

Annual Report and Accounts 2023

ASSOCIATION OF PUBLIC FINANCE ACCOUNTANTS OF SRI LANKA

Public Sector Wing of CA Sri Lanka.

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A stylized globe with a grid of white dots and lines, set against a background of glowing blue and green binary code (0s and 1s).

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As we reflect on the achievements of the Association of Public Finance Accountants of Sri Lanka in the year 2023, it is with great pride and gratitude that I place before you our 12th Annual Report and accounts on behalf of the Board of Management.

Commencing the year on a strong foundation of commendable achievements in 2022, our Association embarked on a journey marked by strategic projects, important events, and commitment to excellence. At the outset of 2023, we undertook the implementation of two key projects that have shaped our year – the continuation of the UNDP Program and the initiation of the USAID project.

The UNDP project, spanning from March 2022 to October 2023, stands as a testament to our commitment to advancing public financial management capabilities. The DLGFM program, a key component of the project, played a pivotal role in equipping 220 individuals, 134 Local Authorities from four provinces namely North, North Central, Uva and Eastern with their Diploma certificates, contributing significantly to the financial management capabilities of local authorities.

Expanding our reach across all provinces of Sri Lanka, the program focused on providing comprehensive training on SLPSAS 11-20. Through the dedication of our members and partners, 700 public sector accounting professionals were successfully trained, reinforcing our commitment to the highest standards of financial management.

Our calendar for 2023 included key events such as the Annual General Meeting (AGM) and the annual conference. These gatherings provided platforms for constructive dialogue, fostering a sense of community and shared purpose among our members. The Best Annual Report & Accounts (BARA) competition, held mid-year, showcased excellence in financial reporting, emphasizing our members' dedication to transparency and accountability.

Despite facing persistent socio-economic challenges, our Association successfully executed various short-term capacity-building programs and conducted CPFA examinations for professional level students. Notably, we achieved a significant milestone with the launch of the Master of Public Financial Management (MPFM) degree program, a testament to our commitment to nurturing the next generation of public finance professionals.

However, the challenging environment presented by socio-economic conditions from 2022 onwards compelled us to make difficult decisions. The constrained circumstances led to the postponement of the MPFM degree program to 2024, highlighting the impact of reduced government budget allocations and the limited availability of donor funds on our initiatives. Undeterred by these challenges, our Association remained committed to its mission. Through collaboration and dedication, we navigated the difficulties of 2023, always keeping our mission at the forefront.

As we look towards 2024, the Association is cautiously optimistic about the future. Plans are in place to resume and enhance the MPFM degree program, addressing the backlog of training needs and fostering professional development among public servants.

In closing, I extend my heartfelt gratitude to our members, partners, and stakeholders for their unwavering support throughout 2023. I acknowledge the support extended by the Board of Directors and the council of CA Sri Lanka for the guidance during 2023. These achievements would not have been possible if not for the dedication and commitment of our secretary and his staff. I eagerly anticipate the opportunities and challenges that lie ahead in our continued pursuit of excellence.



V. Kanagasabapathy
President

2.1 Establishment

The Association of Public Finance Accountants of Sri Lanka was established on 1st January 2012 in terms of the Articles of Constitution approved by the Council of CA Sri Lanka.

2.2 Vision

Leading the way to excellence in Public Financial Management in Sri Lanka.

2.3 Mission

Providing leadership and initiatives to the members to enhance their professional status and skills thereby making a greater contribution to the Economic Development of Sri Lanka.

2.4 Objectives

1. Capacity building among public sector financial management professionals launching professional qualifications on public financial management and conducting professional development programs.
2. Improving public sector financial reporting by rolling out Sri Lanka Public Sector Accounting Standards through training materials and training manuals.
3. Conduct 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 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 conducting programs leading to further education.

3.1 The Board of Management for the period 2024/25 underwent changes as outlined below. Mr. Sanajaya Banadara, the immediate past president of CA Sri Lanka, concluded his term. Additionally, Mr. Lakmin Udayakumara resigned from his position. In their stead, Mr. Tishan Subasinghe, Vice President of CA Sri Lanka, and Ms. Damitha Rathnayake were appointed to the Board. The board's membership was expanded to sixteen individuals, with the inclusion of Ms. K V C Dilrukshi as a new member. Furthermore, Ms. Dilrukshi was appointed as the alternate President of the association. Mr. E A G Ananda retired but was reappointed as a board member for an additional two-year term.

3.2 Board of Management as at date

President

Mr. V. Kanagasabapathy *MPA (Harvard), CPFA (London) FCA, FPFA, FCMA*

Alternate President

Ms. K.V.C. Dilrukshi *FCA, MBA, B.Sc. Accountancy and Financial Management (Special.)*

Director, Department of Public Enterprises

Vice President

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

Auditor General

Board Members

Mr. Heshana Kuruppu *FCA, MBA (Banking and Finance) PIM, MA (Financial Economics) (Col.), B.Sc (Accy) Special 1st Class (USJ), ACMA*

President, CA Sri Lanka

Mr. Tishan Subasinghe *FCA, CISA, FCMA, FMAAT, MBA (Finance) (Col.), LL.B (Hons), Attorney-at-Law*

Vice President, CA Sri Lanka

Ms. W.A.S. Chandrasekera *B.Sc. (BA) Special, MA (Economics) (UOK)*

Commissioner General, Inland Revenue

Mr. E.A. Rathnaseela *MA, PG Dip*
Director General, Dept of Public Finance

Dr. Tharaka Liyanapathirana *PhD, CIPFA(UK), CIPM (Merit), CPFA, MHRM (Merit), MPM, ACMA, BSc (BAd), Dip in Eng.*
CFO, Presidential Secretariat

Mr. W.A.S. Upananda *BSc, MBS, FCMA, CPFA*
Director General, Dept of State Accounts

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

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

Ms. M.T.I.V. Amarasekere *BSc (Hons), MA(USA), CIMA (UK), CPFA*
Additional Director General, ERD

Ms. Damitha Rathnayake *B.Sc. (BA), MA (Economic Development), MA (Public Policy)*
Additional Director General, Dept of Treasury Operations

Mr. G.H.D. Dharmapala *MBA (Kelaniya), FCA, ACMA, SAT, APFA*
Deputy Auditor General

Treasurer

Mr. L.P. Wawalage *ACA, APFA, BSc*
Deputy Director, Dept of State Accounts

Secretary

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

3.2 PROFILE OF THE BOARD OF MANAGEMENT



Mr. V. Kanagasabapathy (President)

MPA (Harvard), CPFA (London) FCA, FPFA, FCMA

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 an Audit Consultant for the 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 served 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.



Ms. K.V.C. Dilrukshi

FCA, MBA, B.Sc. Accountancy & Financial Management (Special)

Director, Department of Public Enterprises, General Treasury

Alternate President

Ms. Dilrukshi is a member of the Sri Lanka Accountants' Service with over 19 years of experience. She is also a Non-executive Director of the National Development Bank PLC and serves the Credit Committee, Audit Committee, Integrated Risk Management Committee, Related Party Transaction Committee and Discretionary and Capex Committee of the Bank. She also serves as an observer to the Board of Directors of the Sri Lanka Accounting and Auditing Standards Monitoring Board.



Mr. W.P.C. Wickramaratne

FCA, B. Com (Hon) Sp, FCMA, FPFA

Auditor General

Ex officio Member and Vice President

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 28th 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 a fellow Member of the Institute of Chartered Accountants of Sri Lanka (FCA), 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. Heshana Kuruppu

FCA, MBA (Banking and Finance) PIM, MA (Financial Economics) (Col.), B.Sc (Accy) Special 1st Class (USJ), ACMA
President, CA Sri Lanka

Member

Mr. Kuruppu serves as the President of the South Asian Federation of Accountants (SAFA), following his role as Vice President in 2023. Mr. Kuruppu served as Chairman to the Committee for Improvement in Transparency, Accountability and Governance of SAFA. He served as a Council Member from 2012 to 2021 and as Vice President from 2022 to 2023. He has led several committees at CA Sri Lanka and was the Chairman of the CPD Committee, Board of Management of the School of Accounting and Business (SAB), Annual Report Awards Committee, Chairman of the National Conference Committee, Chairman- Business School Committee and Member Relations Committee. During year 2022/2023 he chaired the Finance and Administration Committee and the Digitization Committee.

He currently serves as a Board member of the David Pieris Holdings (Pvt) Ltd and holds the position of Group Finance Director. His influence extends across various subsidiaries, representing Automotive, Finance, IT, and Electronics as a member of the Board. Mr. Kuruppu's extensive experience is not confined to the corporate world as it extends to regulatory bodies. At present, he serves as a Commissioner at the Securities and Exchange Commission of Sri Lanka. He served as a Board member at Wealth Trust Securities, a primary dealer appointed by the Central Bank of Sri Lanka.



Mr. Tishan Subasinghe

FCA, CISA, FCMA, FMAAT, MBA (Finance) (Col.), LL.B (Hons), Attorney-at-Law

Vice President, CA Sri Lanka

Member

Vice President of CA Sri Lanka and Managing Director, Moore Consulting (Pvt) Ltd and Joint Managing Partner at Moore Aiyar. Mr. Subasinghe is an elected member of the Confederation of Asian and Pacific Accountants (CAPA). He is also a board member of the South Asian Federation of Accountants (SAFA). He serves as the Chairman of the Board of Management of the SAB Campus and the Chairman of Finance and Administration Committee (F&A). He is a life member of the Bar Association, a Council Member of the University of Moratuwa, a Council Member of the Association of Accounting Technicians (AAT) and a board member of the Sri Lanka Accounting and Auditing Standards Monitoring Board (SLASMB) and a member of the Sri Lanka Institute of Directors (SLID).



Ms. W.A.S. Chandrasekera

B.Sc. (BA) Special, MA (Economics) (UOK)

Commissioner General, Inland Revenue

Member

Ms. Chandrasekera is a professional with an illustrious career spanning over three decades in the Department of Inland Revenue, Sri Lanka. Graduating with a Bachelor of Science in Business Administration (Special) from the University of Sri Jayewardenepura in 1988, she has continually pursued academic excellence.

Ms Chandrasekera's academic career was further enhanced with a Masters of Arts in Economics from the University of Kelaniya in 2009.

Throughout her tenure at the Dept of Inland Revenue, she has undertaken various overseas training courses on taxation and tax administration, including the GTC-International Seminar on Taxation in Japan (2004), Practical Issues of Tax Policy & Tax Administration in developing countries in India (2007), Tax Treaty Course in Malaysia (2009), and a specialized training workshop on tax administration for Higher-Level Officers of the IRD in the Netherlands (2017).

Ms. Chandrasekera's commitment to professional development and her vast experience has culminated in her current role as the Commissioner General of Inland Revenue, a position she has held with effect from January 1, 2024.



Mr. E.A. Rathnaseela

MA, PG Dip

Director General, Dept of Public Finance

Member

Mr. E. A. Rathnaseela is a senior Special Grade staff officer in the Sri Lanka Administrative Service (SLAS), having an illustrious career spanning over two decades. His career in the public sector began in 2000, and since then, he has held a series of key positions within various government Ministries and Departments, showcasing his versatility and expertise. From serving as Assistant Director in the Department of Fiscal Policy to assuming the role of Director in departments such as National Planning and Sri Lanka Customs, and now as the Director General of the Dept of Public Finance, Mr. Rathnaseela has demonstrated his adeptness in policy economics, trade, tariff, and public finance.

With academic credentials including an M.A. in Policy Economics from Williams College, Massachusetts, and postgraduate diplomas from institutions in Japan and Sri Lanka, his qualifications underscore his commitment to continuous learning and professional development. Notable accolades, such as the Joint Japan World Bank Scholarship and the South Asia Region National Procurement Award, further attest to his exceptional capabilities.

Currently serving as Director General in the Department of Public Finance – Ministry of Finance, Mr. Rathnaseela also extends his expertise to various boards, including those of Ceylon Petroleum Storage Terminals Limited, State Pharmaceuticals Corporation, NSBM Green University, National Research Council, and NDB Bank.



Dr. Tharaka Liyanapathirana

PhD, CIPFA(UK), CIPM (Merit), CPFA, MHRM (Merit), MPM, ACMA, BSc (BAAd), Dip in Eng.

CFO, Presidential Secretariat

Member

Dr. Liyanapathirana is a distinguished figure within the Sri Lanka Accountancy Service, recognized for his extensive educational background and professional accomplishments. Tharaka Liyanapathirana holds the position of Chief Financial Officer (CFO) at the Presidential secretariat, a role that underscores his strategic financial acumen and leadership capabilities.

He is a member of the Chartered Institute of Public Finance Accountancy (CIPFA) in the United Kingdom. Additionally, his affiliation with the Chartered Institute of Personnel Management (CIPM) with a merit destination signifies his proficiency in human resource management. Furthermore, his Master's degrees in Human Resource Management (MHRM-Merit Pass) and Public Management (MPM) highlight his advanced knowledge and skills in these combined areas.

Dr. Liyanapathirana is considered one of the top young professionals in the public sector for his Financial Management, Human Resource Management, and Public Administration expertise.

Notably, he is the first in the Sri Lanka Accountancy Service to attain a PhD, marking a milestone in the profession's history.



Mr. W.A.S. Upananda

BSc, MSc, FCMA, CPFA

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 the Public Sector. He joined the Government Accountants' service in 1992 and has worked for various Government organizations. Mr. Samantha Upananda worked as an Accountant in the Divisional Secretarial Balapitiya from 1992 to 1995 and the Divisional Secretariat Colombo from 1995 to 1997. He joined the 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 a 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 the 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 assumed duties as the Director General of the Department of State Accounts, General Treasury on 1st January 2021. Mr. Samantha Upananda graduated from the University of Sri Jayawardenepura with a 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 is also a Fellow Member the 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

BSc, MBS, CPFA

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 at the University of Colombo. Athula Kumara is a Class I Officer of Sri Lanka Accountants Service. And also, he is a member of the Chartered Public Finance Accountants 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 the Lankapura Divisional Secretariat of Polonnaruwa District and in the 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 for 2 years in the Ministry of Mahaweli, Irrigation, Rajarata Development and Agriculture in Battaramulla.

Mr 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 planning & 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, 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.



Mr. E.A.G. Ananda

BA, PGD, DPFM, M. Com, CPFA
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 at the last, he was in charge of the audit of the institutions under Education, Higher Education and Water Sector. Mr. Ananda obtained his undergraduate degree and Post Graduate Diploma in Accounting and Financial Management from the University of Sri Jayewardenepura 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, an 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 his 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. At present, Mr. Ananda is working as a Senior Advisor of the USAID PARTNER activity.



Ms. M.T.I.V. Amarasekare

BSc(Hons), MA(USA), CIMA (UK), CPFA

Additional Director General (CUD)

Department of External Resources

Member

Ms. Amarasekere, Additional Director General, Department of External Resources of the Ministry of Finance has over 18 years of experience at the Treasury. She has represented the Treasury on Boards of several key State-Owned Enterprises including the Bank of Ceylon, Ceylon Electricity Board, The Petroleum Corporation and is present on the Board of Peoples Bank.

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



Ms. R.M.K. Damitha Rathnayake

BSc, BA, MA (Economic Development), MA (Public Policy)

Additional Director General, Department of Treasury Operations

Member

Mrs. Rathnayake holds a BSc (Business Administration) degree from the University of Sri Jayewardenepura Master of Arts (Economic Development) from the University of Colombo and Master of Arts (Public Policy) degree from the Australian National University. Currently she serves as an Additional Director General of the Department of Treasury Operations.

During her career she has held a number of key state positions starting from the Assistant Director of the Department of Public Finance, Deputy Director of the Department of Public Enterprises, Director of Treasury Operations. She was also Acting General Manager of National Savings Bank and the Regional Development Bank and was also the Chairperson of Agriculture and Agrarian Insurance Board. In addition, she has been representing the General Treasury in a large number of Boards of State Owned Enterprises periodically including State Pharmaceutical Corporation, Ceylon Petroleum Terminals and at present she is a member of the Board of Directors of the Ceylon Petroleum Corporation.



Mr. Dharmapala Gammanpila

MBA (Kelaniya), FCA, ACMA, SAT, APFA

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 in 2017 and promoted to Senior Deputy Auditor General in 2024. At present, he is in charge of the Port and Shipping, Community Transport and Airport and Aviation Sectors in delivering the Statutory role of the Auditor General/ 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. L.P. Wewalage

BSc, APFA, ACA

Deputy 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 Deputy Director in ITMIS, Financial Information and Reporting Division and has over 06 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

FCA, ACMA(UK), ACS, DCBA, MBA (Sri J), MA(Econ), PhD

Consultant – Public Sector, CA Sri Lanka and Secretary, APFASL

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.

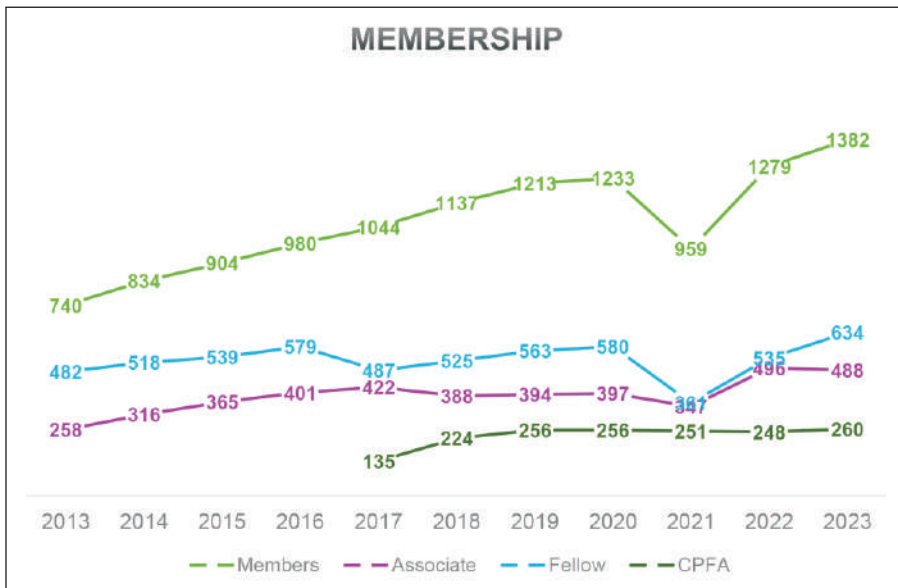
He joined the public sector in 2017 as the Secretary-General, Ministry of Plantation Industries in which capacity he continued up to August 2021. Dr Athapathu left the Ministry of Plantation Industries to take up the position at CA Sri Lanka.

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.

4.1 Introduction

The Board of Management of APFASL is pleased to submit its performance report and the associated financials of the Association for the year 2023 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 82 members during the year representing 20 Fellow Members and 62 Associate Members. Compared to last year, the number of members increased by 82.

A detailed analysis of individual members' outstanding balances, particularly those of retired and inactive members, was conducted during 2022/2023. Repeated reminders both verbally and in writing have not been successful in claiming the outstanding. A total of 558 APFA members and 56 CPFA members had long outstanding on their membership fees due to APFASL and CIPFA(UK).

Employment and Student Information

Members Distribution	2023	2022	2021	2020	2019
Govt. Ministries	190	175	110	129	127
Govt. Departments	268	250	198	231	229
Dist. and Div. Secretaries	210	195	158	217	213
Provincial Councils	70	56	28	29	29
Local Authorities	72	62	16	22	22
State-Owned Enterprises	282	265	190	277	267
A G's Dept	65	60	52	102	100
IRD	80	75	70	108	108
Retired members	124	124	120	101	101
Direct CPFA Members CA	21	17	17	17	17
*CIPFA UK Affiliate	45				
Total members	1382	1279	959	1233	1213
Students - CPFA	55	43	39	38	33

Gender and Age Analysis

Member	Male	Female	Age Analysis' Years		
			50<	50 – 60	60 +
CPFA	182	78	83	85	92
APFASL	750	372	476	246	400

Composition of the membership as at 31st December 2023

	2023	2022
APFA	488	496
FPFA	634	535
CPFA	<u>260</u>	<u>248</u>
	<u>1382</u>	<u>1279</u>

APFASL inactive – 558
 CPFA inactive 56

* CIPFA (Affiliate) members are already APFA/FPFA members. Hence the membership number has not increased due to new CIPFA (Affiliate) members.

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 the Constitution.

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

Secretary, APFASL coordinated 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 wing of CA Sri Lanka as the Secretary and the Technical Manager are appointed by CA Sri Lanka.

4.4 Governance and Accountability

Governance and accountability come under the responsibility of the Board of Management. The board generally meets on a regular basis. However, there had only been eight meetings that took place in 2023 due to the prevailing conditions in the country. According to the Articles of Constitution, it functions as a separate entity under the purview of CA Sri Lanka. It prepares a separate set of Accounts and is audited by qualified Chartered Accountants appointed at the Annual General Meeting.

4.5 Association of Public Finance Accountants of Sri Lanka – Review 2023

Commencing the year with commendable achievements in the year 2022, the Association embarked on a journey marked by strategic projects, important events, and a commitment to excellence. At the outset of 2023, the Association undertook the implementation of two significant projects: the continuation of the UNDP Program and the initiation of the USAID project. These projects underscore our dedication to advancing public financial management practices in Sri Lanka and strengthening our collaboration with international partners.

The Association's calendar for 2023 included some key events. The Annual General Meeting (AGM) held in April 2023 provided a platform for members to engage in constructive dialogue, fostering a sense of commitment and shared purpose. The annual conference in October 2023 facilitated the exchange of knowledge and ideas, contributing to the professional growth of our members.

An integral part of our annual agenda was the Best Annual Report & Accounts (BARA) competition, held during mid-2023. This competition served as a showcase of excellence in financial reporting, highlighting the commitment of our members to transparency and accountability. The culmination of the BARA competition included awards presented at the end of the year, recognizing outstanding achievements of public sector institutions in their financial reporting.

The Association anticipated and successfully executed various short-term capacity-building programs throughout the year and conducted the CPFA examinations for professional level students. These initiatives were designed to enhance the skills and expertise of our members, ensuring they stay abreast of the latest developments in public finance and accounting. A significant milestone was achieved with the launch of the Master of Public Financial Management (MPFM) degree program in mid-2023. This educational endeavor, supported by Ministry approval obtained in November 2022, represents a crucial step in our commitment to nurturing the next generation of public finance professionals.

4.5.1 APFA/CPFA Annual Conference 2023

The Association of Public Finance Accountants of Sri Lanka (APFASL) successfully hosted its Annual Conference 2023 on 3rd of October 2023, bringing together over 100 members and esteemed invitees. This year's conference took on a unique dimension, centering around research, with three influential papers being presented and discussed, shedding light on critical aspects of the nation's financial landscape.

The conference had a distinguished lineup of guests and speakers, including Mr. Suresh Shah, Chairman of CTC Ltd, and Head of the SOE Restructuring Unit of the Ministry of Finance, who graced the occasion as the chief guest. Mr. Brian Blood, CEO of the Confederation of Asia Pacific Accountants (CAPA), delivered the keynote address, sharing his valuable insights and experiences on current developments in public sector accounting and reporting in the international arena.

Annual Conference 2023



4.5.2 Challenges faced during 2023

The persistent socio-economic challenges that prevailed from 2022 onwards created a difficult environment for public servants. These conditions hindered their ability to engage in capacity-building and training programs independently. The limitations imposed on the government budget had a direct impact on institutional nominations to training programs. The reduced allocation for such initiatives restricted the association's ability to offer comprehensive training opportunities to its members.

The limited availability of donor funds posed a significant challenge. The necessity to allocate funds to more immediate humanitarian priorities in the country resulted in a rationing of available resources for training and capacity-building initiatives. As a consequence of the challenging conditions, the Association was compelled to make a difficult decision. The Master of Public Financial Management (MPFM) degree program, initially scheduled for 2023, had to be postponed to 2024 due to the constrained circumstances.

Despite these challenges, the Association remained committed to its mission. Efforts were directed towards finding alternative ways to deliver value to members, exploring virtual training possibilities, and advocating for increased support for professional development in subsequent budgetary allocations. Recognizing the need for collaborative solutions, the Association actively engaged with stakeholders, government bodies, and international partners to highlight the importance of sustained investment in public financial management education and training.

4.6 APFASL Activities

4.6.1 Best Annual Report and Accounts Awards Ceremony 2023

In a grand event held at the BMICH, Colombo, on December 4th, 2023, the Association of Public Finance Accountants of Sri Lanka (APFASL) showcased the pinnacle of financial reporting excellence in the public sector with the announcement of the winners for the seventh annual Best Annual Report & Accounts (BARA) awards competition. This year's national competition, based on the financial accounts of 2022, received an overwhelming response, with a record-breaking 238 entries. The BARA Awards, the flagship event organized by APFASL, aim to promote, and uphold financial accounting and reporting standards in Sri Lanka, contributing to the enhancement of the overall quality of public financial management in the country.

The competition featured twelve categories covering both central government and local government institutions. Evaluation criteria included adherence to Ministry of Finance circulars related to financial account preparation and presentation, as well as compliance with Sri Lanka Public Sector Accounting standards. A total of 12 Gold, 17 Silver, and 12 Bronze awards were distributed among the participants. Additionally, 154 entities received "compliance" recognition, while 41 were acknowledged for their active "Participation" in the competition.

Sector	Organization	Award
Pradeshiya Sabhas	Ipalogama Pradeshiya Sabha	Bronze
	Nochchiyagama Pradeshiya Sabha	Bronze
	Mawanella Pradeshiya Sabha	Silver
	Kekirawa Pradeshiya Sabha	Silver
	Deraniyagala Pradeshiya Sabha	Gold
Local Government - Ministries	Ministry of Local Government, Economic Promotion, Power & Energy, Environmental Affairs, Water Supply & Drainage and Tourism - Western Province	Bronze
	Ministry of Agriculture, Agrarian Development Irrigation Water Supply and Drainage, Food Supply and Distribution, Trade and Co-operative Development - Southern Province	Silver
	Ministry of Education, Information Technology & Cultural Affairs - Sabaragamuwa Provincial Council	Gold
Local Government - Departments	Department of Health Services Sabaragamuwa Province	Bronze
	Department of Local Government - Southern Province	Bronze
	Planning Secretariat - Southern Province	Silver
	Provincial Internal Audit Department - Sabaragamuwa Provincial Council	Gold

Sector	Organization	Award
Central Government Departments	Department of Buddhist Affairs	Bronze
	Department of Export Agriculture	Silver
	Sri Lanka Air Force Headquarters	Silver
	Coast Conservation and Coastal Resource Management Department	Silver
	Department of Post	Gold
Statutory Boards, Corporations, & Authorities	Western Province Provincial Road Passenger Transport Authority	Bronze
	State Pharmaceuticals Manufacturing Corporation of Sri Lanka	Silver
	Employees' Trust Fund Board	Gold
Universities	University of Kelaniya	Bronze
	University of Moratuwa	Bronze
	University of Colombo	Silver
	University of Sri Jayewardenepura	Gold
Research Institutes	Coconut Research Institute	Silver
	National Science Foundation	Gold
Central Government Ministries	Ministry of Defence	Bronze
	Ministry of Agriculture	Silver
	Ministry of Transport & Highways	Gold
Provincial Councils	Western Provincial Council	Bronze
	Sabaragamuwa Provincial Council	Silver
	North Central Provincial Council	Silver
	Northern Provincial Council	Silver
	Southern Provincial Council	Gold
Secretariat Offices	Presidential Secretariat	Bronze
	Chief Secretary's Secretariat - Northern Provincial Council	Silver
	District Secretariat -Kilinochchi	Gold
Urban Councils	Wattala Mabola Urban Council	Bronze
	Kalutara Urban Council	Silver
	Balangoda Urban Council	Gold
Municipal Councils	Municipal Council Anuradhapura	Bronze
	Municipal Council Moratuwa	Silver
	Municipal Council Ratnapura	Gold

Sector	Organization	Award
Overall Winners - Local Government	Sabaragamuwa Provincial Council	Bronze
	Provincial Internal Audit Department - Sabaragamuwa Provincial Council	Silver
	Southern Provincial Council	Gold
Overall Winners - Central Government	Employees' Trust Fund Board	Bronze
	University of Colombo	Silver
	University of Sri Jayewardenepura	Gold

Best Annual Report and Accounts Award Ceremony 2023



4.6.2 Strategic Partnership and Professional Advancements

In 2023, the strategic alliance between the Association of Public Finance Accountants of Sri Lanka (APFASL) and the Chartered Institute of Public Finance and Accountancy (CIPFA) in the United Kingdom reached new milestones by renewing the MOU up to end of 2026, ushering in a wave of professional development and international recognition for our members.

An important outcome of the Memorandum of Understanding (MOU) between APFASL and CIPFA(UK) was the introduction of a unique opportunity for our members. CIPFA(UK) generously extended an invitation for APFASL members to become "Affiliate" members of CIPFA(UK), providing them access to an internationally recognized public sector financial qualification. We are delighted to report that 45 of our members seized this exceptional opportunity during the course of 2023. By affiliating with CIPFA(UK), these members have not only demonstrated their commitment to excellence but have also embarked on a journey toward acquiring a prestigious international qualification in public sector financial management.

4.6.3 USAID Project Summary (Year 2023)

In February 2023, the United States Agency for International Development (USAID) initiated a comprehensive program aimed at enhancing knowledge and proficiency in Sri Lanka's Public Sector Accounting Standards (SLPSAS) 11-20. This project was designed to address the critical need for capacity building among public sector accounting professionals in Sri Lanka, contributing to improved financial management and transparency across the country.

The program commenced in Colombo and extended its reach across all provinces of Sri Lanka. The initiative aimed to provide in-depth training on SLPSAS 11-20, ensuring that accounting professionals at various levels within the public sector gained a thorough understanding of these standards. Recognizing the importance of utilizing the best available resources, the project engaged a team of highly qualified and experienced professionals for teaching. These experts, well-versed in the practical aspects of SLPSAS 11-20, were instrumental in delivering high-quality training sessions to the participants.

The program was launched with the participation of US Ambassador for Sri Lanka and Maldives Ms. Julie J. Chung in 2022. The project's commitment to inclusivity was evident in its extensive coverage of all provinces in Sri Lanka. By disseminating knowledge across the entire country, the program aimed to create a more uniform and standardized understanding of SLPSAS 11-20, promoting consistency and efficiency in public sector accounting practices. Over the course of the year, the project successfully trained 700 public-sector accounting professionals.



4.6.4 UNDP Project Summary (Year 2023)

In the year 2023, the Association of Public Finance Accountants of Sri Lanka successfully concluded its partnership with the United Nations Development Program (UNDP) initiated in March 2022. This collaborative effort aimed to enhance the financial management capabilities of local authorities within the Northern, Eastern, North Central, and Uva provinces. The project, comprised of three pivotal activities, namely the Diploma in Local Government Financial Management (DLGFM) program, the development of an Internal Audit (IA) manual for local authorities, and the execution of the Best Annual Report & Accounts (BARA) competition among participating local authorities.

Diploma in Local Government Financial Management (DLGFM) Program: The DLGFM program, a cornerstone of the UNDP project, unfolded in two distinct phases. The first phase commenced in March 2022 and was successfully conducted in the Northern, Eastern, North Central, and Uva provinces. The program concluded with examinations held in December 2022 and January 2023. The results were finalized, paving the way for award ceremonies to be held across the provinces during April and May 2023. Subsequently, a specialized Sinhala medium DLGFM program was launched in December 2022 for local authority staff in the Eastern province. This program continued into 2023, with examinations conducted in August. The results were released in September, and successful candidates were honored with awards by the end of that month. In total, the DLGFM program celebrated the achievement of 220 candidates obtaining their well-deserved Diploma certificates. The award ceremonies for the diploma certificates were held in the respective provinces with the key officials from the province and UNDP officials.

Simultaneously, the preparation of the Internal Audit (IA) manual for local authorities was a key focus during the project's tenure. Over a six-month period in 2023, two subject matter experts, guided by a panel of five specialists in Internal Auditing, compiled the comprehensive IA Manual. The culmination of this effort occurred in September 2023, with the final document presented to the UNDP, showcasing a robust guide for enhancing internal audit practices within local authorities in Sri Lanka.

An additional highlight of the project was the execution of the provincial Best Annual Report & Accounts (BARA) competition. This competition, involving participants from the four provinces benefiting from the DLGFM program, unfolded during June and July 2023. The winners were honored at a prestigious ceremony hosted at the North Central Provincial Council Auditorium, Anuradhapura, in September 2023, recognizing excellence in financial reporting among local authorities with the participation of all the four provincial councils and the UNDP officials. .

The UNDP project, spanning from March 2022 to October 2023, achieved its objectives with commendable success. The DLGFM program significantly contributed to building the financial management capabilities of local authorities, resulting in 220 individuals obtaining their Diploma certificates. The IA Manual developed during this period stands as a testament to the commitment to best practices in internal auditing, while the BARA competition showcased and rewarded excellence in financial reporting among participating local authorities. The Association of Public Finance Accountants of Sri Lanka wish to express its gratitude to the UNDP for their support and celebrates the successful completion of this impactful initiative.



4.7 Activities planned for Next Year

4.7.1 Outlook for 2024

The Association is cautiously optimistic about the prospects in 2024. Plans are in place to resume and enhance the Master of Public Financial Management (MPFM) degree program, with a renewed focus on addressing the backlog of training needs and fostering professional development among public servants.

As we encapsulate the activities and achievements of 2023, the Association of Public Finance Accountants of Sri Lanka remains steadfast in its mission to promote excellence in public financial management. We express our gratitude to our members, partners, and stakeholders for their unwavering support, and we eagerly anticipate the opportunities and challenges that lie ahead in our continued pursuit of excellence.

4.7.2 Activities planned for 2024

In 2024, our association has a plan of activities aimed at enhancing professional development and addressing key industry issues.

1. **Commencement of MPFM Degree Program:** The much-awaited MPFM Degree program, which experienced delays, is scheduled to kick off in mid-2024. This program is designed to equip professionals with advanced skills and knowledge in public financial management.
2. **Resolution of CPFA Recognition Issue:** We continue to actively pursue the long-standing issue of CPFA recognition with government authorities. We anticipate a resolution to this matter during the year, which will have significant implications for our members.
3. **Extension of DLGFM Program:** Following the successful implementation of the Diploma in Local Government Financial Management (DLGFM) program during 2022/23, we plan to extend this program to other provinces. This expansion is contingent upon the sorting out of funding arrangements.

4. **SLPSAS Program for National Audit Office Staff:** To cater to the specific training needs of National Audit Office staff, we will be launching a tailored SLPSAS program starting from June 2024. This initiative aims to enhance the skills and competencies of audit professionals in line with international standards.
5. **Customized Training Programs:** In addition to the aforementioned initiatives, we remain flexible to address the evolving needs and demands of the public sector. Accordingly, we will offer various training programs tailored to specific sectors, emerging trends, and professional requirements.

Through these initiatives, we are committed to advancing professional excellence, fostering institutional capacity building, and contributing to the overall development of public financial management in our country.

4.8 Financial Management of APFASL

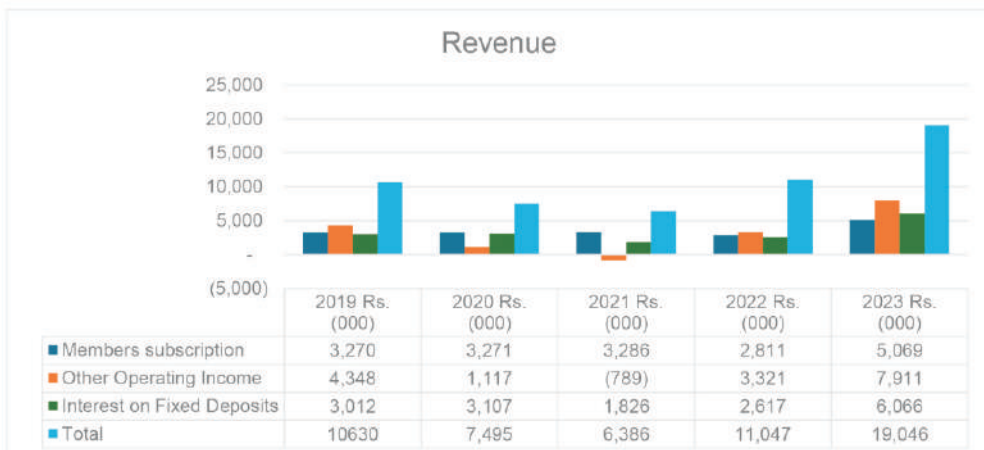
Financial management comes under the purview of the Treasurer who submits quarterly Accounts to the Board of Management.

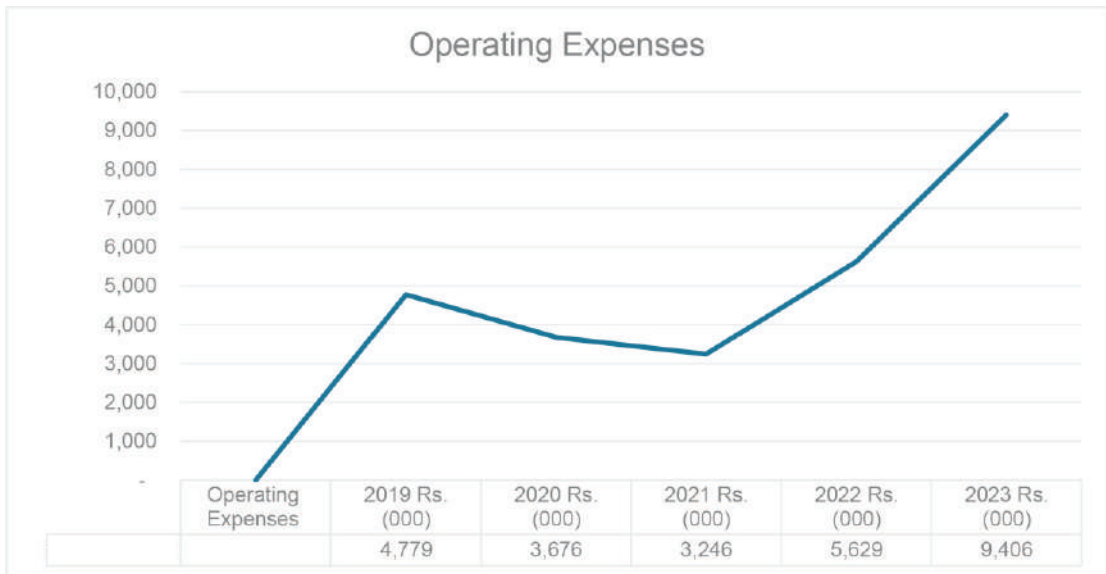
4.8.1 Financial Performance

In the fiscal year 2023, APFASL experienced a substantial surge in activity, achieving its highest earnings since its inception in 2012. The organization attained a surplus of Rs 7,311,000/-, even after setting aside provisions for outstanding arrears of membership fees amounting to Rs 2,054,850. This success was underpinned by several key factors.

Firstly, increased revenue from subscription fees played a pivotal role, with the decision to adjust CIPFA fees from Rs 10,000/- to Rs 16,000/- per year proving to be instrumental. Secondly, the organization benefitted from heightened income generated through various projects, notably from USAID and UNDP activities. Additionally, APFASL experienced a significant boost in interest income, attributed to favorable interest rates on fixed deposits.

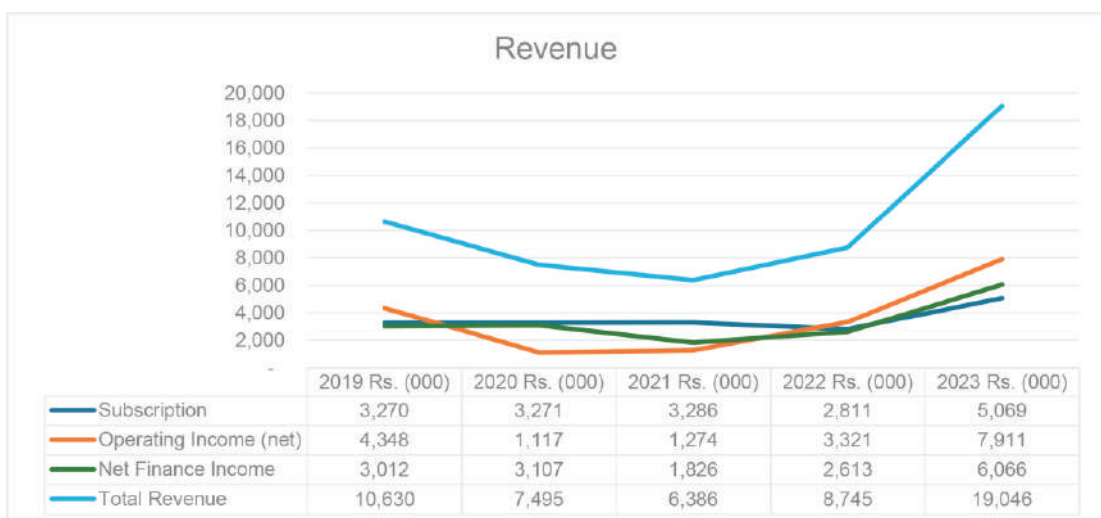
Despite increased expenses related to events such as the BARA competition, National Conference, and Annual General Meeting (AGM), effective management strategies were implemented. These included leveraging receipts from BARA application fees and securing sponsorship for the National Conference. However, it is worth noting that uncertainties persisted regarding the recovery of long outstanding membership fees from inactive and retired members. Consequently, provisions were made to reflect a more realistic financial position, ensuring prudent financial management and accountability moving forward.

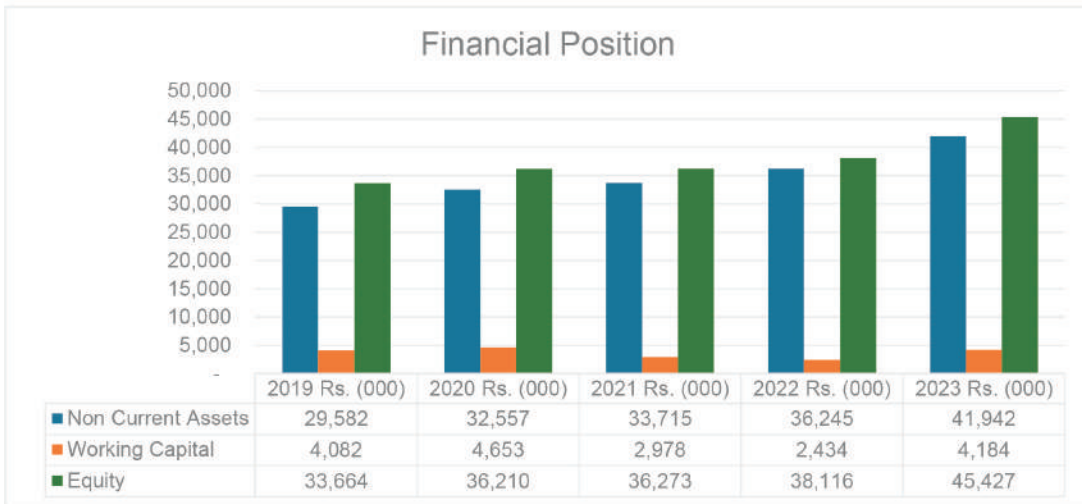
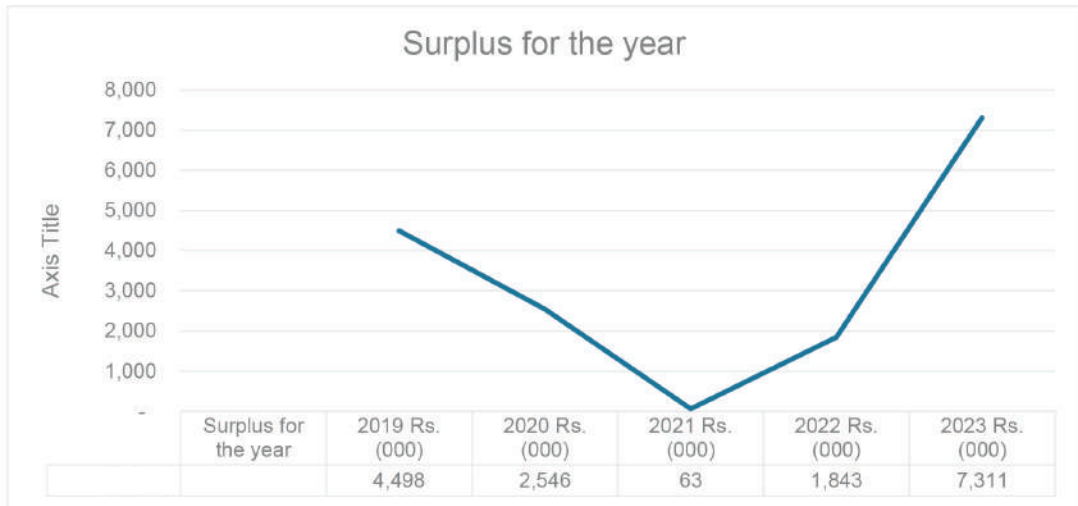




4.8.2 Financial Position

The accumulated fund as of 31st December 2023 amounted to Rs. 45.42 million which represents the net assets of the Association as of 31st December 2023. This includes Rs. 41.23 million of Investment held in the Bank of Ceylon in the form of Fixed Deposits. Working Capital at the year end was Rs. 4.18 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.



Mr. V Kanagasabapathy
President



Dr. Asela Athapathu
Secretary



Mr. B. Vijayanga Kolambage
IT Executive – Public Sector



Mr. Ruchira Perera
Programme Assistant



Mrs. Shanika Weerasekera
Administrative Assistant



Ms. Ayanthi Munasinghe
Programme Executive – Public Sector

Technical Manager's position is currently vacant.

FINANCIAL STATEMENTS

6.1 Audit Report

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, 2023, 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, 2023 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

10- April - 2024

6.2 Statement of Comprehensive Income

ASSOCIATION OF PUBLIC FINANCE ACCOUNTANTS OF SRI LANKA
STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 31 December 2023

		<u>2023</u>	<u>2022</u>
	Notes	Rs.'000	Rs.'000
Revenue	7	5,069	2,811
Direct Expenditure	8	(2,328)	(1,273)
Surplus		2,741	1,538
Other Operating Income	9	7,911	3,321
Contribution before Operating Expenses		10,651	4,859
Administration Expenses	10	7,318	3,393
Other Expenses	11	2,088	2,235
Total Operating Expenses		9,406	5,629
Net Finance Income	12	6,066	2,613
Surplus for the period		7,311	1,843

Figures in Brackets indicate Deductions.

The Significant Accounting Policies and Notes from page 49 to 52 form an integral part of these Financial Statements.

6.3 Statement of Financial Position

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

As at 31 December, 2023

	Notes	2023 Rs.'000	2022 Rs.'000
ASSETS			
Non Current Assets			
Property, Plant and Equipment	13	703	322
Investment in Fixed Deposits		41,239	35,923
Total Non Current Assets		41,942	36,245
Current Assets			
Receivables	14	4,218	3,329
Cash and Cash Equivalents	15	440	428
Total Current Assets		4,658	3,757
Total Assets		46,600	40,002
FUNDS AND LIABILITIES			
Accumulated Funds and Liabilities			
Accumulated Fund		44,427	37,116
Scholarship Fund		1,000	1,000
		45,427	38,116
Non Current Liabilities			
Retirement Benefits Obligation	16	699	563
		699	563
Current Liabilities			
Accrued Expenses	17	216	376
Subscriptions Received in Advance		6	421
Seminar Fees Received in Advance		-	30
NLCIP Project in advance		-	250
MPFM Degree Advance		60	-
CPFA UK Affiliate Subscriptions Advance		130	-
Bank Overdraft	15	63	246
Total Current Liabilities		474	1,323
Total Funds and Liabilities		46,600	40,002

The Significant Accounting Policies and Notes to the Financial Statements from page 49 to 52 form an integral part of these Financial Statements.



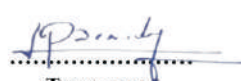
Secretary

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

Signed for and on behalf of the Board.



President



Treasurer

Colombo

Date : 10- April - 2024

6.4 Statement of Changes in Equity

ASSOCIATION OF PUBLIC FINANCE ACCOUNTANTS OF SRI LANKA

STATEMENT OF CHANGES IN NET ASSETS/ EQUITY

For the Year Ended 31 December 2023

	Accumulated Fund Rs.'000	Scholarship Fund Rs.'000	Total Funds/ Equity Rs.'000
Balance as at 1 st January 2022	35,273	-	35,273
Surplus for the Year	1,843	1,000	1,843
Balance as at 31st December 2022	37,116	1,000	37,116
Surplus for the Year	7,311	-	7,311
Transferred to Scholarship Fund	-	-	-
Balance as at 31 December 2023	44,427	1,000	45,427

Figures in Brackets indicate Deductions.

The Significant Accounting Policies and Notes from page 49 to 52 form an integral part of these Financial Statements.

6.5 Statement of Cash Flow

ASSOCIATION OF PUBLIC FINANCE ACCOUNTANTS OF SRI LANKA
STATEMENT OF CASH FLOW
For the Year Ended 31 December 2023

	<u>2023</u> Rs. '000	<u>2022</u> Rs. '000
Cash Flow from Operating Activities		
Surplus before Tax	7,311	1,843
Adjustments for ;		
Gratuity Provision	136	138
Depreciation	102	64
Finance Income	(6,066)	(1,826)
Operating Surplus / (Deficits) before Working Capital Changes	1,484	(709)
(Increase) / Decrease in Trade and Other Receivables	(889)	852
Increase / (Decrease) in Accrued Expenses	(160)	(55)
Increase / (Decrease) in Subscriptions Received in Advance	(416)	22
Increase / (Decrease) in Seminar Fees Received in Advance	(30)	
Increase / (Decrease) in CPFA Remittance		-
Increase / (Decrease) in NLCIP Project in advance	(250)	
Advance received for Newsletter & Seminar Fees		250
CPFA UK Affiliate Subscriptions Advance	130	
MPFM Degree Advance	60	
Cash Generated from / (Used in) Operations	(1,555)	603
Net Cash Flow from / (Used in) Operating Activities	(71)	(106)
Cash Flows from / (Used in) Investing Activities		
Interest Income Received	6,066	2,617
Investment in Fixed Deposits	(5,316)	(2,378)
Purchase of Property, Plant and Equipment	(484)	(214)
Net Cash Flow from / (Used in) Investing Activities	266	24
Cash Flow from Financing Activities	-	-
Net Cash Flow from Financing Activities	-	-
Net Increase / (Decrease) in Cash and Cash Equivalents	194	(82)
Cash and Cash Equivalents at the Beginning of the Year	182	265
Cash and Cash Equivalents at the End of the period (Note A)	376	182
Note A:		
Bank of Ceylon - A/C No. 0072937259	(63)	(246)
Cash in Hand	10	10
Bank of Ceylon - A/C No. 0088395634	24	25
Bank of Ceylon (Savings) - A/C No. 83109954	405	393
	376	182

Figures in brackets indicate deductions.

The Significant Accounting Policies and Notes from page 49 to 52 form an integral part of these Financial Statements.

1.1 Accounting Policies and Notes to the Financial Statements

ASSOCIATION OF PUBLIC FINANCE ACCOUNTANTS OF SRI LANKA ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

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 10th April 2024.

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 (“SOPF”), Statement of Comprehensive Income (“SOCl”), 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 2023

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.

Asset	Rate	Useful Life
Office Equipment	20%	over 5 years
Computers and Scanners	33.33%	over 3 years
Furniture & Fitting	20%	over 5 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 2023

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 2023

5. Statement of Comprehensive Income

5.1. Revenue Recognition

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

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

5.2 Expenditure

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

6. Events after the Reporting Date

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

ASSOCIATION OF PUBLIC FINANCE ACCOUNTANTS OF SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2023

	2023 Rs. '000	2022 Rs. '000
7. Revenue		
APFASL Subscription	947	761
CPFA Subscription	4,123	2,050
	5,069	2,811
8. Direct Expenditure		
AGM Expenses	(380)	(248)
CPFA Remittance	(1,949)	(1,025)
	(2,328)	(1,273)
9. Other Operating Income		
Training Income	552	249
Training Expenses	(600)	(165)
	(47)	84
Annual Report Award Income	4,089	2,321
Annual Report Award Expenses	(3,639)	(2,298)
Newsletter Sponsorship	250	-
National Conference Sponsorship	500	-
USAID Income	11,368	-
USAID Expenses	(6,495)	-
NELSHIP Project Income		604
Staff Loan Interest	13	7
	6,086	634
Refund of Expenditure	24	84
UNDP Refund	-	(84)
UNDP Overhead	1,840	2,500
BARA Guideline book sales	8	104
	1,872	2,604
	7,911	3,321
10. Administration Expenses		
Wages and Salaries	2,985	1,899
Allowances	85	82
Overtime	51	32
Bonus and Ex-gratia	444	266
Medical Re-imburement	166	88
Employees' Provident Fund	377	285
Employees' Trust Fund	90	57
Equipment Maintenance	465	122
Rent	360	360
Depreciation	102	64
Gratuity Provision	136	138
Membership fees written off	2,055	
	7,318	3,393

11. Other Expenses

Bank Charges	16	12
Printing and Stationery	358	225
Communication Expenses	85	50
Audit Fees	40	30
Transport Charges	42	22
Committee Meeting	197	300
APFA Website	-	76
Diploma and MPFM Expenses	426	40
Publications	13	305
CPFA Expenses	-	330
Exchange Loss	-	597
National Conference	911	
	2,088	1,987

12. Net Finance Income / (Cost)**Finance Income**

Interest Income on Held - To -Maturity Investments

Gross Income	6,072	2,617
Withholding Tax	-	-
	6,072	2,617

Finance Cost

Interest on Overdraft

	(7)	(4)
	(7)	(4)

Net Finance Income	6,066	2,613
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ASSOCIATION OF PUBLIC FINANCE ACCOUNTANTS OF SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS
As at 31st December 2023

13. Property, Plant & Equipment	Balance as at 01.01.2023	Additions during the Year	Balance as at 31.12.2023
Cost	Rs. '000	Rs. '000	Rs. '000
External Hard Disk	158	-	158
Lap top /Printer /Voiles Mike	-	439	439
Scanner	9	45	54
Office Equipment	47	-	47
Furniture and Fittings	215	-	215
	429	484	913

Accumulated Depreciation	Balance as at 01.01.2023	Charge during the Year	Balance as at 31.12.2023
	Rs. '000	Rs. '000	Rs. '000
Computer Hardware / computer	68	53	121
Scanner	12	(3)	9
Office Equipment	28	9	37
Furniture and Fittings	-	43	43
	107	102	210
Written Down Value	322		703

	2023 Rs. '000	2022 Rs. '000
14. Receivables		
Festival Advance	2	2
Interest Income	-	373
Seminar Income	-	375
Staff Loans	494	132
ARA Receivable	-	125
Membership fees	1,468	2,322
USAID	1,724	-
National Conference Sponsorship	500	-
Newsletter Sponsorship Received in Advance	-	-
rent prepayment	30	-
WHT receivable	-	-
	4,218	3,329
15. Cash and Cash Equivalents		
Bank of Ceylon - A/C No. 0088395634	25	25
Bank of Ceylon (Savings) - A/C No83109954	405	393
Petty Cash	10	10
	440	428
Unfavourable balances		
Bank of Ceylon - A/C No. 0072937259	63	246
	63	246

15.1 For the purpose of Statement of cash flow, cash and cash equivalents includes following:

Cash at bank and cash in hand	440	428
Bank overdrafts	(63)	(246)
	<u>377</u>	<u>182</u>

16 Retirement Benefit Obligation

Balance at the beginning of the year	563	425
Provision for the year	136	138
Benefits paid during the year	-	-
	<u>699</u>	<u>563</u>

17. Accrued Expenses

Audit Fees	70	30
Payable communication Expenses	9	10
Payable Common cost	-	330
USAID	60	-
ARA Expenses	77	-
	<u>216</u>	<u>377</u>

Name of the Association	: Association of Public Finance Accountants of Sri Lanka
Affiliations	: Affiliated to CA Sri Lanka
Address	: 30A, Malalasekera Mawatha, Colombo 07.
Telephone	: (011) 2055857 / 2352000
Facsimile Number	: (011) 2055857 / 2352060
E – Mail	: apfasl@casrilanka.org
APFASL Website	: www.apfasl.com
Banker	: Bank of Ceylon
Auditors	: Ms. M K K Karunarathna Baker Tilly Edirisinghe & Co. No. 45, Braybrooke street, Colombo 02.
Registered office	: 30A, Malalasekera Mawatha, Colombo 07.

01st April 2024

Dear Members,

NOTICE OF 12th ANNUAL GENERAL MEETING OF APFASL FOR 2023

Notice is hereby given for the 12th Annual General Meeting of the Association of Public Finance Accountants of Sri Lanka (APFASL) to be held at the level 06 of the Institute of Chartered Accountants of Sri Lanka, 30 A, Malalasekara Mawatha, Colombo 07 on 26th April 2024 at 2.30 pm followed by the convocation of Affiliates of CIPFA London.

AGENDA

01. The arrival of Members.
02. Reciting the National Anthem
03. Submission of the minutes of the 11th 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 2023.
07. Discussion and adoption of Annual Report and Accounts for 2023.
08. To approve and appoint the Auditors and to determine the remuneration of the auditors
09. Members' Resolutions, if any
10. Vote of Thanks.



Secretary APFASL