

# 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 2022

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

<b>1. President’s Message</b>	<b>04-05</b>
<b>2. About our Association</b>	<b>06-07</b>
2.1 Establishment	
2.2 Vision	
2.3 Mission	
2.4 Objectives	
2.5 Board of management	
<b>3. Board of management as at date &amp; their profiles</b>	<b>07-14</b>
3.1 Board of Management as at date	
3.2 Board of Management's profiles	<b>15-26</b>
<b>4. Report of the board of management</b>	
4.1 Introduction	
4.2 Membership of the Association	
4.3 Organization and Staff	
4.4 Governance and Accountability	
4.5 Taking leadership in strengthening public financial management practices.	
4.6 APFASL Activities	
4.7 Activities planned for next year	
4.8 Financial Management of APFASL	
4.9 Invitation to become members of the Association	
<b>5. Management Team</b>	<b>27</b>
<b>6. Audited Financial Statements</b>	<b>28-38</b>
<b>7. Corporate Information</b>	<b>39</b>
<b>8. AGM Notice</b>	



It is with great pleasure I place before you the 11<sup>th</sup> Annual Report and Accounts of the Association of Public Finance Accountants of Sri Lanka (APFASL) for the year ended 31 December 2022 on behalf of the Board of Management.

APFASL had a good year amidst external challenges. Challenges due to consecutive economic shocks in recent years, especially after COVID-19 in 2020/21, and the socioeconomic and political crisis in 2022, the environment was not conducive for capacity building and professional activities due to constraints in mobility and funding.

Despite the limitations, the association undertook several professional development activities to strengthen public financial management (PFM) practices in the country.

### **Capacity Building Programs**

The DLGFM Project sponsored by UNDP started in Kilinochchi on 4th March 2022 followed by sessions in Anuradhapura on 11th March 2022. The program in the Uva and Eastern province started at the end of May 2022. We have by now completed the program having done teaching sessions for six months in each location. Examinations for the four batches who completed the course by December 2022 were conducted during January 2023. The second phase of the DLGFM program is structured as a blended program and is currently progressing. The DLGFM program is due to be completed by July 2023.

Two additional assignments with UNDP TA also progressed during the year: preparation of an internal audit (IA) manual for local authorities and a special capacity-building program for the staff of local government institutions covering all provinces in the country. The preparation of the IA manual is finalized. The special workshops to upskill the local government staff were aimed at encouraging them to participate in this year's Best Annual Report and Accounts (BARA) competition for local government institutions.

APFASL finalized arrangements to conduct a program covering SLPSAS and IT skills for public sector officials with TA from USAID PARTNER in Sri Lanka. This program intends to train public sector accounting and auditing professionals on SLPSAS 11-20, thereby enhancing the quality of financial reporting in the public sector. The program will also increase public sector finance professionals' awareness, skills, and application of information technology (IT) and IT systems for data management, analysis, and strategic decision-making. The training programs on SLPSAS and IT is expected to reach approximately 600 and 1200 accounting and auditing professionals respectively, across the island.

Contd.....

The Ministry of Education by their letter dated 23<sup>rd</sup> November 2022 has informed that SCAQA has approved CA Sri Lanka's MPFM degree program. The overall objective of the Program is to enhance the professional competency of officers dealing with public sector accounting and financial reporting which would eventually lead to improved accountability, transparency, and good governance, and also their professional decision-making skills.

### **International Recognition**

APFASL arranged for CA Sri Lanka to enter into a fresh MOU with CIPFA (UK) for a further period up to 2025. The understanding will allow APFASL to promote CPFA qualification in the country both by means of direct entry and via the examination route.

CAPA undertook a case study on CA Sri Lanka and its “Public Sector” wing. This was published in November 2022 and was the latest in the series. It illustrated how a national PAO in Sri Lanka decided to extend its activities into the public sector, including the organizational arrangements established to deliver these activities.

### **Sixth Best Annual Reports and Accounts (BARA) Awards Competition:**

This year we saw 125 institutions participating in the BARA competition. A total of 43 institutions were honored for excellence in financial reporting while a further 59 received certificates of compliance at a ceremony held on 2nd of December 2022 at BMICH, Colombo.

### **APFASL Annual Conference 2022**

Over two hundred and fifty members participated in the APFASL annual conference for 2022, which took place on December 2<sup>nd</sup>, 2022, at the BMICH in Colombo. The event's chief guest was Mr. Mahinda Siriwardena, Secretary of the Treasury. The theme of this year's conference was “Transforming Public Sector for Economic Revival”. The keynote speech was done by Dr Nandalal Weerasinghe, the Governor of the Central Bank of Sri Lanka.

### **Opportunities in the Market and Invitation**

Professionals in the public sector who work in accounting and finance will need to regularly improve if they want to stay competitive. To respond to this market potential and demand, APFASL will continue to offer relevant programs to public sector professionals in the country.

We invite all our members to actively participate in all our activities to make and derive full benefits from the services offered by the association. It is your continuous commitment 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 Secretary and the staff of the Association, the CEO, and the Staff of CA Sri Lanka for their support to deliver the results set out in this report. I am also grateful to our Board of Directors and the council of CA Sri Lanka for their independent judgment and expertise to manage the affairs of the association during the year.



**V. Kanagasabapathy**  
President

31<sup>st</sup> March 2023

## 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

### **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  
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 Owing 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. R.A.L. Udaya Kumara**  
Ex officio Member and Vice President

Mr. Udaya Kumara has over twelve years of experience in the General Treasury where he has been actively involved in engaging with oversight of major State Owned-Enterprises. He has served as a Board Member of many State-Owned Enterprises including the Employees' Trust Fund Board, Coconut Research Institute, Kurunegala Plantations Ltd, Sri Lanka Handicraft Board, and Sri Lanka Insurance Corporation etc. He currently serves as a board member for Vocational Training Authority and the Buddhasasana Fund.

He has a bachelor's degree in financial management and has earned a Master's in Financial Economics. He has also completed a Capital Markets Programme at George Washington University, Washington DC with an internship at the International Finance Corporation as a short-term Consultant. He serves as the Chairman of the Public Sector Task Force of CA Sri Lanka as well as the Vice President of the Board of Management of the Association of Public Finance Accountants of Sri Lanka (APFASL).



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

Mr. Wickramaratne is the Auditor General of Sri Lanka. He 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 28<sup>th</sup> November 2015 and thereafter as the Additional Auditor General until his appointment as the Auditor General in 2019.

Mr. Wickramaratne graduated with honors from 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 the Institute of Certified Management Accountants of Sri Lanka (ACMA). He also holds a 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 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. 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 the South Asian Federation of Accountants (SAFA), which includes the Education Committee, Training and CPD Committee as well 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 the Council of the Association of Accounting Technicians of Sri Lanka (AAT).





**Mr. Heshana Kuruppu**  
Vice President, CA Sri Lanka

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 on 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 the Council of the Association of Accounting Technicians of Sri Lanka (AAT).



**Ranjith Hapuarachchi**  
Commissioner General of Inland Revenue  
**Ex-officio Member**

Mr Hapuarachchi has around 35 years in the Inland Revenue Department (IRD) in the overall tax compliance process, tax policy and international affairs, interpretations and clarifications, training and awareness programs for tax officials, professional stakeholders and the public for achieving overall tax compliance. He believes in the contribution of the SMEs to Sri Lanka's economy and to support or upgrade their economic capacity, the exporters as the facilitators of economic strength and the Large Taxpayers as the Promoters of the economy and government revenue.

He holds a Master's (Taxation Policy and Management), from Keio University, Tokyo, Japan, 2005, a BCom Special, (Second Class Honors - Upper Division) from, the University of Colombo, 1986, a Diploma in Professional Diplomacy and World Affairs, the Bandaranaike International Diplomatic Training Institute, 2010, Certificate in International Relations, the Bandaranaike International Diplomatic Training Institute, Training Methodology (Malaysian Technical Cooperation Program), National Institute of Public Administration (INTAN), Kuala Lumpur, Malaysia, 2008. He has published several research papers; “The Role of Tax Amnesties in Personal Income Tax Compliance in Sri Lanka” – Master's thesis, Keio University, Tokyo, Japan, 2005, “From Tax Amnesties to Public Relations and Tax Education – Lessons from Japan to Enhance Income Tax Compliance in Sri Lanka”, Internship Research Paper for the National Tax College, Japan, 2004, “International Comparisons of Taxation in Developing Countries – Sri Lanka” – Faculty of Business and Commerce, Keio University, 2003, “Measures to Enhance Compliance as to Minimize Evasion of Income Tax”, Research Paper for International Seminar on Taxation, National Tax Agency, Tokyo, Japan, 2002.



**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.

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 Jayawardenepura, 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 Secretarial 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 gained foreign training and exposure related to Accounting Financial Management, Strategic plan & Risk Management from reputed international Institutions/Universities.

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 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 in charge of the Port and Shipping, Community Transport and Airport and Aviation Sectors.

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.

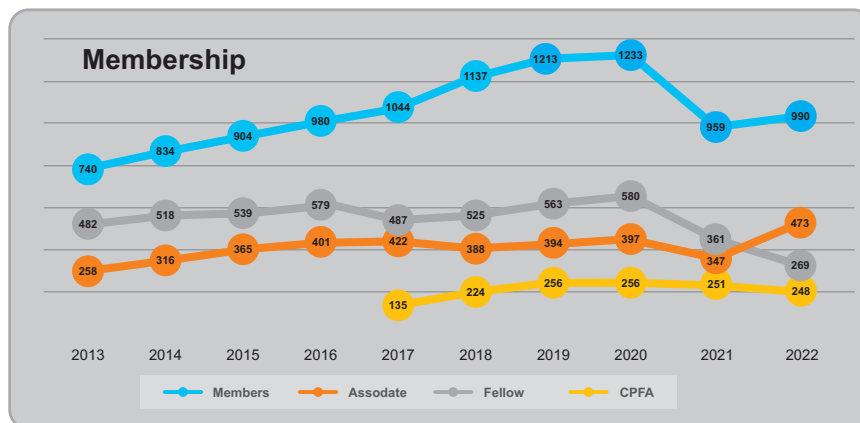
Besides being a Fellow member of the Institute, Dr Athapathu is also an Associate Member of CIMA (UK) and a graduate of the Australian Computer Society. He has a PG Diploma in Mgt and an MBA from PIM (University of Sri J), a Master of Economics, and a PhD in Economics from the Dept of Economics, University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

## 4. REPORT OF THE BOARD OF MANAGEMENT

### 4.1 Introduction

The Board of Management of APFASL is pleased to submit its performance report and the associated financials of the Association for the year 2022 as follows.

### 4.2 Membership in 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 31 members during the year representing 5 Fellow Members and 26 Associate Members. Compared to last year, the number of members increased by 31.

The drop in membership during the year was due to retired members not paying their subscriptions for more than three years.

#### Employment and Student Information

Members Distribution	2022	2021	2020	2019	2018
Govt. Ministries	111	110	129	127	124
Govt. Departments	209	198	231	229	224
Dist. and Div. Secretaries	158	158	217	213	195
Provincial Councils	28	28	29	29	24
Local Authorities	16	16	22	22	22
State Owned Enterprises	203	190	277	267	247
Auditor General's Department	53	52	102	100	92
Department of Inland Revenue	75	70	108	108	108
Retired members	120	120	101	101	101
Direct CPFA Members From CA	17	17	17	17	-
<b>Total members</b>	<b>990</b>	<b>959</b>	<b>1233</b>	<b>1213</b>	<b>1137</b>
<b>Students - CPFA</b>	<b>47</b>	<b>39</b>	<b>38</b>	<b>33</b>	<b>39</b>

#### Gender and Age Analysis

Member	Male	Femal	Member		
			50<	50-60	60+
CPFA	172	76	73	116	59
APFASL	473	269	175	440	127

Composition of the membership as of 31<sup>st</sup> December 2022

	2022	2021
● Associate	473	347
● Fellow	269	361
● CPFA	248	251
	<u>959</u>	<u>959</u>

## 4.2 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 the Constitution.

The Association is managed under the directions of the Board of Management by a Technical Manager, Administrative Assistant, Program Assistant, and IT Executive under the supervision of the Secretary.

Secretary, APFASL coordinates 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 is 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 that prevailed, there had been only seven meetings held during the year 2022. 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

Sri Lanka encountered the most challenging year in 2022 in the post-independence economy, says the Central Bank of Sri Lanka in the latest report on monetary and financial sector policies for 2023 and beyond. Challenges due to consecutive economic shocks in recent years, especially the outbreak of COVID-19 in 2020, and its protracted impact on activity in the aftermath in 2021, the socioeconomic and political crisis in 2022 amidst catastrophic balance of payments (BOP) pressures, along with unprecedented policy tradeoffs, have severely affected economic activity. All these negative external developments had an impact on the activities of the association. Despite the limitations, APFASL has undertaken professional development activities in strengthening public financial management practices in the country.

The 10<sup>th</sup> AGM of the APFASL members was held on the 29<sup>th</sup> of April 2022 with the participation of twenty-six members, the CEO of CA Sri Lanka and five Board members. The President's message highlighted the key projects initiated by APFASL during the year; the UNDP, USAID and the MPFM

degree program where the preliminary work was completed in 2021. The capacity-building program for the Corporative Development Dept started, and the course material was done to commence training in 2022. APFASL hosted the launch of PED's new Operational Guidelines and Governance documents at a seminar in November 2021. APFASL held its annual conference and the BARA awards ceremony as a combined event in December 2021. Besides, APFASL continued its negotiations with CIPFA (UK) for a new MOU and also was involved with the CAPA case study on Sri Lanka in relation to CA Sri Lanka's arrangement with APFASL to cater to the needs of promoting PFM in the country. The day's proceedings ended with a presentation by Sn Prof (Mrs.) Lalitha Fernando from the University of Sri Jayewardenepura on "Current Trend in PFM Practices in the Country".

The DLGFM Project sponsored by UNDP started in Kilinochchi on 4th March 2022 followed by sessions in Anuradhapura on 11<sup>th</sup> March 2022. The program in the Uva and Eastern province started at the end of May 2022. We have by now completed the program having done teaching sessions for six months in each location. Examinations for the four batches who completed the course by December 2022 were conducted during January 2023. The evaluations of the answer scripts are done to have the Diploma awarded to successful candidates in April 2023. The second phase of the DLGFM program is structured as a blended program and is currently progressing. The DLGFM program is due to be completed by July 2023.

Two additional assignments with UNDP TA also progressed during the year: preparation of an internal audit (IA) manual for local authorities and a special capacity-building program for the staff of local government institutions covering all provinces in the country. The preparation of the IA manual is finalized. The special workshops to upskill the local government staff were aimed at encouraging them to participate in this year's Best Annual Report and Accounts (BARA) competition for local government institutions. The competition is to be based on the year 2022 accounts for which the applications are due to be called by mid this year.

The Ministry of Education in their letter dated 23<sup>rd</sup> November 2022 has informed that SCAQA has approved CA Sri Lanka's MPFM degree program and the order is Gazetted dated 2<sup>nd</sup> March 2023. The overall objective of the Program is to enhance the professional competency of officers dealing with public sector accounting and financial reporting which would eventually lead to improved accountability, transparency, and good governance, and also their professional decision-making skills. Especially, the program aims at providing candidates with knowledge of newly introduced public sector accounting and reporting standards and streamlining the PFM in the public sector in Sri Lanka.

CAPA undertook a case study on CA Sri Lanka and its "Public Sector" wing. This was published in November 2022 and was the latest in the series. It illustrated how a national PAO in Sri Lanka decided to extend its activities into the public sector, including the organizational arrangements established to deliver these activities. The circumstances at the time in Sri Lanka which underpinned how the local PAO 'entered this market' were unique, namely the existence of an organization already supporting individuals with finance-related careers in the public sector.

## **4.5.2 APFASL Annual Conference 2022**

Over two hundred and fifty members participated in the APFASL's annual conference for 2022, which took place on December 2<sup>nd</sup>, 2022, at the BMICH in Colombo. The chief guest at the event was Mr. Mahinda Siriwardena, Secretary of the Treasury. The theme of this year's conference was "Transforming Public Sector for Economic Revival". APFASL considered it appropriate to give focus on the role that the sector could play in the economic revival of post-Covid Sri Lanka. The keynote speaker, Dr Nandalal Weerasinghe educated the participants on some interesting



information about the government's agenda in dealing with the crisis and the relevant changes that the public sector could provide to restructure and revive the economy.

### **4.5.3 Challenges Faced During 2022**

Institutional demand for training programs decreased in 2022. Public sector employees were restricted from participating in training programs during periods when the country had to experience social and political disturbances and institutions allowed staff members to "work from home" arrangements. Besides, other issues such as the fuel crisis did not allow trainers to undertake assignments that required travel. Potential candidates were also affected by the limited budget allocations for institutions for training, thus lowering the demand for capacity-building assignments. As a result, APFASL could only conduct a limited number of training programs.

### **4.5.4 Opportunities in the Market and Response**

Public sector organizations have an increasing need for training in public sector financial management courses. The requirements range from one-day workshops to certificate and diploma programs lasting a few days to many months, depending on the type of program. Candidates have a small selection of courses to pick from among training institutes that offer relevant courses. The majority of university-based courses focused on the public sector, especially the short programs are not intended for working staff, hence there is a demand for courses that offer public finance management subjects. To respond to this market potential and demand, APFASL is currently conducting two programs with assistance from UNDP and USAID. Additionally, the APFASL-designed MPFM degree program will serve public sector workers who want to specialize in their fields.

## **4.6 APFASL Activities**

### **4.6.1 Sixth Best Annual Reports and Accounts (BARA) Awards Competition:**

This year we saw 125 institutions participating in the BARA competition. With a view to ensuring quality annual reports being published, we issued a comprehensive guideline for the preparation and presentation of annual reports and accounts in all three languages before the competition started. This year's process of the competition was supervised and moderated by a committee comprising six members specialized in the four categories of institutions to ensure proper evaluation before the final review by the board of management. A total of 43 institutions were honored for excellence in financial reporting while a further 59 received certificates of compliance at a ceremony held on 2nd of December 2022 at BMICH, Colombo. The competition's major goal is to raise the standard of annual reports and promote superior financial reporting in the public sector. This will increase the accountability and openness of local governments, statutory bodies, provincial councils, and projects with foreign funding.

Sector	Organization	Awards
<b>Municipal Councils</b>	Ratnapura Municipal Council	Gold
	Anuradhapura Municipal Council	Silver
	Kaduwela Municipal Council	Browns
<b>Urban Councils</b>	Balangoda Urban Council	Gold
	Kolonnawa Urban Council	Silver
	Kalutara Urban Council	Silver
	Wattala Mabile Urban Council	Browns
<b>Pradeshiya Sabha</b>	Dibulagala Pradeshiya Sabha	Gold
	Nochchiyagama Pradeshiya Sabha	Silver
	Rajanganaya Pradeshiya Sabha	Silver
	Dehiowita Pradeshiya Sabha	Browns
	Vengalcheddikulam Pradeshiya Sabha	Browns
<b>Ministries</b>	Ministry of Highways	Gold
	Ministry of Ports, Shipping and Aviation	Silver
	Ministry of Water Supply	Browns
<b>Department</b>	National Intellectual Property Office of Sri Lanka	Gold
	Department of Prison	Gold
	Department of Buildings	Silver
	Treasury Operations Department	Browns
<b>Provincial Councils</b>	Chief Secretary's Secretariat - Southern Province	Gold
	Chief Secretary's Secretariat - Northern Province	Silver
	Chief Secretary Office - North Central Province	Browns
<b>University</b>	University of Peradeniya	Gold
	University of Jaffna	Silver
	University of Sri Jayawadhanapura	Silver
	Uwa Wellassa University	Browns
	Sabaragamuwa University of Sri Lanka	Browns
	University of Ruhuna	Browns
<b>Statutory Board</b>	Employee Trust Fund	Gold
	State Pharmaceuticals Manufacturing Corporation	Silver
	Sri Lanka Export Development Board	Browns
<b>Research Institute</b>	Coconut Research Institute	Gold
	National Science Foundation	Silver
<b>Departments and Ministries under Provincial Administration</b>	Ministry of Health Indigenous Medicine NP	Gold
	Provincial Department of Motor Traffic NP	Gold
	Department of Rural Development NP	Silver
	Ministry of Finance Planning and Local Government NP	Browns

## **4.6.2 A new MOU with CIPFA (UK) for the Period 2023-25**

APFASL arranged for CA Sri Lanka to enter a fresh MOU with CIPFA (UK) for a further period up to 2025. The understanding will allow APFASL to promote CPFA qualification in the country both by means of direct entry and via the examination route. APFASL members with five years of experience will have the opportunity to become “Affiliate” members under the new understanding.

## **4.6.3 Training Programs and Seminars**

APFASL finalized arrangements to conduct a program covering SLPSAS and IT skills for public sector officials with TA from USAID PARTNER in Sri Lanka. This program intends to train public sector accounting and auditing professionals on SLPSAS 11-20, thereby enhancing the quality of financial reporting in the public sector. The program will also increase public sector finance professionals' awareness, skills, and application of information technology (IT) and IT systems for data management, analysis, and strategic decision-making. The training programs on SLPSAS and IT is expected to reach approximately 600 and 1200 accounting and auditing professionals respectively, across the island. A letter of corporation (LOC) was signed in June 2022 to mark the commencement of arrangements for the program which was launched at a ceremony in Colombo on the 16th of February 2023. The event was attended by the key officials of the Ministry of Finance who were associated with the project, the VP of CA Sri Lanka and some key officials representing the USAID PARTNER activity in Sri Lanka.

APFASL conducted two training programs for the benefit of the middle and senior management staff of CTB. The first one was on “procurement management in the public sector” and the second on “SLPSAS application in financial accounts”. Bother programs were conducted over 5 days, a total of 100 CTB staff were trained, and certificates of participation were issued.

## **4.7 Activities Planned for Next Year**

### **4.7.1 Training Programs Scheduled**

Planned capacity-building programs, some of which are being currently done will be continued in 2023. The second phase of the UNDP-sponsored DLGFM project will be conducted as a blended program. The physical classes are held in the Ampara district while the virtual sessions are conducted via CA Sri Lanka facilities. The USAID program is conducted in various locations throughout the country covering all provinces. The IT awareness program is available online to registered participants.

The MPFM Degree program is due to commence its sessions shortly and will be available to approx. 50 participants in its first intake. The degree program is offered by course work where the candidates completing 31 credits will be offered the master's degree. This degree program will be useful to candidates who are registered for CPFA examinations since the modules are structured to suit the subjects of the professional examination.

#### **4.7.2 Seventh Best Annual Reports and Accounts Awards Competition**

The Best Annual Reports and Accounts Awards competition for the public sector is organized annually by APFASL to promote excellence in financial reporting by creating and presenting financial statements in line with Sri Lanka Public Sector Accounting Standards and best practices. After holding the sixth competition, the management decided to skip the next competition to allow institutions to compete based on the latest accounts. Consequently, applications will be called for the seventh competition, which will focus on the annual reports and accounts for the year 2022.

A provincial best annual report competition was originally planned as part of the UNDP project. This was subsequently extended to cover the local government and other government institutions in all the provinces. A special series of workshops were conducted in December 2022 to capacity-build the staff of these institutions in the regions. The expectation is to have all the local government institutions under the purview of provincial councils and others participate in the competition based on 2022 financial accounts.

#### **4.7.3 Publication of the Bi-annual Newsletter.**

APFASL is in the process of publishing its fourth edition of the Newsletter shortly which will feature some articles of interest to public sector finance professionals. Besides, there will be announcements about APFASL's key activities and events planned for the year.

#### **4.7.4 Membership Enrollment Activities.**

With the consent and approval of CA Sri Lanka, APFASL has implemented new policies to increase chances for public officials to enhance their knowledge and skills through the CPFA examination route while enhancing their professional standing within the organization. A member recruitment drive will be carried out, among the new officers in the appropriate services to transfer knowledge and skills. The direct membership facility to obtain CPFA membership for CA members will continue as confirmed in the new MOU with CIPFA (UK). Besides, there is another membership category, CIPFA (Affiliate) available for APFASL members with five years of public sector experience.

#### **4.7.5 The Master of Public Financial Management (MPFM) program will likely commence mid-2023. The preparatory work is being done, to launch the program targeting an initial batch of 50 candidates.**

#### **4.7.6 Annual Conference of CPFA and APFASL members.**

Two years in succession, the APFASL and CPFA annual conference was held along with the BARA event due to the conditions that prevailed in the country. The board has advised that APFASL have its next annual conference as a separate event. Initial plans are now being made to hold an event on the theme “SMART management of Public Finance” where there will be papers presented on public finance topics in line with the conference theme. A panel discussion relating to the key ideas presented would follow.

## 4.7.7 Expected Opportunities and Challenges in 2023

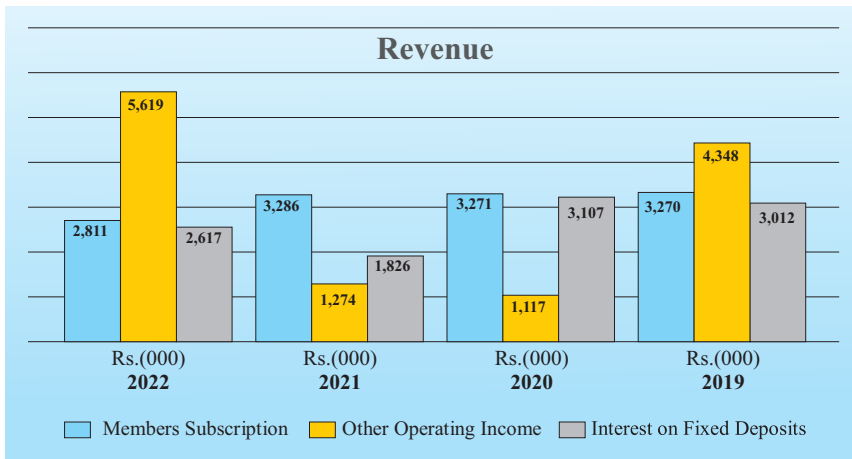
Professionals in the public sector who work in accounting and finance will need to regularly improve if they want to stay competitive. They cannot presume that the education they received to join the government service will be sufficient for the duration of their professional careers. Institutions must therefore provide opportunities for public sector employees to update their skills and gain new information on current issues. This is an opportunity and a professional duty in the eyes of APFASL, which is why postgraduate degree and diploma programs will start to be offered in 2023. We anticipate facing obstacles in 2023 connected to public expenditure-related restrictions and economic slowdowns, which we plan to address with appropriate solutions.

## 4.8 Financial Management of APFASL

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

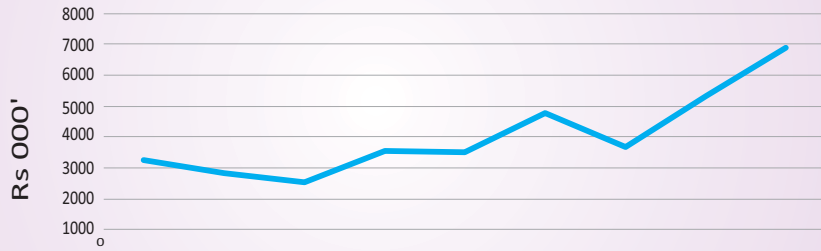
### 4.8.1 Financial Performance.

The financial performance of the Association for the year under review has resulted in a net surplus of Rs 1.574 million compared with Rs. 62,000/- in the previous year. Subscription income was lower than last year due to 46 CPFA members becoming inactive. A further 245 APFASL members were inactive during 2022, however, a subscription fee increase in 2022 offset the decrease in receipts to APFASL. The training income improved from two programs conducted for CTB staff. The other income improved over last year from the UNDP overhead recovery. Higher interest income from better rates from the FDs also helped the other income.



Revenue.	2022 Rs. (000)	2021 Rs. (000)	2020 Rs. (000)	2019 Rs. (000)
Members Subscription	2,811	3,286	3,271	3,270
Other Operating Income	5,619	1,274	1,117	4,348
Interest on Fixed Deposits	2,617	1,826	3,107	3,012
<b>Total</b>	<b>11,047</b>	<b>6,386</b>	<b>7,495</b>	<b>10,630</b>

### Office operation expenses



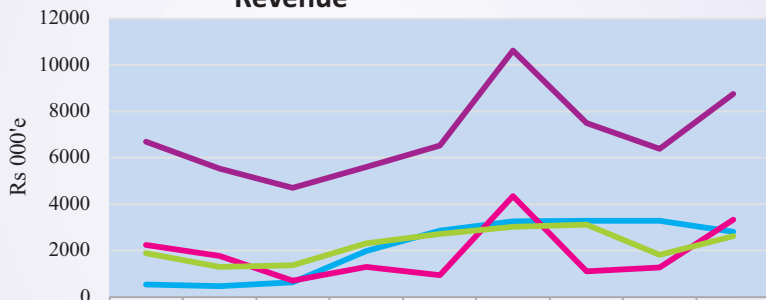
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Office operation expenses	3253	2850	2548	3555	3490	4779	3676	5310	6902

Years

## 4.8.2 Financial Position

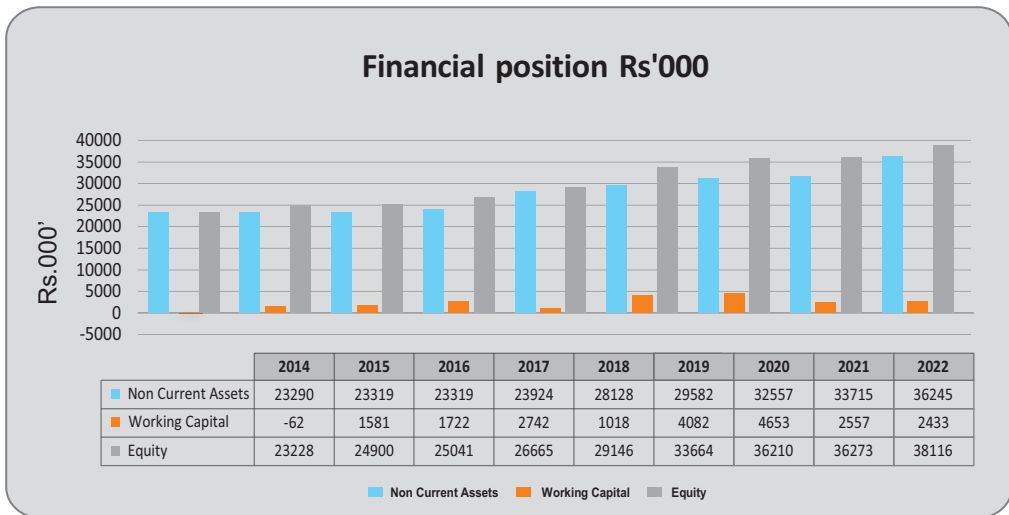
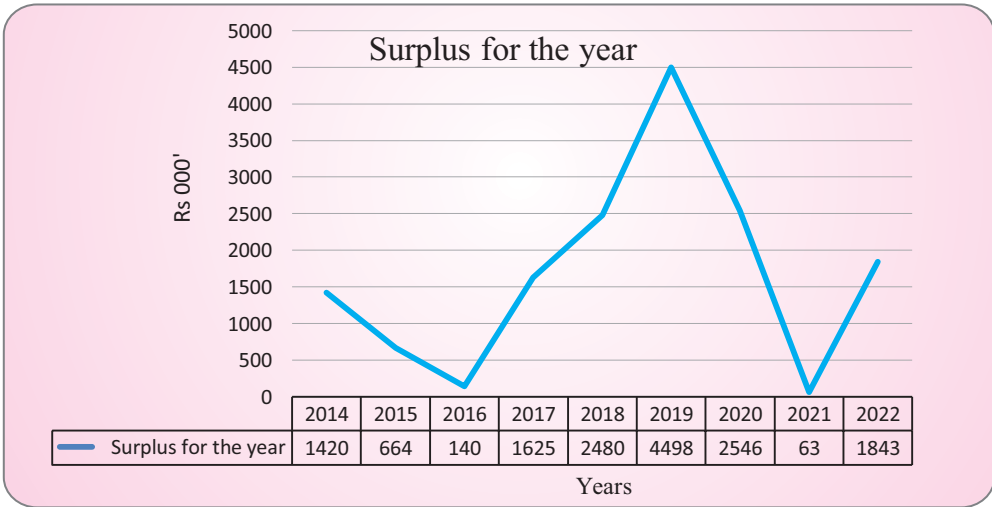
The accumulated fund as of 31<sup>st</sup> December 2022 amounted to Rs 37.11 million which represents the net assets of the Association as of 31<sup>st</sup> December 2022. This includes Rs 35.93 million of Investments held in the Bank of Ceylon in the form of fixed deposits. Working capital at the year-end was Rs 2.43 million.

### Revenue



	2014	2015	2016	2017	2018	2019	2020	2021	2022
Subscription	537	470	637	1982	2864	3270	3271	3286	2811
Operating income(net)	2253	1758	694	1301	949	4348	1117	1274	3321
Net finance income	1883	1286	1357	2313	2718	3012	3107	1826	2613
Total Revenue	6687	5529	4704	5596	6531	10630	7495	6386	8745

Years



## 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



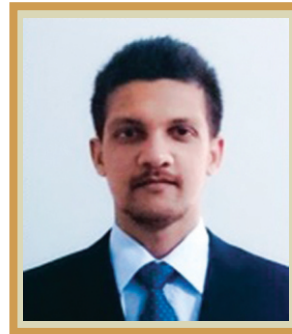
**Mr. V. Kanagasabapathy**  
President



**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, 2022, 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, 2022 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.

### **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**

03-Apr-2023

Page 02 of 02

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

For the year ended 31 December 2022

	Note	2022 Rs.000	2021 Rs.000
Revenue	07	2,811	3,286
Direct expenses	08	(1,273)	(1,014)
<b>Surplus</b>		1,538	2,273
Other Operating Income	09	3,321	(789)
<b>Contribution before Operating Expenses</b>		4,859	1,483
Administration Expenses	10	3,393	2,091
Other Expenses	11	2,235	1,155
<b>Total Operating Expenses</b>		5,629	3,246
Net Finance Income	12	2,613	1,826
<b>Surplus for the Year</b>		1,843	63

Figures in Brackets indicate Deductions.

The Significant Accounting Policies and Notes from page 32 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 2022

	Note	2022 Rs.000	2021 Rs.000
<b>Assets</b>			
<b>Non - current assets</b>			
Property, plant and equipment	13	322	172
Intangible Assets - Educational Material	14	-	-
Investment in Fixed Deposits		35,923	33,545
		36,245	33,716
<b>Current assets</b>			
Trade and other receivables	15	3,329	4,179
Cash and cash equivalents	16	182	392
		3,511	4,571
<b>Total assets</b>		<b>39,756</b>	<b>38,287</b>
<b>Funds and liabilities</b>			
<b>Accumulated Funds and Liabilities</b>			
Accumulated Fund		37,116	35,273
Scholarship Fund		1,000	1,000
		38,116	36,273
<b>Non current liabilities</b>			
Retirement Benefit Obligation	17	563	425
		563	425
<b>Current liabilities</b>			
Accrued Expenses	18	377	431
Subscriptions Received in Advance		421	398
Seminar Fees Received in Advance		30	30
NELSIP Project in Advance		-	604
Newsletter Sponsorship Received in Advance		250	-
Provision for Best Annual Award Ceremony		-	-
Bank overdrafts		-	129
		1,078	1,593
<b>Total equity and liabilities</b>		<b>39,757</b>	<b>38,290</b>

The Significant Accounting Policies and Notes from page 32 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

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

Page 02

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

**For the year ended 31 December 2022**

	Accumulated Fund Rs.000	Scholarship Fund Rs.000	Total Rs.000
<b>For the year ended 31 December 2021</b>			
Balance as at 1 <sup>st</sup> January 2021	35,210	1,000	36,210
Surplus for the Year	63	-	63
Transferred to Scholarship Fund	-	-	-
<b>Balance as at 31 December 2021</b>	<b>35,273</b>	<b>1,000</b>	<b>36,273</b>
Surplus for the Year	1,843	-	1,843
Transferred to Scholarship Fund	-	-	-
<b>Balance as at 31 December 2022</b>	<b>37,116</b>	<b>1,000</b>	<b>38,116</b>

Figures in Brackets indicate Deductions.

The Significant Accounting Policies and Notes from page 32 to 38 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 2022	2022 Rs.000	2021 Rs.000
<b>Cash flows from operating activities</b>		
Surplus before Tax	1,843	63
<b>Adjustments for;</b>		
Amortization for the Year	-	1
Depreciation	64	17
Finance Income	(2,617)	(1,826)
<b>Operating Surplus / (Deficits) before Working Capital Changes</b>	<b>(709)</b>	<b>(1,744)</b>
Increase / Decrease in Trade and Other Receivables	852	(449)
Increase / (Decrease) in Accrued Expenses	(55)	(709)
Increase / (Decrease) in Subscriptions Received in Advance	22	252
Increase / (Decrease) in Seminar Fees Received in Advance	-	-
Increase / (Decrease) in Newsletter Sponsorship in Advance	250	-
Increase / (Decrease) in Provision for Annual Report Competition Expenses	-	-
Increase / (Decrease) in Provision for Gratuity	138	95
<b>Cash Generated from / (Used in) Operations</b>	<b>603</b>	<b>(2,555)</b>
<b>Net Cash Flow from / (Used in) Operating Activities</b>	<b>(106)</b>	<b>(2,555)</b>
<b>Cash Flows from / (Used in) Investing Activities</b>		
Interest Income Received	2,617	1,826
Investment in Fixed Deposits	(2,378)	(2,033)
Purchase of Property, Plant and Equipment	(214)	(143)
<b>Net Cash Flow from / (Used in) Investing Activities</b>	<b>24</b>	<b>(350)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(82)</b>	<b>(2,904)</b>
Cash and Cash Equivalents at the Beginning of the Year	265	3,169
<b>Cash and Cash Equivalents at the End of the Year (Note A)</b>	<b>183</b>	<b>265</b>
<b>Cash and cash equivalents comprise of :</b>		
Cash at bank and cash in hand	182	262
	<b>182</b>	<b>262</b>
	(1)	-

Figures in Brackets indicate Deductions.

The Significant Accounting Policies and Notes from page 32 to 38 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 2022**

---

## **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 18<sup>th</sup> April 2022.

### **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 (“SOI”), 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 2022

---

## 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>
Office Equipment	20%	over 5 years
Computers and Scanners	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 2022

---

## 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 2022

---

## 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 2022 2022  
Rs.000 2021  
Rs.000

**Note 07 - Revenue**

APFASL Subscription	761	776
CPFA Subscription	2,050	2,510
	<b>2,811</b>	<b>3,286</b>

**Note 08 - Direct Expenditure**

AGM Expenses	(248)	(282)
CPFA Remittance	(1,025)	(732)
	<b>(1,273)</b>	<b>(1,014)</b>

**Note 09 - Other Operating Income**

Training Income	249	180
Training Expenses	(165)	(238)
	<b>84</b>	<b>(58)</b>

Best Annual Report Award Income	2,321	1,198
Annual Report Award Expenses	(2,298)	(2,063)
Refund of Expenditure incurred in UNDB	84	-
UNDP Refund	(84)	
UNDP Overhead	2,500	
NELSIP Project in Advance	604	
Newsletter Sponsorship	-	125
Staff Loan Interest	7	9
BRA Guidline Book Sale	104	-
	<b>3,237</b>	<b>(731)</b>
	<b>3,321</b>	<b>(789)</b>

**Note 10 - Administration Expenses**

Wages and Salaries	1,899	1,019
Insurance	-	32
Allowances	82	32
Overtime	32	37
Bonus and Ex-gratia	266	179
Medical Re-imbusement	88	85
Employees' Provident Fund	285	153
Employees' Trust Fund	57	31
Equipment Maintenance	122	51
Rent	360	360
Depreciation	64	17
Gratuity Provision	138	95
	<b>3,393</b>	<b>2,091</b>

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

<b>For the year ended 31 December 2022</b>	<b>2022 Rs.000</b>	<b>2021 Rs.000</b>
<b>Note 11 - Other Expenses</b>		
Bank Charges	12	4
Printing and Stationery	225	26
Communication Expenses	50	39
Audit Fees	30	30
Transport Charges	22	22
Committee Meeting	300	240
APFA Website	76	-
Publications	305	-
USAID Inagoration Expenses	249	-
CPFA Expenses	330	-
Exchange Loss	597	-
Task Force Expenses	-	-
News Letter Printing	-	168
Diploma / Post graduate	40	626
	<b>2,235</b>	<b>1,155</b>
<b>Note 12 - Net Finance Income / (Cost)</b>		
<b>Finance Income</b>		
Gross Income	2,617	1,826
	<b>2,617</b>	<b>1,826</b>
<b>Finance Cost</b>		
Interest on Overdraft	4	-
	<b>4</b>	<b>-</b>
	<b>-</b>	<b>-</b>
<b>Net Finance Income</b>	<b>2,613</b>	<b>1,826</b>

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

As at 31 December 2022

Note 13 - Property plant and equipment

Cost	As at	Additions	As at
	01.01.2022		31.12.2022
	Rs.000	Rs.000	Rs.000
<b>Freehold assets</b>			
External Hard Disk/ Computers	158	-	158
Scanners	9	-	9
Office Equipment	47	-	47
Furnitures & Fittings	-	215	215
	214	215	428
<b>Accumulated depreciation</b>			
External Hard Disk/ Computers	15	53	68
Scanners	9	3	12
Office Equipment	18	9	28
Furnitures & Fittings	-	-	-
	42	65	107
<b>Written down value</b>			
External Hard Disk/ Computer	143		90
Scanners	0		(3)
Office Equipment	28		19
Furnitures & Fittings	-		215
	172		322

Note 14 - Intangible Assets

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

## 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](mailto:apfasl@casrilanka.org)

**Web Site** : [www.casrilanka.com](http://www.casrilanka.com)

**APFASL Web Site** : <http://www.apfasl.com>

**Banker** : Bank of Ceylon

**Auditor** : Tudor V.Perera & Co  
S.M.N.L.Senanayake  
*Chartered Accountants*  
No 296/20 Shanthi Mawatha  
High Level Road, Kirulapona,  
Colombo 06.

**Registered Office** : No. 30A, Malalasekera Mawatha, Colombo 07

# 8. Notice for the Annual General Meeting

17<sup>th</sup> March 2023

Dear Members,

## NOTICE OF 11<sup>th</sup> ANNUAL GENERAL MEETING OF APFASL FOR 2022

Notice is hereby given for the 11<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 27<sup>th</sup> April 2023 at 2.00 p.m.

### AGENDA

01. The arrival of Members.
02. Reciting the National Anthem
03. Submission of the minutes of the 10<sup>th</sup> AGM and matters arising from the minutes.
04. Address by the President.
05. Statement by President - CA Sri Lanka
06. Presentation of the Annual Report and Accounts for 2022.
07. Discussion and adoption of Annual Report and Accounts for 2022.
08. To approve and appoint the Auditors and to determine the remuneration of the auditors
09. Members' Resolutions, if any
10. Vote of Thanks.

Guest Lecture



.....  
Secretary APFASL