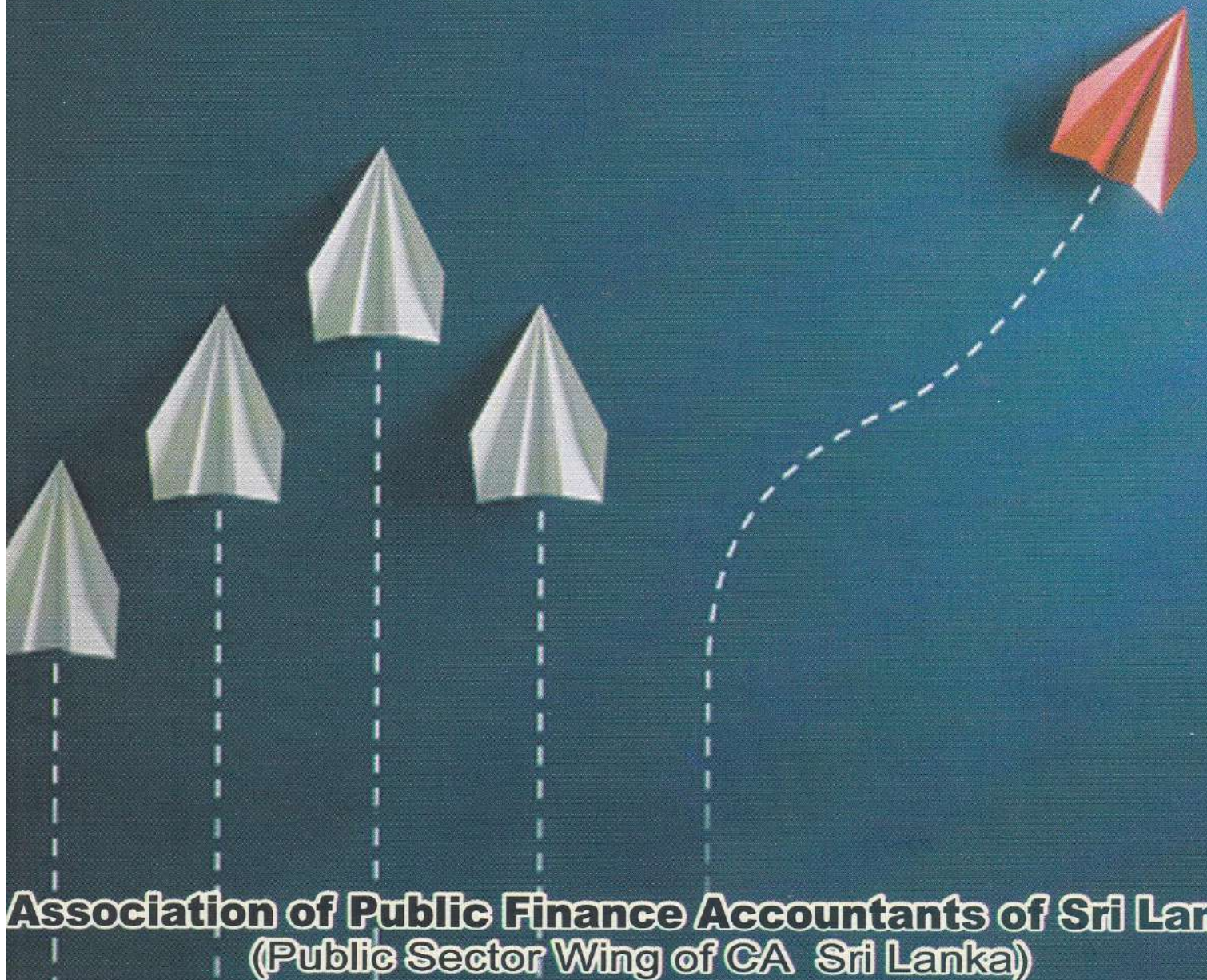
THE INSTITUTE OF
CHARTERED ACCOUNTANTS OF SRI LANKA

APFA



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

Annual Report 2021



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

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Dear Members

It is with great pleasure I place before you the 10th Annual Report and Accounts of the Association of Public Finance Accountants of Sri Lanka (APFASL) for the year ended 31st December 2021 on behalf of the Board of Management.

During the year Dr. Asela Athapathu, Consultant Public Sector CA Sri Lanka possessing qualifications of PhD in Economics, FCA, ACMA London, ACS, MBA, MA Economics with experience both in the public sector and private sector assumed duties as head of Public Sector Wing and Secretary APFASL. The retired public sector consultant Mr. Ananda Amarawansa is functioning as Project Coordinator for the DLGFM Program. We have also recruited an IT executive to look after the IT activities of APFASL.

Our Achievements

Despite the continued threat from COVID 19, the Public Sector Wing of CA Sri Lanka is flying high with the engagement of several new initiatives. Funding agencies, the UNDP and USAID have come forward to assist us in some of our initiatives.

UNDP-sponsored Diploma in Local Government Financial Management (DLGFM) for Local Authority staff has already commenced and is expected to cover eight batches in four provinces.

Similarly, arrangements have been made with USAID to handle two (DLGFM) programs one on SLPSAS and another on IT-related subjects for an estimated 1000 public sector officials attached to the central government, provincial councils, and public enterprises are to commence shortly.

The Proposed Master's Degree program in Public Financial Management has already been reviewed by the Review Panel and we are now awaiting formal approval from the Ministry of Higher Education to commence the program.

We have also undertaken to conduct two training programs including the preparation of course materials based on SLPSAS for the Sri Lanka Transport Board and Corporative Development Department. While the training program for Sri Lanka Transport Board has been completed, the training program for Corporative Development Department is still ongoing.

We celebrated the 5th Best Annual Reports and Accounts Awards ceremony for the public sector institutions *at the Bandaranayke Memorial International Conference Hall* and proudly mention that this competition has resulted in substantial improvement in the quality of annual reports and accounts. We are in the process of releasing a comprehensive guideline on the preparation and presentation of annual reports and accounts of public institutions for the competition with further improvement

Contd.....

This year's competition had 97 participants representing nine sectors and thirty-nine public sector entities were recognized as winners. They were awarded for excellence in accounting and reporting at the ceremony held on 29th December 2021. The ceremony was held as a combined event with APFASL'S annual conference for 2021 that featured two papers being presented by two eminent personalities with long years of engagement in public sector accounting and reporting.

We have also initiated work to implement the new system of accounting and reporting based on SLPSAS for Local Authorities in all the provinces and to conduct a provincial-level competition among Local Authorities.

Publishing a Bi-annual Newsletter containing articles and news relating to public financial management. While we have published three editions so far, the fourth and the fifth editions are expected in 2022.

The corporate governance and accountability program for the directors of Public Enterprises was conducted as a hybrid event together with the launching of Guidelines on Corporate Governance and Operational Guidelines for State-Owned Enterprises by the Department of Public Enterprises with 278 participants.

International Recognition

Renewal of MOU with CIPFA, London is under negotiation and the progress has been satisfactory. The CPFA qualification offered has been recognized by CIPFA London and has offered their membership to our CPFA holders thereby giving international recognition.

The secretary to the Treasury has recognized the international status of our CPFA qualification recommended including the same similar to the Chartered Accountancy qualification in the service minutes of public sector Accountants.

The confederation of Asian Pacific Accountants (CAPA) has given high recognition to CA Sri Lanka considering its involvement with the public sector activities. I was invited to speak at the IFAC MOISAC Forum on CA Sri Lanka's extending activities to the public sector to demonstrate what we are doing to other professional accountancy organizations (PAOs). CAPA is also conducting a case study on CA Sri Lanka's engagement with the Public Sector to highlight how PAO's can create an impact on the public sector by creating demand and providing supply. What we do in Sri Lanka could be a model for PAOs in other countries to follow.

Invitation to take the Association forward

We invite all our members to actively participate in all our activities to make 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, the Board of Management, the Council of CA Sri Lanka, the Secretary and the staff of the Association, the CEO and the Staff of CA Sri Lanka and all those who have contributed to taking the Association forward.



V. Kanagasabapathy

President

7th April, 2021

2. ABOUT OUR ASSOCIATION

2.1 Establishment

The Association of Public Finance Accountants of Sri Lanka (APFASL) was established on 1st 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

Co -Vice President

Mr. R.A.L Udayakumara *ACA, MSc, MAFE*
Director, Dept. of Public Enterprises.

Board Members

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

Mr. Heshana Kuruppu *FCA, MBA, MA(FE), BSc(Accy)*
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, MBS, 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, CPFA*
Former Deputy Auditor General

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

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

Treasurer

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

Secretary

Dr. Asela Athapathu *FCA, ACMA(UK), ACS, DCBA, MBA(Sri J), MA(Econ), PhD*
Consultant - Public Sector Wing, CA Sri Lanka

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 of 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 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
Vice President

Auditor General
Ex officio Member

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 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 1st November 2014 to 28th 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. R.A.L. Udaya Kumara
Co-Vice President
Director at the Department of Public Enterprises

Mr. Udaya Kumara is a Director at the Department of Public Enterprises, Ministry of Finance and has over 11 years of experience in the General Treasury where he has been actively involved in engaging with overseeing major State-Owned Enterprises.

He has served as a Board Member at various State-Owned Enterprises including Employees Trust Fund Board, Coconut Research Institute, Kurunegala Plantations Ltd, Sri Lanka Handicraft Board, and the

Buddhasasana Fund among many others. He currently serves as a board member for Sri Lanka Insurance Corporation Ltd and Selendiva Investments Ltd.

He is a bachelor in Financial Management and has earned Master in Financial Economics. He has also completed a Capital Markets Program at George Washington University, Washington DC with an internship at the International Finance Corporation as a short-term consultant. Furthermore, he is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and is a member of the Board of Management of the APFA, the Public Sector wing of The Institute of Chartered Accountants of Sri Lanka



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

Mr. Sanjaya Bandara is the 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 and 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 an incumbent Member of Council of the Association of Accounting Technicians of Sri Lanka (AAT)



Mr. Heshana Kuruppu
Vice President, CA Sri Lanka
Ex-officio Member

Mr. Heshana Kuruppu FCA, MBA (Banking and Finance) PIM, MA (Financial Economics) (Colombo), B. Sc (Accy) Special 1st Class (Sri Jayewardenepura), ACMA Vice President of CA Sri Lanka and Group Chief Financial Officer – David Peiris Holdings (Pvt) Ltd. Mr. Kuruppu serves in several SAFA Committees. He served as the Chairman of the Committee for Improvement in Transparency, Accountability and Governance (ITAG) until

February 2022, He serves as a member of the SAFA Professional Accountants in Business (PAIB) Committee and Member - Committee to Study Fiscal Regimes and other Statutory Requirements of Business in SAARC Countries Mr. Kuruppu Chair the Finance and Administration Committee and the Digital Transformation Committee of CA Sri Lanka. He is also an incumbent Member of Council 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 04th 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 Bookkeeper 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 the Accountant, she joined 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.

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.



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 of Finance in 2019. He has assumed duties as the Director-General of the Department of State Accounts, General Treasury on 1st January 2021.

Mr. Samantha Upananda was graduated from the 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 the 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 the 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 master's 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 a Member of the 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 the 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 the Department of Public Enterprises.

He has also been a Director/Board Member of several Statutory Institutions including Colombo Commercial Fertilizer, Mantai Salt Ltd., Building Material Corporation, Ceylon Agro Industries Ltd., Lanka Hydraulic Ltd., and Ceylon Ceramics Corporation. And also he served as a member of several Expert Committees of the Sri Lanka Transport Board, the National Water Supply & Drainage Board, Road Development Authority. In addition, Athula Kumara worked as the Chief Executive Officer of the Local Development Fund from 2012-2014.



Ms. M.T.I.V. Amarasekare

Additional Director General, 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 was appointed as Superintendent of Audit in 2002. Later he has 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 and also worked as Information Officer of the National Audit Office.

He holds a Master's Degree in Public Administration from the University of Kelaniya, and is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka, an Associate Member of Public Finance Accountants and Certified Management Accountants of Sri Lanka and also a 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 for 39 years and the last he was in charge of the audit of the institutions under the 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 a Diploma in Public

Finance Management from the Sri Lanka Institute of Development Administration. He has also obtained a Master of Commerce by Research degree from 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 Technicians of Sri Lanka.

During their period of service in the Auditor-General Department, he has attended several training programs 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. L.P. Wewalage

Assistant Director , Department of State Accounts
Member and the Treasurer

Mr. Lahiru Wewalage joined Sri Lanka Accountants' Service in 2015 and is 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 an 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 the Faculty of Management Studies and Commerce of the University of Sri Jayewardenepura, Sri Lanka in 2011.



Dr. Asela Athapathu

Consultant - Public Sector, CA Sri Lanka
Member and the Secretary

A Fellow member of CA Sri Lanka, Dr Asela Athapathu started his career at the National Development Bank of Sri Lanka in 1993 as a project officer attached to the Merchant Banking division. Since 1997 he has been attached to Aitken Spence Group of Companies for 20 years up to 2017; as manager Group Treasury and Corporate Planning, DGM Corporate Planning and Projects and GM Aitken Spence Cargo.

He joined the public sector in 2017 as the Secretary-General, Ministry of Plantation Industries in which capacity he continued up to August 2021. Dr Athapathu left the Ministry of Plantation Industries to take up the position at CA Sri Lanka.

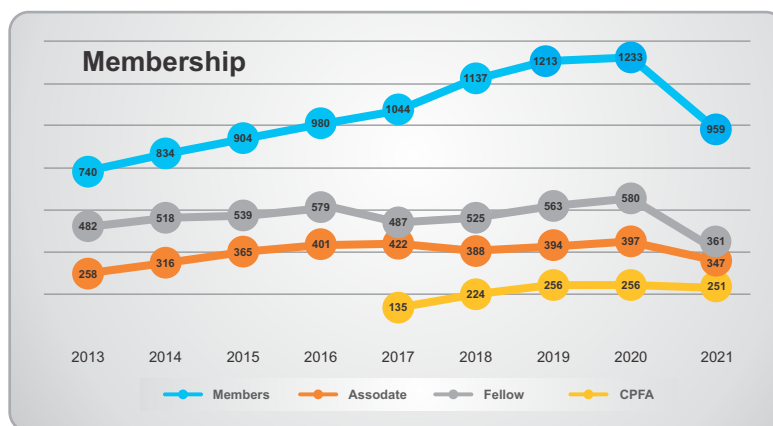
Besides being a Fellow member of the Institute, Dr Athapathu is also an Associate Member of CIMA (UK) and a graduate of the Australian Computer Society. He has a PG Diploma in Mgt and an MBA from PIM (University of Sri J), a Master of Economics, and a PhD in Economics from the Dept of Economics, University of Colombo.

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. Drop in the membership during the year had been due to retired members not renewing their membership and some members not paying their subscriptions for more than three years.

Members Distribution	2021	2020	2019	2018	2017
Govt. Ministries	110	129	127	124	116
Govt. Departments	198	231	229	224	195
Dist. and Div. Secretaries	158	217	213	195	172
Provincial Councils	28	29	29	24	20
Local Authorities	16	22	22	22	12
State Owned Enterprises	190	277	267	247	235
Auditor General's Department	52	102	100	92	89
Department of Inland Revenue	70	108	108	108	104
Retired members	120	101	101	101	101
Direct CPFA Members From CA	17	17	17	-	-
Total members	959	1233	1213	1137	1044
Students - CPFA	39	38	33	39	19

Member	Male	Femal	Member		
			50<	50-60	60+
CPFA	173	77	73	116	61
APFASL	458	251	132	457	120

Composition of the membership as at 31st December 2021

	2021	2020
● Associate	347	397
● Fellow	361	580
● CPFA	<u>251</u>	<u>256</u>
	<u>959</u>	<u>1,233</u>

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, a Program Assistant and an IT Executive 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 and a Technical Manager are appointed by CA Sri Lanka.

4.4 Governance and Accountability

The Board of Management is responsible for Governance and Accountability. It normally meets regularly. However, in view of the country's situation prevailed, there had been only six meetings held during the year 2021. It operates as an independent body under the purview of CA Sri Lanka in terms of the Articles of Constitution. It prepares a 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

4.5.1 Activities & Highlights for 2021

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.

The Annual General Meeting of APFASL for the year 2020 originally scheduled for February 2021 was held in August 2021 and delayed due to pandemic-related restrictions that prevailed in the country during the year. The meeting was conducted virtually and was well attended by members. A reputed academic made a keynote presentation for the members on the topic “Conventional Leadership vs Blue Ocean Leadership” which earned two CPD hours for the members.

Work relating to promoting the MPFM program for eligible candidates to advance their careers in public service was pursued. An application to the Non-State Universities division of the Ministry of Higher Education was done of which the institutional application has been successful. The Subject/Program review application is currently pending approval after a review by a panel appointed by the authority. Once the approval is received, APFASL plans to start the program by mid-2022.

The corporate governance and accountability program for the directors that was scheduled for August 2021 had to be rescheduled due to the country's situation during the period. The program intended to cover three sectors of which the one relating to the Public Enterprises (under the purview of PED MOF) was conducted on the 26th of November 2021 as a hybrid event. The other programs will be conducted in due course as requested by the sector stakeholders.

APFASL'S annual conference for 2021 was held on 29th December 2021 at the BMICH Colombo with a participation of over three hundred members joining physically and online. Mr S R Artigalle, Secretary to the Treasury attended as the chief guest at the event. The conference featured two papers being presented by two eminent personalities with long years of engagement in public sector accounting and reporting. As part of public sector professional education in the country, APFASL during 2021 was negotiating with CIPFA for an extension of the MOU beyond January 2022. Besides, APFASL offered assistance for CAPA to conduct a case study on CA Sri Lanka's engagement with the Public Sector.

4.5.2 Challenges faced during 2021

There had been lower demand for training programs by institutions during 2021. During times when the country had to follow health guidelines, especially at times when the institutions were encouraged to work with limited staff and 'work from home' arrangements, did not allow public sector staff to engage in training programs as usual. Online training programs were an alternative for which APFASL was ready to respond if requested. However, there had not been such requests except for the USAID project (where part of the program is online) that is scheduled for 2022. Hence APFASL had to experience limited activity in training and workshop-related delivery.

4.5.3 Opportunities in the market and response

There is a growing demand for training related to public sector financial management courses among public sector institutions. The requirements vary from one-day workshop type of programs, certificate and diploma programs with durations ranging from a few days to several months. There is only limited availability of courses for candidates to choose from among the established training providers. This is particularly valid for short-term courses since most of the public sector-based courses offered by universities are not designed for working staff. APFASL's response to undertaking two programs with TA from UNDP and USAID is to address this opportunity and need in the market. Besides, the MPFM degree program designed by APFASL would cater to public sector employees who wish to specialize in their respective areas of responsibility and also to further their professional profile associated with reputed PAOs.

4.6 APFASL Activities

4.6.1 Fifth Best Annual Reports and Accounts (BARA) Awards Competition:

The fifth BARA awards ceremony was held on 29th December 2021 at BMICH Colombo, under the patronage of Mr S.R. Attigalle Secretary to the Treasury. APFASL observed substantial improvements in the preparation of quality annual reports and the increasing number of participants at the competition, as a result of awareness programs and the guidelines issued in this regard. APFASL is in the process of preparing new document on the preparation and presentation of annual report and accounts for public institutions for the competition with future improvement. 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

GOLD AWARD	SILVER AWARD	BRONZE AWARD
Universities		
University of Uwa Wellassa University of Peradeniya	University of Wayamba University of Sri Jayawardhanapura	University of Ruhuna Sabaragamuwa University Buddhist and Pali University
Statutory Boards		
Telecommunication Regulatory Commission of Sri Lanka	Employees Trust Fund Board	Economic Development Bureau -Western Province Sri Lanka Export Development Board Srama Wasana Fund
Research Institutes		
Coconut Research Board	National Engineering Research & Development - Centre of Sri Lanka (NERD)	National Science Foundation
Ministries		
State Ministry of Home Affairs	Ministry of Highways	Ministry of Ports & Shipping Ministry of Transport
Departments		
Department of Local Government North Central Province	Sri Lanka Air Force	Department of Treasury Operations
Provincial Councils		
North Central Provincial Councils Northern Provincial Councils	Southern Provincial Council	North western Provincial Council
Urban Councils		
Balangoda Urban Council Urban Council Kaluthara	Vavuniya Urban Council Urban Council - Point Pedro	Puttalama Urban Council
Municipal Councils		
Colombo Municipal Council	Dehiwala - Mount Lavinia Municipal Council	
Pradeshiya Sabhas		
Lankapura Pradeshiya Sabha	Passara Pradeshiya Sabha Palagala Pradeshiya Sabha	Warakapola Praeshiya Sabha Rajanganaya Pradeshiya Sabha Kekirawa Pradeshiya Sabha

At the 4th Best Annual Report and Accounts Award Ceremony 2021



At the 5th Best Annual Report and Accounts Award Ceremony 2021



4.6.2 CIPFA (London) recognized our CPFA professional qualification

CA Sri Lanka together with APFASL introduced the Chartered Public Finance Accountancy (CPFA), a new professional qualification for professionals in the public sector. 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 a merit basis was conferred the CIPFA designation at the convocation ceremony held at BMICH in February 2021.

4.6.3 Training programs and seminars

APFASL had planned to undertake a wide range of educational programs throughout the island in 2020 to train the public sector officers. Unfortunately, the situation faced by the country during COVID 19 outbreak curtailed our expectations significantly compared to 2020. However, despite the hardships, APFASL managed to conduct one virtual session with a total participation of 278 members.

CA Sri Lanka facilitated APFASL members to participate in 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 required to follow CPD programs to retain their memberships were allowed to participate in the “Online Academy” of CA Sri Lanka and were informed of the procedures to be followed. But the number of participants was very minimal to use these facilities in 2021. Member's involvement in the activities provided by APFASL to enhance their knowledge and skills was not satisfactory.

4.6.4 Training programs conducted

The following Programs have been conducted during the year 2021

Training Programs - 2021

	Name of the Program	Date	No. of Participants
01.	Seminar on Good Governance and Accountability	26 th November 2021	Online 233 Physical 45
	Total Participants		278

4.6.5 APFASL Newsletter

The third edition of the APFASL NEWSLETTER was published during 2021 and the fourth edition is being processed. The Newsletter facilitates publishing of members' articles and other materials for their benefit. However, the members have not been using this opportunity as expected. Those who have research papers and thesis submitted for educational purposes could publish their papers in our newsletter. One article entitles 5 CPD hours for a member.

4.7 Activities planned for next year

4.7.1 Training programs scheduled

Two capacity-building programs, one supported by UNDP another by USAID, are to be implemented shortly. UNDP sponsored Diploma in Local Government Financial Management (DLGFM) for LA staff - The proposed Diploma program is scheduled to train 480 LA staff in eight batches is scheduled to start during February 2022 in North, North Central, Uva, and Eastern provinces. Arrangements with USAID to handle two capacity-building programs (one SLPSAS and another IT awareness program) among an estimated 1200 public sector officials attached to the central government, provincial councils, and public enterprises are awaiting Ministry of Finance approval to start during the first quarter of 2022.

4.7.2 Sixth Best Annual Reports and Accounts Awards competition

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 5th competition, applications are being invited to the 6th competition in 2022 in respect of the annual reports and accounts pertaining to the year 2020.

The technical staff has started working on the Best Annual Reports Awards competition based on the year 2020 accounts. Preparation of new guidelines considering the latest updates of statute/regulations and various circulars by authorities are being done to conduct evaluations under four main categories of public sector institutions.

4.7.3 Publication of the Bi-annual Newsletter.

APFASL is in the process of publishing its 4th edition of the Newsletter during the 2nd quarter and the 5th edition in the last quarter of the year 2022.

4.7.4 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 the CPFA examination route while improving the professional status in the service. Member enrollment drive will be implemented, especially 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.

4.7.5 Introducing Master of Public Financial Management (MPFM) program

The MPFM degree program is likely to commence during mid-2022 once the approval is received by MOHE. The preparatory work is being done, especially to start advertising for the program as early as possible to target an initial batch of 60 candidates.

4.7.6 Annual Conference of CPFA and APFASL members.

APFASL has planned to conduct a conference of CPFA and APFASL members annually and its 3rd Annual Conference will be held in 2022. APFASL will contribute to the fulfillment of the CIPFA and CASL/APFASL member engagement sessions in 2022.

4.7.7 Expected opportunities and challenges in 2022

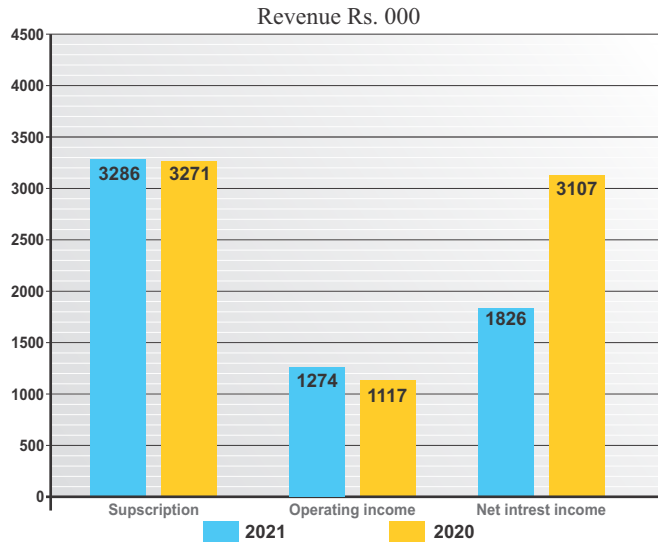
Public sector accounting and finance professionals who want to remain competitive in their environment will need to constantly re-skill themselves. They cannot assume that an education they earned to enter the service will be all they need for the rest of their working lives. This requires institutions to create opportunities for public sector officials to re-skill themselves with new and updated knowledge on contemporary subjects. APFASL sees this as an opportunity and professional responsibility, hence the Diploma and postgraduate degree programs offered from the year 2022. The prevailing pandemic-related restrictions and slowdowns are anticipated challenges for APFASL during the year 2022 which we intend to manage with technology-related options.

4.8 Financial Management of APFASL

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

4.8.1 Financial performances.

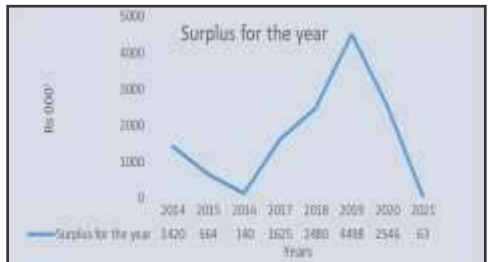
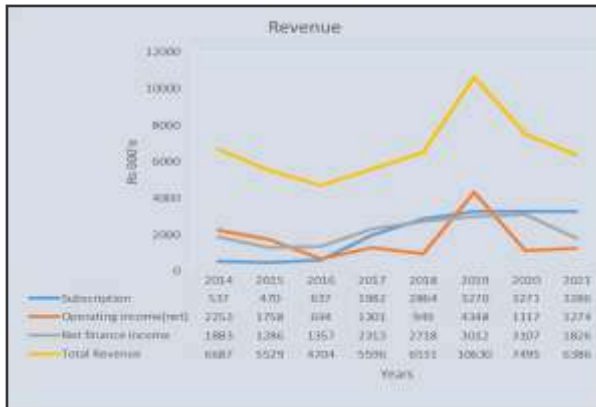
Financial performance of the Association for the year under review has resulted in a net surplus of Rs 63,000/- compared with Rs. 2.546 million in the previous year. Surplus has decreased mainly due to lower interest income consequent to drop in rates and higher expenses on account of conducting two BARA awards ceremonies during the year. Besides, the expected operations were curtailed by 85% in the year as a result of pandemic related restrictions in the country while member subscription income remained at the same level compared to the previous year.



Revenue.	2021 Rs. (000)	2020 Rs. (000)	2019 Rs. (000)
Members Subscription	3,286	3,271	3,270
Other Operating Income	1,274	1,117	4,348
Interest on Fixed Deposits	1,826	3,107	3,012
Total	6,386	7,495	10,630

4.8.2 Financial Position

The accumulated fund as at 31st December 2021 amounted to Rs 36.273million which represents the net assets of the Association as at 31st December 2021. This includes Rs 33.544 million of Investments held in Bank of Ceylon in the form of fixed deposits. Working capital at the yearend was Rs 2.5 million.



4.9 Invitation to become members of the Association

The APFASL is inviting all financial management personnel 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



Dr. Asela Athapathu
Secretary



Mr. Susantha Galgodage
Technical Manager - Public Sector



Mr. B. Vijayanga Kolambage
IT Executive - 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 accompanying financial statements of The Association of Public Finance Accountants of Sri Lanka (the association), which comprise the Statement of financial position as at December 31, 2021, 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, so far as appears from my examination, the accompanying financial statements give a true and fair view of the financial position of the Association, as at December 31, 2021 and financial performance of the association and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

I conducted the 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 ethical requirements of the Code of Ethics issued by CA Sri Lanka (Code of Ethics) that are relevant to my audit of the financial statements, 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 auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do 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 who 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 controls 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 operation, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Association's financial reporting process.

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 misstatements, 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 the audit in accordance with SLAuSs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatements 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 prove a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, or fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal controls.
- Obtaining an understanding of internal controls 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 controls.
- 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.

Other Matter

The financial statements of the Association for the year ended 31 December 2020, Ire audited by another auditor who expressed an unmodified opinion on those financial statements.

Report on Other Legal and Regulatory Requirements

I communicate with those who 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 controls that I identify during the audit.



.....
Ms. M.K.K. Karunaratne
Colombo

18th April 2022

Page 02 of 02

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

For the year ended 31 December	Note	2021 Rs.000	2020 Rs.000
Revenue	07	3,286	3,271
Direct expenses	08	(1,014)	(1,273)
Surplus		2,273	1,998
Other Operating Income	09	1,274	1,117
Contribution before Operating Expenses		3,547	3,115
Administration Expenses	10	2,091	2,285
Other Expenses	11	3,219	1,391
Total Operating Expenses		5,310	3,676
Net Finance Income	12	1,826	3,107
Surplus for the Year		63	2,546

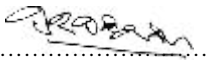
Figures in Brackets indicate Deductions.

The Significant Accounting Policies and Notes from page 30 to 37 form an integral part of these Financial Statements.


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

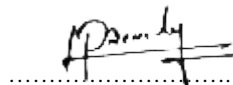
As at 31st December	Note	2021 Rs.000	2020 Rs.000
Assets			
Non - current assets			
Property, plant and equipment	13	172	46
Intangible Assets - Educational Material	14	-	-
Investment in Fixed Deposits		33,544	31,511
		33,715	31,557
Current assets			
Trade and other receivables	15	4,182	3,734
Cash and cash equivalents	16	392	3,169
		4,574	6,903
Total assets		38,289	38,460
Funds and liabilities			
Accumulated Funds and Liabilities			
Accumulated Fund		35,273	35,210
Scholarship Fund		1,000	1,000
		36,273	36,210
Non current liabilities			
Retirement Benefit Obligation		425	330
		425	330
Current liabilities			
Accrued Expenses	17	431	200
Subscriptions Received in Advance		398	146
Seminar Fees Received in Advance		30	30
NELSIP Project in Advance		604	604
Provision for Best Annual Award Ceremony		-	940
Bank overdrafts		129	-
		1,592	1,920
Total equity and liabilities		38,289	38,460

The Significant Accounting Policies and Notes from page 30 to 37 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

The accounting policies and notes form an integral part of these financial statements.
25-Mar-2022
Colombo

**ASSOCIATION OF PUBLIC FINANCE ACCOUNTANTS OF SRI LANKA
STATEMENT OF CHANGES IN EQUITY**

For the year ended 31 December 2021

	Accumulated Fund Rs.000	Scholarship Fund Rs.000	Total Rs.000
For the year ended 31 December 2020			
Balance as at 1 st January 2020	33,664	-	33,664
Surplus for the Year	2,546	-	2,546
Transferred to Scholarship Fund	(1,000)	1,000	-
Balance as at 31 December 2020	35,210	1,000	36,210
Surplus for the Year	63	-	63
Transferred to Scholarship Fund	-	-	-
Balance as at 31 December 2021	35,273	1,000	36,273

Figures in Brackets indicate Deductions.

The Significant Accounting Policies and Notes from page 30 to 37 form an integral part of these Financial Statements.

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

For the year ended 31 December	2021 Rs.000	2020 Rs.000
Cash flows from operating activities		
Surplus before Tax	63	2,546
Adjustments for;		
Amortization for the Year	-	1
Depreciation	17	17
Finance Income	(1,826)	(3,107)
Operating Surplus / (Deficits) before Working Capital Changes	(1,746)	(543)
Increase / Decrease in Trade and Other Receivables	(449)	(1,069)
Increase / (Decrease) in Accrued Expenses	(709)	169
Increase / (Decrease) in Subscriptions Received in Advance	252	87
Increase / (Decrease) in Seminar Fees Received in Advance	-	(72)
Increase / (Decrease) in Newsletter Sponsorship in Advance	-	(100)
Increase / (Decrease) in NLSIP Project Received	-	-
Increase / (Decrease) in Provision for Annual Report Competition Expenses	-	940
Increase / (Decrease) in Provision for Gratuity	95	330
Cash Generated from / (Used in) Operations	(811)	(258)
Net Cash Flow from / (Used in) Operating Activities	(2,557)	(258)
Cash Flows from / (Used in) Investing Activities		
Interest Income Received	1,826	3,107
Investment in Fixed Deposits	(2,033)	(1,991)
Purchase of Property, Plant and Equipment	(143)	(3)
Net Cash Flow from / (Used in) Investing Activities	(350)	1,114
Net Increase / (Decrease) in Cash and Cash Equivalents	(2,907)	856
Cash and Cash Equivalents at the Beginning of the Year	3,169	2,313
Cash and Cash Equivalents at the End of the Year (Note A)	262	3,169
Cash and cash equivalents comprise of :		
Cash at bank and cash in hand	262	3,169
	262	3,169

Figures in Brackets indicate Deductions.

The accounting policies and notes form an integral part of these financial statements.

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

For the year ended 31 December 2021

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 7th 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 (“SOFP”), 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.

**ASSOCIATION OF PUBLIC FINANCE ACCOUNTANTS OF SRI LANKA
ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2021

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.

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.

**ASSOCIATION OF PUBLIC FINANCE ACCOUNTANTS OF SRI LANKA
ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2021

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.

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.

**ASSOCIATION OF PUBLIC FINANCE ACCOUNTANTS OF SRI LANKA
ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2021

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.

Contd.....

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

For the year ended 31 December	2021 Rs.000	2020 Rs.000
Note 07 - Revenue		
APFASL Subscription	776	741
CPFA Subscription	2,510	2,530
	3,286	3,271
Note 08 - Direct Expenditure		
AGM Expenses	(282)	(175)
CPFA Remittance	(732)	(1,098)
	(1,014)	(1,273)
Note 09 - Other Operating Income		
Training Income	180	835
Training Expenses	(238)	(663)
	(58)	172
Best Annual Report Award Income	1,198	940
Newsletter Sponsorship	125	-
Staff Loan Interest	9	5
	1,332	945
	1,274	1,117
Note 10 - Administration Expenses		
Wages and Salaries	1,019	993
Insurance	32	25
Allowances	32	34
Overtime	37	43
Bonus and Ex-gratia	179	148
Medical Re-imbusement	85	82
Employees' Provident Fund	153	148
Employees' Trust Fund	31	30
Equipment Maintenance	51	74
Rent	360	360
Depreciation	17	17
Amortization Charge	-	1
Gratuity Provision	95	330
	2,091	2,285

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

For the year ended 31 December	2021 Rs.000	2020 Rs.000
Note 11 - Other Expenses		
Bank Charges	4	4
Printing and Stationery	26	98
Communication Expenses	39	46
Audit Fees	30	20
Transport Charges	22	19
Committee Meeting	240	90
Best Annual Report	2,069	940
CPFA Expenses	-	6
Task Force Expenses	-	50
News Letter Printing	168	32
Diploma / Post graduate	621	86
	3,219	1,391
Note 12 - Net Finance Income / (Cost)		
Finance Income		
Gross Income	1,826	3,107
	1,826	3,107
Finance Cost		
Interest on Overdraft	-	-
	-	-
	-	-
Net Finance Income	1,826	3,107

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

As at 31 December 2021

Note 13 - Property plant and equipment

	As at 01.01.2021	Additions	As at 31.12.2021
Cost	Rs.000	Rs.000	Rs.000
Freehold assets			
External Hard Disk/ Computer	15	143	158
Scanner	9	-	9
Office Equipments	47	-	47
	71	143	214
Accumulated depreciation			
External Hard Disk/ Computer	10	5	15
Scanner	6	3	9
Office Equipments	9	9	18
Computer	-	-	-
	25	17	42
Written down value			
External Hard Disk/ Computer	5		143
Scanner	3		0
Office Equipments	37		29
	46		172

Note 14 - Intangible Assets

	As at 01.01.2021	Additions	As at 31.12.2021
Cost	Rs.000	Rs.000	Rs.000
Educational Material	1,337	-	1,337
	1,337	-	1,337
Amortization			
Educational Material	1,337	-	1,337
	1,337	-	1,337
Written down value			
Educational Material	-		-
	-		-

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

As at 31 December	2021 Rs.000	2020 Rs.000
Note 15 - Trade and other receivables		
Festival Advance	2	2
Interest Income	1,189	2,038
Seminar Income	377	385
Staff Loans	181	238
Subscription Receivables	2,308	1,070
Overpaid Telephone Bill	-	1
Newsletter subscription	125	-
	4,182	3,734
Note 16 - Cash and cash equivalents		
<u>Favourable balances</u>		
Bank of Ceylon A/C No. 0072937259	-	323
Bank of Ceylon A/C No. 83109954	382	2,836
Petty Cash	10	10
	392	3,169
<u>Unfavourable balances</u>		
Bank of Ceylon A/C No. 0072937259	129	-
	129	-
Note 16.1 - For the purpose of Statement of cash flow, cash and cash equivalents includes following:		
Cash at bank and cash in hand	392	3,169
Bank overdrafts	(129)	-
	262	3,169
Note 17 - Accrued Expenses		
Audit Fees	30	20
ARA Expenses	31	-
Communication Expenses	10	-
Rent Payable	360	180
	431	200

7. CORPORATE INFORMATION

Name of the Association	: ASSOCIATION OF PUBLIC FINANCE ACCOUNTANTS OF SRI LANKA
Affiliations:	: Affiliated to CA Sri Lanka (Public Sector Wing of CA Sri Lanka)
Address	: 30A, Malalasekera Mawatha, Colombo 07.
Telephone	: (011) 2055857 / 2352000
Facsimile Number	: (011) 2055857 / 2352060
E- Mail	: apfasl@casrilanka.org
Web Site	: www.casrilanka.com
APFASL Web Site	: http://wisdom.casrilanka.com/apfasl/
Banker	: Bank of Ceylon
Auditor	: Mrs.Kumudini Karunaratna No.45, Braybrook Street, Colombo 02.
Registered Office	: No. 30A, Malalasekera Mawatha, Colombo 07

8. Notice of the Annual General Meeting

7th April 2022

Dear Members,

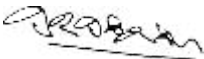
NOTICE OF 10th ANNUAL GENERAL MEETING OF APFASL FOR 2021

Notice is hereby given for the 10th 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 29th April 2022 at 2.00 pm**

AGENDA

01. The arrival of Members.
02. Reciting the National anthem Welcome Address by the President.
03. Submission of the minutes of the 9th AGM and matters, if any, arising from the minutes.
04. Presentation of the Annual Report and Accounts for 2021.
05. Discussion and adoption of Annual Report and Accounts for 2021.
06. To approve the appointment of Auditors made by the Board of Management and to authorize the Board of Management to determine the remuneration of the auditors
07. Members' Resolutions, if any
08. Vote of Thanks.

Guest Lecture



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Secretary APFASL

