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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

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PART IV (A): PROVINCIAL COUNCILS

Provincial Council Notifications

Western Provincial Council

WITH regard to the powers vested in me as the Governor of the Western Province, Wijepala Sri Narayana Wasala Bandaranayake Mohottalage Seetha Kumari Arabepola under Section 193 of the Municipal Council Ordinance, 255 authority read with Section 2 of the Provincial Councils (Incidental Provisions) Act, No. 12 of 1989 "The rules on accounting matters relating to the financial administration of the Urban Council" are hereby enacted.

W.S.N.W.B.M. SEETHA KUMARI ARABEOLA,
Governor,
Western Province.

23rd of December 2019,
At Governors' Office,
In Provincial Council Office Complex,
Denzil Kobbekaduwa Mawatha,
Battaramulla.



RULES

1. These rules are appointed in order to be align with Sri Lanka General Accounting standards for Urban Councils' accounting purposes in Local Governments and to establish Rules and Regulations relevant for Urban Council's Financial Administration.
2. These rules are known as Accounting Rules Relevant for Urban Councils financial Administration.

CHAPTER i

General Details

3. Paying some amount of money from Urban Council's Fund or collecting some money relevant to the fund cannot be done without the Rules and Regulations mentioned in the relevant written law.
4. Urban Council's Financial Year starts in every year on January first and ends on December Thirty first.
5. (i) Urban Council's Chairman is the Chief Accounting Officer and he is directly liable for the followings.
 - a. Obtaining decisions pertaining to be decided about the details relevant to be acted upon powers and activities for Urban Councils by written law.
 - b. Acting upon decisions decided by the council and powered by some written law without a delay.
 - c. Make into action the activities and obligations given to the Chairman by law or should be done on behalf of the Council accordingly.
 - d. Giving powers and activities to the staff of the Council and make sure that given powers and activities are done accordingly.
- (ii) Urban Council's Secretary is the Accounting Officer for Urban Council's fund.
6. The duty of Chairman and Secretary is to maintain the activities of the Council according to some written law and activities relevant to written law with a well financial administration.
7. If Council has given powers for an illegal payment as the Chief Accounting officer Chairman should not make that relevant expense and due to carelessness or misconduct a loss may occur to the Council, if so Chairman and Secretary should take the necessary actions to recover that loss from the relevant parties.
8. As if to present the accounts of Council's fund, rules and regulations are appointed through these rules, prepared according to Sri Lanka General Accounting Standards for local governments it should be taken necessary steps to each financial year accounts should be presented on February twenty eighth in the following years or before that to the auditor.
9. Chief Accounting Officer and Accounting Officer should work according to be assure to Secretary and the staff that security of the Council's fund, collecting income for the fund, as well as spending the income collected are done according to the relevant written law and according to the annual income statement.
10. Chief Accounting Officer and Accounting Officer should be assured accordingly that Council's financial and accounting, operational and management activities are maintained with the general supervision and management of the Chairman and the Secretary according to rules and regulations of the relevant written law.
11. The duty of the Chairman and the Secretary is to act accordingly not to have any relationship with a second party relevant for any expense when acting according to rules and regulations of the written law and there are no any grants are allocated from the annual income statement.

12. Chairman should maintain the financial administration in order to assure the followings.
- (i) Council's main office and branches income and expenses are well maintained.
 - (ii) By classifying expenses according to the programs in the income statement Urban Council's financial activities are well planned and for the details that are not covered by these rules Chairman has used government financial regulations or financial management rules in each Provincial Councils as required.
 - (iii) Secretary is conducting the internal procedure relevant for collection of income of the Council as required.
 - (iv) A satisfactory well management procedure is established to update the information presented.
 - (v) Assuring that programs included in development plan and annual income statement is conducting successfully and through that it is proportional with accrued beneficiary expenses.
 - (vi) The income that should be paid by relevant officers to the Council is paid according to the income statement in the certain period of time and it is properly being accounted.
 - (vii) Internal auditing process is occurring accordingly in the Urban Council.
 - (viii) Necessary actions are taken for the protection of all the current and fixed assets in the urban council.
 - (ix) It should be assured that monthly Bank statements are prepared after a month before 15th of the next month.
 - (x) it should be assured that necessary insurance actions are taken for mobile cash and all other valuables.
 - (xi) Be satisfied that guarantee money is obtained pertaining to officers relevant for guarantee statute including financial and store activities.
 - (xii) Take the necessary actions to prepare the annual plan according to four years development plan and presenting for the approval of the Council.
13. when there is a relationship with an officer or an employee for a loss, threat to the Urban Council or its fund the Chairman should appoint an investigation board including three members to identify the loss, threat to the Council and the responsible parties for that.
14. When the Chairman receives the report from the above investigation board appointed according to the above sentence should act accordingly to be charged the loss or threat occurred from the responsible parties..
15. According to the above 13th sentence at the investigation being conducted if it is proved that responsible parties have done any mischief or neglecting their duties or any actions done to be effected to government, Provincial Council, Urban Councils' right, it should be reported to the disciplinary officer to take necessary disciplinary actions.
16. Any loss, threat identified according to the above 14th sentence and it is significantly small amount to be charged from the responsible parties or it cannot be charged from legal actions, according to the written law that money cannot be charged a request can be made to the Council by the Chairman.
17. It is the duty of the all branch officers and all their staff to be assured that following actions are taken when maintaining financial activities if a branch is maintaining.
- (i) To be assured that all the duties appointed to themselves are maintained according to the written law and the decisions that are taken by the Council relevant for those without a delay.
 - (ii) To be acted upon to charge all accrued income to be obtained from branches as mentioned in the written income law.

- (iii) Take the necessary actions to maintain accordingly all the documents and information.
 - (iv) Obtaining insurance policies perataining to property subjects that obtain genral insurance policies and maintaing.
 - (v) Maintaining petty cash imprest or imprests for branches for the amount decided by the Council.
 - (vi) Reporting information to the main office according to Sri Lanka General Accounting policies for local governments relevant for branches as daily reports, monthly reports, and quartly reports.
 - (vii) Protecting the security of all assests of the branches and insuring all assets that should be insured based on a report that is obtained through valuation.
 - (viii) To maintain all the information relevant for the branches according to rules and regulations of information act and maintain documents for indexes and progressive information.
18. Secretary should supervised whether it is conducting activities according to the rules and regulations of the above 17th sentence.
 19. Chairman should take necessary actions to provide any information about these investigation conducting relevant for Urban Council or any information relevant to accounts of Urban Council requested by its officer, employee or Commissioner of local government, investigation officer powered by Commissioner of local government or any other officer.
 20. Chairman or Secretary of the Council should act to reply or provide information relevant for any detail forwarded by auditor, minister or commissioner of local government.
 21. Chairman should take all necessary actions to maintain internal audit process of Urban Council according to No. 19 of 2018 National Auditing act.
 22. In a particular financial year if there is an amount of money that cannot be charged legally or the Council or neglectful amount of money that is not sufficient to be charged chairman should present a proposal as the Council may able to decide whether that money cannot be charged within the same financial year or in the following year before six months passed.
 23. Chairman should take all necessary actions to maintain any machinery, vehicle, or any other asset without under usage and not without proper maintenance.
 24. When deciding on any detail rise from this rule or acting upon it or not acting upon it the Chairman or relevant officer should taken in to account government financial regulations or Provincial Council financial rules according to the situation.
 25. It should be considered as a grant towards urban council any gift or present given to Chairman of the Urban Council, vice president or to any other member considering as a member, representative of urban council.
 26. For an Urban Council chairman should prepare an income statement for the coming year in the present year questioning the committee according to Sri Lanka General Accounting Standards as per rules and regulations pertaining ahead and according to the format order by Commissioner of local government.
 27. For the income statement presented by the Chairman the necessary details should be completed as per mentioned in the written law, passed accordingly before the financial year starts.
 28. After passing the income statement by the Council its certified copies should be forwarded to Commissioner of local government, Assistant Commissioner of district local government and auditor.
 29. Chairman can present the estimated income statement prepared according to Sri Lanka General Accounting Standards for local governments in a certain financial year in any situation pertaining to any other income for the approval to the Council.

Even then when an urban council is presenting an estimated income statement for depreciation allocations, it is not necessary to be according to an income.

30. Any income statement or estimated income statement presented to the council before providing recommendations about the money in those the main council should not be considered.
31. When it is not sufficient the allocations made by an income statement or estimated income statement for a certain expenses or subject Chairman can made allocations from another allocation made to a different subject.
32. Income statement considered as prepared accordingly by the committee in a Urban Council or estimated income statement should be published for the general public.
33. For an urban council a fund should be pertaining to restrictions in the main law and rules and regulations.
34. All the accrued money for urban council should maintain as accounts in the approved banks pertaining to the fund.
35. Signing cheques and orders in the accounts relevant for the fund of the urban council should be done by two officers of the council as powers given by the main law.
36. Examples of signatures of the officers who should sign cheques and orders in the accounts relevant for the fund of the urban council should be presented to the relevant banks after certifying by the Chief Accounting Officer.
37. The time duration for money transactions should be according to the decision of the council.
38. Money charge for fund of the council should be banked daily when the council has not given powers in any other manner.
39. If expenses made by cheques for the fund of the council return for some reason, it should be ordered for the relevant parties to pay the relevant value by cash.
40. Maintaining accounts relevant for the fund of urban council and accounting for that including other relevant details should be done according to Sri Lanka General Accounting Standards and as per mentioned above.
41. Chief Accounting Officer should take all necessary steps towards replying for all auditing questions forwarded to the urban council during the time specified in the questions.
42. Every asset maintained by urban council should be included in the inventory and at the end of every financial year after doing an investigation of assets according to Sri Lanka General Accounting standards for local government, if there is a format ordered by the commissioner of local government it should be prepared according to that and maintained with updates including in the inventory list.
43. If there is any recommendations to void any objects from usage, regarding that requests must be presented to the main council by the Chairman to be able to take decisions regarding the objects that should be auctioned at 31st of January should be auctioned and the objects that should be void should be void and the final report should be presented before 15th of February.
44. It should be forwarded the investigation report copies and one copy should be forwarded to the Auditor.
45. For the composition of investigation board appointed for assets of an Urban Council an officer should be included representing assistant commissioner of district local government and number of investigation committee that should be appointed, must be decided by the Secretary.
46. Every investigation committee should be appointed by the Secretary and their work should be completed within one month from the appointment date.

47. After purchasing stores goods those should be documented without a delay and date and number of vouchner relevant for the purchasing should be mentioned accordingly.
48. Any inventory good should not be released without a releasing order from an officer with powers and at the end of every financial year investigation report should be obtained for the investigation about inventory goods under an investigation board explained by these rules.

CHAPTER ii

Urban Council Fund and Payments for the Fund

49. For any payment made to urban council fund a receipt that is prepared according to the format ordered by the commissioner of local government according to the Sri Lanka General Accounting Standards should be issued. Even then a receipt issued electronically or manually as a payment to the urban council fund obtaining money for the urban council fund a constitutional institute work with urban council with the permission of urban council or company operated under No 07 of 2007 company law, bank certified by central bank of Sri lanka's financial board or any other financial institute should be tally with the receipt issued by urban council.
50. According to above 49th rule as mentioned when a constitutional institute, certified bank by the financial board of the Central bank or any other financial institute under No. 07 of 2007 company law accepting money and debiting such amount of money to the fund including all other details should be done according to the agreement signed between urban council and the relevant institutions.
51. Every instance a receipt is issued according to the format mentioned in the above 49th rule for accepting money, it should be completed with four copies. In order to prove that money is accepted the person who is receiving money should sign.
52. All the books with sub leaflets should be kept under an authorized person and secretary of the urban council should be personally responsible for its security.
53. It is the duty of the Secretary to keep all sub leaflets books, receipts and documents related to them securely according to No. 12 of 2016 The Right to Information Act.
54. An institute that is signed agrrements with the urban council in oder to recieve the money on behalf of the fund of urban council with their permission should forward the reports about the debits for the fund in the following month and reviewed by the main council.
55. Regarding a payment made to the fund of the urban council according to Sri Lanka General Accounting standards for local governments daily income analysis should be prepared according to the format ordered by the Commissioner of local government and income from branches should mentioned separately.
56. According to Sri Lanka General Accounting standards for local governments for expenses incurred by fund of urban council and according to the format ordered by the Commisisoner of local government monthly analysis of combined costs should be prepared and forward to Accounting Officer.
57. Reports about self generated income under accrued income for every month according to Sri Lanka General Accounting standards for local governments should be prepared as main office and branches wise and a summary report of that should be forwarded to the Secretary of Urban Council.
58. At the end of every financial year secretary should certify that from rents,taxes and rates including accruals under other income only the chargable cash balance is forwarded to the next financial year.
59. Maximum amount of petty cash imprest should be decided by the council according to Sri Lanka General Accounting standards for local governments.

60. releasing advances for the fund of urban council should be missued only under a maximum about of hundred thousand rupees for one staff officer according to the rleated estimate for that.
61. Even then considering the composition of staff of urban council based on a realated estimate it should be legal to issue for non staff officer an amount not exceeding twenty five thousand rupees.
62. By the chairman of a urban council to whom executing power and authority to the officers should do an assests identification investigation sources from income for urban council fund in the current year in the authorised premises of urban council and the reports relevant for those should forward every year before March 31 st.

CHAPTER iii

Payments that should be done from Fund of Urban Council

63. Execpt travelling expenses reimbursement other various expenses should be done according to Sri Lanka General Accounting standards for local governments ,according to rules an regulations mentined in the following under these rules and according to a format ordered by the Commissioner of local government through a voucher.
64. It should be mentioned that executing power to an expense related to a voucher for payment of fund of urban council have done according to the rules and regualtions of main law and approving payment related to voucher should be done by the chairman and certifying expnese should be done by the secretary.
65. Each voucher shall state the convention authorized by the authority for expenditure, or when such power is vested in the Council by a decision of the Committee vested in it or the authorized authority for expenditure.
66. The voucher must be prepared by the person responsible for the service and the voucher should be checked by an officer authorized to do so.
67. Every voucher should be clearly described in the service rendered and signed by the inspection officer with the official seal in satisfaction that all relevant information in the voucher is accurate.
68. The value of the voucher should be stated in both letter and target.
69. No mention of voucher should be deleted or distorted and, if corrections are required, it should be cut and shortened.
70. All vouchers should be included as annexes after verification.
71. When materials or work are performed under an agreement or contract, the payment shall be annexed to the relevant voucher, if the payment is in accordance with the terms of the contract or contract and the work is performed.
72. In the case of a voucher for payment of final payment or withholding of money, the certificate issued by the officer in charge of the relevant work should be accompanied by the voucher to ensure that the work has been done properly and appropriately.
73. In the case of payment for receipt of goods, you must ensure that the goods received are in the inventory or in the inventory book.
74. Authorized persons shall certify only one copy of any payroll voucher or any other document to approve any payment, and whenever necessary additional copies shall be noted as copies.

Salaries for Local Authorities Staff

75. Local Government Institutions Provisions of the Government Establishments Code for the payment of salaries of an officer and employees who are in the provincial pension service of the provincial council in the provincial public service or who are serving under the pension of the Employees Provident Fund. Other Applicants as prescribed by the Provincial Governors and prescribed for the Province Related to any other rules and regulations.

76. Conditions of employment shall be applicable in respect of any employee employed in the service of a local government agency, who is not in the relevant provincial public service, but in respect of such salary or allowance shall apply. There should be an expenditure on the relevant Local Authorities Fund including salaries.
77. Payment of salaries of officers and employees of the Provincial Councils of the Provincial Council who are employed in the Local Government Institution shall be paid by the respective Urban Council Fund and such funds shall be reimbursed in accordance with the rules applicable to the reimbursement of Public Salaries
78. The Local Authorities shall maintain a salary register containing all relevant salaries relating to salaries of all employees of the Urban Council in accordance with the Sri Lanka Public Accounting Policy.
79. Traveling and Holiday duties relating to the services rendered by the officer in respect of a municipal council or an officer serving in a post in the provincial public service of the provincial government in accordance with the provisions of the provincial public service code of provincial councils Requests under holiday pay voucher for vouchers doing so can be obtained under other terms.
80. The provisions of the Pension Act shall be applicable to the provisions of the Provincial Council Pension Act No. 17 of 1993 in respect of all officers and employees of the respective Provincial Council Public Service who are employed in a Local Government Institution. Membership of the Public Employees' Provident Fund (EPF) in respect of employees holding positions she served.
81. However, the provisions of this section shall not be a barrier for a person who is receiving a pension entitlement under the Pensions By-laws on the date on which these rules take effect. Loans and Investments from the Council Fund
82. If the excess of the anticipated services of the Municipal Council is exceeded, the investments may be made as determined by the Council in accordance with the provisions of the 255 th Authority of Urban Council Ordinance.
83.
 - (i) Maintain a document on the repayment of debts and loans made by the Municipal Fund and comply with the Sri Lanka Public Sector Accounting Standard for Local Authorities in accordance with the specimen prescribed by the Commissioner of Local Government. should.
 - (ii). A separate advance account for employee loans to be paid to municipal officials and employees must be maintained as a general fund account.

CHAPTER iv

Applicability of Sri Lanka Public Accounting Standards to Urban Councils

Municipal Council Accounts and Financial Statements

84. A municipality shall maintain its own accounts and prepare financial statements in accordance with Sri Lanka Public Sector Accounting Standards for Local Authorities.
 Objectives and principles in preparation of municipal financial statements
85. When a municipality submits financial statements, the purpose of the municipality is to provide the financial statement information approved by the municipality, and any deposit that the financial statement uses.
86. Under these rules, the definition of asset liability and net asset in respect of the municipality should be considered as follows.
 - (i) As a result of past events, the municipal council should be an asset to a current economic asset.
 - (ii) The current obligation of the Municipal Council to transfer economic resources as a result of past events is a responsibility.

(iii) The municipal council must deduct all liabilities and the remaining ownership of the assets should be the municipal council's net assets.

87. The income of a municipality is an increase in net income or increase in economic results in the form of an increase in assets or liabilities resulting from an increase in net assets or mass in an episode that is reported as capital funds other than contributions made by the government or the Western Provincial Council.

88. නගර A municipal expenditure model is a reduction in the flow of assets or liabilities resulting from a decrease in net assets or liabilities resulting from a reduction in net assets or liabilities over a period of time determined by the municipality in addition to distributions to the municipality.

89. A municipality must identify the following items that meet the definition of income and expenditure of an asset or liability and meet the following criteria:

(i) The Municipal Council can anticipate the inflow or any future economic benefit associated with it.

(ii) The item has a cost or value that can be reliably measured

90. A municipality shall prepare its financial statements using its accrual-based accounting. The identification of accrued basis assets as liabilities, liabilities, revenues, or expenses should only occur when the criteria for those items are met.

A municipality submits its financial statements

91. A municipality must submit a financial statement subject to the provisions of the Basic Law.

92. Every financial statement presented by a municipality must reasonably state the financial position and financial performance of the municipality, and disclose the variations in the financial statements and the accompanying notes.

93. A financial statement adopted by a municipality shall include a declaration that the relevant financial statement is prepared in accordance with the Sri Lanka Public Sector Accounting Standards for Local Authorities.

94. (i) The administration, including the Chairman of the Urban Council, must always assess the continuity of the financial statement compiled by the Council. The Annual Financial Statement should be evaluated and prepared for the future, not on an annual basis, in view of the municipality's continued existence. The Municipal Council should, therefore, disclose to the Council any suspicions or uncertainties in the conduct of financial statements approved by the Council.

(ii) The continuation of the financial statement adopted by a municipality shall be ascertained by the Chairman, the Secretary and a specific Board.

95. When reviewing the Annual Financial Statement after a significant change in the nature of operations by a municipality in accordance with Sri Lanka Public Accounting Standards; Unless otherwise stated or categorized as more appropriate, the submission and classification of the relevant publication should be retained for the following year.

96. According to the Sri Lanka Public Sector Accounting Standards for Local Authorities, the financial statements for the current year should be valued for the relevant period and comparable with the previous year.

97. Budget information in a budget prepared by a municipal council in accordance with the Identification and Measurement Principles under the Sri Lanka Public Sector Accounting Standards for Local Authorities for the relevant fiscal year; Should be presented in the financial statements for the relevant period.

98. Budget information in the budget documents not prepared by a municipality in accordance with the Sri Lanka Public Sector Accounting Standards for Local Authorities for the relevant financial year shall not be presented in the financial statements for the relevant period.

99. A municipality that presents budget information in financial statements;
- (i) The following values should be presented separately in columns or rows to facilitate comparison.
 - (A) True
 - (B) Budget and
 - (C) The truth of the previous comparative period
 - (ii) present the original and final budget in separate columns, and if any,
 - (iii) disclose the reasons for the discrepancies in the value of the line items in the notes.

Quantity and simulation

100. If the omission or dissemination of information can be applied individually or collectively to financial decision making on the basis of financial statements, that information should be considered sufficient information.
101. If the effect of doing so is insufficient, then this standard is not a requirement.
102. The City Council shall be made aware of the adequacy of the same items; If it is not adequate, its unequal character should be confirmed to the municipality.

Complete financial statement kit

103. A complete financial statement kit for a municipality should include all of the following:
- (i) a statement of assets and liabilities;
 - (ii) Comprehensive Income Statement
 - (iii) a statement of net asset / weight change;
 - (iv) a cash flow statement and;
 - (v) Summary notes of significant accounting policies and other detailed information.

Identifying financial statements

104. A municipality must clearly identify each financial statement (including notes) and any other information contained in the same document. In addition, a municipality should make the following information conspicuous and repeat it when necessary to understand the information presented.
- (i) the name of the asset being reported and if there has been any change in its name since the end of the prequalification period;
 - (ii) The closing date of the financial reporting period and the period covered by the financial statements;
 - (iii) the applicable financial statements; and;
 - (iv) Multiples of the value of currency in the financial statements (Rs. Millions).
105. The following shall be disclosed in the financial statements of the municipal councils;
- (A) the legal character of the municipality, the area in which it is located, the area in which the authority is located; And the address of its head office; and
 - (B) A description of the operations of the municipality and its main functions Statement of assets and liabilities.

106. A statement of the assets, liabilities and assets and liabilities of the municipal asset, liabilities and net assets / liabilities, which exist at the close of the reporting period.

Mobile / non mobile category

107. A municipality shall present both current and non-current assets and current and non-current liabilities as a separate classification of its assets and liabilities.

108. In the following cases, an asset of the municipality should be classified as mobile:

- (A) To utilize, expect, or consume, sell or distribute assets during the normal operating cycle of the municipality;
- (B) retaining the asset primarily for the purpose of sale;
- (C) expect to acquire the asset within twelve months after the reporting date;
- (F) The asset is cash or cash equivalents unless the exchange or use of the asset is limited to a liability settlement for at least twelve months after the reporting date.

109. All other assets of the Municipal Council should be classified as non-current. While the normal operating cycle of the Urban Council cannot be clearly determined, its duration is assumed to be twelve months.

110. The responsibility of a municipality should be classified as mobile in the following cases:

- (A) expecting to settle a liability during the normal operating cycle of the municipality;
- (B) the settlement of the obligation within twelve months after the reporting date; or a
- (C) Non-existence of an unconditional right to defer a liability settlement for at least two months after the reporting date.

111. A municipality should classify all other responsibilities as non-mobile. Information to be submitted in the assets and liabilities statement or notes

112. The Municipal Council shall disclose the following subclass Assets and Liabilities on the line items presented or in the Notes:

- (A) property plant and equipment in an appropriate classification by the municipality;
- (B) trade and other receivables, separately showing the receivables of the related parties and the receivables of the other parties and the receivables from the accrued income which have not yet been billed;
- (C) The value of the following stocks should be shown separately:
 - (i) Inventory for general business activities
 - (ii) Stocks in production process for such sales
 - (iii) materials or services to be consumed during the production process or service; and
- (D) Payments to Merchants, Payable to Related Parties Trade and Other Payments, showing Deferred Income and Accrued Expenditure Separately.
- (E) Provisions for Employee Benefits and other items separately; and
- (D) Net asset / mass classes, such as contributory capital surplus / (impairment) and unrecognized capital expenditure grants in cumulative surplus / (deficiencies)

113. The municipality shall disclose in its reserves the statement of assets and liabilities, or of all reserves which include net assets / mass.

Comprehensive income statement

114. When comprising other comprehensive income of surplus or deficiency in the reporting period and the determination of other comprehensive income and comprehensive income in the comprehensive income statement, a municipality shall present the recognized revenue and expenditure items in accordance with Sri Lanka Public Accounting Standards.

115. The municipality shall submit an analysis of expenditure using a function based classification of expenditure of the municipality. Examples of cost-based aggregation include administration, healthcare, infrastructure maintenance, public utility services and welfare. The municipality shall not present or describe any income or expense items in the financial statements as exclusive item numbers.

Cash Flow Statements

Money and things like that

116. Similar to Money, money is a short-term investment with high liquidity that is retained to meet the needs of short-term cash obligations. Therefore, an investment is generally eligible for cash equivalents only when it has a short maturity. That is, three months or less from the date of acquisition. Bank overdoses are generally treated as financing activities similar to borrowings. Information to be submitted on the cash flow statement
117. The Municipal Council shall submit a cash flow statement in accordance with the Sri Lanka Government Accounting Standards by classifying the cash flow operations, investment activities and financial activities for the reporting period.

Operational Activities

118. Time Operations Activities code is a recurring activity of the municipality. Accordingly, the cash flow from operating activities results from transactions and other events and circumstances that include the determination of surplus or deficiency. Some transactions, such as a plant item sold by a product municipality, may result in excess or deficiency included in benefits or losses. However, the cash flows associated with such transactions are from cash flow investment activities.

Investment Activities

119. Investment activities include acquisitions and disposal of long-term assets and other investments that do not include cash equivalents.

Financing Activities

120. Financing activities are activities that result in changes in the amount and composition of capital and borrowings contributed by the municipality.

Cash flow reporting from Operating Activities

121. The cash flow from the operations of a municipality should be presented using the cash flow curve. Accordingly, non-cash transactions are excess or deficiency adjusted for the impact of income or expense items on any deferred or accrual and investment and financial activity-related cash flows of past or future operating cash flows or payments.
122. Net cash flows from operating activities are determined by adjusting the surplus or deficit for the impact of:
- (i) Changes in receivables and receivables from inventories and operations during the period;
 - (ii) non-cash items, such as depreciation, provision (not paid), accrued income (or expenses) and unrealized foreign currency gains and losses; and
 - (iii) All other items that affect investing or financing related financing;
 - (iv) Receipts and payments of cross notes.
123. The notes should include the following:
- (i) Provide information on the basis of preparation of financial statements and specific accounting policies used
 - (ii) disclosure of information required by this standard which is not presented elsewhere in the financial statements; and

- (iii) Provide information relevant to understanding any of them, but not presented elsewhere in the financial statements

124. The municipal council should, as far as practicable, make notes as systematically as possible. The municipality shall provide a cross reference to each item in the financial statements relating to any related information contained in the notes.

125. Presentation of notes in a systematic manner.

- (i) a statement that the financial statements have been prepared in compliance with the Sri Lanka Public Sector Accounting Standards for Local Authorities with regard to the Urban Council;
- (ii) a summary of important accounting principles applied;
- (iii) the order in each statement and the order of each line item, supporting information for the items presented in the financial statements; and
- (iv) any other disclosures

Disclosure of accounting policies

126. Summary of Important Accounting Policies The municipality should disclose the following:

- (i) the basis (or basis) used to prepare the financial statements; And
- (ii) Other accounting standards applicable to understanding financial statements

Accounting Policies, Estimates and Errors **Selecting and applying accounting policies**

127. In accordance with accounting principles, municipal councils are certain policies, foundations, compliance rules and similar practices used in the preparation and presentation of financial statements. A municipality must choose and apply its accounting policies to similar transactions, other events and circumstances.

Changes in accounting policies

128. When a municipality changes its accounting policy, reliable and more relevant information about the impact of transactions, other events or circumstances on the municipality's status should be provided only if the financial statements are provided as a result of such a change.

129. Applying a new accounting policy to transactions, events and circumstances that have not occurred before or are inadequate should not be considered a change in accounting policy.

Applying Changes in Accounting Policies

130. A change in an accounting policy relating to prior periods should be presented by a municipality in the statement of net asset / mass change statement, which is an unrecognized item in determining the excess or deficiency of reported periods, and an item in determining the excess or deficiency brought forward Should be

Changes in accounting estimates

131. Assets and liabilities The present, current, and expected future benefits and liabilities of an asset or liability resulting from an assessment of the liabilities are a change in the accounting estimate of the value of the asset due to the periodic consumption of the asset. Changes in accounting estimates may be the result of new information or new circumstances that cannot be considered as corrections. A change in accounting policy is considered a change in accounting estimates when a change in accounting estimates is difficult to distinguish.

132. Changes to an accounting estimate can be considered as follows:

(A) change the depreciation of the depreciation method of the item to a simple way to reflect the revised estimate of the pattern of consumption of the asset benefit of a property, plant and equipment item; and

(B) Re-estimate the useful life of a plant, property and equipment item

133. The municipality must identify the impact of a change in an accounting estimate by including it in excess or deficiency as follows.

(A) if the change only affects that period, the period in which the change occurred; or a

(B) If that change affects both periods, the period of change and the future

134. A municipality must determine the extent of the change in an asset or liability resulting from a change in the accounting estimate by matching the carrying amount of the asset or liability for the period in which the change occurred.

Correction of early time errors

135. Waivers or disclosures arising from financial statements for one or more periods of a municipality may be prematurely inaccurate due to the inability or misuse of the following reliable information.

(A) the information that would have been available when it was approved to issue financial statements for those periods; and

(B) Information that should have been reasonably expected to be obtained and accounted for in the preparation and presentation of those financial statements.

136. The offenses described under this section shall include the effects of mathematical errors, errors in the application of accounting principles, delays and misunderstandings.

137. In determining the excess or deficiency of the period in which the impact of the offenses relating to the preceding period is reported, the municipality shall recognize in the statement the change in mass as an identifiable item in determining the forward or retained earnings.

Disclosure of Accounting Policy changes

138. When a change in an accounting policy affects the current period or any prior period, a municipality shall disclose the following;

(i) the changing nature of the accounting policy;

(ii) as to why the application of the new accounting policy provides reliable and more relevant information;

(iii) The extent to which the value of the adjustment for surplus or deficiency is practicable

(A) For the current period; and

(B) Value of reference for periods prior to the current period

(iv) if it is not practical to determine the values to be revealed in (iii) above;

This disclosure does not need to be repeated in the financial statements for subsequent periods.

Disclosure of change in Estimate

139. The Municipal Council must disclose the nature of any changes in the accounting estimate and the impact of the current period on assets, liabilities, revenues and expenses.

Disclosure of Periodic Errors

140. The following information on previous offenses should be disclosed to the Municipal Council.

- (i) The nature of the offense in the previous period
- (ii) Value of corrections to retained earnings
- (iii) If it is not practical to determine the value of (i) or (ii) above

However, this disclosure of the financial statements for subsequent periods does not need to be repeated.

Stock

141. The following assets should be considered in stock.

- (i) Assets in the form of goods or services used for the administration of the Urban Council or for delivery or consumption
- (ii) assets retained for sale or distribution in the normal course of operations; or a
- (iii) material or serviceable assets for consumption in the production process; or a
- (iv) Assets in the production process for sale or distribution

Measuring inventory

142. Stocks should be weighed lower than cost or net realizable value, except when 143rd rule applied.

143. Stocks retained for the following must be measured at cost or current cost of procurement.

- (i) consignments consumed in the administrative process of a service or organization providing no fee or nominal fee;
- (ii) Inventory for delivery at no charge or nominal fee
- (iii) Consumables available for consumption in the production process for free or for a nominal fee

Cost of inventory

144. All purchases must include costs, conversion costs and other costs incurred to bring the inventory to its current position and position.

Purchase cost

145. The cost of purchasing includes the cost of import, import duty and other taxes (excluding taxes after tax authorities) and transportation costs, operating charges and direct costs to acquire finished goods, goods and services. Trade discounts, grants, and the like should be deducted when determining the cost of purchase.

Conversion cost

146. The cost of wholesale conversion should include only direct materials and direct labor costs per unit of production.
Joint products and by-products

147. It is possible to produce more than one product at a time in a production process. Examples of such instances are when a joint product or a major product or by-product cannot be distinguished from the raw material or the conversion cost of each product, and they must be distinguished between products on a real and corporate basis. Similarly, when the product becomes indistinguishable or finished, the product can be allocated based on the relative sales value of each product. When the cost of a by-product is insufficient, the municipality should measure it by reducing the cost of the finished product from the selling price and reducing the value by the cost of the main product.

Cost of disposing of inventory

148. The following should illustrate the cost of excluding wholesale costs and the cost of the period they are incurred.
- (i) Abnormal value of waste material labor or other production costs
 - (ii) Storage costs, unless required, between production stages
 - (iii) Manufacturing and administrative costs
 - (iv) Cost of sales
 - (v) cost of interest; and
 - (vi) Foreign Exchange Changes

Cost of shipment of a service

149. The inventory of a service must be measured at the cost of production. The cost of production is basically the cost of the staff directly involved in providing the service, including the supervisory staff. Sales and administrative staff should not be included in the associated costs and should be recognized as a cost over the period incurred. The cost of inventory of a service must include profit margin or overhead.

Cost Availability Methods

150. The council should measure the wholesale cost of manufactured services and items that cannot be exchanged and reserved for specific projects by using their individual cost-specific identifiers.
151. The municipality should measure the cost of the inventory using the first-issued Initial Release (FIFO) or weighted average cost. A municipality should use the same method for all consignments of similar nature. A different method can be justified for stocks of a different nature or use. Even then Last in First out (LIFO) method is not allowed.

Recognition as an expense

152. When selling, exchanging, or distributing stocks, the carrying value of those stocks must be recognized as an expense related to the period. If there is no associated charge, the cost is recognized at the time the goods are delivered or delivered. Any deduction in inventory or value of all defects in inventory should be recognized as an expense for the period in which the loss occurred. Any value resulting from a reversal of a written consignment should be recognized as a reduction in the value of stocks recognized as an expense for the period under review.
153. Some of the stock may be allocated to other asset accounts. For example, the wholesale use of a self-made property, plant or equipment is similar to the amount of stocks allocated to another asset that are subsequently accounted for according to the relevant chapter of this standard.

Disclosures

154. The Municipality shall disclose:

- (i) accounting policies adopted for valuing stocks, including the method used;
- (ii) the total fair value of the stock and the valuation of the classifications appropriate to the municipality;

- (iii) the value of stocks recognized as an expense during the period;
- (iv) Inventories or conversions identified as losses or losses during the period
- (v) The total value of the stock sold as a security for liability

Property plant and equipment

155. Property, plant and equipment are the following intangible assets.

- (i) manufactures or goods or services used for hire or for administrative purposes; and
- (ii) Expected to be used for more than one reporting period

156. If a municipality expects to use them for more than one period, items such as spare parts, equipment and service equipment, or the use of them may only be used in connection with property, cost and equipment. Property is plant and equipment. Otherwise they should be classified as consignments.

157. Lands and buildings are tangible assets. Even if they are acquired together, a municipality must account for them separately.

Measurement in detection

158. In its initial identification of property, plant and equipment items, a municipality should identify its costs.

Elements of cost

159. The cost of property, plant and equipment items must include all of the following:

- (i) after deducting trade discounts and outputs from its purchase price, import duty and non-refundable tax including legal fees and brokerage fees; and
- (ii) This includes any costs directly attributable to the asset where it is needed or in place to enable it to perform its operations as expected by the management. Is the cost of testing.

160. The following costs shall not be the cost of a property, plant or equipment but shall be recognized by the municipality as expenditure.

- (i) Cost of opening a new facility
- (ii) Cost of introducing a new product or service (Advertising and Promotion Including costs for activities)
- (iii) Cost of running a business in a new location or new clientele (including the cost of training employees)
- (iv) administrative and other overhead costs, and
- (v) Cost of borrowing

161. When creating or developing a property plant and equipment item, revenue and incidental operating expenses are recognized as surplus or deficiency unless the operational item is required to bring it to its intended position or operating condition.

Measurement after initial identification

162. After initial identification, a property, plant and equipment item must be measured at the expense of any subsequent cumulative depreciation or any cumulative damages.

163. The cumulative depreciation of a damaged property, plant and equipment item, except in normal use, should be recognized as excess or deficiency in the relevant proportion of the reduced cost. A municipality must identify the excess or deficiency of the period in which the daily service cost of a property, plant and equipment item was incurred.

Depreciation Value and Depreciation Period

164. The municipality should allocate the depreciation of an asset on a systematic basis throughout its life. Depreciable value is the cumulative depreciation deductible cost and the cumulative impairment loss that is reduced by the residual value. If an asset has already ended its life and its useful life has reached its expected level, the residual value of an asset is the estimated value that is currently available after deducting the estimated cost of disposing of that asset.
165. The depreciation expense at each period shall be recognized in excess or deficiency.
166. Factors such as a change in how the asset is used, a significant unexpected drop, a rise in payer technology levels and a change in market prices may indicate that the asset's residual value and useful life have changed since the most recent annual reporting date. If such indications are present, the municipality should review its previous estimates and revise the residual depreciation method or useful lifetime if current expectations differ. Changes in residual value, depreciation, or utility lifetime must be accounted for by the municipality as a change in accounting estimates.
167. Depreciation begins when an asset is available for use. That is, when the asset is reluctant or fully depreciated to set up the asset in a position and position necessary to enable the asset to function as expected by the management, the asset will cease to exist.
168. The useful life of an asset is the period during which the municipality expects to use the asset or the number of products or similar units the municipality expects to obtain from the asset. When determining the useful life of an asset, the municipality should consider all of the following:
 - (i) The expected use of the asset is assessed by referring to the asset's expected capacity or physical output.
 - (ii) The expected physical shutdown or payback depends on the number of service shifts expected to be used and the maintenance and maintenance program and maintenance factors such as maintenance and maintenance when the asset is inactive.
 - (iii) technical or commercial obsolescence arising from changes in the product demand or product market demand or product improvement changes; and
 - (iv) Legal and similar restrictions on the use of an asset, such as the expiration of the associated lease term, excluding certain uses, such as quarries and land reclamation, are depreciated as the land has an unlimited life.
 - (v) Whether the property purchased or stored year is not relevant for depreciation in the year when avoiding the use should be depreciated.

Depreciation method

169. The municipality should choose a depreciation method that reflects the pattern it intends to consume for the future economic benefits of the asset. Acceptable depreciation methods include the use of a straight-line method, a depreciation balance method, and a utility-based method such as the production unit method.

Pratihañdunāgænīma

170. A municipality must recognize a property, plant and equipment item as follows:
 - (i) on disposal; or a
 - (ii) When there is no further benefit from its use or disposal
171. When the item is recalled, the property, plant and equipment must recognize the benefit or loss or deficiency of the item's revaluation.

172. As a disposal date, the risk and benefit of the ownership of the asset is waived.

173. The benefits or losses arising from the recognition of an item of property, plant and equipment must be determined by the municipality as the difference between the value of the item and the amount of the disposal.

Disclosure

174. A municipality shall disclose the following for each class of property plant and equipment.

- (i) the bases used to determine the gross weight loss;
- (ii) depreciation methods used;
- (iii) useful life or depreciation rates used;
- (iv) the gross impairment of cumulative depreciation and cumulative damages at the beginning or end of the reporting period; and
- (v) Comparison of valuation at the beginning or end of the reporting period, separately showing the following:
 - A. Additions
 - B. Reductions
 - C. Depreciations, and
 - D. Impairment

175. A municipality must likewise disclose the existence and legitimate value of property, plant, and equipment that are restricted to ownership or protected as a liability.

Leasing

176. An "lease" is a transfer of the leasehold property to the lessee in response to a payment or series of payments for the right to use an asset for an agreed period. At the end of the term of the lease, the leaseholder may or may not be able to lease the property.

177. These rules cover accounting for all leases except the following.

- (i) lease for exploration of minerals, natural gas and similar non-renewable resources;
- (ii) licensing agreements for items such as motion picture films, video recordings, drama manuscripts, autonomous or copyright rights;
- (iii) a lease for biological assets; and
 - (A) substantially all of the risks and benefits associated with ownership; and
 - (B) The usefulness of the asset is not a significant part of the lifetime lease

Taxpayer Financial Statements

178. The leaseholder must recognize the leaseholder as a lender in a straightforward way, except that the payments to the leaseholder are not structured to increase in line with the general inflation expected to compensate the lender's expected inflationary cost increases.

Financial statements of the leaseholder

179. Assets subject to lease must be submitted by the leaseholder according to the nature of the asset in its statement of assets and liabilities.

180. The leaseholder shall recognize the lease income on a straightforward basis throughout the term of the lease of surplus or deficiency, unless it is structured to increase in line with the general rate of inflation expected to compensate the lender's expected inflationary cost increases.
181. The leaseholder must be recognized as a cost expense, including the depreciation incurred in earning the lease income.

Disclosure

182. The lessee must make the following disclosures for the lease.

- (i) Payment of leases identified as an expense
- (ii) For example, a general description of significant lease agreements of the lessee, including information on the possibility of a rent, renewal or purchase options, and increase clauses and conditions imposed by the lease agreement.

Employee Benefits - General Identification Principles

183. Employee Benefits is the policy of providing value-added services, including management, in exchange for the services provided. The Municipal Council shall identify the cost of employee benefits to be paid to its employees as a result of the services rendered to the municipality in accordance with the requirements set out in this chapter.
- (i) If the value paid directly to the employee or to an employee benefit fund is deducted, the excess paid is greater than the obligations arising from the services before the reporting date of the liability. The amount as an asset to the extent of the reduction in future payments or refunds.
 - (ii) Expenditure, unless otherwise required by another chapter of this Standard, to identify costs as part of the cost of an asset, such as inventory or property, plant or equipment.

Defined employee benefits

184. When an employee serves the municipality, the municipality should measure the identified values of the municipality or the deficiency as follows.
- (i) Contributions made to the Employees 'Trust Fund, Employees' Provident Fund, Employees 'Provident Fund or Employees' Trust Fund, which are reported to have provided services such as medical insurance premiums and vehicle use or housing. Benefits payable after a period of service or after a short period of service.
 - (ii) bonus and profit sharing payments for the reporting period in which the service was provided;
 - (iii) medical benefits not covered by insurance for the reporting period in which employees are entitled to benefits;
 - (iv) the cost incurred for casual, annual or medical leave during the reporting period from which the leave was received;
185. Benefits payable upon termination of such service, such as gratuity, should be recognized as a liability if the employee leaves the service on that date, at the end of the reporting period.
186. The benefits payable as a result of termination of an employee before the retirement must be recognized in the reporting period in which the decision was communicated to the employee.
187. The Municipal Council recognizes that the employee's decision to accept voluntary unnecessary reimbursement is the benefit payable in exchange for such benefits, and the period in which the employee is recognized.
188. Payment of post service benefits such as pensions paid to former employees should be recognized as an expense for the period in which they were made. If such benefits are paid off without being reimbursed by another entity, such as the central government, the cost of such benefits must be recognized by the municipality as income and expenditure, both in the financial performance statement and in the cumulative surplus or deficiency.

189. The municipality shall disclose in its notes the following financial statements:

- (i) the value of post service benefits such as pensions paid or payable to former employees of the municipality during the period;
- (ii) the amount of post-employee benefits paid or paid by other entities, such as the Central Government, as pensions or ex-pensions to former employees of the Municipal Council during the period;
- (iii) the number of employees who should have been paid such post-service benefits during the period and the number of current employees entitled to such benefits upon retirement

**Revenue from non-exchange transactions
Taxes and Transfers**

190. Excluding contributions made by the Government from the Western Provincial Council contributions as capital funds, these inflows are the net inflows from the net income and operating income of the municipality's ordinary activities resulting from an increase in net assets.

When accounting for revenue arising from the following transactions these rules are used.

- (i) Taxes incurred or incurred;
- (ii) Compensation, including fines received or due;
- (iii) transfers received by the government other than capital inflows; and
- (iv) gifts and grants received from the government.

Taxes and Compensation

191. Taxes included in the municipal council's rules or regulations for the payment of taxes and other forms of dues and dues.

192. Taxes and Compensation shall be recognized as revenue in the taxable period.

193. Taxes and compensation relating to the period preceding the reporting date should be recognized as an asset to be recoverable at the end of reporting.

194. The Government and Western Provincial Council commitments to incur such expenses are recognized as the revenue of the period in which such expenditure is recognized.

195. The Government's mandate to fund identified property, plant and equipment or other assets is recognized as the revenue of the period in which such property, plant and equipment or other assets are identified as surplus or deficient.

196. Governmental transactions relating to a specific period shall be recognized as the revenue of that period.

197. Any non-capital contributions, other than capital funds not referred to in paragraphs 194 or 195, shall be recognized as revenue of receipts or receivables of such period.

198. The government's commitments to capital expenditures are primarily identified in other comprehensive terms. Similarly, the corresponding value is deducted from other comprehensive income during the period in which it has met the revenue recognition criteria identified in the preceding paragraphs, which are recognized as the recognized income of other comprehensive income. The Assets and Liabilities Statement should be recognized as a separate component of the State's carrying amount that does not meet the revenue recognition criteria set forth in the preceding paragraphs of the reporting date.

Delivery from government or other parties other than the Western Provincial Council

199. Expenditure The contributions from parties other than the government are recognized as the budget of the period in which such expenditure is recognized.
200. Any excess or deficiency of such property, plant and equipment or any other asset other than the Government to fund the identified property, plant and equipment or other assets shall be recognized as the proceeds of the period in which the deficiency is recognized.
201. Any other departure from the affiliated Government for a specified period shall be recognized as the revenue of that period.
202. Any other donations from the Government or the Provincial Council, other than capital funds not specified in sections 199 and 200, shall be recognized as revenue of receipt or receipt of such contributions.
203. Commitments made by parties other than the government for capital expenditures are recognized primarily in other comprehensive income. Similarly, the corresponding value should be deducted from other comprehensive income during the period in which it has met the revenue recognition criteria identified in the preceding paragraphs, which are recognized as the recognized income of other comprehensive income. The Assets and Liabilities Statement should be recognized as a separate component of the carrying amount from other parties other than the government that does not meet the revenue recognition criteria set forth in the preceding paragraphs of the reporting date.
204. A municipality should disclose the following regarding taxes and assignments.
 - (A) the value of the tax recognized as a tax with the appropriate analysis of the type of tax;
 - (B) The amount of fines recognized as fines with an appropriate analysis of the fines

How to Transfer Transactions

205. Gross inflows are attributable to the economic benefits or services that arise during the reporting period of ordinary activities of the municipality, resulting in an increase in net asset mass, excluding the inflows from contributions made by the Government from the Western Provincial Council as capital objectives. This chapter is used in accounting for the revenue arising from the following transactions and events.
 - (A) Sale of Goods (either invented for sale purpose or purchased for resale);
 - (B) service provision;
 - (C) Construction contract, which is the contractor of the municipality, a 'construction contract' is an asset that is closely related to one another or to another, in terms of its own design, technology and function or end goal. Or a contract specifically negotiated to create an asset combination; and
 - (F) Deposits or receivables that generate interest;

Management Budget measurement

206. A municipality shall weigh the amount of the receipt or receipt of the pledge. Receivable or receivable is the value after any municipal council approved trade discounts, early settlement discounts and volume output deductions.
207. An urban council should be included in the budget only as a gross inflow of economic benefits to the municipality into its own account or to be feared. All valuables collected by the municipality on behalf of third parties should be discharged. All taxes collected based on sales or VAT collected by the Government should be included in the budget. The value accumulated on behalf of the chief is not the money of the municipality.

Selling of goods

208. A municipality should recognize the revenue from the sale of goods when it meets all of the following conditions.
- (A) When the municipality has delegated significant risks and benefits to the purchaser of the goods;
 - (B) The municipality generally does not maintain ownership or effective control over the goods sold;
 - (C) that the value of the budget can be reliably measured;
 - (D) the municipality is likely to anticipate the transaction and associated economic benefits (ie more likely than not); and
 - (E) the reliability of the transaction or the costs incurred.
209. When considering the significant risks and benefits of the municipality to the buyer, the consideration of the transaction must be considered. In most cases, the risks and benefits of ownership are proportional to the transfer of ownership or possession of the buyer. This is the condition of most retail sales. The municipality does not recognize the significant risks or benefits of ownership as a budget.

Provision of Services

210. If the outcome of a transaction relating to service delivery can be reliably estimated, the municipality should identify the transaction and associated revenue at the end of the reporting period, with the stage of its completion.
211. The outcome of a transaction can be estimated reliably if the following conditions known as percentage completion method are satisfied.
- (i) To be able to reliably measure the value of the budget;
 - (ii) Expected Transaction and related economic benefits to flow to the Urban Council;
 - (iii) Measuring the reliability at the end of the period in which the transaction has been completed;
 - (iv) The cost of the transaction and the cost of completing the transaction can be measured reliably.
212. When the outcome of a transaction involving a service cannot be reliably measured, the municipality of a municipality must recognize only the amount that can be recovered.

Construction contract

213. When the outcome of a construction contract can be reliably estimated, the municipality shall identify the cost and construction costs associated with the construction contract as revenue and expenditure, respectively, at the end of the reporting period by referring to the completion of operations. A reliable estimate of the completion stage and future costs is not necessary for a reliable estimate of the result.

Percentage Completed Method

214. This method is used to identify revenue by providing services and construction contracts. Estimates of budget and cost should be reviewed by the municipality when a service contract or construction contract is under way and when necessary.
215. Acceptable methods of determining the stage of completion of a municipality using a more reliable measure of work performed in a transaction or contract should be included. For that,
- (A) The cost of work accomplished to date has been borne in proportion to the estimated total cost. Costs incurred to date have not been included in the cost of future operations. Such as payment for materials or forwards;
 - (B) Surveys of work performed;
 - (C) Completion of a physical transaction of a service transaction or contract work..

Progress payments and advances from customers often do not reflect the work performed.

216. If the cost is expected to be recoverable, the municipality must recognize the cost asset associated with the future activities of the transaction or contract, such as materials or prepayments.
217. If any costs are not expected to be recovered, the municipality shall immediately recognize it as an expense.
218. When the result of a construction contract cannot be reliably estimated,
 - (A) the municipality must recognize the budget to the extent it is expected to be recovered; and
 - (B) The municipality shall recognize the cost of the contract as an expense for the period in which it was incurred.
219. Where it is anticipated that the total contract cost will increase to the total contractual obligation on a construction contract, the anticipated loss should be recognized as an expense, with a corresponding provision for a trust agreement.
220. When it is no longer possible to recover value already recognized as contractual revenue, the municipality must recognize the irrevocable value as an expense rather than as a compliance with the contract budget.

Interest

221. Identification of interest should always be done using the effective interest rate.
222. Effective interest rate 'is the rate at which the expected future cash inflows are accurately discounted to the asset's carrying value. The initial interest rate is determined by the initial identification. Under the effective interest system,
 - (A) The carrying value of an asset is the present value of future cash inflows discounted at the effective interest rate;
 - (B) The interest income of a period is equal to the value of the asset at the beginning of a period, when the effective interest rate for that period is increased by the effective interest rate.
223. In the event of interest accrued at the same rate and at the time of interest, there is no discount or other receipt or payment in connection with the interest received, but the interest on the asset for the same period is the interest income for that period.

Disclosure

224. The municipal council shall disclose the following on the budget.
 - (A) Accounting principles adopted to determine the revenue including methods followed in the completion phase of transactions where applicable; and
 - (B) The value of each category of revenue recognized during the period, separately showing the revenue generated by at least
 - (i) Sale of goods;
 - (ii) Provision of Services;
 - (iii) Interest;
 - (iv) Commission amount; and
 - (v) Other significant tax credits.

225. A municipality should disclose the following with regard to the receipts of construction contracts.

- (i) The value of contract receivables recognized as revenue during the period
- (ii) the methods used in determining the contract revenue identified during the period; and
- (iii) Methods used to determine the completion phase of ongoing contracts

226. The Municipal Council shall submit the following: -

- (i) Gross receivables from customers for contract work as an asset; and
- (ii) Gross value payable to customers for contract work

227. The Municipal Council shall, in general, disclose:

- (i) The value of the revenue recognized in the transaction transactions with an appropriate analysis by the type of transaction;
- (ii) Recognized value of surplus or deficiency in non-recoverable receivables from exchange transactions
- (iii) Gross Value Receivable and Amount of Recoverable Receivables Allowed to be analyzed and recognized as receivable from reporting transaction transactions.
- (iv) the value of the allowable amount at the beginning of the period, the recognized value of the surplus or deficiency; And an analysis of the allowable amount of receivables that cannot be recovered from the transaction during the reporting period, including the allowable amount of reporting dates
- (v) an age analysis of the gross value of receivables from the reporting day exchange transactions; and
- (vi) Any authorized authorization of the write-off and any valuation of receivables from the transactions transacting irrevocably during the period

228. This standard applies to all liabilities and contingent liabilities of all provisions (ie, indefinite timing or value liabilities) other than those provisions covered by other chapters. These include the following related provisions.

- (i) Lease;
- (ii) Construction Contract;
- (C) employee benefit obligations; and
- (D) Income Tax.

229. A municipality should recognize a provision only when:

- (A) The obligation of the Municipality of Reporting Day as a result of a past incident;
- (B) the City Council may be required to provide economic benefits to settlement (ie, it may happen rather than occur)
- (C) Reliable estimates of the value of the bond

230. The municipality shall recognize the cost of assets and liabilities as a liability provided by the municipality except as otherwise required in this chapter to identify costs as part of the cost of assets such as property, plant and equipment.

Basic measurement

231. The municipality shall measure the best estimate of the value required to settle the reporting date obligation. The best estimate is the value that the last municipal council would logically pay to settle the obligation or submit it to a third party at the time.

- (A) When a large number of items are involved in a provision, the value represents the weighting of all possible outcomes by their associated probabilities. The midpoint of the range is used when there are possible rounds in the stacked range and every point in the range is the same as any other.
- (B) Probably the best estimate is the best estimate needed to settle the relationship when there is provision for a single commitment. However, even in such a case, the municipality is considering other possible outcomes. If other possible outcomes are higher or lower than the most likely outcome, the best estimate would be a higher or lower value than the most likely single outcome.

Later measurement

232. The municipal council should recover the expenditure against the provision originally identified.

233. The City Council shall review the provisions of each reporting day and adjust it to reflect the best current estimate of the value that may be necessary to settle the obligation on that reporting date. If the allocation is not initially identified as part of the cost of the asset, any adjustment to the previously recognized values must be identified as surplus or deficient.

Contingent liabilities

234. the indefinite liability of the telephone is a probable, but not binding obligation, or an unrecognized current obligation because it fails to meet one or both of the conditions in paragraphs (ii) and (iii) of section 228. A municipality should not recognize an imperative obligation. When the municipality is jointly or severally liable for the obligations, a portion of the obligation is deemed to be incurred by the other party.

Intangible assets

235. An intangible asset is a probable asset arising from past events that only exists or is unknown in the municipal council, or in the event of one or more improper future events. A municipality should not recognize an intangible asset. If the future economic benefits flow to the municipality, it is indeed certain that the related asset is not an intangible asset; And its identification is appropriate.

Disclosure of provisions

236. The Municipal Council shall disclose the following for the provisions of each class.

- (i) A comparison of the following;
 - (A) The value of the capacitance at the beginning and end of the period;
 - (B) Additions during the period;
 - (C) Values charged against provisions during the period;
 - (E) Unused values translated during the period.
- (ii) a brief description of the nature of the obligation and the resulting payment and expected value;
- (iii) an indication of the value of such inflows and the uncertainty of the payoff period; and
- (iv) the value of any expected reimbursement, with reference to the value of any asset identified for such repurchase;

However, there is no need for balanced information for the preceding periods.

Disclosure of contingent liabilities

237. The Municipality shall disclose the nature of the implied warranty to each Class of Reporting Day, except when it is probable that there may be a flow of resources in the settlement.

- (i) Estimate of its financial impact;
- (ii) An indication of uncertainties relating to the amount and duration of a flow;
- (iii) that there may be any consequence.

When every reasonable effort has been made to do so, one or more of these disclosures cannot be made, and the matter must be disclosed.

Disclosure of intangible assets

238. If the inflows of economic returns are anticipated (more likely than not) but not truly constant, then (at the end of the reporting period) a description of the nature of the intangible assets, when it is practicable, without unreasonable costs or effort An estimate should be revealed by a municipality. If the municipality cannot make this disclosure after a reasonable effort, it should be stated.

Borrowing cost

239. Borrowings are funds, interest and other costs that the municipality has to bear in borrowing money.

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240. A municipality shall recognize all borrowing costs as expenditures or deficiencies for the period in which they were incurred.

241. A municipality must identify the total interest expense recognized during the reporting period.

Foreign Currency Conversion

242. The manner in which a municipality may include foreign currency transactions to the extent permitted by written law in financial statements is as follows.

Reporting of Foreign Currency Transactions

243. “the Foreign Currency Transaction” is a transaction designated or settled in foreign currency, including the following:

- (i) A service or a purchase or sale of goods denominated in foreign currency;
- (ii) Borrowing or lending of nominal payable or receivable value in a foreign currency;
- (iii) Acquisition or disposal of liabilities or settlements, even if nominated by a foreign currency;

244. On the date of the transaction, a municipality should identify the foreign currency value, the local currency value, in the initial identification of the local currency and the foreign currency.

245. The transaction date is the first qualifying date for the transaction to be reported foreign currency transactions in accordance with this standard. For practical reasons, you should often use the ratio closest to the actual rate on the day the transaction took place.

- (i) The average rate of one week or month for each foreign currency is applicable to all transactions taking place during that period; or a
- (ii) If the settlement occurred within a short period from the date of the transaction, the associated receivables or payable settlement rate can be used.

Final reporting of the subsequent reporting period

246. At the end of each reporting period, a municipality may,

- (i) Convert all foreign currency items using the final rate; and
- (ii) Converting non-financial items using the exchange rate of foreign currencies on the date of the transaction

247. The municipality shall recognize the excess or deficiency in the exchange period in which financial items arise when settling financial items or converting financial items to a rate different from the rates previously converted.

Disclosure of related parties

248. A municipality shall make necessary disclosures relating to transactions with related parties in its financial statements and outstanding balances with such parties.

Definition of a related party

249. If one party has control over (a) the other, or (b) has a significant influence on the other party in making financial and operational decisions, those parties should be considered parties to the matter.

250. Related parties include;

- (i) personnel of the main management and close members of the main management;
- (ii) any person described in paragraph (a) of any person who, directly or indirectly, has direct or indirect rights to be exercised by the parties or persons exercising substantial influence over them;
- (iii) the parties who have control over the municipality of the Report or have a significant influence on it

251. The key management personnel are,

- (i) All members of a municipality;
- (ii) other persons having authority and responsibility for the planning, directing and controlling activities of the municipality; and
- (iii) The Secretary of the Municipal Council and the Heads of the Divisions of the Division as the case may be

252. The following are assumed to be close family members of an individual.

- (i) Relatives living as spouse, domestic partner or common residents;
- (ii) infants, grandchildren, grandparents, parent, sibling or sibling;
- (iii) Children of spouse or domestic partner, parents in law, brother-in-law and daughter-in-law;

Disclosure of Controlled - Controlled Relationship

253. The relationship between the subsidiary and its controlling company should be disclosed, regardless of whether there were any associated party transactions.

Disclosure of related party transactions

254. If the municipality has transactions with affiliated parties, it is necessary to disclose the nature of the relationship of the parties concerned, as well as the information needed to understand the potential impact of transactions, deficits and liabilities, and relationships on financial statements.

255. If they are with a related party, the disclosures should be as follows;

- (i) Purchase or Sale of Goods (Ready or Unlimited)
- (ii) Purchase of property and other assets
- (iii) leases
- (iv) R&D
- (v) Amounts under financial agreements (mass contributions including loans and currencies)
- (vi) Guarantees or Additional Guarantees; and
- (vii) Settlement by the Municipal Council on behalf of the municipality or any other party,

256. The Municipal Council shall not specify that transactions involving related terms have been made in the same manner as in the case of long-distance transactions, unless such expressions are valid.

257. A municipality must disclose, as a matter of similar nature, except when a separate disclosure is necessary to understand the impact of the parties involved on the financial statements of the municipality.

Other assets and liabilities

Receivables

258. The municipal council must first recognize the value of the receivables in a transaction that does not transfer the value of receivables in accordance with applicable laws and regulations.

259. The Municipality should review and consider whether the value of receivables is recoverable at the end of the reporting period.

260. The Municipality should review the value of the receivables on the reporting date to assess how much of the receivables shown are receivable. Receivables should be measured in terms of receivables and liabilities, recognizing the potential for harm. The difference in the carrying value of the reporting date should be recognized as excess or deficiency in the receivables.

Shares of listed companies

261. The transactions in a stock exchange should be measured in terms of the volume weighted prices of the disclosures before the expiry of the reporting period.

262. If the transaction on a listed share of a stock exchange is terminated at the end of the reporting period, the assets and liabilities of the share should be measured at the most anticipated value of the day.

Shares of other companies

263. The value of a stock company should be measured as the cost of equity or net asset value of unquoted companies. The net asset value of the shares should be based on the municipality's general purpose financial statements.

Loans payable

264. The amount of debts owed by a municipality should be measured to the value of repayment.

265. If a loan is repaid after one year of the reporting date, it is classified as a non-current liability. The loan is classified as a current liability for less than one year on the reporting date.

266. Unpaid accrued interest until the end of the reporting period should be recognized in the statement of assets and liabilities.

Payable

267. What a municipality pays should be primarily measured by transaction prices.

268. The value of outstanding balances at the end of the reporting period should be recognized in the statement of assets and liabilities.

Taxes on excess or deficiency

269. The Municipality shall recognize the amount of tax payable on the basis of the relevant statutes on its surplus or deficiency until the end of the reporting period.

Disclosures

270. A municipality shall separately disclose the receivables of non-transferable transactions and barter transactions.

- (i) the net worth recognized as reporting days receivables with an analysis of the receivables and gross receivables;
- (ii) Analysis of the receivables movement for receivables that cannot be recovered during the reporting period, including the value of the result of the beginning of the period, the recognized value of the surplus or deficiency, and the end date of the reporting date;
- (iii) an age analysis of gross value receivable on the reporting date; and
- (iv) certain values which were not recoverable during the period and the authority which authorized such write-off.

Reporting Service Performance Information

Scope

271. The reporting of service performance information in the financial statements shall be in accordance with the provisions of this chapter.
272. The reporting of service performance information in accordance with this rule represents good practice. It is not necessary to comply with this rule to ensure that the financial statements are prepared in accordance with the Sri Lanka Public Sector Accounting Standard for Local Authorities.
273. The Service Performance Information shall not be construed as complying with this chapter unless it complies with all of the principles of this chapter.

Service performance statement

274. A municipality reporting service performance information in accordance with this chapter shall file a service performance statement in addition to the financial statements first listed under these rules.

Service performance information

275. The following information should be submitted in the Service Performance Statement.

- (i) service performance objectives;
- (ii) performance indicators; and
- (iii) Total cost of services

276. The Municipal Council shall submit the following information relating to performance indicators and total cost of services.

- (i) planned and factual information for the reporting period; and
- (ii) Factual information for the pre-reported period

277. Where the information contained in other statements or notes comprising the financial statements is included in the Service Performance Information, reference shall be made to the Service Performance Statement.

Detailed Inquiry and Analysis

278. A municipality shall submit a detailed review and analysis of its performance information.

279. A comprehensive overview of the municipality's service performance should be provided in a comprehensive review and analysis of service performance information.

280. Service performance by detailed inquiry and analysis;

- (i) Discuss the extent to which the service performance objectives have been achieved
- (ii) Present an impartial explanation that addresses both the positive and negative aspects of the information presented.
- (iii) To facilitate the assessment of the effectiveness and effectiveness of the municipality's service performance

Events that are nearing the end of the reporting period

281. Events after the end of the reporting period The number of events that occur between the end of the reporting period and the date of approval for the issuance of financial statements are known as the after-reporting period.

Identification and measurement

Events that match after the end of the reporting period

282. A municipality must match the recognized values in its financial statements, including disclosures relating to the matching of events after the end of the reporting period, to identifying previously unidentified items. Events that match after the reporting period are events that provide evidence of conditions at the end of the period.

283. The following should be taken as examples of the instances referred to under the above clause.

- (i) Information received after the end of the reporting period, indicating that an asset has been damaged at the end of the reporting period, or that it must match the previously recognized impairment loss for the asset.
 - A. A bankruptcy of a tenant after the end of the reporting period usually confirms that there was a loss at the end of the reporting period on receivable rent, and that 'receivables' That the damages of rent should be adjusted for rent damages; and
 - B. Inventories sold after the end of the reporting period may testify to the sale price at the end of the reporting period for the purpose of assessing the recoverable value. .
- (ii) Determining after the end of the reporting period the cost of assets purchased or the proceeds from the sale of assets before the end of the reporting period.

Events that are not resolved after the end of the reporting period

284. The values identified in its financial statements must not reflect the events that are inconsistent with the end of the reporting period.

285. Losses from a flood, fire, or other incident after the end of the reporting period shall be deemed to be unrecorded events after the end of the reporting period.

Disclosure

Date of Approval for Issue

286. The Municipal Council should disclose the date of approval for the issuance of the financial statements and who gave the approval.

Chapter V

City Taxes Other Taxes and Fees

287. All Municipal Council shall maintain information relating to all buildings and lands to which the assessment is payable to the Municipal Council under the assessment tax document in accordance with the format prescribed by the Commissioner of Local Government.

- (i) The Municipal Council shall issue a permit for the payment of such assessment and recovery charges in respect of unpaid assessments within the time prescribed by the Municipal Council.
- (ii) The Secretary shall take every possible action to recover the assessed amount and surcharges before the expiry of the quarter in which the law relates to a issued license.
- (iii) No fee shall be charged, in any case, unless the property has been prohibited under a license.
- (iv) The duty of the issuing authority to issue a warrant for the prohibition of property is to be kept safe until the foreclosure of movable property, which has been prepared in three copies. One copy should be kept by the Secretary or the Chief Officer of the Revenue Division.
- (v) The officer authorizing the expropriation of the property by issuing the license for the suspension of property should issue the receipt for the payment of assessment fees and surcharges in the name of the person who pays the assessment tax.
- (vi) In respect of the prohibition of property, additional charges as prescribed in the written law and in writing shall be deposited and the property prohibition officer shall be accounted for.

288. It is the duty of the officer concerned to submit to the Licensing Officer a report of the action taken under a license issued to an officer for probation of property.

289. If the services of a person who is not a regular member of the Council for the purpose of prohibiting the property is obtained, the amount of money payable to him shall be provided by the Council and the relevant service and shall be in accordance with the agreement to be established.

290. It is the duty of the Secretary of the Urban Council to obtain an appropriate surety from the relevant external party, if the assistance of an outsourcer is obtained for the purpose of prohibiting the property.

Vehicle and animal tax

291. Information pertaining to vehicle and animal tax should be obtained by each household head and a document should be maintained with reference to the information obtained.

292. If the by-law is enacted for the purpose of charging vehicles and animal taxes, the relevant tax shall be levied as if it were a parallel exercise.

Industrial taxes and business taxes

293. A survey of property subject to industrial tax and business lease in each municipality area should be prepared by the revenue inspectors of the local authority before 31st March of the year of the lease.
294. The following information shall be included in the report prepared under Section 295 above:
- (i) Industry / Business Location,
 - (ii) Grama Niladhari Division,
 - (iii) Nature of industry / business,
 - (iv) If there is a Assessment Number,
 - (v) Annual value of the place,
 - (vi) Name of the person running the business / business.
295. The records should be maintained in a manner consistent with the forms prescribed by the Commissioner of Local Government, including the separate information on the property subject to industrial tax and property subject to business tax.
296. The head of the Revenue Division of the Urban Council should report to the Secretary of the Urban Council before 30th April of the current year, making lists of property and defaulter subject to unpaid Industrial Tax or Business Tax on March 30 of the current year.
297. It is the duty of the Secretary of the Municipal Council to follow the provisions of the Basic Law to recover unpaid Industrial Tax and Business Tax by March 30 of the current year.

Tax on undeveloped land

298. Identify the lands that are subject to undeveloped land within the municipal council area and inform the claimants of the land that they are subject to the lease of undeveloped land in accordance with the provisions of the Basic Law.
299. The relevant notice shall be communicated by registered post to the claimant in respect of the property subject to the lease, specifying a specific period of time for the information to be identified on the capital value of the property subject to the lease. Or hand-delivered and delivered.
300. Upon submission of the notice under the above clause, if the expected information is not provided within the period given under the notice, it is legitimate to determine the capital value of such information.
301. If the taxpayer does not pay the tax, it is the duty of the Secretary of the Urban Council to act under the provisions of the Basic Law to recover the tax money.
302. Information on levying taxes on undeveloped lands should be maintained under a separate record.

Tax on sale of land

303. The tax on sale of land relevant to a Municipal Council should be calculated on the basis of the sale of the land.
304. If any money is to be paid for the lease on the sale of a land before the sale of the land, the amount paid should be in the form of a deposit and the full lease amount shall be taken to recover the balance after the sale of the land.
305. The Secretary of the Municipal Council shall act in accordance with the basic law to recover the tax on the sale of unpaid land.
306. Information relating to tax on sale of leased land shall be maintained in a document complying with the format prescribed by the Commissioner of Local Government.

Chapter vi

Renting property

307. Information relating to leased property leased by a local authority shall be maintained in the document in accordance with the Sri Lanka Public Sector Accounting Standards for Local Authorities and in the format prescribed by the Commissioner of Local Government.
308. Every contract entered into by a local authority with respect to leasing or leasing of property with a second party shall provide a certified copy of the Administrative Head of the Local Authority to the Internal Audit Division and the Revenue Division.
309. The monthly rent of the agreement shall be paid on or before the 10th day of the month in which the rent is due, and shall be in accordance with the terms of the relevant agreement.
310. The Executive Head and the Administrative Head of the Local Government Institution shall take all steps necessary to comply with the provisions of the Basic Law and the following rules and regulations in dealing with the Municipal Council in renting property leases.
311. In the tender process relating to leasing or leasing of property owned by the Municipal Council, the Municipal council or any committee which is authorized by the Council or the Council separately for any tender purpose, shall mean the Procurement Committee. Means any tender activity or any other committee appointed for tender purposes.
312. The tender procedure under these rules shall ensure the following:
- (i) Provide quality tender in a timely manner to ensure maximum economic benefits,
 - (ii) Act in accordance with the applicable written law and the maximum financial benefit to the Council Fund,
 - (iii) Provide reasonable, equitable and maximum opportunities for qualified interested parties to participate in tenders,
 - (iv) Ensure transparency and legitimacy of the evaluation and selection process,
 - (v) Complete the tender process in a more transparent manner so that the interested people can find out the correct information regarding the tender process.
313. The tender procedure for leasing of municipal property should be completed with the protection of the following:
- (i) Ensure the process of safeguarding the right to information of the tender is subject to the limitations of the written law,
 - (ii) The tenderers should not abuse their powers. He should not misuse his position in the tender process for the benefit of himself or his family members or business partners,
 - (iii) Every officer concerned shall declare the tender process to be inconsistent with the relationship during the entire process. If a suspicion arises, the officer concerned should declare his relationship and withdraw from the tender process,
 - (iv) Abstain from obtaining any personal benefits from a tender process. No gift should be accepted and no impulse should be given. No action shall be taken in any manner which may have an effect on the decision of any person involved in the tender, or which may have an effect on their purpose,
314. (i) Proposal to appoint an Evaluation Committee for the purpose of leasing, leasing, selling or owning property belonging to the Council and the matter relating to tendering of private property. The Chairperson of the House shall present to the House,

- (ii) In making such a motion, the resolution must establish that the prerequisites have been fulfilled.
- (iii) The Council shall appoint a permanent or periodic Tender Committee and Evaluation Committee for the tender work described under these Rules.

315. The Tender Committee shall inform the Council that the tender process is completed by completing the following:

- (i) Maintain necessary communication links with all stakeholders in the tender process,
- (ii) Preparation of Pre-Qualification Documents, Specification Documents and Bidding Documents and submitting them to the Technical Evaluation Committee for review and approval.
- (iii) Preparing data and information before obtaining the assessment report,
- (iv) Distribution of Recordings of Assessment Committees and Tender Committee Meetings and,
- (v) Submit the relevant request of the Evaluation Committee to provide necessary support to justify the ease of the tender process and all other related matters,.
- (vi) Maintaining transparency of all information and steps relating to tender process.

316. Responsible for the recommendations of the Tender Committee and the Evaluation Committee.

317. The Tender Committees and Evaluation Committees shall carry out the entire tender process as outlined in these Rules.

318. All members of the Tender Committees and Evaluation Committees should prioritize the work assigned to them by the Tender Committee / Evaluation Committee over their day to day activities.

319. The Tender Committee shall be satisfied with the following matters pertaining to the Tender Process.:

- (i) That they have been duly appointed to the Tender Committee,
- (ii) Reviewing and agreeing to the tender schedule for grant as planned,
- (iii) as to the manner and date of publication of tenders at the first meeting, sale of bidding documents, closing and opening of bids,

320. The Technical Evaluation Committee shall be satisfied that the following activities have been completed:

- (i) Agreement with Tender Committee on Tender Schedule for Grant within the Minimum Time Period,
- (ii) It is recommended to the Tender Committee to obtain written explanations from the Bidders where appropriate,
- (iii) Bid Documents wherever required, are fully recommended,
- (iv) Should have been involved in the negotiations on the proposals by the Tender Committee,
- (v) The Tender Committee has submitted its recommendations in this regard to ensure that the draft agreement prepared by the Council complies with the observations of the Tender Committee.

321. The Finance Committee may report to the House, specifying in special circumstances such as may be decided by a consensus of the Council and when it is necessary to deviate from the normal tender procedure to suit that particular occasion. Decision on tender procedure subject to the approval of the Assistant Commissioner of Local Government Promotion must be.

322. Every tender committee appointed under this Rule shall be compulsory members of the composition of the municipal council, the secretary and an officer nominated by the local government assistant commissioner of the district where the local government bodies are located. The number of other members shall be five (5) members. The other two members shall be a member of the House of Representatives and the representatives of the House of Representatives shall be considered.
323. The Chairman of the Municipal Council shall be the Chairman of the Tender Committee.
324. When the Chairman of a Tender Committee is unable to attend a scheduled meeting for any reason, he shall act as acting Chairman in such a manner that the meeting shall be held in such a manner that the Chairman may not be able to carry out his duties.
325. All Evaluation Committees shall be appointed by the Chairman after the Council has decided.
326. An officer of the Council shall be appointed by the Council as Secretary to each Tender Committee.
327. No member shall be a member of both the Evaluation Committee and the Tender Committee when appointing an Evaluation Committee for any tender purpose.
328. The Evaluation Committee may report to the Council on any specific subject matter or for the purpose of drafting and evaluating the Bidding Documents, thereby obtaining expert advice from outside persons or institutions.
329. Payments for attending meetings of members appointed to Tender Committee and Evaluation Committee shall be from time to time in accordance with the directions and instructions given by the Commissioner of Local Government of the Province.
330. In the event that a member of the Tender Committees is unable to attend the scheduled meeting for any reason, he shall notify the Secretary of the Committee in writing of his inability to attend.
331. In the absence of such a member, if the attendance exceeds 50% of the total membership, they may choose to continue the meeting as scheduled. Any observations of the absent member shall be circulated by the Committee Secretary to the other members of the Committee.
332. The records of the meeting shall be sent to the member who did not attend the meeting within a week by the secretary of that committee. If his observations are made within three days, he shall present it to the Chairman and the Chairman shall present it to the Committee.
333. If a member of such Tender Committee or Evaluation Committee does not attend three consecutive meetings without an acceptable cause, he shall be deemed to have been removed from the Committee and shall report it to the Commissioner of the Council and the Local Government. should.
334. The Secretary of the Committee shall, in consultation with the Chairman, notify the members of the date, time and venue of each meeting.
335. A joint first meeting of the Tender Committee and Evaluation Committee shall be held to agree on the Tender Schedule, Tender Method and Tender Documents.
336. The dates and times of the meetings of the Committee shall be fixed in accordance with the tender schedule.
337. The attendance register of the members shall be maintained by the Secretary of the Committee.
338. The records of the meetings of the Committee shall be recorded in the format approved by the Council and certified by the members present.
339. Any member of a tender committee can report that they disagree. In such a case, a separate written report should be submitted as an annexure to the report of the Committee for reasons of disagreement.

340. Secure records shall be made by the Secretary of the House and shall keep such records for at least twelve years.
341. All members of the Tender Committees and Evaluation Committees must sign a declaration at the first meeting of such Committees that there is no impartiality, integrity and lack of personal contact.
342. The Finance Committee, authorized by the Council or the Council,
- (i) The performance of Tender Committees and Evaluation Committees.
 - (ii) Conduct randomly selected post tender reviews. If not, take action.
 - (iii) The method of attending meetings and the decisions taken by the members shall be based on accepted tender procedures and a system of randomly selecting and reporting on whether these rules are in compliance. Such reports should be reviewed by the Council from time to time and action taken.
343. If it is found that members have acted negligently, unauthorizedly, inactively or irresponsibly in the conduct and function of the Tender Committees and Evaluation Committees, report it to the Commissioner of Local Government and take the following steps: The Chairman shall act.
- (i) advise to expedite the tender process by revising the tender schedule
 - (ii) Advise on corrective measures
 - (iii) To suggest to the Council to take action to rectify the membership
344. The entire tender process should be planned efficiently in accordance with the tender plan to ensure that the project is completed in time.
345. Bids or pre-qualification of bidders shall be conducted with the approval of the Tender Committee.
346. for Master Tender Plan,
- (i) The Secretary of the Council shall prepare the Master Tender Plan. It has to be approved by the council.
 - (ii) Tender activities expected for a minimum period of one year should be listed in the Master Tender Plan.
 - (iii) The main tender plan should be updated not later than six months.
347. The tender process should be periodically incorporated into a two-stage schedule, starting from the beginning to the end of the tender process. This should be prepared by the Secretary of the Council.
348. The process from the beginning of the tender process to the drafting of the bidding documents should be the first stage of the tender schedule. The first stage should be prepared without delay and it is the responsibility of the Secretary to monitor the updating on a regular basis.
349. All tender proceedings following the preparation of the bidding documents shall include the second stage of the tender schedule.
350. It shall be the responsibility of the Tender Committee to consider the tender schedule and approve it at its first meeting. The Tender shall submit the draft tender schedule and the relevant tender documents to the Tender Committee.
351. Once the tender schedule has been agreed upon, the Chairman of the Tender Committee should also consult the Evaluation Committee and monitor the progress of the tender process and report to the Council.
352. It is the responsibility of the Chairman of the Tender Committee to explain the cause of the delay, take remedial action and inform the House in the event of a major delay.

353. Beginning of drafting bidding documents. Even before the Evaluation Committee is appointed, it can be initiated by an authority authorized by the Council.
354. The Bidding Invitation shall contain the relevant and relevant basic information required by the Bidder to prepare the Bid or Price Reference, including the criteria and eligibility requirements that the Winning Bidder shall have, directly and appropriately.
355. The relevant matters set out in the Rules shall contain the instructions for the Bidders.
356. From time to time, the Parties shall, from time to time, inform the House of the Parties that the blacklisted party has decided to do so.
357. The following are guaranteed by a Bid Security:
- (i) The Bidder shall not withdraw or modify the Bid during the validity period
 - (ii) That the bid price is agreed upon, after correction of mathematical errors, according to the criteria described in the bidding documents.
 - (iii) If tenders are awarded during the validity period, the bidder will accept the award.
 - (iv) Before the closing date specified in the Bidding Documents, any of the following shall apply to the Bidder's Guarantee that the Bidder shall provide performance protection.
- (i) Submission of a Bid Security Statement
- If the Bidder fails to meet the terms of the Bid Security, the Bidder shall submit a Bid Security Statement in the prescribed form, agreeing that the Bidder will be subject to the suspension of the grant of property or other property to the Bidder.
- (ii) Request that an appropriate Bid Security or Cash Deposit be submitted
 - (iii) In dealing with subsection (ii) above, the council shall choose one of the following two options:
 - (A) Obtain a Bid Guarantee only in the form of a Guarantee for a Specific Amount Paid Up to 1% to 2% of the Assessed Value (1% to 2%)
 - (B) Obtaining a guarantee for a bid only in the form of a one-time payment guarantee equal to one-fifth (0.5% to 1%) of the assessed value
 - (iv) If a Bid Security is offered in the form of "security, guarantee, collateral", it shall be irrevocable and can be converted into cash unconditionally upon first written request by the Council.
 - (v) If the Bidder fails to comply with any of the provisions of this Rule, the Council shall deposit that security, the cash deposit, to the Council Fund.
358. Any bidder shall receive the bidding document by post or in person during office hours, at least until the closing date of the bidding period.
359. Any prospective bidder who wishes to inspect the bidding documents shall be provided free of charge.
360. Bidding documents should be obtained from the head office and sub office of the council.
361. If there is a prescribed fee for bidding documents, the fee should not be too high to discourage bidders.
362. The Council shall keep a record of the issue of bidding documents.

363. The time granted for bidding shall be reasonably sufficient for the preparation of bids.

364. Bidding

(i) By registered mail, or

(ii) By personally delivering a receipt to the officer authorized by the Council, at the specified place, or

(iii) If the bidding documents indicate that there is a sealed tender box, the Secretary should accept it in one place by shipping it to the sealed tender box. .

365. Bidding documents must contain all bids in a sealed envelope.

366. Bids must be finalized at the time specified in the Bidding Documents. Delayed bids should not be accepted and must be returned without opening them.

367. The Tender Committee is responsible for opening the bids. The Tender Committee may delegate such authority to the Opening Committee and shall consist of at least two members approved by the Tender Committee.

368. Bids shall be opened as soon as possible in the presence of the Bidders or their representatives who wish to attend.

369. Any bids received on or before the closing date for submission of bids shall not be rejected at the time of opening.

370. Only bids marked as "Original" should be opened when opening the bids. "Copy" should not be opened.

371. If the bidder receives an envelope marked "Withdrawal" at or before the closing date of the bid, the letter must be opened first. The Bid Opening Committee shall not open the Bidder's original bid unless the Bid Opening Committee is satisfied with the contents of the letter contained therein. If in doubt, the original bid must be opened with the other bids. Any envelope marked "Change" should be opened with the original bid.

372. The Bid Opening Committee shall read the following to the persons present.

(i) The name of each bidder and the amount stated on the Bid Form

(ii) Bid security or whether or not a bid security statement has been submitted

(iii) If any discount is offered, that discount and

(iv) Any other relevant information at the discretion of the Bid Opening Committee

373. Bidding proceedings should be recorded in a prescribed format and the records should be signed by all members of the Bidding Opening Committee.

374. The Bidding Documents and all relevant records relating to the opening of the Bid shall be sealed and handed over to the Secretary immediately upon the closing of Bids. The Secretary shall hand them over to the Chairman of the Evaluation Committee.

375. The objective of Bid Evaluation is to determine the highest bid that has been evaluated and responded to in the summary.

376. The Bid Evaluation process can be carried out in the following stages.

(i) Checking Bids:

Determination of the Bidder's Quality, Summary Response of Bidder Receivables

(ii) Detailed Bid Evaluation:

Determine the maximum and lowest bid that is valued among the summary bids received

- (ii) Post qualification

Determine the eligibility and experience of an appraised minimum bidder

377. The following facts should be verified when examining bids.

- (i) Bidder should have been eligible
- (ii) Signing the Bid
- (iii) Bid legally valid
- (iv) The main provisions of the Bidding Documents have not been excluded

378. In the event of any provision of Section 379 above in respect of the Bid submitted, the relevant Bid shall be disposed of.

379. The Tender Committee shall, after a careful review of the Report of the Evaluation Committee and obtain necessary clarifications from the Evaluation Committee, implement any of the provisions of paragraphs (i) and (ii) below.

- (i) (A) Recommendations for awarding of tenders may be submitted to the House.
 (B) The Evaluation Committee may request that the Tender Committee review the observations made and submit a report.
- (ii) If the Tender Committee continues to raise a specific issue in the Report of the Evaluation Committee, it should consult with all the members of the Evaluation Committee to reach agreement on such issues. If the members of the 145 tender committee cannot then take a unanimous decision on the issue, the majority of the 145 tender committee members must take the decision.

380. Upon submission of the recommendation of the Tender Committee 145 in respect of the award, the Council shall decide the awarding of the winning bidder to that Bidder.

381. The Secretary of the Council shall issue an acceptance letter after the decision of the Council on the award of the Bid within the validity of the Bid. The prospective bidder must be informed of the following requirements under the letter of acceptance.

- (i) The date on which the security for the agreement should be submitted
- (ii) the date and the venue for which the Council and the Bidder shall enter into the relevant Agreement and the date on which the proposal should be submitted.

382. The Bidder shall be shown to the dissatisfied Bidder the reasons for the Bid's failure not to disclose the contents of the other Bids, summarizing the shortcomings of the failed Bidders.

383. The Bidder who wishes to know the reason for not selecting his bid shall make such request to the Chairman of the House after the Notice of Grant is made.

384. In the event of such a request to the Chairman, the information relating to the offer shall be communicated to the Bidder only.

385. Upon completion of the requirements under these Rules and the rule and regulations of 40th sentence of 255th Authority which is Urban Council Ordinance, the Council and the Bidder shall enter into the relevant Agreement at a specified date and time.

386. The Secretary shall certify to the Chairman that the relevant draft Bill has been approved by the Council prior to its agreement with the Council and that the relevant security for the agreement has been completed.

387. In respect of contracts awarded by the House,
- (A) Total bids received
 - (B) Name of the winning bidder
 - (C) The amount awarded for the contract should be published in an appropriate communication medium.
- (i) When the Bidder is requested to submit a Bid Security Statement and the particular Bidder fails to meet any of the conditions set out in the Bid Security, the Chairman shall immediately inform the Commissioner of Local Government of such failures. Notify and report to the House.
- (ii) The Chairman shall, after such reporting, give the Bidder seven days to respond.
- (iii) If a satisfactory response is not received after the time has been given by the Chairman, the Secretary of the Council obtains the approval of the Council and shall submit it to the data source of the parties who have defaulted by the Provincial Council. Name must be included.
388. Notwithstanding anything previously contradicted under these Rules, the rules under this paragraph shall be applicable to the extent necessary for the implementation of private sector and participatory investment projects.
389. The Council shall appoint a Special Tender Committee and an Evaluation Committee comprising of suitable persons for the implementation of Investment Projects in partnership with the Council and the Private Sector.
390. When the Council adopts a proposal for the implementation of private sector investment projects with proposals for projects identified by the council or for projects that have not yet been identified by the Council, the following requirements must be met.
- (i) The National Competitive Bidding Procedure for bidding shall be adopted.
 - (ii) the clear right of the Council to have the right of implementation of the project without any other obligations.
 - (iii) Identifying the rights of the land to the Council
 - (iv) Identifying whether the Council is a project decided under a resolution or a project to be identified and implemented under the proposals.
 - (v) The Council has recognized the gross valuation of the contribution of the Council with respect to the total investment.
 - (vi) that there are other requirements, if any, on the necessity to implement such a project without interruption.
 - (vii) If the condominium plan is approved in accordance with the nature of the property investment subject to the project, all the requirements for it have been fulfilled.
 - (viii) The Tender Committee shall consist of at least seven members of the Council and shall consist of a Chairman, a Member representing the Council, a Secretary to the Council and a Member representing the Commissioner of Local Government of the Province.
 - (ix) At least 5 members of the evaluation committee, including one member who has knowledge of private and government partnership projects and tender procedures.
 - (x) To seek the assistance of external consultants under the guidance and supervision of the Evaluation Committee for drafting the bidding documents by the Evaluation Committee.
391. Notwithstanding anything previously contravened under these Rules, the provisions of this chapter shall be applicable to such matters as may be prescribed in respect of the leasing of the property owned by the Council, short-term leases such as meat stalls and fish stalls.

392. Annual lease should be based on calendar year on rent.
393. The lease or rental property shall be transferred to the Council in accordance with section 32 and 34 of the Municipal Council Act. By the tender committee the recommendation of the Finance Committee that the requirements of the law relating to lease and rent for the coming calendar year have been fulfilled. Present to the House.
394. The tender process for the property to be contracted for the coming calendar year should commence on 01st September of the current year.
395. Determination of bid values on property should be based on a valuation report of a chartered appraiser.
396. At the first meeting of the Tender Committee, it shall be decided that the Council has a legal right to such agreement in respect of all property to which the House is contracting.
397. The Tender Committee shall make recommendations to the Bidder as to whether the bidding is advertised in the newspapers for bidding or the reasons for publishing the Bidding Procedures in accordance with an alternative methodology.
398. The Bidder shall submit the recommendation of the Evaluation Committee to the Tender Committee on the most favorable winning bid.
399. The decision of the Council regarding the winning bidder shall be communicated to the winning bidder in writing by the Secretary of the Council.
400. Upon making a donation to a winning bidder, the Tender Committee shall immediately submit to the Committee the recommendation for follow-up actions to be met if it fails to enter into the relevant agreement on or before the date of the revaluation letter.
401. In the event that the lessee or lessee has saved the time during the year or the contract period, the tender committee shall identify the bidder as a qualified bidder by calling the relevant bidder for the remainder of the year. What is the alternative that may be recommended, or may be, beneficial to the congregation The bidder shall be recommended to the House by the tender committee concerned. For this purpose it is legal to summon the bidders before the tendering committee.
402. The Secretary shall promptly report to the Tender Committee, in respect of immovable property, which has not been contracted during that period or which has failed to enter into a formal agreement on or before the specified date for granting a contract under a grant.
403. The action to be taken by the Tender Committee should be submitted to the Council within one week of the submission of the recommendations.
404. In the case of more than one qualified bidder on a property, the Tender Committee may recommend to the Bidder as the successor Bidder, and the Tender Committee shall recommend only the qualified Bidders to follow the relevant steps. Legitimate.
405. In the absence of more than one qualified bidder on a property or when qualified bidders are excluded for grant, the Chairman shall act to re-commence the tender procedure in respect of the property.
406. When bidding or renting a real estate property, its bid value must always be based on the value certified by a government or private chartered appraiser when determining the value of the rental.
407. Notwithstanding anything set forth in these Rules, the Rules under this Chapter shall apply in respect of the sale of immovable and movable property owned by the House.
 - (i) The sale of immovable property of the church in the manner it is in the possession of the council, in the manner specified in the deed of grant or in any other manner, Must have been confirmed by a committee.

- (ii) After the Secretary submits a report under the above rule to the Chairman, the Chairman shall present a proposal to the House for its approval and obtain approval.
- (iii) The Permanent Tender Committee or the Tender Committee appointed for the purpose of the tender, shall identify the property relating to the tender purpose and thereby the appraisals of the same. Valuation report basis obtained from persons with special knowledge for sale under the committee, whether it is a movable property, under an occasional chartered valuation of the property In this connection, recommendations of property values should be submitted to the Tender Committee.
- (iv) In the case of movable property, the Tender Committee shall determine the bid value of each item on the basis of the separate valuation of the relevant goods and on such value to the House. Recommendations on the appropriate tender system to be utilized for maximum financial benefit should be submitted to the House. Based on the above recommendations, the tender procedure should be decided by the Council.
- (v) Bidding on real estate published in national newspapers by the public and other forms proposed by the Tender Committee. Selling should be done at the most favorable prices identified on the call.
- (vi) The bidding value of the tender process should be expedited by specifying the items for sale simultaneously under movable property and if there is reason to accept the bid value as the item. The relevant cause evaluation committee and the tender committee shall decide at a meeting and the approval of the Council.

408. Long-term leasing and lease of land and buildings belonging to the Council shall be the foremost provisions of these Rules.

- (i) Leasing of lands belonging to the Council for a period of more than one year shall apply in the tender procedure relating to the lease. The Tender Committee shall recommend to the Council that the following matters have been completed.
- (ii) The Tender Committee shall recommend to the Council that the provisions of Section 36 of the Municipal Council Ordinance, which comprises Section 255, in respect of leasing, renting or selling of immovable property (land or buildings), have been fulfilled.
- (iii) Identification of the lessee party in respect of all the buildings proposed to be leased by the Council shall be subject to a formal tender procedure described under these Rules and the period of lease agreed between such party. The amount should be stated clearly in the tender notice on which it is based. Accordingly, the lease term of the lease agreement should be considered as the lease term proposed in the tender notice on which it is based.
- (iv) In the case of a lease agreement with the lessee selected under the proper tender procedure for any lease period, the rights of the heirs can only be accepted for the duration of the contract.
- (v) Accepting the Term of the Lease Agreement for the Right of Lease of a Building to be Done in a Previously Finished Construction but Extending it to the Conditions of the Agreement The above clause should not hinder the acceptance of agreements.
- (vi) When a building which is being leased or rented by the Council, operated by a contractor or leasehold, is removed for development purpose or for any other purpose. To provide alternate lands subject to the terms of the existing lease agreement only for the period in which the property has been contracted to the parties who have contracted it. Emotions can be taken.
- (vii) In the case of the provision of pre-lease rooms for the new lease of a market complex which will be constructed after the removal of the land for development purposes, a rent based on the assessed value of the government These rules should not be construed as an enhancement agreement with the lessor for the remainder of the foreclosure agreement, which is considered a lease.
- (viii) The period of the lease agreement period for every building or land in respect of every immovable property leased or rented by a local authority. The valuation of the Government Valuer or the

Chartered Valuer should be revised and the acceptance of the tender notice and tax returns will be made. Debt should include effective terms.

- (ix) In addition to the due amount, the assessment tax shall also be stated in the tender notice to be paid for the due period.

Fees payable to Municipal Council

409. All fees, other than the stamp duty, charged by a Municipality shall be the same as the charges made by the Council in accordance with the provisions of the written law authorizing the local authority to determine such fees.
410. Stamp duty on land transfers within a Municipal area shall be charged by the local authority from time to time in accordance with statutes enacted by the Provincial Council or under any other written law.
411. Fees payable to the Municipal Council may be paid in any manner provided for under these Rules, and no person shall be entitled to receive the service until such time as the service corresponds to a fee.
412. The officer authorizing the levy shall be satisfied that in all respects the requirements of the written law have been met in order to absorb the relevant service before the payment of the prescribed fee.
413. Fees chargeable In the case of a license to be obtained from a local authority, the fee should be charged as the fee for issuing the permit and should not be charged before issuing the license.
414. A document relating to business industries under an annual license shall be prepared according to the survey information made before 31st March of the current year and authorize the Magistrate's Court to make relevant complaints on unlicensed industries and businesses as of that date. The officer who received it should act swiftly.
415. The following information shall be included in the report prepared under this section;
- (i) the name of the industry or business
 - (ii) Grama Niladhari Division
 - (iii) Nature of industry / business
 - (iv) If there is a Assessment Number
 - (v) Name of the person running the business / business
416. An authorized officer shall certify that the value paid to the Local Authority shall be the value stated.
417. Reports of fees due to the Local Authorities Fund in respect of a calendar month should be submitted to the Secretary of the Urban Council.
418. An officer authorized by the Secretary to maintain such proceedings relating to payments made in connection with the municipal fund shall maintain a register.
419. The procurement of goods, works, service information systems and supplies by the Municipal Council shall be subject to the regulations of the National Procurement Commission in that regard and the Government procurement guidelines shall apply. .

Working under direct labour

420. When implementing projects under direct labour by a Municipal Council the following steps must be completed.
- (i) The City Council shall act in accordance with the estimates approved by the Council in respect of the work carried out under direct labour, and shall be subject to any modification thereof by the Council or the Council. Should be approved as assigned.

- (ii) Estimates of the work done by the Municipal Council under direct labor shall be approved by the Council.

- 421. A significant financial range of estimated values under direct labour shall be declared by the competent authority of the relevant Provincial Council from time to time.
- 422. Maintain information on the amount of labour used in all workplaces under direct labour, as well as daily savings and employees.

Interim arrangements

- 423. The financial reporting of a municipality shall be in accordance with the Sri Lanka Public Sector Accounting Standards for Local Authorities from 01.01.2020, whichever financial reporting basis is used by 01.01.2017.

However, in accordance with these rules, the relevant budget should be applied to the fiscal year 2020 as appropriate by the municipality in accordance with the budget for the 2019 fiscal year, which was approved by the municipality before 31.12.2017.

- 424. The Municipality shall clearly state in the first financial statements that comply with the Sri Lanka Government Accounting Standards for Local Authorities and shall be regarded as the first such publication by a Municipal Council.

- (i) When financial statements have not been submitted for the preceding period,
- (ii) submit the most recent Pre-Financial Statements on a consistent basis with the Sri Lanka Government Accounting Standards for Local Authorities on all matters;
- (iii) if its most recent pre-financial statements are presented in compliance with the Sri Lanka Government Accounting Standards for Local Authorities;

- 425. Notwithstanding anything contained in the Financial Statements prepared before January 1, 2020, the Assets and Liabilities Statements must be prepared in accordance with the provisions of these Rules as of January 1, 2020.

- 426. The Municipal Council shall, in its Annual Assets and Liabilities Statement, include the following information, except where it is incorporated in the following sections: -

- (i) Identify all the assets and liabilities required to be recognized by the Sri Lanka Government Accounting Standards;
- (ii) Assets or liabilities items that are not permitted to be identified by the State Accounting Standards for Local Authorities should not be identified;
- (iii) Components of different types of Assets, Liabilities or Components under the Sri Lanka Government Accounting Standards for Local Authorities, each item identified as one category of Assets Liabilities or Components under its previous basis Financial Reporting Should be re-classified;
- (iv) The Sri Lanka Government Accounting Standards for Local Authorities should be applied in measuring all identified assets and liabilities.

- 427. The municipality of the Sri Lanka Government Accounting Standards for Local Authorities may change the accounting policies used in its initial assets and liabilities disclosures for the financial statements of the Foundation before January 1, 2020. Adjustments arise as a result of other events or circumstances. Therefore, the municipality should identify the surplus or deficiency (or any other variant in net assets / mass if appropriate) by January 1st, 2020, the date of transition to the local government accounting standards for local authorities.

- 428. A municipality that presented its most recent financial statements in conformity with the Sri Lanka Government Accounting Standards for Local Authorities. Property plant and equipment used to submit financial statements in accordance with Sri Lanka Government Accounting Standards for Local Authorities You can choose to use the reward value of an item. Such reimbursement can be considered as financial statement presentation in accordance with this standard as it reflects the value of the item on that date.

429. Property, plant and equipment, or any property, plant and equipment class not identified in the financial statements made by a municipality.
- (A) Property, plant and equipment acquired prior to the transition to the Sri Lanka Government Accounting Standards for Local Authorities to be identified and selected, or the property, plant and equipment of any relevant classes Or the market value at the date of the standard migration
 - (B) Liabilities as of the date of transition to the Sri Lanka Government Accounting Standards for Local Authorities, excluding property, plant and equipment that have been financed with partial or wholly inadequate borrowings Migrated to Sri Lanka Government Accounting Standards for Local Authorities for equipment or property or plant or equipment of any class A municipality may elect not to recognize property, plant and equipment acquired prior to the date, or to class property and equipment of any relevant class.
430. A municipality that has not been selected in accordance with the preceding paragraph and has not identified any property plant or equipment class or class, shall determine the market value of the property, plant and equipment market value of such class or class in the next reporting day. Those days can be identified as their value.
431. The municipality, having recognized the carrying value of the assets and liabilities in accordance with the foregoing sections, shall identify the deficiency or surplus as a benefit adjustment.
432. A municipality must submit its initial assets and liabilities (as of January 1, 2020) prepared by these standards as comparable information in its first financial statements complying with the Sri Lanka Government Accounting Standards for Local Authorities.
433. Relative to the pre-financial period of its first financial statements for the local government, prepared using the Sri Lanka Government Accounting Standards for Local Authorities, based on the identification and measurement principles of the General Purpose Financial Statements presented by the Municipal Council for that period. The municipality may provide comparable information; And that fact should be disclosed in the notes.
434. In explaining the transition to local government accounting standards for local authorities, a municipality should explain how its reported financial and financial performance were affected by the transition to the local government accounting standards for local government, based on its previous financial reporting.
435. A municipality who has chosen not to identify classes of property, plant and equipment or any class of property plant and equipment shall disclose the following.
- (i) its selection of financial statements;
 - (ii) The property, plant and equipment class or classes to which the selection relates:
 - (iii) Identifying any property, plant or equipment that does not apply to the selection due to borrowings; and
 - (iv) Identify any of the distinctions mentioned in (iii) above.
436. A property, plant, equipment or property of a particular class, plant or equipment must be disclosed to the recognized market value, the date on which its value is recognized as market value and the manner in which it is obtained.
437. The City Council must include in the first financial statements prepared using the Sri Lanka Government Accounting Standards for Local Authorities to comply with the preceding paragraph
- (i) a description of the nature of each change in accounting policies; and
 - (ii) Net Assets / Assets of the Government of Sri Lanka for Local Authorities as at 01st January 2020, the date on which the net asset / mass of the Company has been determined in accordance with the Financial Reporting Standard Comparison of Net Asset / Mass Determined in Public Accounting Standards.

438. Sri Lanka Government Accounting Standards for Local Authorities become effective for financial statements covering periods ending on or after December 31, 2019. Priority is permitted. If a municipality applies this standard for a period that expires before December 31, 2019, the matter must be disclosed.

439. The Commissioner of Local Government of the Western Province has the power to specify forms and account codes relating to matters which are expressly authorized under these Rules and for the enforcement of rules.

440. Under these Rules, unless otherwise noted in the text:

Whether effectiveness is the relationship between actual results and service performance objectives;

When efficiency is called the (a) deployment and output, or (b) the relationship between the application and the result,

As a resource used by municipalities to generate output by referring to;

The output of the term "services provided by the municipality to external recipients of the municipality";

The result is the impact on the society that can be reasonably attributed to the telephone.

01-302