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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 Councils Notifications

NORTH CENTRAL PROVINCIAL COUNCIL

Notification

I, Mahipala Herath, Governor of North Central Province and Minister In charge of the subject of Local Government of North Central Province, in terms of powers vested in me under Section 2 of Provincial Council (Incidental Provisions) Act No. 12 of 1989, that should be read with Section 289 of Municipal Council Ordinance (Chapter 252), do hereby impose regulations regarding Financial Administration of Municipal Councils with effect from 1st of January 2020.

MAHIPALA HERATH,

Governor,

Minister in Charge of the subject of Local Government,
North Central Province.

At the Governor's Office of North Central Province,
2020.06.10



Regulations

01. These regulations are enacted to make arrangements to implement Sri Lanka Public Sector Accounting Standards for the Local Government Authorities and to provide provisions in the Financial Administration of Municipal Council.
02. These regulation shall be cited as regulations on accounting of Financial Administration of Municipal Council.

CHAPTER 1

General

03. Unless in accordance with provisions mentioned in written law regarding collection or payment of any amount out of the fund of Municipal Council should not be effected.
04. Financial year of Municipal Council will be commenced 1st of January and ended 31st December of each year.
05. i Mayor of Municipal Council should be the Chief Accounting Officer of Municipal Council fund and he should be responsible regarding the following methods:
 - a. Obtain the decisions from Municipal Council regarding the matters that should be determined by Municipal Council by written law,
 - b. Taking action to implement decisions immediately regarding the matters empowered by any written law determined by the Council,
 - c. Function the responsibilities and function in proper manner that should be implemented for the Council or vested into Mayor by law,
 - d. Entrusted powers and functions in proper manner to the staff of council and responsible whether the powers and functions so imposed implement in proper manner.
- ii. Commissioner of municipal council will be the chief accounting officer to the fund of Municipal Council.
06. Maintain of activities of Municipal Council with proper financial management in accordance with any written law and in accordance with procedure contained in such written law shall be the duties of mayor and Commissioner of the Municipal Council.
07. Where any un authorized payments was approved by the Council, such payment should not be made by the Mayor as the chief accounting officer and in the event of any loss caused to the fund of Municipal Council due to negligence or misconduct, the mayor and the Commissioner should take action to identify loss and recover the same from responsible party.
08. Presentation of accounts of the fund of Municipal Council should be prepared in accordance with Sri Lanka Public Sector Accounting Standards for the Local Government Authorities as provides further provisions by these regulations and should be taken action to submit the account of each financial year to the auditor general on twenty eight day of February or before the same date of following financial year.
09. As the chief accounting officer and accounting officer should certify to maintain as certifying the staff including commissioner, officer Municipal Council that the safeties of the fund of the council collecting revenue to the fund and spending collected revenue should be made in accordance with the written law and to the annual budget.
10. As the chief accounting officer and accounting officer should certify that the financial and accounts operation and management are maintained subjected to general supervision and management of the mayor and commissioner in accordance with the provisions mentioned in relevant written law.

11. After taking action according to the provisions of written law and where the provisions are not provided in the annual budget the Mayor and commissioner of the Municipal Council should take actions not to make liabilities with second parties relevant to any expenses.
12. The mayor should maintain financial management as certifying following matters:
 - I. That revenue and expenses of head office of the council and sub offices are properly managed,
 - II. That financial activities of the Municipal Council have properly planned through classification of expenses according to program and relevant to budget and the mayor that applied public financial regulations or provisions mentioned under financial management regulations under each provisional council regarding the matters not covered by these regulations,
 - III. That the urban commissioner has prepared and implemented internal program pertaining collecting revenue of the council,
 - IV. That proper management mechanism has been created for the satisfaction that information is updated,
 - V. That the program included in development plan and annual budget are successfully implemented and certifying that the accrued benefits are tally with expenses,
 - VI. That taking action to recover the income that relevant officers employees according to budget within prescribed period and it has been properly accounted,
 - VII. That internal auditing is properly maintained in the Municipal Council,
 - VIII. That necessary action has been taken for the protection of all movable and immovable properties in the Municipal Council,
 - IX. Certify that monthly bank reconciliation statements are prepared before fifteenth (15) day of next month ending a month,
 - X. Certify that necessary insurance procedure has been taken regarding other valuable things including delivery of Roadway cash,
 - XI. Satisfaction that required deposits have been made regarding officers relevant security ordinance including financial and store activities,
 - XII. Taking action to obtain approval of the council after preparing and submitting annual development plan relevant to four year development plan.
13. when a loss, damage of municipal council or fund of the council, having connections with any officer, bearer or employee of Municipal Council a board of inquiring comprising three suitable officers should be appointed by the mayor to identify such loss, damage and to determine the responsible for the matters.
14. In the event of the reports of inquiry board appointed by mayor is produced to himself action should be taken to recover respective loss damage from respective persons.
15. In the event of any disclosure in the inquiry conducted under above clause 13 that responsible person for relevant damage, loss as committed any misconduct or any act connected to negligence of duties, that effected to loss as committed any misconduct or any act connected to negligence of duties that effected to right of Government, Provincial Council or Municipal Council, disciplinary authority should be reported to take disciplinary action regarding the matter.

16. In respect of a loss damaged identified as per above clause 14 from party or parties deem to be responsible ,in the event of same cannot be legitimately recovered or such amount can be neglected a resolution could be made by mayor to considered as an amount cannot be recovered under written law.
17. If the Municipal Council maintain the sub offices, officer in charge of all sub officers and all officers should be responsible to certify that following measures are taken regarding the maintain relevant financial activities:
 - I. To responsible for making all functions entrusted to themselves in accordance with written law and decision of the council immediately,
 - II. Taking action to recover all income,in terms of written law within the area of sub officers,in to the fund of Municipal Council in terms of written law,
 - III. Taking action to properly maintain all documents and information,
 - IV. Obtaining and updating insurance cover regarding properly subjects relevant to the office with general insurance cover,
 - V. Maintain petty cash imprest and imprests with value determined by the council for sub offices,
 - VI. Submitting reports as daily reports monthly report, quarterly reports relevant to sub office accounting to Sri Lanka Public Sector Accounting Standards for the Local Government Authorities,
 - VII. Insuring on a report obtained assessed the assets that should be insured and protected security of all assets relevant to authorities limit and sub offices,
 - VIII. All the information relating to all respective of sub officers are maintained compliance with provisions of Right to Information Act No.12 of 2016 and maintain the register pertaining the information.
18. The commissioner of urban should monitor whether the actions are taken place according to the provisions under above clause 17 and a register regarding all the information of the head office are maintained in terms of the provisions and regulations of Right to Information Act No. 12 of 2016.
19. The mayor should provide necessary provisions to supply information regarding accounts of the fund of Municipal Council or any other officers authorized by details requested by an investigation officer or any commissioner of local government relevant to investigation conducted regarding Municipal Council or office bearer or officer.
20. The mayor or urban commissioner of the council should take action to furnish answers and provide details without any delay regarding the matter or whenever inquired from mayor or urban commissioner by Auditor General, Minister or Commissioner of Local Government.
21. The mayor should take necessary actions required to maintain internal auditing of the Municipal Council in terms of the National Audit Act No. 19 of 2019.
22. Within a certain financial year, if any revenue with could not be recovered legitimately or happened to be given up or not an adequate amount to recover enabling to determine by the council that such amount should not be recovered, the resolution should be submitted by the major within the financial year itself or within first six months of upcoming year.
23. The mayor should take necessary actions to maintain any machinery vehicle or other properly as not underutilizing end to maintain well with repairs.
24. In any instances which does not covered by these regulations or making a decision on such an instance for taking action or any negligence, may should adhere to the government financial ,regulation or providential council financial regulations.

25. Any donation or gift awarded to mayor vice major or any other counselor urban commissioner or any other officer should be deemed to be considered as donations received to Municipal Council.
26. A budget report of Municipal Council for coming year should be prepared in accordance with Sri Lanka Public Sector Accounting Standards for the Local Government Authorities by the mayor inquiring committee of council and in terms of the provisions provided hereafter and the format given by the Commissioner of Local Government.
27. Conditions and all other specification in have to fulfill to be considered as a duty passed budget in terms of written law prior to the commencement of respective financial year for the budget submitted by the mayor.
28. After passing the budget by the Council certified copies of the same should be sent to Commissioner of Local Government Authorities, District Assistant Commissioner of Local Government Authorities and the Auditor General.
29. The mayor may prepare and submit the supplementary budget made in accordance with Sri Lanka Public Sector Accounting Standards for the Local Government Authorities relevant to additional income in any instances within a financial year. In the event of presenting supplementary budget for depreciation allocation by Municipal Council should not be corresponding to the income.
30. Until the committee on finance consider and make recommendation regarding any budget or supplementary budget produced to the Council, the Council should not consider it.
31. Where the provisions allocated are not sufficient for any expenses or subjects by budget or supplementary budget, the mayor may provide required provisions through allocations under other heads.
32. All budget or supplementary budget legitimately adopted by the general meeting of Municipal Council should publish for public for information.
33. A fund shall be established under limitations and provisions mentioned in basic law for Municipal Council.
34. All moneys accrued for Municipal Council should be maintained as accounts under banks approved by minister of finance.
35. Signing cheques and drafts under accounts relevant to the fund of Municipal Council should be made by two officers of municipal council.
36. Specimen signatures of officers that should be placed signatures on cheques and drafts under accounts relevant to the fund of Municipal Council should be certified and submitted to the banks by chief accounting officers of local government authorities.
37. Business hours of Municipal Council shall be as determined by the council.
38. Moneys paid in to the credit of the fund of Municipal Council shall be deposited daily in the bank unless otherwise authorized by the financial committee.
39. In the event of cheques issued for the payment by cheques for the fund of Municipal Council will be dishonest, order should be made to the payer for the payment of such amount in cash.
40. Maintaining of accounts relevant to fund of municipal council and all matters incidental including accounting should be the manner hereinafter and in accordance with Sri Lanka Public Sector Accounting Standard.
41. Chief Accounting Officer should take all steps to answer every audit queries issued to Municipal Council without any delay.
42. All properties belongs to Municipal Council should be enter in to inventory and board of survey should be conducted for every property end of each financial year according to Sri Lanka Public Sector Accounting Standards

for the Local Government Authorities as per the format issued by the commissioner of local government authorities end enter into inventory and update and maintain.

43. If the board of survey recommend to dispose any good items, the mayor should submit relevant resolution to the council enabling to determine to auction such items as at 31st of March in the following financial years and to dispose the disposable items accordingly, and final report should be submitted before fifteenth (15) day of February.
44. Board of survey report should be submitted with copies and one copy should be produced to the auditor general.
45. The board of survey appointed regarding the property of Municipal Council should be consisting with an officer representing District Assistant Commissioner of Local Government and the Urban Commissioner should determine the number of board of survey.
46. Every board of survey should be appointed by the Urban Commissioner and board of survey should be completed within one month from the date of appointed.
47. Store material purchased should be entered in to inventory without any later and the date and number of paying voucher relevant to purchasing should be respectively noted.
48. Any store materials should not be issued without an issuing order of Authorized officer and survey for store materials should be conducted under board of survey and should be obtain a report at the end of every financial year.

CHAPTER II

Fund of Municipal Council and payment made to the fund

49. A receipt should be issued according to the format imposed by the Commissioner of Local Government in terms of Sri Lanka Public Sector Accounting Standards for the Local Government Authorities regarding any payments made to the fund of Municipal Council .However in the event of any statutorily firm or a company established under company Act No.7of 2007 or a bank approved by the Monetary Board of Central Bank or Financial Institute authorized by Municipal Council having an agreement with municipal council to accept any payment made to the municipal council as a payment for municipal council fund and any electronic or manual notes, issued by such firm or institute for accepting respective cash and shall be considered as a receipt issued by the Municipal Council.
50. In accepting money by any statutory institution company established under company Act No.7of 2007 or a bank approved monetary board by Central Bank or any other financial firm for the Municipal Council in the manner mentioned under above subsection (49) all related matters including ceding such accepted money in to the funded of Municipal Council should be make interms of the agreement effected between municipal council and relevant firm.
51. Where receipt relevant to format mentioned in above clause 49 is issued it should be completed with four copies. In conformation of accepting cash, cashier should place the signature.
52. All books with counter file should be kept in the custody of authorized officer and the commissioner of Municipal Council should be responsible for the safety of such documents.
53. Keeping safeguard of all counter file books, receipts and related documents in accordance with Right to Information Act No.12 of 2016 shall be the duty of Urban Commissioner.
54. Report Pertain Crediting the amount recovered in terms of the agreement by any firm Authorized firm for the municipal council on the permission of accepting money for the fund of Municipal Council should be submitted in the following month and reviewed by the General meeting of Municipal Council.

55. Daily receipt analyze should be prepared according to the format imposed by the commissioner of local government in terms of Sri Lanka Public Sector Accounting standards for the Local Government Authorities regarding payments made to the fund of Municipal Council and the receipt under sub offices should be indicated separately.
56. Consolidated monthly analyze regarding expenses compliance with format ordered by the commissioner of Local Government according to Sri Lanka Public Sector Accounting Standards for the Local Government Authorities regarding the expenditure of the fund of Municipal Council should be submit to the Accounting Officer.
57. Reports regarding arrears income under self-generated revenue relevant to every calendar month should be prepared at head office and sub offices imposed by the commissioner of local government according to Sri Lanka Public Sector Accounting Standards for the Local Government Authorities and summary report of the same should be submitted to Urban Commissioner of Municipal Council.
58. The Urban Commissioner should certify that only the balance amount that can be recovered from arrears balance under other revenue including assessment tax fee and rent that should be recovered to the fund of council of the end of every years has brought forwarded for the following years.
59. Petty cash impress limit that can be maintained under the fund of Municipal Council should be determined by the council in accordance with Sri Lanka Public Sector Accounting Standards for the Local Government Authorities.
60. Release of advances relevant to the Municipal Council should be always subjected to the maximum of rupees one lacks for a staff officer according to the estimate for the purpose.
61. However considering the structure of staff of the Municipal Council, payment of advance not more than rupees twenty five thousand for non-staff officer based on the estimate for the purpose shall be legitimately.
62. A survey should be conducted to identify property of revenue resource to the fund of Municipal Council in the following years within the limit of Municipal Council by officers and assistants authorized powers for the purpose by the mayor of Municipal Council and should be submitted report according before 31st of March on every years.

CHAPTER III

Payments that should made from the fund of Municipal Council

63. Miscellaneous payments except reimbursement travelling expenses made from the fund of Municipal Council should be made by a voucher as for the format imposed by the commissioner of local government and in terms of the provisions mentioned under this order in accordance with Sri Lanka Public Sector Accounting Standards for the Local Government Authorities.
64. It should be noted that authorizing for the expenses for the payment relevant of fund of Municipal Council has been made according to the provision of basic law and the mayor should make approving the expenses and certifying the expenses should be made by the urban commissioner.
65. In each voucher council order granting authoritative power for the respective expenditure or in the event of power being granted by the council for the expenditure or and office being authorized for the expenditure such authorization should be started.
66. The voucher should be prepared by the responsible person for any service and an officer authorized for the purpose should check the voucher.
67. In every voucher should be described the service rendered specially stated and the officer checked by the voucher should place the signature satisfying that all relevant information are correctly entered to the voucher.

68. The value included to the voucher should be indicated in both ways of in words and letters and figures.
69. Any note of the voucher should not be erased or distorted and if any correction it should be altered visibility and initiated by the authorized officer,
70. Relevant confirmation to every voucher should be entered as annexure.
71. When a material supplied or works completed under an agreement contract if any works, a certificate that the works have been completed according to the conditions of agreements or contract should be attached to the voucher as an annexure.
72. If a relevant voucher is to make fined payments or retention money, the certificate issued by officer in charge of the duty certifying that the works have been completed properly and in prescribed manner and should be submitted with the paying voucher.
73. In case of vouchers pertaining to payments for receipt stores items, it has to be authenticated through certificate that such items are included in inventory book or store ledgers.
74. In any salary register or voucher or any documents for approving any payments only original copy should be certified by authorized officer and in the event of additional copies “copy” should be noted in each copies so required .

Salary for staff of Local Government Authorities

75. Payment of salary for the officers or employers who serve in a post with permanent and pensionable of provincial public service relevant to local government authorities or under membership of employee trust fund shall be as the provisions of establishment code procedural rules of provincial public service orders follow and other orders imposed from time to time by the Governor of Provincial Council.
76. Conditions should be applicable regarding employing in the service any servants for the local government authorities not in the post of Provincial Public Service of North Central Province relevant to any Local Government institute and according salary or allowances should be applicable.
77. Salary of the officers and employees of the provincial public service attached to Local Government Authorities should be paid from the fund of Municipal Council and the expenses so spend should be reimbursed in accordance with the orders relevant to reimbursement of Public Salary.
78. A salary ledger including details pertaining salaries of all employees of Municipal Council should be maintain by Local Government Authorities in Accordance with policies of Sri Lanka Public Accounts Committee.
79. Travelling expenses and holiday pays can be paid requesting under prescribed vouchers for the service rendered to relevant Municipal Council for officer’s employees who serve in a post of provincial council public service relevant to Municipal Council interms of the provisions of establishment code or provisions mentioned in procedure rule of provincial public service off North Central Province.
80. Provisions of pension salary code with the provisions of Provincial Council pension salary Act No.17 of 1993 should be applicable to all officers; employees hold posts with pensionablesalary in respective provincial council attached to local Government Authorities in the event for the non-pensionable posts respective officers should be contributed to the public employee trust fund.
81. However any person attached who is entitled for pension in the Local Government Authorities under by laws of pensions salary as at the date of effected this order shall not have any impact over the Provisions of this Sections.

Loan and investment paid from the Council Fund

82. If any excess amount of allocation for the expected services of Municipal Council, such investment can be made as determined by the council in accordance with provisions of Municipal Council Act No. 15 of 1887(Chapter 252)
83. (I) A Ledger pertaining loan and recovery of loan from the fund of Municipal Council should be maintained and it should be prepared according to Sri Lanka Public Sector Accounting Standards for the Local Government Authorities and in accordance with the formats imposed by the commissioner of Local Government as per the Provisions mentioned hereinafter.
- (II) A separate advance account should be maintained as General fund account for employee loans that should be paid to officers and employees of Municipal Council.

CHAPTER 04

Applicable the Sri Lanka Public Accounting standard for Municipal Council

Maintain accounts of Municipal Council and Financial Statement.

84. The Municipal Council should maintain its accounts and prepare financial statements applying Sri Lanka Public Sector Accounting Standards for the Local Government Authorities objective and related principles in preparation of financial statement of Municipal Council.

Objective and principles related in preparation Financial Statement of Municipal Council

85. In presentation of financial statements by a Municipal Council related objective financial statement detail of financial statement approved Municipal Council shall be as utilized the financial statements or deposit.
86. Interpretation regarding assets liabilities and net assets allies' equity relevant to Municipal Council under this order shall be following.
- I. Current economic resource maintained by Municipal Council as a result of past incidents should be an asset to the Municipal Council.
- II. Current liabilities to the Municipal Council for transferring economic resources as a result of past incident are a responsibility.
- III. After deducting all liabilities by the Municipal Council, ownership of other assets should be net assets allies equity of municipal council.
87. "Revenue" of Municipal council is increased of inflows or asset or increase of economic benefit of liabilities decrease nature, resulted net asset alias equity within the reporting period except the matters related contribution made by the Government or North Central Provincial Council as capital fund.
88. "Expenditure" of Municipal Council is decrease of inflows or asset or decrease of economic benefit of liabilities creating nature, resulted decrease of Net asset alias equity within the period specified other than the matters related to distribution to the Municipal Council for contribute Capital.
89. Items completed following criteria's compliance with interpretation of revenue and expenditure of assets or liabilities should be identified for financial statement by Municipal Council.
- I. Relent item and any future economic benefits related. It can be expected in flows or outflows to the Municipal Council.
- II. Having a trustfully measurable cost or value to the item.

90. Final statement should be prepared using accounting based on accrual by a Municipal Council. Identifying as items, asset, equity, revenue or expense on accrual basis should be only to complete criteria's for such items.

Presentation of Financial Statement by a Municipal Council.

91. Presentation of final statement by a Municipal Council should be made subjected to the provisions mentioned in basic law.
92. Every financial statements submitted by Municipal Council should be fairly included Financial position and financial performance of the Municipal Council and variable of financial statement, changes of equity and incidental notes should be disclosure.
93. A statement of declaring the respective final statement has been prepared accordance with Sri Lanka Public Sector Accounting Standards for the Local Government Authorities should be included with final statement passed by Municipal Council.
94. (I) Administration including the mayor of the Municipal Council should assessed the possibility of maintaining perpetual succession of final statement passed by the Municipal council. And also considering the continuous position of Municipal council should prepare annual financial statement for the future not limiting to annual basis. The Municipal Council should disclose the matters arisen doubt or uncertainly in discharging under financial statement approved by the Municipal Council.
- (II) The perpetual succession of the financial statement passed by a Municipal Council should be established by a fixed board for the purpose including Mayor and urban commissioner.
95. According to the Sri Lanka Public Sector Accounting Standards for the Local Government Authorities, consequence to considerable change in the nature of operation of a Municipal Council or reviewing annual financial statement, other type of presentation or classification unless, conveniently recognize as appropriate presentation and classification of items of respective statement should be as seam as in upcoming year as well.
96. The values should be for the period respective financial statement in the current year as mention under Sri Lanka Public Sector Accounting Standards for the Local Government Authorities and details that can be compared relevance to the previous year, should be included accordingly.
97. Budgetary information in a budget prepared by a Municipal Council according to principles of identifying and measuring under Sri Lanka Public Sector Accounting Standards for the Local Government Authorities in the respective financial year should be submitted in the financial statement for relevant period.
98. Budgetary information in the budget which has not prepared by a Municipal Council according to identifying and measuring under Sri Lanka Public Sector Accounting Standards for the Local Government Authorities in the respective financial year should not be submitted in the financial statement for relevant period.
99. A Municipal Council submitted budgetary information in the financial statements.
- I. Following values should be produced according to columns or lines for easy to compare.
- (a) Actual
- (b) Budgetary and
- (c) Actual of previous comparative period.
- II. If any variance, original and final budget should be submitted separate lines and
- III. If any quantitative variance between values produced for line items of the notes, disclose of reasons for the matter.

Quantities and Movement.

100. If the impact is made to economic decision on financial statement individually or by omission of information or mistaking such information should be considered as adequate information.
101. If the impact so is not quantities, no necessity of this stranded is arisen.
102. Quantities of same items should be confirmed to the Municipal Council and if it is not quantitate, unequal nature should be confirmed to the Municipal Council.

Complete financial statement set.

103. Complete financial statement set relevant to Municipal Council should be included following.
 - I. Assets and liabilities statements.
 - II. Comprehensive revenue statement.
 - III. Statement of net assets / equity changes.
 - IV. Cash flow statement and
 - V. Summary notes of considerable accounting policies and other detailed information.

Identifying Financial Statements.

104. A Municipal council should clearly identify each financial statement (including the notes). It should be identified separating from other information in such registry. In addition to that Municipal council should provide highlighted the following information and in the event of the information produced is required to understand, it should be reproduced.
 - I. Name of entity reported and revised name of entity if any since the end of previous period.
 - II. Final date of the period reporting financial statement and period covered by the financial statement.
 - III. The currency in which financial statements are presented.
 - IV. Amount of values indicated in financial statement presented in currency units. (i.e Rupees millions)
105. Following details of financial statement notes of Municipal Council should be disclosure.
 - (a) Legitimacy structure of the Municipal Council, Authoritative limit, province within the authoritative area, and address of the Head Office, and
 - (b) A description pertaining the operation of Municipal council and key functions.

Asset and liabilities Statement.

106. A statement regarding assets, liabilities and assets and liabilities for assets as at final date of period reported, should be produced.

Current/non-current classification.

107. The Municipal Council should submit current and non-current assets and current and non-current liabilities as a separate classification in the financial statement.
108. In following instances, asset of Municipal council should be grouped as current.
 - (a) Expected to realize asset within normal operation circle of Municipal Council or intend to consume, sell or distribute.
 - (b) Retaining assets for selling.

- (c) Expect to realize the asset within period of twelve months after the date of reporting.
 - (d) Asset being cash or cash equivalent expect, unless the asset is not limited to realize, exchange or use for a period as least twelve months after the date of reporting.
109. Other all assets of Municipal Council should be classified as non-current asset. In the event of operational procedure of Municipal Council could not be identified clearly, period of the same should be presumed as twelve months.
110. In following instances, liabilities of Municipal Council should be grouped as current.
- (a) Expected to settle liabilities within general circle of Municipal council.
 - (b) Schedule to be settled liabilities within twelve months after date of reporting.
 - (c) Not having unconditional right of entity to defer to settles liabilities within at least twelve months after reporting date.
111. Municipal Council should classify other all liabilities as non-liabilities.

Information's that should be furnished in asset and liabilities statement or notes.

112. The Municipal Council should disclosure the following sub classifications of submitted line items in the asset and liabilities statements or notes.
- (a) Property plant and equipment of Municipal Council within proper classification.
 - (b) Commercial and other receivables separately showing values receivable from related parties and values receivable from other parties
 - (c) Following mentioned stock values should be shown separately.
 - I. The stock for general business.
 - II. The stocks available in the production process for such sale.
 - III. Items and services stock that should be consumed in production process or providing services
 - (d) Commerce and other payables showing separately differed revenue and accrued expenditure payables to trade suppliers, payables to related parties.
 - (e) Allocation for employee benefits and allocation showing other item separately.
 - (f) Net asset / equity class such as capital expenses donation unidentified within contributed capital excess (deficiency) and accrued excess (deficiency)
113. The Municipal Council should disclosure a description of all reserve including net asset/ equity in the asset and liabilities statement or notes.

Comprehensive revenue statement.

114. When surplus or depict of reporting period are consisting with other comprehensive revenue and Municipal Council should produce revenue and expenditure items, compliance with Sri Lanka Public Section Accounting Standard identified in determining other comprehensive revenue and comprehensive revenue in comprehensive revenue statement.
115. Municipal Council should submit an analization of expenses using classification on the basis of expenditure of the Municipal Council Example of movement on basis of function of expenditure the administration, health, maintains of infrastructure facilities, common utility service and welfare. Municipal Council should not submit or describe revenue or expenditure items of financial statement as "special items".

Cash flow statement.

Cash and cash equivalence

116. “Cash and cash equivalence” is short terms investment with high liquidation retained to fulfill requirements of short terms cash bindings. Therefore, an investment is general qualified for cash and cash equivalence as available short mature period. I.e. matured time with three months or more than it from the date of acquisition. A bank overdraft generally considered as financial activities equal to loans.

Information’s submitted in the cash flow statement.

117. Cash flow statement should be produced in terms of the format ordered by the commissioner of Local Government by the Municipal Council through a classification according to cash flow operation activities, investment activities and financial activities submitted for the reporting period.

Operation activities.

118. “Operation activities” are activities recurrence to the Municipal Council accordingly, cash flow result from operation activities is transaction, other incidents and positions included in determine surplus and depict. Some transaction such as plant items sold by Municipal Council may be causes to arise benefits or loss included in surplus or depict. However, cash flow related such transaction is cash flow from cash flow investment activities.

Investment activities.

119. Acquisition and disposal of long-term assets and other investment not including moneys and equivalence are investment activities.

Financing activities.

120. Financial activity is resulted activities on changes of capital contributed to Municipal Council and quantity and compact of granting loans.

Cash flow reported from operation activities.

121. Cash flow from operation activities of Municipal Council should be submitted using cashflow circle method. Accordingly surplus or depict will be adjusted for impact of non cash transaction or future operation any different of payments or cash receipt or impact of items of revenue or expenditure of cash flows related financial activities.
122. Net cash flow generated from operational activities is determined by adjusting surplus or depict.
- I. Variation of receivable and payable from stocks and operations within the period.
 - II. Depreciation, accrued revenue not received allocations (or unpaid) in cash and non-cash items such as unrealized foreign currency benefits and loss, and
 - III. Other all items effected for cash related investment or financing.
 - IV. Cross entries receipts and payments.
123. Following details should be indicated in notes.
- I. Basis of preparation financial statement and submission information regarding specific accounting policies used.
 - II. Disclosure of required information by this standard which was not submitted in the financial statements.
 - III. Not presented in any place of financial statement but providing relevant information to understand any matter.

124. The Municipal Council should produce notes methodical manner as possible to practical. Municipal Council should give cross references for each item in financial statements relevant to any related information in the notes.
125. Presentation of Notes methodically is,
- I. A declaration that the financial statements have been prepared compliance with Sri Lanka Public Sector Accounting Standard for Local Authorities.
 - II. A summary of utilized important accounting policies.
 - III. Numerical order of all statements and line item submitted assisted information for the items produced in the Financial Statements and.
 - IV. Other any disclosure.

Disclosure of Accounting Policies.

126. The Municipal Council should disclose the followings in the summary of important accounting policies.
- I. Based of measurement used in preparation Financial Statements.
 - II. Other Accounting Standards utilized for understanding Financial Statements.

Accounting policies estimates and selecting and using incorrect accounting policies.

127. According to accounting policies, due policies, basis, agreement orders and equivalent principles are used by Municipal Council in preparation and presentation financial statement. A Municipal Council should use its account policies, equivalent, transactions selecting consistently for other incidents and practices.

Variation of Accounting Policies.

128. If financial Statements are provided as a result of changing such information faithful and most relevance regarding impact of other incidents or positions, transaction on the positions of Municipal Council. Municipal Council should revise an accounting policy and revision of accounting policy should be rare.
129. Transactions not made earlier or not adequate. Using new accounting policy to other incidents and practices should not be considered as variations of accounting policy.

Using the variations of accounting policies.

130. A Municipal Council should produce the variation of accounting policies related to previous periods in statement of changes net asset/ equity as unidentified items in determine surplus or depict of reporting period and us identified items in determine brought forward surplus or depict.

Variation of accounting estimates.

131. Accounting estimate revision is the adjustment to the value due to consumed termly asset or carrying value asset of liabilities as a result of assessing present situation related asset and liabilities and expected future benefits and bindings. Revised new information or result of position newly arisen may be available in accounting estimate and those could not be considered as correction and when it is difficult to identify changes of accounting policy from changes of accounting estimate. Such variation is considered as revision of accounting estimate.
132. Following matters should be considered for variation accounting estimate.
- (a) Changing deprecation method to simple ways method from diminishing balance method of such item to depict revised assessment of asset benefits consuming style of property plant and equipment item.
 - (b) Re estimation of useful life time of properly plant and equipment item.

133. Municipal Council should identify the impact of variation accounting estimate entering with retrospectively in surplus or depict as following.
- If the variation effected only to the period of changing the period of changes occurred.
 - If such variation is effected for both periods, period occurred such changes and future period.
134. The amount of variation of asset or liability caused to arise due to variation of accounting estimate should be identified by Municipal Council in adjusting carrying value of asset or liabilities in the period occurred such variation.

Correction of prior period Errors.

135. Prior period errors are omissions or misstatement arisen in the Financial Statements for one or more than period of Municipal Council in misusing or due to failure to use following mentioned information in trustful manner.
- The information that could be received at the time of granting approval to issue Financial statement for such period, and
 - Information that could be accounted and could be expected to obtain fairly at the occasion of preparing and presenting such Financial statement.
136. The errors described under above clause should be included the impact of mathematical errors, errors made using accounting policy, mistakes, misunderstanding the matter.
137. The Municipal Council should identify the impact of errors related prior period as an item identified in determine retained earning but brought forward unidentified in determine surplus or depict of reporting period within equity changes statement.

Disclosure of changing accounting policies

138. In the event of revision of accounting policy in the current year or a preceding year, Municipal Council should disclose the following
- Nature of changes revision of accounting policy
 - Where for in applying the new accounting policy trust worthy and accurate information could be provided
 - Practicable the value of adjustment for surplus or depict
 - For current period and,
 - Value for the period prior current period.
 - If it is impracticable to determine the disclosure value of above (iii)
- However, the disclosure of the financial statement for coming period should not be repeated.

Disclosure of variation of an estimate.

139. Municipal Council should disclose the nature on any revision of accounting estimate and the impact of the current period for assets, liabilities and expenses on such revision

Disclosure of prior period errors

140. The Municipal Council should disclose the following information regarding prior period error
- Nature of prior period error
 - Value of correction to retain earnings
 - If it is impracticable to determine the disclosure value of above (1) or (11) shall disclose that
- However, this disclosure of the financial statements for upcoming period should not be repeated.

Stock

141. Following assets should be considered as stock

- I. Consume in supplying services, distributed material, or service nature assets for administration of entity.
- II. Assets retained to sell or distribute in general process of operation and
- III. Assets of material or service nature for consuming in production proses , or
- IV. Exiting assets of production process for selling and distributing

Measurement of stocks

142. The stock should be measured to the less value of net unrealized value or cost except at the used occasions

143. Retained stock or followings should be measured lesser value of cost or current cost

- I. Stocks consumed or without charges or fixed charges within administration process of the institution
- II. Stocks available for distribute without target or fixed charges
- III. Stocks available for consume in production process for distribute without target or fixed charges

Cost of stocks

144. Stock cost is consisting with all purchasing cost, translation cost and other costs incurred to carry out to the current position.

Cost of purchasing.

145. Cost of purchasing stock is consisting with purchasing cost, import excise and other tax (except tax recoverable from tax authority later) and transport expenses, operation charges and readymade goods expenses.

Translation cost

146. Cost of translation cost, number of production unit should be included only the cost such as direct materials related directly and direct labor.

Joint production and by production

147. In the production process, more than one production may be implemented at same time, when joint production made or main production or by production or translation cost of materials or every production could not be identified, the entity should separate on realistic and also at the occasion of production could be identified separately of every moment of completion production, separation can be made on the sale value of production.

Cost disposed from the stocks

148. Following matters should be examples to the cost identified as expenditure of the period after disposing stock cost.

- I. Labor of unusual values of ware materials or other production cost
- II. Store cost except if needed among production stages.
- III. Production and administration cost
- IV. Selling cost
- V. Interest cost, and changes of foreign exchange
- VI. Variation of foreign exchange

Cost of stock in a service

149. Stock in service should be measured to production cost. Production cost is consisting with cost of employees engaged directly or providing service including supervision the staff. The cost related sale and administrative staff should not be included and should be identified as expenditure incurred in the period.

Cost obtainable method

150. The council should measure stock cost of service and good items which would be generally exchange and could not be allocated certain projects using certain identification of individual cost.
151. Municipal Council should measure using first in first out (FIFO) cost of stock or weighted general cost. Municipal Council should use equivalent method for all stocks available equivalent nature use. Other method could be justified for stocks for other nature use.

Identifying as an expense.

152. When stocks are sold, exchanged or distributed, revenue related carrying value of such stock should be identified as expenditure of identified period. In the event lack of related revenue, expenditure is identified at the occasion of distribution goods or providing service. Any write off the stock or write off all deficiencies value of stock, should be identified as expenditure of the period occurred the loss. Any value of translation due to translation of write off any stock should be identified as deduction of stock value identified as expenses in the period occurred such translation.
153. Some stocks cannot be separated into other asset accounts. In utilizing property, plant or equipment made by self-allocated stocks are accounted later in to other asset, should be compliance with relevant paragraph of this standard relevant to this stock.

Disclosure.

154. A municipal council should disclose the followings.
- I. Used method including accounting policies followed for valuation stocks.
 - II. Total capacity value of the stocks and capacity value of classification proper to the Municipal council.
 - III. Value of identified stocks as expenditure within the period.
 - IV. Write off within the period or stock identified as loss or translation.
 - V. Total carrying value of stocks pledged as Security for liabilities.

Property, plant and equipment.

155. Property plant and equipment are following mentioned tangible assets.
- I. Production or supplying goods or service are maintained for renting out to others or for administration affairs.
 - II. Expect to use one more than one reporting period.
156. If municipal council expected to use within one more than period, and items such as spare parts, equipment and service equipment's, or used as property plant and equipment items, they are properties plant and equipment. Unless those items should be classified as stock.
157. Land and buildings are separatable asset. Even though such items are identified same, A municipal council should account separately.

Measurement of identification.

158. In identification basically it's property plant and equipment; A Municipal council should have identified its cost.
Basic components of the cost.

159. The cost of property, plant and equipment's items should be consisting with followings.
- I. After deducting purchasing amount, import excise and commercial discount and rebate from non-refundable purchasing tax including legal for and broker chargers.
 - II. Any cost attributed directly to bring the asset in required position or place to be able operate it as expected by the management should be included and cost of property place, basically handing over and fixing operation and assembling and check the operation.
160. Following mentioned cost property, plant and equipment are not costs and property plant, equipment's should be identified, since the occasions of using them.
- I. Cost of opening mew facility
 - II. Cost of introducing a new production or service (including cost for advertising and promotion)
 - III. Cost of maintain business in new place or new business class (including training of servants)
 - IV. Administration and other general performance cost, and
 - V. Cost for loan.
161. In building and developing property plant and equipment items, if it is not necessary to bring up the revenue and expenditure it related incidental operation to expected location or operation position.

Measurement after basic identification.

162. After basic identification, property plant and equipment should be measured by deducting any accrued depreciation or any accrued to damaging loss from the cost.
163. Except general use damaged property plant and equipment item should be identified in surplus or depict as damage of proportion relevant cost deducted depreciations. A Municipal Council should identify daily service cost of property plant and equipment in surplus or depict of the period incurred such cost.

Depreciable value and depreciation period.

164. The depreciable amount of an asset shell be allocated on a systematic basis its useful life by the Municipal Council. Depreciable amount is accrual damage loss deducting accumulated depreciation and deducting other value. If an assist has already been ended useful like and it became expected position end of useful life time, residual value of an asset is estimated value that can be obtained after deducting residual value of an assets.
165. The expenditure of depreciation on every period should be identified in surplus or deficit.
166. It can be hinted that residual value of assets and useful lifetime has been changed after recent annual reporting date such as changing of the manner used assets unexpected degenerate and promotion of attrition level and changes of market prices. If such hints are unbillable and in the event of changes of current expectation the municipal council should review previous estimate and revise the method of depreciation method or useful lifetime Municipal council should account residual value depreciable method or useful lifetime as a variation of according estimate.
167. Depreciation of an asset begins when it is available for use. *i.e* when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases change the asset is derecognized.

168. Useful life of an asset is, expected period to utilize the asset by Municipal Council or number of production or number of equal units expected to obtain from the asset by the Municipal Council. Consequently, all the following factors are considered in deterring the useful life of on asset.
- Expected usage of the asset. Usage is assessed by reference to the assets expected capacity or physical output.
 - Expected physical over and tear, which depends on operational factors such as the number of shifts for which the asset is to be used end the repair and maintenance program, out the care and maintenance of the asset while idle.
 - Technical or commercial obsolescence arising from changes or improvement in production or from a change in the market demand for the product or service output of the asset.
 - Legal or similar limits on the use of the asset, such as the expiry of related leases. Except such as stone query and leads used for land filling, those should not be depreciated due to unlimited useful life is available for the lends.
 - Even though, the year purchased or utilized is not relent for depreciation should be made relent to the year when disposing

Depreciation Method

169. The depreciation method should reflect the pattern in which the asset's future economic benefits or service potential is expected to be consumed by the entity. These methods include the straight-line method, the diminishing balance method and the units of production method.

De recognition

170. The Municipal Council should derecognize the item of property, plant and equipment as following.
- On disposal or
 - When no future economic benefits or service potential is expected from its use or disposal
171. The gain or loss arising from the de recognition of an item of property, plant and equipment shall be included in surplus or deficit. The Municipal Council should not categorize such gains.
172. Date of abandoning risk and benefits or asset should be considered as the date of disposing.
173. The gain or loss arising from the de recognition of an item of property plant and equipment shall be determined as this difference between the net disposal proceeds.

Disclosure

174. The Municipal Council should disclose the followings for each class of property, plant and equipment.
- The measurement basis used for determining the gross carrying amount.
 - The depreciated method used
 - The useful lives or the depreciation rates used.
 - The gross carrying amount and the accumulated depreciation aggregated with accumulated impairment loss at the beginning and end of the period showing end.
 - A reconciliation of the carrying amount at the beginning and end of the period showing.
175. The Municipal Council should disclose conduct and carrying value of pledged property, plant and equipment limited proprietorship or as a securely for liabilities.

Lease

176. “Lease” is an agreement of transferring possessing by less or to lease as response to payment or payments for ownership of utilizing asset for specified period.
177. Accounting for all lease except following are covered through these regulations.
- i. A lease for discovery of minerals, natural Gas and equivalent resource, which cannot be renewable.
 - ii. License agreement for items such as moving film, videoing, drama script, patent or publication rights.
 - iii. Lease for biological asset end.
 - (a) All risks incidental rights and transfer benefits as considerable.
 - (b) Non part of considerable leased period from useful lifetime of asset.

Financial statement of lessee

178. Except payment to the lessor not structured according to the increase of anticipated average inflation to the compensate of Lessor’s anticipated inflationary cost increase, Lessee should identify the payment of lessee as per straight-line method.

Financial Statement of lessee

179. The lessor should subset assets subjected to lease according to the nature of assets in the assets and liabilities statement.
180. Except not structured according to the anticipated inflation to come sate the Lessor’ anticipated inflationary cost increase, the lessor through the Lessing period it should be identified as straight life method to the surplus or deficit of lease income.
181. The lessor should identify as cost expenditure including depreciation bearded in generally lease income.

Disclosure

182. The lessor should make following disclosures for lease.
- i. Lease payment identified as expedites.
 - ii. For examples information regularly contingent, general information of considerable lease agreement of lessees including conditions in posed by alternative of renewing and increasing section.

Employee benefits – Principles for General identification

183. Employee benefits are the salary and wages provided by entity as exchange to service rendered by employees including management the Municipal Council should identify employee benefits entitled its employees of the service rendered to Municipal Council, in terms of requirements mentioned in this clause.
- i. After deducting values paid as contribution to employees directly or employee benefit fund, if binding arisen from services prior to the date of reporting as liability is exceeded the paid amount , except required from other chapter of this to identify cost.
 - ii. As part of cost of assets such as stock or property, plant or equipment or as an assets up to the amount resulted to decrease of refund the cash or prior payment future payment by entity.

Certain Employee benefits

184. When an employee rendered the service to Municipal Council, Municipal Council should measure identified value of Municipal Council or depicts as following.

- i. Salaries and wages, contribution for Widows and Orphans pension Fund, Employee Trust Fund or Employee Provident Fund, medical insurance premiums and use of a vehicle or benefits payable within short time prior to service period or after service period provided service such as houses.
 - ii. Payment of bonuses and profit of a profit sharing scheme within provided service and reported.
 - iii. Medical benefits not covered by insurance in the reporting period for entitled employee benefit.
 - iv. Cost incurred for casual, annual or medical leave in the reporting period on leave.
185. The service of an employee is terminated on activity basis, Measure the value payable end of reporting period and should be identified as responsibility.
186. The benefits payable because of entity decision should be identified at the period reported and communicated such decision to the employee.
187. As a result of employees decision to accept voluntary unwanted reduplication and the benefits payable as an exchange for such benefits, Municipal Council recognize the period accepted and reported by the employee.
188. Post service benefits such as pension salary paid former employees should be identified as expenditure in the period made payment. If such benefits are paid without reimbursed by other entity such as Central Government, the Municipal Council should identify cost of such benefits as revenue and expenditure in the final performance statement and both accrual surplus or depicts.
189. Municipal Council should disclose followings in notes of final statement.
- i. Value of post service benefits should as pension salary paid or payable to former employees of Municipal Council within the period.
 - ii. Amount paid or incurred post employee benefits paid or payable as pension salary to former employee of Municipal Council within the period by other entity such as Central Government.
 - iii. Number of employees payable such post service benefits and Number of current employees entitled to such benefits on retirement.

Revenue from non-exchange transactions

Tax and transfer.

190. Revenue is gross inflows economic benefits or service potentials arisen in the period reporting general activities of Municipal Council, resulted the increase of inflows, net assets, equity except inflows related contribution from Central Government, North Central Province Council as capital fund.
- i. Including assessment tax received or receivable.
 - ii. Compensation including fines received or receivable.
 - iii. Exchanging transfers received from the Government except capital fund end.
 - iv. Gifts and donations received except the Government.

Tax and compensation

191. The assessment paid or payable to Municipal Council and changes of other type include the tax. In terms of Law and regulations established for receive income to Municipal Council.
192. Tax and compensation should be identified as revenues of the period imposed tax end compensation.
193. Receivable things balanced end of reporting tax and compensation pertaining to pervious period as at the date of reporting should be measured to recoverable value and identified as on asset.

Transfers from Government and North Central Provincial Council

194. The transfers by Government and North Central Provincial Council for incurring expenses are identified as revenue of periods identified such expenditure.
195. The Government transfers for providing funds for identified property plant and equipment's or other assets are identified as revenue of the period identified such properties, plant and equipment's or other asset surplus or depict.
196. The Government transfers related specified period should be identified as revenue of such period.
197. Revenue from Government except capital funds not mentioned in the paragraph 193, 194 or 195 should be identified as revenue of the period received or receivable such transfers.
198. Transfers from Government for capital expenditure identify basically in other comprehensive income. Such other extensive revenue recognized and recognized as transfer revenue and corresponding value fulfilled during the period of recognizing criteria of revenue mentioned in the precedent clauses will be deducted from other extensive revenue. Government transfer not fulfilling the revenue recognizing criteria mentioned in precedent clauses up to the reporting date should be identified as a separate component in assets and liabilities statements.

Transfers from other parties except Government or North Central Provincial Council.

199. Transfers from other parties except Government or North Central Provincial Council are identified as revenue of the period found such expenditure.
200. Other transfers except from Government to grant funds for identified property plant and equipment's or other assets should be identified as revenue in the period identified such properties, plant and equipment or other assets surplus on depict.
201. Other transfers except Government or North Central Province Council for specified period are identified as revenue of such period.
202. Other transfers from Government or North Central Provincial Council except capital fund not mentioned in clauses 199, 200, and 201 are identified as revenue of the period received or receivable such transfers.
203. Transfers from other punches except Government for capital expenditure are identified in other comprehensive revenue. Corresponding value identified as revenue in other comprehensive revenue and at the period satisfies criteria identify revenue mentioned in previous paragraph should be deducted from comprehensive revenue.
204. A Municipal council should disclose followings regarding tax and transfer.
 - (a) Value of identified revenue as tax with proper unitization according to type of tax.
 - (b) Revenue identified as fines with proper analyze according to fines of compensation.

Revenue from exchange transactions

205. Revenue is gross inflows from economic benefits or service potentials arises in the period reporting normal activities of Municipal Council resulted a incense of net asset equity except inflows related contributions by Government and North Central Province as capital fund. The paragraph is used to account the relevance arisen following transactions and incidents.
 - (a) Sale of good (produced by entity for sale or purchased for resale).
 - (b) Supplying service.

- (c) Constriction contract that contractor is Municipal Council. Constriction is comprised agreement that connected with technology and its procedure and adjustment of usage and interconnected process to achieve the final target.
- (d) Deposit generated interest or receivables.

Measurement of revenue.

- 206. A Municipal Council should measure revenue to the receivable value or received consideration. Received or receivable consideration dentin is the value after deducting any cameral discount, settling discounts and capacity rebate.
- 207. Revenue includes only the gross inflows of economic benefits received or receivable by a Municipal council on its own account. All amounts collected by Municipal Council on behalf of third party should be excluded from revenue. Revenue includes only the commission of all taxes of sale and Value added collected on behalf of the Government. The amount collected on behalf of the Head is not revenue of Municipal Council.

Sale of goods.

- 208. A Municipal Council should identify revenue on sale of goods as Full Filling following all conditions.
 - (a) When Municipal Council vested the considerable risk and benefits of the ownership of goods to the purchaser.
 - (b) Municipal Council does not act regarding continues management related ownership on sold goods or not retain productive control.
 - (c) Value of the revenue can be measured in trustfully.
 - (d) Expected inflows of economic benefits related transaction to the Municipal Council.
 - (e) Cost incurred or could have to be incurred can be measured in trust manner.
- 209. At what time Municipal Council had handed over the benefits and constable risks of the title to purchaser should be checked in considering point of the transition. Most occasions, handing over the risk of ownership and benefits are made parallel to both Matters of transfer of legal ownership or awarding possession to the purchaser.

Supplying Services.

- 210. It the result to word transition in relation of providing service could be estimated in trustful manner, the revenue in relation to transaction should be identified by the Municipal Council directing it to completion stage at the end of reporting period.
- 211. If following conditions cited as a method of completion percentage, result of a transaction may be estimated in trustful manner.
 - I. Able to measure the value of revenue in trustful manner.
 - II. Able to expect inflow the economic benefits in relation to transaction to the Municipal Council.
 - III. Ambling to measure the stage completed transaction end of reporting period in trustful manner.
 - IV. Ambling to measure the cost incurred for transaction and cost has to incur for completion of transaction.
- 212. When the result in relation with service could not be measured in trustful manner, the revenue of Municipal Council should have identified only to the amount recoverable in expenses.

Construction contract.

213. When the result of a construction contract could be estimated in faithful manner. Municipal Council should identifying contract revenue and contract cost reliably construction construct respectively revenue and expenditure through directing to completion stages of activities at the end of reporting period. Completion stage for faithful estimate of result and trustful estimate relating future estimate are not needed for the purpose.

Method completed a percentage.

214. This method is used to identify revenue through providing service and construction contract. When an estimate service transaction and revenue or construction contract is being implemented, Municipal Council should review and revise as the requirement.
215. The Municipal Council should accept reputable methods to determine completion stages using measuring method for transaction or completed work of contract in trustful manner.
- (a) Cost incurred for the works completed up to date is proportioned to estimated total cost. The cost incurred for works completed up to now is not included to the cost regarding future activities. i.e For material or future payment.
- (b) Survey of completed work.
- (c) Completion to physical proportion in contract work or service transaction.

Progress payments and advances received from customers are not depicted completed work.

216. If it is expected that cost could be recovered, Municipal Council should identify as cost asset in relation to transaction such as prior payment or for material or future activities of a contract.
217. If it could not expect to recover any cost, Municipal Council should promptly identify as expenditure.
218. When a result of construction contract could not be estimated in faithful manner,
- (a) Municipal Council should identify revenue up to the amount only to expected that incurred cost could be recovered.
- (b) Municipal Council should identify contract cost as an expenditure incurred in the period.
219. When a total contract cost on construction contract expected to be exceeded the total contract revenue, expected loss should be promptly identified as expenditure with corresponding allowing for responsible agreement.
220. When it could be not expected to recover value identifying as contract revenue Municipal Council should identify as expenditure value as adjustment of contract revenue.

Interest.

221. Identification of interest should always be made using fruitful interest rate.
222. “Fruitful interest rate” is the value of correct level of future cash receipt estimated to carrying value of assets. Fruitful interest rate is determined in basic identification, under fruitful interest rate,
- (a) Carrying value of asset is present value of future cash receipt discounted under fruitful interest rate and
- (b) Carrying value of asset at the beginning of period should be multiply fruitful interest rate of such period and it is equal to interest income of period.
223. In the event of interest being received regularly at a same time interest rate and in excess and no other payment or receipts or discounts pertain to the interest ended asset the interest receivable from such asset for the respective period is the interest revenue of asset for such period.

Disclosure

224. Municipal Council should disclose the followings.
- (a) Accounting polices followed to identify revenue including methods followed to determine completion stages of transactions.
 - (b) Revenue value of each category identified within the period showing revenue arisen followings
 - I. Sale of goods
 - II. Supplying services
 - III. Interest
 - IV. Commision , and
 - V. Another considerable revenue
225. Municipal Council should disclose the followings in respect of revenue from constuction contract
- I. Value of revenue identifed as revenue within the period
 - II. Method used to determine contract revenue identifed within the period, and
 - III. Methods used to determine completion stages of contract in progress
226. Municipal Council should disclose the followings
- I. Gross value receivable from customers for contract as and assest, and
 - II. Gross value payable from customers for contract as a liabilty
227. Municipal Council should disclose the followings.
- I. Value of revenue identified exchange transactions with proper analization through type of transaction.
 - II. Values identified surplus or depict of receivables that could not be recovered from exchange transactions.
 - III. Value identified the amount allowed for receivables that could not be recovered and receivable gross value as the receivables from exchange transition on reporting date with analization.
 - IV. An analization of movement the amount allowed receivables that could not be recovered from exchange transactions within reporting period including the amount allowed on reporting date and value identified surplus or depict, value of amount allowed at the beginning of period.
 - V. Commissions
 - VI. Any value of write off receivables from exchange transactions that could be recovered within period and Authority approved write off.
228. Expect All Provisions Covered by other paragraphs, this Standard shall be Applied for all other Contingent liabilities and Contingent Assets.(i.e.- indefinite time Order or liabilities of values) The following Provisions Shall be included them.
- I Leases
 - II construction contract
 - III Liabilities of employee benefit
 - IV Income tax

229. A Municipal Council should subunit followings.

- (a) Having a binding with Municipal Council on reporting date as a result of past incident.
- (b) Be able to expect the necessity to transfer economic benefits to Municipal council in settling (not happened than has to be happened) .
- (c) Be able to reliably estimate the value of the bond

230. Municipal Council should identify allocation in the statement to asset and liabilities us responsibility and identify value of allocation as expenditure except, in the event of necessary of other standard in this paragraph to identify cost as a part of asset cost such as property plant and equipment of the stock.

Basic measurement

231. The Municipal Council should measure the allocation to the most suitable estimate for the value required to settle bindings on reporting date. The value paid to settle bindings logically at the end period reporting and the value of transfer to the third party at that time by Municipal Council is the most suitable estimate.

- (a) When a large summation item is linked to a result, the value reflects the weighting of all possible outcomes by their associated probabilities. The midpoint of the range is used when there are possible results in a continuous range and every point in that range is like any other.
- (b) When the provisions are from one responsible Source the best estimate for the settlement of the same will be possible most of the time. However, in such event, Municipal Council will consider other possible result. If other possible result is more upper or lower to the possible result the best estimate is the upper or lower value to the possible result.

After measurement.

232. Municipal Council should recover only the allocation prior identified against the allocation.

233. Municipal Council should review allocation every reporting date and adjustment should be made to highlight suitable current estimate of the value that could be required to settle binding on such reporting date. In the event of identified the allocation firstly as a part of cost of asset. Any adjustment to the values identified earlier should be found in surplus or depict.

Contingent Liabilities

234. "A contingent liability" is a prevailing obligation not recognized as a probable obligation, but because it fails to meet one or both of the conditions in (ii) and (iii) of Regulation 229. When the Municipal Council is jointly or severally liable, as part of an indebtedness when the part of the obligation is sought for other parties Considered.

Contingent Asset.

235. Assets that are established and exit from past events are intangible assets based solely on the occurrence or more undisclosed future events that are not fully controlled by the Municipal Council. A Municipal Council should not recognize a tangible asset as an intangible assist. If the future economic benefits are generated to the Municipal Council is indeed definite, then a related assets is not and its identification is appropriate.

Disclosure pertaining to allocation.

236. Municipal Council should disclose following for allocation of each class.

- i. Compare showing followings.
 - (a) Carrying value of comprising and ending of the period.
 - (b) Adding within the period.

- (c) Value recovered against allocations within the period.
- (d) Unutilized values translated within the period.
- iii. A brief description regarding nature of bindings and any payment resulted relating to that and expected value.
- iv. Hints pertaining to such inflows and uncertainty of payable period.
- v. Expected reimbursement value mentioning value of any asset identified for expected reimbursements. However, comparative information for previous period should not be necessity.

Disclosure of contingent liability

237. Municipal Council should disclose a brief description regarding nature of contingent liability for contingent liability of every closes on reporting date except it is probable any inflows of resources in settling.

- I. An estimate of financial impact.
- II. Amount of any inflow and hint of uncertainty relating period payable.
- III. Probable any reimbursement.

After taking every fair trisomy to do so, when one or more than disclosure could not be made, such matter should be disclosed.

Disclosure regarding contingent asset.

238. If inflow of economic benefits could not be expected (would happened rather than happening) but in the event of uncertainty, (not identified) and in the event of a description of contingent asset nature at the end of reporting period, practicable within out unfair cost or remunerating. A Municipal Council should disclose an estimate of final impact. After making fair tiresome to do so, if the Municipal Council could not make. This disclosure, such matter should be stated accordingly.

Borrowing cost.

239. This clause impose requirement to borrowing cost. Borrowing cost is interest and other cost incurred by Municipal Council in granting fund as loan.

Identification.

- 240. A Municipal Council should identify all browning cost at the period concerned as an expenditure of surplus or depict.
- 241. A Municipal Council should identify recognized total interest expenditure within reporting period.

Foreign currency translation.

242. Municipal Council should include foreign currency transaction as authorized in written; law of financial statement as following manner.

Reporting foreign currency transaction.

- 243. “Foreign currency Transaction” is a transaction that should be settled or named in foreign currency including occurred from following mentioned transaction made by a Municipal Council.
 - I. A service or purchase or sale of goods fixed its price in foreign currency.
 - II. Borrowing and loans of the values payable or receivable by fixed foreign currency.
 - III. Liabilities or setting of acquisition or disposing asset fixed foreign currency.

244. In basic identification using timely foreign currency value between local currency and foreign currency. Municipal Council should identify the foreign currency value and local currency value.
245. Date of transaction is qualified date firstly for identification transaction in terms of this standard. Closest rate to the actual rate on the date made transaction should be used on practical reasons.
 - I. General rate of a week or a month for each foreign currency may be used for all transactions made within such period, or
 - II. If settlement was made within short time from, the date of transaction related settled rate of receivables or payables could be used.

Final reporting of reporting period.

246. At the end of every reporting period, Municipal council should.
 - I. Translation of all foreign currency item using final rate and,
 - II. Transaction of non-currency on the date of transaction.
247. Municipal Council should identify arisen exchange variation on surplus or depicts of the period concord, in settling financial items or in translation financial item to the rate more than different the rate translated earlier.

Disclosure of related parties.

248. A Municipal Council should disclose the transaction with related parties in the Financial statement and balance of arrears with such parties.

Interpretation of related party.

249. If any parties has possibility to (a) control other party or (b) make considerable impact to other party in taking. Financial and operation decision such party should be considered as related party with this matter.
250. Related parties include.
 - I. Chief management persons and close members of chief management.
 - II. Parties of considerable right of title direct or indirect by any person described in (a) or such person alone could implement considerable impact and,
 - III. Parties who have considerable impact or controlled by Reporting Municipal Council.
251. Chief Management personal is.
 - I. All councilors of a Municipal Council.
 - II. Other personal having authority and responsibility for planning operation and administration activities of Municipal Council and.
 - III. Urban Commissioner of Municipal Council and Head of Each Department as necessity.
252. Following persons are guessed as family close members of an individual person.
 - I. Spouse, home partner or relations resided as common householders.
 - II. Children, son in laws, daughter in law parents adult parents, brother or sisters.
 - III. Children of spouse of home partner parents in law, brother in law sister in law.

Disclosure of connection between subsidiary and holding company

253. Disclosure of connection between subsidiary and holding company should be disclosed disregarding the transaction of related parties.

Disclosure of related parties' transaction.

254. In the case of transactions with related parties to Municipal council the information required to understand the impact such as relations on financial statements nature of related parties' connection, details of transaction arrears balance end bindings should be disclosed.
255. In the event of connections with related parties, disclosure transaction shall be as following:
- I. Purchasing or selling goods (readymade or raw),
 - II. Purchasing of property and other asset,
 - III. Leases,
 - IV. Research and development transfers,
 - V. Transfers under Financial agreement (contribution of equity including loan and cash or goods),
 - VI. Guarantees or additional grate allocation and,
 - VII. Liabilities for Municipal Council or settlements of Municipal Council for other parties.
256. Unless otherwise, such language could be proved, Municipal Council should disclose that transaction was made with related parties on equal language to the transaction distance at hand.
257. A municipal council should disclosure equal nature item as movement except Separate disclosure is required to get an idea on influence of related parties on Financial Standard of Municipal Council, A Municipal Council should disclose as an item aggregation and equal nature.

Other assets and liabilities

Receivables.

258. Value of receivables in terms of relevant laws and sub laws, the Municipal Council should basically identify receivables on unchanged transaction and should be measured on transaction price.
259. Municipal Council should review and consider whether the value of receivable can be recovered end of reporting period.
260. The Municipal Council should review the value of receivables on reporting date in order to assess for recovering in any amount showing as receivables. The values recoverable identifying percentages for damaging should be measured in asset and liabilities statement.

Shares of listed companies.

261. Shares of share exchange, transaction should be measured according to prices weighted of the business disclosed prior to end of reporting period for share exchange respectively.
262. If a listed shares of share exchange, was suspended transaction of such exchange at the end of reporting period of transaction, such shares should be measured in assets and liabilities statement on the most expectable value on that day

Shares of other companies.

263. Measurement of companies not receiving price should be done to the lesser value of share cost or net asset. Net value of assets of shares should be obtained on the basis of financial statement of general purposes of Municipal Council.

Payable loans.

264. Municipal Council should measure payable loans on the payable value.
265. If a loan should be paid after a year from reporting date, it is classified as non-current liabilities, the loan amount less than one year at reporting date is classified as current liabilities.
266. Accrued interest unpaid until the end of reporting period should be identified as liability as liability of asset and liability statement.

Payables.

267. A Municipal Council should measure payables on transaction price and identify accordingly.
268. Value of payables balanced at the end of reporting period should be identified as liabilities in the assets and liabilities statement.

Tax on surplus or depict.

269. Values payable calculated in terms of relevant regulations on surplus or depict until end of reporting period, should be identified by Municipal Council as payable tax.

Disclosure.

270. Municipal Council should disclose followings separate regarding receivables from un exchanged transactions and exchange transaction:
- I. Net value identified as receivables on reporting date with analization of allow for receivables that could not be recovered and gross value of receivables,
 - II. Analization of movement picketing in for receivables that could not be recovered within reporting period including allowance value at the beginning of the period, identified value of surplus or depict and financial allowance of reporting date,
 - III. Age unitization of the values recoverables on reporting date, and,
 - IV. Any values write off as unrecoverable within period and authority approved such write off.

Reporting of service performance information

Subject Scope.

271. Reporting of service performance information's in Finical statement should be in accordance with the provisions motioned under this paragraph.
272. Reporting service performance information in terms of this paragraph represents the proper practice. It is not necessary comply with this paragraph to confirm that Finical statement has been prepared in terms of Sri Lanka Public Sector Accounting Standards for the Local Government Authorities.
273. Unless otherwise, service performance information are compliance with all principles in this paragraph it should not be described that they are compliance with this paragraph.

Service performance statement.

274. A Municipal Council should report service efficiency information in terms of this paragraph, in addition to present financial statement motioned under these regulations, should produce a service performance statement.

Service performance information.

275. Following motioned information should be submitted in service performance statement.
- I. Service performance Fund
 - II. Performance indicator and
 - III. Total cost of service
276. Municipal Council should submit following information following information recording performance indicator and total cost of service.
- I. Planned and actual information for reported period, and
 - II. Actual information for prior reported period.
277. Where information of other statement or notes consisting Financial statement include in service performance information reference to such information should be submitted in service reformatory statement.

Detailed inquiry and analization.

278. A Municipal Council should submit a detailed inquiry on service performance information and an analization.
279. In analization and inquiring details on service performance information, a brief analization of service performance of Municipal Council should be provided.
280. Through detailed inquiry and analization of service performance.
- I. Discussed the quantity fulfilled objective of service performance.
 - II. Submission of impartially clarification addressed both aspect of positive and negative in produced information.
 - III. Providing facilities to users assessment regarding efficient and productively of service performance of Municipal Council.

Incidents after end of reporting period.

281. "Incidents after end of reporting period." is cited as the incidents occurred between closing date of reporting period and the date granted approved for issuance of financial statement.

Identification and measurement.

Incidents adjusted after end of reporting period.

282. A Municipal Council should adjust identified value in the Financial statement including disclosures related depicted incidents adjusted after end of reporting period and should identify prior identified items. Incidents adjusted after reporting period are the incidents provide evidence for the positions of end of the period.
283. Following mentioned matters should be considered as examples to incidents mentioned under above section.
- i. Receipt of information after the reporting period depicted that an asset has been damaged at the end of reporting period or prior identified damaging loss should be adjusted for asset.
 - (a) Bankrupt of house renter after end of reporting period confirm that a loss occurred end of reporting period on receivable rent and carrying value for receivable rent damaging should be adjusted.

(b) Evidence may be given regarding sale price end of reporting period for objective of valuation recoverable on such date from sold stock after end of reporting period.

ii. Deterring cost of asset purchased prior to end of reporting period or the amount received from sold asset after the end of reporting period.

Unadjusted incidents after end of reporting period.

284. The value identified in financial statement should not be adjusted to depict unadjusted incidents after end of reporting period. Unadjusted incidents after end of reporting period are incidents depicted arisen after end of reporting period.

285. Losses occurred by floods fire or other incidents means as incidents unadjusted after end of reporting period.

Disclosure.

Date of approved for issuance.

286. Municipal Council should disclosure the date of granted approval for issuance financial statement and the person who has been granted approved for said issuance.

CHAPTER V

Assessment tax, other tax and charges of Municipal Council

287. The Municipal Council should maintain the information pertaining all buildings and lands payable assessment tax under assessment tax ledger compliance with the format order by Commissioner of local Government.

I. The Municipal Council should issue a warrant for recovery assessment tax within the period ordered according to the manner in basic law,

II. The urban commissioner should take all the steps to recover assessment amount and additional charges prior to ending following quarter according to the basic law regarding issued warrant,

III. Unless otherwise where a property is detained is action should not be taken to recover additional charges for the assessment,

IV. Keeping safety detained movable property during the period up to action is the duty of the officer issued warrant for detain the property and the detailed regarding prohibited property should be prepared in three copies and one copy should be in the custody of Urban Commissioner or chief officer of revenue section,

V. The officer ordered the power to detain the property issuing warrant for the purpose should issue prescribed receipts in favor of tax payer for assessment and additional charges,

VI. The assessment and additional charges recovered under written law in taking action to detain the property should be deposited and the officer responsible to detain such property should keep the accounts accordingly.

288. A submission report regarding the measures taken under warrant issued to officer for detain the property to the officer allow issued current shall be the duty of respective officer.

289. If any employee who is not in the regular service of Municipal Council is engaged in prohibition property the payment to such officer for the purpose should be in terms of the agreement made between the officer concerned and the Municipal Council.

290. If any external party provides service to prohibit property, keeping a security deposit of relevant external party for the purpose is the duty of Urban Commissioner of Municipal Council.

Vehicle and animal tax

291. Information regarding vehicle and animal tax of all householders should be collected and a register on such information should be maintained.
292. If any by law is effected for the purpose of recovery vehicle and animal tax, relevant tax should be recovered considering such regulations.

Industrial tax and business tax

293. A survey should be conducted pertain to the properties subjected to industrial tax and business tax within the territory of all Municipal Council and relevant list should be prepared before 31st of March of relevant year by revenue Inspectors of Local Government Authorities.
294. Following mentioned informations should be included for the report prepared under above clause 295.
- I. Locations of industrial/ business
 - II. Grama Niladari division
 - III. Nature of industry business
 - IV. assessment number if any
 - V. Name of the person maintained industrial/ business
295. The reports should be maintained compliance with formats ordered the Commissioner of Local Government including separate details regarding the property subjected to industrial tax and business tax.
296. The lists should be prepared pertain to the properties subjected to industrial tax or business tax unpaid and defaulters as at 31st of March in the current year by the in charge of revenue section of the Municipal Council and should be reported to the Urban Commissioner of Municipal Council.
297. Following the provisions of basic law in order to recover unpaid industrial tax and business tax as at 31st of March in the current year should be the Shall of Urban Commissioner of Municipal Council.

Tax on undeveloped lands

298. Identifying the land subjected to tax on undeveloped land within the territory of Municipal Council and should be informed to the owners of relevant land that such land are subjected to the tax on undeveloped lands in terms of the provisions of basic law.
299. The relevant notice should be deliver under the registered post to the owners of properties subjected to the tax prescribing specified period for providing information to identify capital valued regarding property subjected to tax.
300. After delivering the notice under above clause, it expected information are not provided within the period indicated in the notice determine the capital value considering lack of such information shall be legitimately.
301. If the person subjected to the tax is not paid such amount, taking action to recover relevant tax in accordance with the steps mentioned in the basic law, shall be the duty of unborn Commissioner of the Municipal Council.
302. The information pertain to recover tax on undeveloped land should be maintained under separate report.

Tax on land sale

303. Recovery of tax on land sale related to Municipal Council should be calculated on the value of selling lands.
304. If any amount should be calculated on the value of selling lands paid for the tax on land sale prior to sell any land such payment should a deposited amount and action should be taken to recover the total amount after sale of land.
305. The Unborn Commissioner of Municipal Council should take action to follow steps mentioned in the basic law in order to recover unpaid tax on land sale.
306. A register regarding information on recover tax on land sale should be maintained compliance with a format ordered by the Commissioner of Local Government.

CHAPTER VI.

Leasing out and renting out properties

307. The information regarding properties leased out or rent out by Local Government Authorities should be maintained under a register compliance with format ordered by the Commissioner of Local Government.
308. All agreement entered in between Local Government Authorities and second party pertain renting out or leasing out properties a copy certified by Administrative Head of Local Government Authority should be delivered to internal audit section and to revenue section.
309. Monthly rental relevant to the agreement should be paid on or before 10th day of relevant month and conditions related to the paying date should be included in the agreement.
310. Executive Head and administrative Head of Local Government Authorities should take all steps to follow the provision of basic law and provisions provided under regulations from time to time in order to rent out or lease out the properties belongs to Local Government Authorities by Municipal Council.
311. Municipal council or any committee vested powers by council any tender procedure as a hole or separate with is considered as the entity in the event of leasing out rented out of the property of Municipal Council and the procurement committee means any other committee appointed for any tender procedure or tender procedures by the council.
312. Following methods should be certified by the tender procedure under these regulations :
 - I. Tendering with qualititiveness within stipulated time enabling to provide maximum economic advantages with high quality
 - II. Taking action to maximum financial gains to the fund compliance with effected written law
 - III. Providing fair equal and maximum opportunities for participation tenders to qualified partners
 - IV. Certifying transparent and legitimately of evaluation and awarding procedure
 - V. Completion of tender procedure with more transparency enabling to acknowledge duly information pertain tenders to the public

313. The tender procedure relevant to lease out the properties of Municipal Council should be completed as protecting following methods :
- I. That certifying the maintain of process ensuring the right of information to the public regarding details of tender subjected to limits of written law
 - II. The offers who are engaging in tender process should not use their authority in undue manner. They should not use their position in tender process for obtain benefits himself, his family members or business partners.
 - III. All officers relevant to tenders should publish that they have no any connection within the tender process if such doubt is arisen the relevant officer should declare the relations and should resign from the tender procedure.
 - IV. Obtain any personal benefits through tender process should be prevented. Any gift should not be received and should not be subjected to any motivation No person shall affect the interest of tender or act making adverse effect on such interest
- 314.
- I. The mayor of Municipal Council should propose resolution to appoint a tender committee and an evaluation committee relevant to tender procedure pertain to lease rent out or sell the property belongs to Municipal Council or to maintain the liabilities with private sector.
 - II. In presentation such resolution, matters should be confirmed that prior requirements has been completed for the purpose.
 - III. The Municipal Council should appoint a permanent tender committee and evaluation committee described under these regulations.
315. The tender committee should complete the following matters and confirm to the council accordingly.
- I. To maintain required communications with all stakeholders in the tender process
 - II. To prepare prior qualifications ,documents specification documents biding documents and submit them to evaluation commit to review and approve
 - III. To arrange dates and information prior to obtain evaluation report
 - IV. To deliver minutes notes of the meeting of evaluation committee and tender committee
 - V. To produce relevant request to provide necessary assistance for easy to implement tender procedure and all other incidental matters
 - VI. To maintain all information and steps relevant to tender procedure with transparent manner
316. To responsible pertain to recommendations of tender committee and evaluation committee produced to the Council.
317. Tender committee and evaluation committee should implement whole tender procedure asdescribed by these regulations.
318. All these members of tender committee and evaluation committee should give priority to the duties of tender committee evaluation committee other than the normal daily works.
319. Tender committee should satisfy whether following matters were completed regarding tender process :
- I. That they have appointed
 - II. Review and accept the tender time table for awarding as planning
 - III. Publishing advertisement regarding tender in the first meeting selling the documents of bid invitation determine the dates of closing and inviting bids.

320. The technical evaluation committee should satisfy that following matters have been completed :
 - I. Making concurrence with tender committee pertain tender time table for awarding within minimum period.
 - II. That recommendations made to tender committee to obtain written clarification from bidders and proper time.
 - III. Compliments have been recommend when necessity arise to biding documents
 - IV. Participations to discussion on notice issued by tender committee
 - V. Certifying that the agreement and draft prepared by the council are compliance with decision of tender committee and that their recommendations have been produced to the tender committee
321. In the event of extraordinary instances unanimously passed by the Council and necessity arisen to process deviated from normal tender procedure, the reasons for the same may be stated by the Financial Committee to the Municipal Council, and the Council should consider the facts and take a decision pertaining to the tender procedure subjected to the approval of Assistant Commissioner of Local Government.
322. All tender committee appointed by the Municipal Council under these regulations shall be consisting with Mayor of Municipal Council, Urban Commissioner and an officer nominated by the Assistant Commissioner of Local Government of the District relevant Local Government Authority and in addition to this ,other members should be appointed not more than 5 in numbers. Appointing the members as such it is compulsorily for them to be the members of the councilors and women representation should be taken in to account.
323. The Chairman of the tender board shall be the major of municipal council.
324. In the event of the mayor of a tender committee fails to attend meeting due to any reasons or he is unable to act as the chairperson of the board. To enable to the board should be temporally appointed as acting mayor.
325. The mayor should appoint all evaluating committee on the decision of the council.
326. The mayor should appoint an officer of the Council as Urban Commissioner for all tender committee on the decision of the Council.
327. Any member of evaluating committee for the tender procedure should not be appointed as a member of both tender committee and evaluation committee.
328. Where the necessity arisen regarding any specified matter or drafting and evaluating bid documents the evaluating committee may obtain specialized instructions from external persons or instructions after reporting to the Counsel.
329. The payments made for the members participation to tender committee and evaluation committee shall be compliance with orders and instructions given from time to time by the Commissioner of Local Government Authorities.
330. Where a member of tender committee, could not attend to a meeting on any reason or mater such member should inform to the Urban Commissioner in written the absence of meeting.
331. In the event of any member is absent, the number of present members exceeding the 50% of all members they are able to decide the continue meeting if absent member has any observation such observation should be delivered among other members by Urban Commissioner of the Committee.
332. The Urban Commissioner of such committee should deliver the minutes of the meeting within a week to the absent member if he produces the observation within 3days, it should be submitted to the mayor and the mayor should produce it to the relevant committee.

333. Any member of tender committee or evaluation committee is absent to following three meetings without acceptable reasons, he should be considered as interdicted from the member and the Urban Commissioner of the Committee should report to the Commissioner of Local Government and the Council.
334. The Urban Commissioner should inform the date; time and place conducted all meeting in consulting with the mayor.
335. A consolidated first meeting of tender committee and evaluating committee should be Conducted for the concurrence petering to tender timetable, tender method and the bid invitation documents.
336. The details and the time should be prescribed according to tender timetable
337. The Secretary of the Committee should maintain an attendance register for the members
338. The minutes of the Committee meeting should be reported according to the manner approved by the Council and the members presented should certify it.
339. Any member of Tender Committee may report that he is not agreed with the decision. If so, reasons for non-concurrence should be attached to the Committee report as a separate annexure.
340. The Urban Commissioner of the Council should provide provisions for the safety of reports and such reports should be kept in safety at least 12 years.
341. All members of tender committee and evaluation committee should sign a declaration about their impartiality honesty having no personal connection at the first meeting of such committee.
342. The Financial Committee authorized by the Council or the Council should determined
 - I. The performance of tender committee and evaluation Committee
 - II. Should review the post tenders selected randomly
 - III. A method should be adhered that randomly verifying whether the formality in attending the meeting and decision taken by the members are compliance with these regulations and reputed tender procedure and the Council should review such reports from time to time and take necessary solutions
343. In the event of examine or prove that a members of tender Committee and evaluation Committee in discharging the duties of the same has been worked irresponsibility, carelessly or without due attention the mayor should take following steps to report to the Commissioner of Local Government Authorities Mayor.
 - I. Giving instructions to expedite the tender procedure in reproducing tender time table
 - II. Giving instructions to follow correction procedure
 - III. Propose to the Council in order to take action to correct the membership.
344. Planning the completely tender procedure should be made compliance with tender plan in order to certain that a project has been completed within prescribed time.
345. Invitation of bid or inspections prior qualifications of bidders should be made with the approved of the Tender Committee.
346. For main tender plan
 - I. The Urban Commissioner of the Municipal Council should prepare main tender plan the approved of the Council for the purpose should be granted
 - II. Expected tenders should be listed in the key tender plan at least for a period of one year
 - III. Key Tender Plan should be updated during the period not more than 6 month

347. Steps of each tender should be included methodology in two storages from commencing the tender procedure up to closing. The urban Commissioner should prepare the plan.
348. The first stage of the tendertime table should be the procedure from commencing the tender procedure up to preparing the drafts of invitations bids and the Urban Commissioner should responsible to prepare the first stage without delay and to monitor regarding regularly updating.
349. All tender events after preparing bid invitation documents should be included in to second stage of the timetable
350. The relevant tender Committee should responsible to consider the tender timetable and to approve in the first meeting and the mayor should submit the draft of tender timetable and relevant tender documents to the tender committee.
351. After making agreement regarding tender timetable the mayor of the tender Committee should regulate the relevant tender committee in consultation with member of evaluating committee and should be reported to the Council according.
352. It is the responsibility of chairperson of tender board to explain the reason for considerable delay and remedial measures for the same and informing in the Council regarding the same
353. The officer authorized by the Council may begin to draft bid invitation documents even prior to appointed evaluation committee.
354. Basic information should be with successful bidder such as criteria confirming the direct eligibility and requirement for appropriate and relevant for bidder to prepare bid or shopping method shall be included in invitation for bid
355. Relevant matters ordered by regulations should be included in the instructions for bidders.
356. Blacklisted partners determined by the Council should be updated and published from time to time by the Council.
357. Following matters should be clarified by bid security.
 - I. It is not allowed for the bidder to withdraw or amend the bid during validity period.
 - II. As per the criteria discribed in the bid, prices of bid will be agreed upon after rectify mathematical errors.
 - III. If the tender is awarded within valied period,the bidder will accept the tender award.
 - IV. That the bidder produce the performace bid security prior to closing date specified in the bid invitation document

Any method of Following Shall be aplicable for bid security.

- i. Presentation of bid security statement,
if bidder failed to fulfill conditions of bid security statement in the stipulated format declaring the consent that subjected to suspend awarding property or other of the Council to the bidder for any specified period.
- ii. Prescribing to produce suitable bid security or cash deposit
- iii. Taking action under above subsection (II), the Council should select one out of following alterations.
 - (a) Obtaining a surety for bids only as a certificate for an amount payable at one equal to one to two percent (1% to 2%) over the estimating value
 - (b) Obtaining a surety for bids only as a certificate for an amount payable at one equal to five decimal to one percent (0.5% up to 1%) over the estimating value

- iv. If a bid security is offered in the form of a security, guarantee or guarantee, it must be canceled and converted into cash unconditionally upon first written request by the Municipal Council
 - v. If the bidder fails to comply with the terms set out in this directive, the Municipality Council shall transfer the security to the Council Fund
358. At least one day before the closing bid after payment prescribed fee if any, should give to provide to any bidder to obtain copies of bid invitation document during office hours by post or personally
359. Any bidder who is willing to check bid invitation document, should be allowed to check such document free of charge.
360. Provisions should be provided to obtain bid-inviting documents from head office or sub offices.
361. If any specified charge is imposed to purchase bid invitation document, such amount should not be the high amount, which make discourage the bidders.
362. the Council should maintain a report pertaining to issue bid inviting document.
363. The time allocated for inviting bids should be sufficient fairly for preparing bids.
364. Bids should be received,
- i. through resisted post or,
 - ii. Delivered bids personally to the officer authorized by the Council at the place specially determined and receive the receipt, or ,
 - iii. If it is stated in the bid inviting document that a sealed tender box is available, through delivery to the sealed tender box provided for the purposed at each place by Urban Commissioner.
365. A condition should be included in the bid invitation document that all bids should be produced under sealed cover.
366. Receiving of bids should be closed at the time stated in bid inviting document. Delayed bids should not be received and should be returned without opening.
367. The responsibility of opening bids is vested to the tender Committee. The tender committee may vest such authority to the tender opening committee and such committee should be consisting with two members approved by tender Committee.
368. Immediately after closing of bids, the bids should be opened in the present of bidders or their representative.
369. Any bids received at fined time or period closing bids, should not be rejected at opening occasion.
370. Only the bid marked as “Original Copy” should be opened. The “copy” should not be opened.
371. The envelop marked “ withdrawals” if any at the closing time or prior to closing bid, should be opened first. If the bid opening committee is satisfied with the contained and authentication of the withdrawal letters, the bidders original bid should not be opened. If the bid opening committee is not satisfied with the content, original bid should be opened together with the other bids. If the envelop marked “modification” should be opened with original bid.
372. The bid opening Committee should read following matters to the persons present.
- i. Name of each bidder and the amount indicated in the bid format.
 - ii. Whether, the bid security statement is presented or not in the bid security.
 - iii. Any discount produced if such amount and
 - iv. Any other relevant information with the concent of bid opening Commetee.

373. Bid opening should be reported in a specified format and such report should be signed by all the members of bid opening committee.
374. Immediately after opening of bids original bid documents and together with all reports should be sealed and handed over to Urban Commissioner. The Urban Commissioner should hand over them to Mayor of evaluation committee.
375. The objective of bid evaluation is to determine the highest bid which has been evaluated and responded to in the summary.
376. In evaluation bids, evaluation bids should be made under following stages
 - i. Checking bids
 - ii. Detailed bid evaluation
 - iii. Post experiences

Determine qualification and experience of bidder with evaluated minimum price.

377. In checking bids, following matters should be conformed
 - i. The bidder has qualified
 - ii. Placed signature on the bid
 - iii. Legitimately validity of the bid
 - iv. No deviation from provisions stated in the bid invitation documents
378. Where any instances, any regulation's stated above close 379 pertaining to the bid produced was not confirmed, relevant bid may be rejected.
379. After checking the report of tender committee and obtaining necessary clarification from evaluation committee, the tender committee should implement one any provisions stated below clause (i) and (ii)
 - ii. (a) recommendations of awarding tender may be produced to the Council
- (c) Considering the observations properly, the tender committee may request to reproduce a report from evaluation committee
 - iii. If the tender committee continue to arise issues pertaining any specified matter in the report of evaluation committee, such arisen matters should be discussed with all members of the evaluation committee in order to settle the crisis. if the members of the tender committee is unable to take a decision regarding such issue, the decision of the majority of tender committee members should be effected.
380. After producing the recommendation of tender committee regarding tender awarding to the Council, the Council should determine to select successful bidder and to award tender to such bidder.
381. After determine the tender awarding by the Council within the valid period of bid, the Urban Commissioner should issue the letter of awarding
 - i. The date of submission of bid security for agreement
 - ii. The date and place of the agreement entered in between the Council and bidder and date of producing the proposal, if any
382. Inform the aggrieved bidder of the reasons for the lack of success pointing out the specific shortcoming in its bid with out disclosing contents of other bids.
383. After the notification of contract award, a bidder who wishes to ascertain the grounds on which its bid was not selected should address its request to the Mayor of the Council.

384. Where any instances, such request has been produced to the Mayor, only the information relevant to such request should be informed to the bidder.
385. After fulfilling requirements mentioned under these regulations and completing provisions of Section 229 of Municipality Council Ordinance Number (Chapter 253), the Council and the bidder should enter in to relevant agreement on specified date and time.
386. Prior to entering to the agreement with the Council, the Urban Commissioner should confirm to the Mayor that the draft agreement has been approved and relevant security for the agreement has been completed.
387. The Council should publish
 - a. Total number of bid received
 - b. Name of successful bidder
 - c. The amount at which the contract awarded through proper communication media
 - i. When a bid security declaration is requested with bids and any specialized bidder failed to fulfil any condition mentioned in such security statement, the Mayor should promptly inform to the commissioner of Local Government Regarding such failure and should report to the Council Accordingly.
 - ii. After receiving such reports, the Mayor should allocate concessory time for answering.
 - iii. Upon receipt of such notification, if no satisfactory reply is received the bidders name shall be included in the defaulted contractors database maintained by the provincial council on the approval of council by Urban Commissioner.
388. Whatever mentioned contrary prior to under these regulations regarding implementation investment project with the participation of private sector, should be given the priority to regulations mentions under this clause and should be applicable as necessary.
389. In implementation investment project with the participation of private sector, the council should appoint a special tender committee an evaluation committee comprising with qualified persons.
390. When the council has approved a resolution for implementing investment project with private sector including proposals for project activities identified or unidentified projects by the council. Following requirement for the purpose should be fulfilled:
 - I. National Competitive bid invitation procedure should be followed for bid invitation.
 - II. The lands relevant to implement project are without liabilities and having unfettered possession of the council.
 - III. Identification of a project whether it is a project passed by the Council or a proposal in the process of identification and intended to be implemented.
 - IV. Identification of the project whether approved by a resolution by the Council or project being identified for implementation.
 - V. Identify gross valuation of contribution of the council relevant to whole investment.
 - VI. To implement such a project completion of all other requirement where necessary to implement the same without any obstacles.
 - VII. In the event of approving condominium plans according to property investment nature of project subject.

- VIII. Members of tender committee should be consisting minimum seven and it should be compulsorily include the Mayor, councilor represented the council urban commissioner of the council and a member representing commissioner of local government of the province.
- IX. The evaluation committee should be consisting with five members with a member having knowledge regarding implementing private and government joint venture project and tender procedure .
- X. Obtaining assistance of external instructors under guidance and supervision for drafting bid invitation document and evaluation bids by the evaluation committee.
391. Whatever mentioned prior to these regulation, orders mentioned under these clauses regarding leasing, renting out fair and leasing, renting out meat stall, fish stall in short time, should be priority and applicable as necessary.
392. Regarding annual leased, renting out should be based a calendar year.
393. When the properties leased or rented out are vested to the Council compliance with Sections 32 and 37 of Municipal Council Ordinance, the tender committee should produce the recommendation of financial committee to the Council that the requirement mentioned in the law regarding renting out leasing out for the calendar year has been fulfilled.
394. Tender procedure regarding properties relevant to enter into agreement for upcoming calendar year, should have commenced from 1st of September in the current year.
395. Determining the bid value pertain properties should be made on valuation report of Chartered value.
396. Tender Committee of first meeting should determine that the council has legitimately right to enter into agreement relevant to all properties.
397. Tender committee should report to the Council whether advertisements are published in the newspaper for bid institution or the reasons to publish bidding notice following alternative methodology and the recommendation pertain to alternative methods.
398. After producing evaluation committee recommendation to tender committee as qualified bids out of bids presented in bid invitation the tender committee should submit recommendations pertain to move advantages successful bid to council through Financial Committee.
399. The urban commissioner of the council should inform in written the decision of relevant awards to successful bidder after determine the successful bidder by the Council.
400. After awarding make to successful bidder if the failure of entering in to relevant agreement (with or without submission of fair reasons) on the date mentioned in the letter of award the tender committee should promptly meet and report the recommendation regarding the measures to the council.
401. Where the lessee or renter expected to terminate the agreement remain the times within the year or agreed period, tender committee may recommend a bidder among bidders qualified prior invitation bids on the recommendation with evaluation committee for the balance period in the year and, or the tender committee should recommend the profitable alternative procedure to the Council. Inviting bidders in front of the tender committee and discuss should be legitimately.
402. When the failure of entering in to the agreements on or prior to the specified date allocated for agreement under letter of award or provided additional times for the purpose. The Urban Commissioner should properly report to the tender committee regarding the immovable properly not entering in to the agreement within such period.
403. Tender committee should submit recommendation parting to measures taken accordingly within one week to the Council.

404. Where this is one more than qualified bidders pertain to any property ,if tender committee recommends one bidder has more Profitable bidder, contract may be awarded to such bidder, and recommendation of tender committee to follow relevant steps up to only the qualified bidders shall legitimating.
405. In the event of not having more than one qualified bidder or qualified bidder rejecting the tender awarding regarding any properties, Mayor should take necessary action to follow same tender procedure again in terms of these regulations.
406. In leasing out or renting out of immovable property, bid value, prior cash value and rent should always be determined based on values certified by government or private chartered value.
407. Even though,whatever mentioned prior under these regulations, regulations mentioned under this clause regarding sale of movable and immovable properties of the council should be given priority and applicable.
 - I. According to the manner, the immovable properties belongs to the Council ,a special committee appointed for the purpose should be provided that no obstacles in any manner for sale in terms of conditions mentioned in the transfer ledger under or any other manner.
 - II. After submitting a report under above regulations to the Mayor by Urban Commissioner. The mayor should provide a resolutions for the permissions of the Council and obtaining the approval.
 - III. Permanent tender committee for the tender procedure or tender committee appointed for the purpose should identify the relevant property and recommendations pertain to property value should be submitted to tender committee on valuations reports obtained from Chartered value situation pertaining for sale of property or from the persons with specialized knowledge under the evaluation committee appointed for the purpose.
 - IV. In the event of movable properties, tender committee should determine bid value of each goods based on separated assessed value of goods and recommendations pertain to suitable tender procedure as gaining maximum benefit to the Council.
 - V. In the event of immovable properties, such property should be sold at more advantage value on the invitations of bid under public auction through advertisement published to the public under public newspaper or publishing any other manner proposed by Tender Committee.
 - VI. The goods which are available to sell same time under movable properties should be mentioned separately and bid value should be immediately assessed in the tender process. And if any reasons are available to obtain bid value not considering as items related matters are determined at a meeting held together with evaluations committee and tender committee and should be obtained the approval of Council.
408. Even through whatever mentioned prior under these regulations regarding leasing out,renting out lands buildings belongs to the Council on long term basis, following provisions should be priority for the purpose:
 - I. In the tender procedure relevant to leased out or rent out of lands belongs to the council for a period more than one year even through whatever mentioned under these regulations orders contained in this paragraph should be priority and applicable and tender committee should recommend to the council that followings matters have been fulfilled accordingly.
 - II. In taken action to rent out or lease out or sell their movable property (land or buildings) by Municipal Council, the tender committee should provide recommendations that provisions of Section 229 of Municipal Council Ordinance (Chapter 229) have been fulfilled for the purpose.
 - III. Identifying lessee party regarding all buildings proposed to lease out by the Council should be made under duly tender procedure described on these regulations and period of the agreement should be specifically noted in the tender notice. Accordingly, the agreement period should be considered as the period mentioned in the tender notice and tenders should be awarded accordingly.

- IV. The agreement entered with selected lessee under duty tender procedure for any period pertain to own property may be accepted the right of heirs of lease only for the agreed period.
- V. When only the consortium made using previous fund, no obstacles to accept the consent of renewing the period of agreement subjected to conditions mentioned in the agreement accepting period of lease in the agreement for lease ownership of the buildings so constructed.
- VI. When the Lessee or renters are ejected from the properties leased out or rent out by the Council for development activities of such buildings or any other necessity. The council may take action to provide alternative places subjected to the conditions of the agreements only for the agreed period.
- VII. When the trade stalls are provided to previous lessee under new facilities of trade complex constructed after ejecting lessee for development purposes, these regulations should not be obstacles to enter into agreement with above lessee for the balance period of such agreement considering as the lease rent determine on the basis of assessed value made by the Government valuer.
- VIII. Monthly rental should be revised on the assessment made by a Chartered Valuer or Government Valuer relevant to all lands buildings leased rent or rent out by Local Government Authority at once in three years from the date of commencing the agreement.
- IX. In addition to prescribed amount, it should be published in the tender notice that assessment tax also should be paid from the relevant period and such matter should be entered in to the agreement accordingly.

Charges recoverable to the Municipal Council

409. All charges other than stamp duty recovered by Municipal Council should be the charges determined and published by the Council compliance with provisions mentioned in the written law authorities to Local Government Authorities for determine the charges.
410. The Local Government Authorities may recover stamp duty regarding transfer of lands within the territory of Municipal Council in terms of the Statutes enacted by the Provincial Council for the purpose or in accordance with any other written law.
411. The charges payable to Municipal Council may pay in the manner provide provisions under these regulations.
412. Prior to recover stipulated charges the officer authorized to power should satisfy that requirement in the written law has been fulfilled in all manner.
413. In the event of charges recovered regarding a permit receivable from Local Government Authorities, such free should be as charges recovered in order to issue prescribed permit and fees should not be charged prior to issue permit.
414. A register regarding business, industry under annual license should be prepared according to the survey conducted prior to 31st of March in the current year and the authorized officer for the purpose should take prompt action to make complaint to the Magistrate Court rerating to authorize industry business on the information of such survey.
415. The report prepared under above clause should be included following information:
 - I. Name of industry or business,
 - II. Grama Niladari devotion,
 - III. Nature of industrial business,
 - IV. Assessment tax number, if any,
 - V. Name of person maintain the industrial business.

416. The value of charges paid to Local Government Authority, should be confirmed by the authorized officer.
417. The report pertaining to charges recovered to the Fund of Local Government corresponding Calendar Month should be submitted to Commissioner of Municipal Council.
418. The officer authorized by the Urban Commissioner should maintain a register relevant to the court procedure arising pertain to the payment made from the fund of Municipal Council.
419. The Municipal Council should make procumbent regarding goods, work services; information system and supply subjected to regulations order by the national procumbent commission for the procumbent guidelines should be applicable for the purpose. Working under direct labour

Working under direct labour.

420. In implementation project under direct labour system by the Municipal Council following step should be fulfilled
 - I. Municipal Council should launch project works under direct labour systems compliance with estimates approved for the purpose and in the event of any revisions such revised estimate should be approved by the Council or the manner authorized by the Council for the purpose.
 - II. The estimate prepared by the Municipal Council for works implemented under direct labour system should be approved by the Council
421. Financial differences considerable regarding estimate value under direct labour should be published from time to time by competent Authorized for the purpose in relevant Provincial Council.
422. Information should be maintained regarding employees engaged in service and daily balance and labour used in all works sites functional under direct labour.

Interim provisions

423. Even though any type of financial reporting system is utilized as at 01.01.2019 by any Municipal Council, Financial reporting of Municipal Council should be made compliance with Sri Lanka Public Sector Accounting Standards for the Local Authorities from 01.01.2020. However, parallel to the budget proposal implemented for the financial year 2019 prior to 31st 12-2019, a budget proposal passed by the Council should be situational applicable subjected to these regulations for the financial year 2020.
424. The Municipal Council should clearly mention in the first financial statement that Sri Lanka Public Sector Accounting Standards for the Local Government Authorities are compliance to the Municipal Council and the and the Municipal Council should consider following actions that should be considered as first declaration.
 - I. Where financial statement has not be presented for prior period or
 - II. Submitting of latest prior financial statement according to principal with Sri Lanka Public Sector Accounting Standards for the Local Government Authorities regarding all matters or
 - III. If latest prior financial statement are presented, compliance with Sri Lanka Public Sector Accounting Standards for the Local Government Authorities.
425. Whatever mentioned in the financial statement prepared prior to the date of 1st of January 2020 assets and liabilities status should be prepared according to provisions mentioned under these regulations as at 1st of January 2020.

426. Except where provisions are external within following clauses under this paragraph Municipal Council should include following information in the operating assets and liabilities statement.
 - I. All assets and liabilities should be identified through Sri Lanka Public Sector Accounting Standards for the Local Government Authorities Assets or liabilities items, which are not permitted to identifying through Sri Lanka Public Sector Accounting Standard for the local authorities.
 - II. Other types of assets liabilities or component of mass under Sri Lanka Public Sector Accounting Standards for the Local Government Authorities should be classified again all items identified as the same type of asset liabilities or component of mass under previous financial reporting.
 - III. In measuring all identified assets and liabilities assets and liabilities Sri Lanka Public Sector Accounting standard should be used
427. Accounting policies used Sri Lanka Public Sector Accounting Standard for Local Authorities in opening assets and liabilities declaring may be differ from the accounting stranded used from the financial statement prior to the date of 1st January 2020. Adjustment is arisen as other incidents, positions, or results. Therefore the Municipal Council should identify them as adjustment (in appropriate other type within net asset mass) to surplus or defect as at 1st of January 2020 of transition to Sri Lanka Public Sector Accounting Standards for the Local Government Authorities.
428. A Municipal Council submitted its financial statements recently compliance with Sri Lanka Public Sector Accounting Stranded for Local Authorities may be selected to use revalued value of property plant and equipment used in presentation of Sri Lanka Public Sector Accounting Standards for the Local Government Authorities.
429. Property, plant and equipment or any property plant and equipment class unidentified in the prior financial statements by the Municipal Council.
 - (a) The municipal council may identify and select the market value of property plant and equipment acquired prior to migration to Sri Lanka Public Sector Accounting standards for Local Authorities or market value of property plant and equipment of any relevant classes as at the date of the migration Sri Lanka Public Sector Accounting Standard for Local Authorities.
 - (b) Property plant and equipment or property plant and equipment of any class acquired prior to the date of migration Sri Lanka Public Sector Accounting Standards for the Local Government Authorities and unidentified properties, plant and equipment previous financial statements except properties plant and equipment purchased financing from half or fully arrears loans as at the date migration Sri Lanka Public Sector Accounting Standard for Local Authorities.
430. A Municipal Council who did not identify any property plant and equipment class may identify as value to the date of valuation of relevant property plant and equipment after deferring the market value of property plant or equipment as at previous report date.
431. The Municipal Council should identify surplus or depict as adjustment after recognizing carrying value of assets and liabilities according to above order.
432. The Municipal Council should produce opening assets and liabilities (as at 1st of January 2020) statement prepared in terms of this standard as comparative information in the first financial statements compliance with Sri Lanka Public Sector Accounting Stranded for Local Authorities.
433. The Municipal Council may submit comparative information related to previous financial period in amplify revenue statement of first financial statement prepared using Sri Lanka Public Sector Accounting Standards for the Local Government Authorities on the basis of principals identifying and measuring General objectives in the financial statement produced by Municipal Council for such period.

434. Municipal Council should clarify impact to mass and financial performance reported in the migration to Sri Lanka Public Sector Accounting Standards for the Local Government Authorities on the basis previous financial reporting in order to transition to Sri Lanka Public Sector Accounting Standard.
435. Municipal Council should disclose the following for identifying classes of any class of property plant and equipment.
 - I. Selecting in the financial statement
 - II. Class or classes of property plant and equipment
 - III. Identifying any property plant or equipment not relevance for selecting due to obtaining loans and
436. An entity should disclosure the date of identified carrying value as market value in respect of property, plant, equipment or property, plant, equipment of any class
437. To adhere with preceding clause, following should be including first financial statement prepared as per Sri Lanka Public Sector Standards for Local Government Authority by Municipal Council.
 - I. A description all revision nature of Accounting Standards.
 - II. A comparison of net assets/ equity determine as per the basis of prior used financial reporting with the net assets/ equity determine as per Sri Lanka Public Sector Standards for Local Government Authority which was migrated to Sri Lanka Public Sector Standards as at 01st of January 2020.
438. Sri Lanka Public Sector Standards for Local Government Authority shall be effected for financial statement as at 31st of December 2019 or for the period ended on such date. If Municipal Council applied these Standard for the period ended as at 31st of December 2019, it should be disclosed such matters.
439. In implementing specified regulations and information empowered under this regulations, powers specify any rules and regulations regarding formats and account codes is vested with Commissioner of Local Government Authority.
440. Unless the context otherwise requires, in these Regulations.

“Productivity” means connection between actual target and service perform target

“Efficiency” means connection between (a) input and output or (b) input and result.

“Input” means resource utilized by Municipal Council to produce an output.

“Output” means services rendered Municipal Council to produce an output.

“Result” means the social impact could be applied reasonably
441. In the event of any inconsistency or discrepancy between the Sinhala, Tamil, and English texts of these rules, the Sinhala text should prevail.

NORTH CENTRAL PROVINCE PROVINCIAL COUNCIL

Notification

I, Mahipala Herath, Governor of North Central Province and Minister in charge of the subject of Local Government of North Central Province, in terms of powers vested in me under Section 2 of Provincial Council (incidental Provisions) Act, No. 12 of 1989, that should be read with Section 193 of Urban Council Ordinance (Chapter 255), do hereby impose rules regarding Financial Administration of Urban Councils with effect from 1st of January, 2020.

MAHIPALA HERATH,
Governor,
Minister in Charge of the subject of Local Government,
North Central Province.

At the Governor's Office of North Central Province,
10th June, 2020.

RULES

01. These rules are enacted to make arrangements to implement Sri Lanka Public Sector Accounting Standards for the Local Government Authorities and to provide provisions in the financial administration of Urban Council.
02. These rules shall be cited as “rules on accounting of financial administration of Urban Council”.

CHAPTER 1

General

03. Unless in accordance with provisions mentioned in written law regarding collection or payment of any amount out of the fund of Urban Council should not be effected.
04. Financial year of urban council will be commenced 1st of January and ended 31st December of each year.
05. i Chairman of Urban Council should be the chief Accounting Officer of Urban Council fund and he should be responsible regarding the following methods.
 - a. Obtain the decisions from Urban Council regarding the matters that should be determined by Urban Council by written law.
 - b. Taking action to implement decisions immediately regarding the matters empowered by any written law determined by the Council.
 - c. Function the responsibilities and function in proper manner that should be implemented for the Council or vested into Chairman by law.
 - d. Entrusted powers and functions in proper manner to the staff of council and responsible whether the powers and functions so imposed implement in proper manner.
- ii. Secretary of Urban Council will be the chief accounting officer to the fund of Urban Council.
06. Maintain of activities of Urban Council with proper financial management in accordance with any written law and in accordance with procedure contained in such written law shall be the duties of Chairman and . Secretary of the Urban Council.
07. Where any un authorized payments was approved by the Council, such payment should not be made by the Chairman as the chief accounting officer and in the event of any loss caused to the fund of Urban Council due to negligence or misconduct, the Chairman and the .Secretary should take action to identify loss and recover the same from responsible party.

08. Presentation of accounts of the fund of Urban Council should be prepared in accordance with Sri Lanka Public Sector Accounting Standards for the Local Government Authorities as provides further provisions by these regulations and should be taken action to submit the account of each financial year to the auditor general on twenty eight day of February or before the same date of following financial year.
09. As the chief accounting officer and accounting officer should certify to maintain as certifying the staff including. Secretary, officers of Urban Council that the safeties of the fund of the council collecting revenue to the fund and spending collected revenue should be made in accordance with the written law and to the annual budget.
10. As the chief accounting officer and accounting officer should certify that the financial and accounts operation and management are maintained subjected to general supervision and management of the Chairman and Secretary in accordance with the provisions mentioned in relevant written law.
11. After taking action according to the provisions of written law and where the provisions are not provided in the annual budget the Chairman and Secretary of the Urban Council should take actions not to make liabilities with second parties relevant to any expenses.
12. The Chairman should maintain financial management as certifying following matters.
 - I. That revenue and expenses of head office of the council and sub offices are properly managed.
 - II. That financial activities of the Urban Council have properly planned through classification of expenses according to program and relevant to budget and the Chairman that applied public financial regulations or provisions mentioned under financial management regulations under each provisional council regarding the matters not covered by these regulations.
 - III. That the urban Secretary has prepared and implemented internal program pertaining collecting revenue of the council.
 - IV. That proper management mechanism has been created for the satisfaction that information is updated.
 - V. That the program included in development plan and annual budget are successfully implemented and certifying that the accrued benefits are tally with expenses.
 - VI. That taking action to recover the income that relevant officers employees according to budget within prescribed period and it has been properly accounted.
 - VII. That internal auditing is properly maintained in the Urban Council
 - VIII. That necessary action has been taken for the protection of all movable and immovable properties in the Urban Council
 - IX. Certify that monthly bank reconciliation statements are prepared before fifteenth (15) day of next month ending a month
 - X. Certify that necessary insurance procedure has been taken regarding other valuable things including delivery of Roadway cash.
 - XI. Satisfaction that required deposits have been made regarding officers relevant security ordinance including financial and store activities.
 - XII. Taking action to obtain approval of the council after preparing and submitting annual development plan relevant to four year development plan.
13. when a loss, damage of Urban Council or fund of the council, having connections with any officer, bearer or employee of Urban Council a board of inquiring comprising three suitable officers should be appointed by the Chairman to identify such loss, damage and to determine the responsible for the matters.
14. In the event of the reports of inquiry board appointed by Chairman is produced to himself action should be taken to recover respective loss damage from respective persons.
15. In the event of any disclosure in the inquiry conducted under above clause 13 that responsible person for relevant damage, loss as committed any misconduct or any act connected to negligence of duties that effected to loss as committed any

misconduct or any act connected to negligence of duties that effected to right of Government, Provincial Council or Urban Council, disciplinary authority should be reported to take disciplinary action regarding the matter.

- 16 In respect of a loss damaged identified as per above clause 14 from party or parties deem to be responsible ,in the event of same cannot be legitimately recovered or such amount can be neglected a resolution could be made by Chairman to considered as an amount cannot be recovered under written law.
- 17 If the Urban Council maintain the sub offices, officer in charge of all sub officers and all officers should be responsible to certify that following measures are taken regarding the maintain relevant financial activities.
 - I. To responsible for making all functions entrusted to themselves in accordance with written law and decision of the council immediately.
 - II. Taking action to recover all income, in terms of written law within the area of sub officers, in to the fund of Urban Council in terms of written law.
 - III. Taking action to properly maintain all documents and information.
 - IV. Obtaining and updating insurance cover regarding properly subjects relevant to the office with general insurance cover.
 - V. Maintain petty cash imprest and imprests with value determined by the council for sub offices.
 - VI. Submitting reports as daily reports monthly report, quarterly reports relevant to sub office accounting to Sri Lanka Public Sector Accounting Standards for the Local Government Authorities.
 - VII. Insuring on a report obtained assessed the assets that should be insured and protected security of all assets relevant to authorities limit and sub offices.
 - VIII. All the information relating to all respective sub officers are maintained compliance with provisions of Right to Information Act, No. 12 of 2016 and maintain the register pertaining the information.
18. The Secretary of Urban Council should monitor whether the actions are taken place according to the provisions under above clause 17 and a register regarding all the information of the head office are maintained in terms of the provisions and regulations of Right to Information Act, No. 12 of 2016.
19. The Chairman should provide necessary provisions to supply information regarding accounts of the fund of Urban Council or any other officers authorized by details requested by an investigation officer or any commissioner of local government relevant to investigation conducted regarding Urban Council or office bearer or officer.
20. The Chairman or Secretary of the council should take action to furnish answers and provide details without any delay regarding the matter or whenever inquired from Chairman or Secretary by Auditor General, Minister or Commissioner of Local Government.
21. The Chairman should take necessary actions required to maintain internal auditing of the Urban Council in terms of the of the National Audit Act, No. 19 of 2018.
22. Within a certain financial year, if any revenue with could not be recovered legitimately or happened to be given up or not an adequate amount to recover enabling to determine by the council that such amount should not be recovered, the resolution should be submitted by the major within the financial year itself or within first six months of upcoming year.
23. The Chairman should take necessary actions to maintain any machinery vehicle or other properly as not under utilizing and to maintain well with repairs.
24. In any instances which does not covered by these regulations or making a decision on such an instance for taking action or any negligence, may should adhere to the government financial, regulation or providential council financial regulations.
25. Any donation or gift awarded to Chairman Vice Chairman or any other counselor Secretary or any other officer should be deem to considered as donations received to Urban Council.
26. Abudget report of Urban Council for coming year should be prepared in accordance with Sri Lanka Public Sector Accounting Standards for the Local Government Authorities by the Chairman inquiring committee of council and in terms of the provisions provided her win after and the format given by the Commissioner of Local Government.

27. Conditions and all other specification in have to fulfill to be considered asa duty passed budget in terms of written law prior to the commencement of respective financial year for the budget submitted by the Chairman.
28. After passing the budget by the Council certified copies of the same should be sent to Commissioner of Local Government Authorities, District Assistant Commissioner of Local Government Authorities and the Auditor General.
29. The major may prepare and submit the supplementary budget made in accordance with Sri Lanka Public Sector Accounting Standards for the Local Government Authorities relevant to additional income in any instances within a financial year. In the event of presenting a supplementary budget for depreciation allocation by Urban Council, should not be corresponding to the income.
30. Until the committee on finance consider and make recommendation regarding any budget or supplementary budget produced to the Council, the Council should not consider it.
31. Where the provisions allocated are not sufficient for any expenses or subjects by budget or supplementary budget, the Chairman may provide required provisions through allocations under other heads.
32. All budget or supplementary budget legitimately adopted by the general meeting of Urban Council should publish for public for information.
33. A fund shall be established under limitations and provisions mentioned in basic law for Urban Council.
34. All moneys accrued for Urban Council should be maintained as accounts under banks approved by minister of finance.
35. Signing cheques and drafts under accounts relevant to the fund of Urban Council should be made by two officers of Urban Council.
36. Specimen signatures of officers that should be placed signatures on cheques and drafts under accounts relevant to the fund of Urban Council should certified and submitted to the banks by chief accounting officers of local government authorities.
37. Business hours of Urban Council shall be as determined by the council.
38. Moneys paid in to the credit of the fund of Urban Council shall be deposited daily in the bank unless otherwise authorized by the financial committee.
39. In the event of cheques issued for the payment by cheques for the fund of Urban Council will be dishonest, order should be made to the payer for the payment of such amount in cash.
40. Maintaining of accounts relevant to fund of Urban council and all matters incidental including accounting should be the manner hereinafter and in accordance with Sri Lanka Public Sector Accounting Standard.
41. Chief Accounting Officer should take all steps to answer every audit quarries issued to Urban Council without any delay.
42. All properties belongs to Urban Council should be enter in to inventory and board of survey should be conducted for every property end of each financial year according to Sri Lanka Public Sector Accounting Standards for the Local Government Authorities as per the format issued by the commissioner of local government authorities end enter into inventory and update and maintain.
43. If the board of survey recommend to dispose any good items, the Chairman should submit relevant resolution to the council enabling to determine to auction such items as at 31st of March in the following financial years and to dispose the disposable items accordingly, and final report should be submitted before fifteenth (15) day of February.
44. Board of survey report should be submitted with copies and one copy should be produced to the auditor general.
45. The board of survey appointed regarding the property of Urban Council should be consisting with an officer representing District Assistant Commissioner of Local Government and the Urban Commissioner should determine the number of board of survey.
46. Every board of survey should be appointed by the Secretary and board of survey should be completed within one month from the date of appointed.

47. Store material purchased should be entered in to inventory without any later and the date and number of paying voucher relevant to purchasing should be respectively noted.
48. Any store materials should not be issued without an issuing order of Authorized officer and survey for store materials should be conducted under board of survey and should be obtain a report at the end of every financial year.

CHAPTER II

Fund of Urban Council and payment made to the fund

49. A receipt should be issued according to the format imposed by the Commissioner of Local Government in terms of Sri Lanka Public Sector Accounting Standards for the Local Government Authorities regarding any payments made to the fund of Urban Council. However in the event of any statutorily firm or a company established under company Act, No.7of 2007 or abank approved by the Monitory Board of Central Bank or Financial Institute authorized by Urban Council having an agreement with Urban Council to accept any payment made to the Urban council as a payment for Urban council fund and any electronic or manual notes, issued by such firm orinstitute for accepting respective cash and shall be considered as a receipt issued by the Urban Council.
50. In accepting money by any statutory institution company established under company Act, No.7of 2007 or a bank approved monetary board by Central Bank or any other financial firm for the Urban Council in the manner mentioned under above subsection (49) all related matters including ceding such accepted money in to the funded of Urban Council should be make interms of the agreement effected between Urban council and relevant firm.
51. Where receipt relevant to format mentioned in above clause 49 is issued it should be completed with four copies. In conformation of accepting cash, cashier should place the signature.
52. All books with counter file should be kept in the custodyof authorized officer and the commissioner of Urban Council should be responsible for the safety of such documents.
53. Keeping safeguard of all counter file books, receipts and related documents in accordance with Right to Information Act, No. 12 of 2016 shall be the duty of Urban Commissioner.
54. Report Pertain Crediting the amount recovered in terms of the agreement by any firm Authorized firm for the Urban council on the permission of accepting money for the fund of Urban Council should be submitted in the following month and reviewed by the General meeting of Urban Council.
55. Daily receipt analyze should be prepared according to the forma timposed by the commissioner of local government in terms of Sri Lanka Public Sector Accounting standards for the Local Government Authorities regarding payments made to the fund of Urban Council and the receipt under sub offices should be indicated separately.
56. consolidated monthly analyze regarding expenses compliance with format ordered by the commissioner of Local Government according to Sri Lanka Public Sector Accounting Standards for the Local Government Authorities regarding the expenditure of the fund of Urban Council should be submit to the Accounting Officer.
57. Reports regarding arrears income under self-generated revenue relevant to every calendar month should be prepared at head office and sub offices imposed by the commissioner of local government according to Sri Lanka Public Sector Accounting Standards for the Local Government Authorities and summary report of the same should be submitted to Secretary of Urban Council.
58. The Secretary should certify that only the balance amount that can be recovered from arrears balance under other revenue including assessment tax fee and rent that should be recovered to the fund of council of the end of every years has brought forwarded for the following years.
59. Petty cash impress limit that can be maintained under the fund of Urban Council should be determined by the council in accordance with Sri Lanka Public Sector Accounting Standards for the Local Government Authorities.
60. Release of advances relevant to the Urban Council should be always subjected to the maximum of rupees one lacks for a staff officer according to the estimate for the purpose.

61. However considering the structure of staff of the Urban Council, payment of advance not more than rupees twenty five thousand for non-staff officer based on the estimate for the purpose shall be legitimately.
62. A survey should be conducted to identify property of revenue resource to the fund of Urban Council in the following years within the limit of Urban Council by officers and assistants authorized powers for the purpose by the Chairman of Urban Council and should be submitted report according before 31st of March on every years.

CHAPTER III

Payments that should made from the fund of Urban Council

63. Miscellaneous payments except reimbursement travelling expenses made from the fund of Urban Council should be made by a voucher as for the format imposed by the commissioner of local government and in terms of the provisions mentioned under this order in accordance with Sri Lanka Public Sector Accounting Standards for the Local Government Authorities.
64. It should be noted that authorizing for the expenses for the payment relevant of fund of Urban Council has been made according to the provision of basic law and the Chairman should make approving the expenses and certifying the expenses should be made by the urban commissioner.
65. In each voucher council order granting authoritative power for the respective expenditure or in the event of power being granted by the council for the expenditure or and office being authorized for the expenditure such authorization should be started.
66. The voucher should be prepared by the responsible person for any service and an officer authorized for the purpose should check the voucher.
67. In every voucher should be described the service rendered specially stated and the officer checked by the voucher should place the signature satisfying that all relevant information are correctly entered to the voucher.
68. The value included to the voucher should be indicated in both ways of in words and letters and figures.
69. Any note of the voucher should not be erased or distorted and if any correction it should be altered visibility and initiated by the authorized officer,
70. Relevant confirmation to every voucher should be entered as annexure.
71. When a material supplied or works completed under an agreement contract if any works, a certificate that the works have been completed according to the conditions of agreements or contract should be attached to the voucher as an annexure.
72. If a relevant voucher is to make fined payments or retention money, the certificate issued by officer in charge of the duty certifying that the works have been completed properly and in prescribed manner and should be submitted with the paying voucher.
73. In case of vouchers pertaining to payments for receipt stores items, it has to be authenticated through certificate that such items are included in inventory book or store ledgers.
74. In any salary register or voucher or any documents for approving any payments only original copy should be certified by authorized officer and in the event of additional copies “copy” should be noted in each copies so required.

Salary for staff of Local Government Authorities

75. Payment of salary for the officers or employers who serve in a post with permanent and pensionable of provincial public service relevant to local government authorities or under membership of employee trust fund shall be as the provisions of establishment code procedural rules of provincial public service orders follow and other orders imposed from time to time by the Governor of Provincial Council.

76. Conditions should be applicable regarding employing in the service any servants for the local government authorities not in the post of Provincial Public Service of North Central Province relevant to any Local Government institute and according salary or allowances should be applicable.
77. Salary of the officers and employees of the provincial public service attached to Local Government Authorities should be paid from the fund of Urban Council and the expenses so spend should be reimbursed in accordance with the orders relevant to reimbursement of Public Salary.
78. A salary ledger including details pertaining salaries of all employees of Urban Council should be maintain by Local Government Authorities in Accordance with policies of Sri Lanka Public Accounts Committee.
79. Travelling expenses and holiday pays can be paid requesting under prescribed vouchers for the service rendered to relevant Urban Council for officer's employees who serve in a post of provincial council public service relevant to Urban Council in terms of the provisions of establishment code or provisions mentioned in procedure rule of provincial public service off North Central Province.
80. Provisions of pension salary code with the provisions of Provincial Council pension salary Act, No.17 of 1993 should be applicable to all officers; employees hold posts with pensionable salary in respective provincial council attached to local Government Authorities in the event for the non-pensionable posts respective officers should be contributed to the public employee trust fund.
81. However any person attached who is entitled for pension in the Local Government Authorities under by laws of pensions salary as at the date of effected this order shall not have any impact over the Provisions of this Sections.

Loan and investment paid from the Council Fund

82. If any excess amount of allocation for the expected services of Urban Council, such investment can be made as determined by the council in accordance with provisions of Urban Council Act, No. 15 of 1987 Chapter 255.
83. (I) A Ledger pertaining loan and recovery of loan from the fund of Urban Council should be maintained and it should be prepared according to Sri Lanka Public Sector Accounting Standards for the Local Government Authorities and in accordance with the formats imposed by the commissioner of Local Government as per the Provisions mentioned hereinafter
(II) A separate advance account should be maintained as General fund account for employee loans that should be paid to officers and employees of Urban Council

CHAPTER 04

Applicable the Sri Lanka Public Accounting standard for Urban Council

Maintain accounts of Urban Council and Financial Statement

84. The Urban Council should maintain its accounts and prepare financial statements applying Sri Lanka Public Sector Accounting Standards for the Local Government Authorities objective and related principles in preparation of financial statement of Urban Council.

Objective and principles related in preparation Financial Statement of Urban Council

85. In presentation of financial statements by a Urban Council related objective financial statement detail of financial statement approved Urban Council shall be as utilized the financial statements or deposit.
86. Interpretation regarding assets liabilities and net assets allies' equity relevant to Urban Council under this order shall be following
 - I. Current economic resource maintained by Urban Council as a result of past incidents should be an asset to the Urban Council.

- II. Current liabilities to the Urban Council for transferring economic resources as a result of past incident are a responsibility.
 - III. After deducting all liabilities by the Urban Council, ownership of other assets should be net assets allies equity of Urban council.
87. "Revenue" of Urban council is increased of inflows or asset or increase of economic benefit of liabilities decrease nature, resulted net asset alias equity within the reporting period except the matters related contribution made by the Government or North Central Provincial Council as capital fund
 88. "Expenditure" of Urban Council is decrease of inflows or asset or decrease of economic benefit of liabilities creating nature, resulted decrease of Net asset alias equity within the period specified other than the matters related to distribution to the Urban Council for contribute Capital.
 89. Items completed following criteria's compliance with interpretation of revenue and expenditure of assets or liabilities should be identified for finical statement by Urban Council.
 - I. Relent item and any future economic benefits related. It can be expected in flows or outflows to the Urban Council.
 - II. Having a trustfully measurable cost or value to the item.
 90. Finical statement should be prepared using accounting based on accrual by a Urban Council. Identifying as items, asset, equity, revenue or expense on accrual basic should be only to complete criteria's for such items.

Presentation of Financial Statement by a Urban Council.

91. Presentation of finical statement by a Urban Council should be made subjected to the provisions mentioned in basic law.
92. Every financial statements submitted by Urban Council should be fairly included Financial position and financial performance of the Urban Council and variable of financial statement, changes of equity and incidental notes should be disclosure.
93. A statement of declaring the respective finical statement has been prepared accordance with Sri Lanka Public Sector Accounting Standards for the Local Government Authorities should be included with finical statement passed by Urban Council.
94. (I) Administration including the Chairman of the Urban Council should assessed the possibility of maintaining perpetual succession of finical statement passed by the Urban council. And also considering the continuous position of Urban council should prepare annual financial statement for the future not limiting to annual basic. The Urban Council should disclose the matters arisen doubt or uncertainly in discharging under financial statement approved by the Urban Council.
- (II) The perpetual succession of the financial statement passed by a Urban Council should be established by a fixed board for the purpose including Chairman and urban commissioner.
95. According to the Sri Lanka Public Sector Accounting Standards for the Local Government Authorities, consequence to considerable charge in the nature of operation of a Urban Council or reviewing annual financial statement, other type of presentation or classification unless, conveniently recognize as appropriate presentation and classification of items of respective statement should be as seam as in upcoming year as well.
96. The values should be for the period respective financial statement in the current year as mention under Sri Lanka Public Sector Accounting Standards for the Local Government Authorities and details that can be compared relevance to the previous year, should be included accordingly.
97. Budgetary information in a budget prepared by a Urban Council according to principles of identifying and measuring under Sri Lanka Public Sector Accounting Standards for the Local Government Authorities in the respective financial year should be submitted in the financial statement for relevant period.

98. Budgetary information in the budget which has not prepared by a Urban Council according to identifying and measuring under Sri Lanka Public Sector Accounting Standards for the Local Government Authorities in the respective financial year should not be submitted in the financial statement for relevant period.
99. A Urban Council submitted budgetary information in the financial statements.
 - I. Following values should be produced according to columns or lines for easy to compare.
 - (a) Actual
 - (b) Budgetary and
 - (c) Actual of previous comparative period.
 - II. If any variance, original and final budget should be submitted separate lines and
 - III. If any quantitative variance between values produced for line items of the notes, disclose of reasons for the matter.

Quantities and Movement.

100. If the impact is made to economic decision on financial statement individually or by omission of information or mistaking such information should be considered as adequate information.
101. If the impact so is not quantities, no necessity of this stranded is arisen.
102. Quantities of same items should be confirmed to the Urban Council and if it is not quantitate, unequal nature should be confirmed to the Urban Council.

Complete financial statement set.

103. Complete financial statement set relevant to Urban Council should be included following.
 - I. Assets and liabilities statements.
 - II. Comprehensive revenue statement.
 - III. Statement of net assets / equity changes.
 - IV. Cash flow statement and
 - V. Summary notes of considerable accounting policies and other detailed information.

Identifying Financial Statements.

104. A Urban council should clearly identify each financial statement (including the notes). It should be identified separating from other information in such registry. In addition to that Urban council should provide highlighted the following information and in the event of the information produced is required to understand, it should be reproduced.
 - I. Name of entity reported and revised name of entity if any since the end of previous period.
 - II. Final date of the period reporting financial statement and period covered by the financial statement.
 - III. The currency in which financial statements are presented.
 - IV. Amount of values indicated in financial statement presented in currency units. (i.e Rupees millions)
105. Following details of financial statement notes of Urban Council should be disclosure.
 - (a) Legitimately structure of the Urban Council, Authoritative limit, province within the authoritative area, and address of the Head Office, and
 - (b) A description pertaining the operation of Urban council and key functions.

Asset and liabilities Statement.

106. A statement regarding assets, liabilities and assets and liabilities for assets as at final date of period reported, should be produced.

Current/non-current classification.

107. The Urban Council should submit current and non-current assets and current and non-current liabilities as a separate classification in the financial statement.
108. In following instances, asset of Urban council should be grouped as current:
- (a) Expected to realize asset within normal operation circle of Urban Council or intend to consume, sell or distribute,
 - (b) Retaining assets for selling,
 - (c) Expect to realize the asset within period of twelve months after the date of reporting,
 - (d) Asset being cash or cash equivalent expect, unless the asset is not limited to realize, exchange or use for a period as least twelve months after the date of reporting.
109. Other all assets of Urban Council should be classified as non-current asset. In the event of operational procedure of Municipal Council could not be identified clearly, period of the same should be presumed as twelve months.
110. In following instances, liabilities of Urban Council should be grouped as current:
- (a) Expected to settle liabilities within general circle of Urban council,
 - (b) Schedule to be settled liabilities within twelve months after date of reporting,
 - (c) Not having unconditional right of entity to defer to settles liabilities within at least twelve months after reporting date.
111. Urban Council should classify other all liabilities as non-liabilities.

Information's that should be furnished in asset and liabilities statement or notes.

112. The Urban Council should disclosure the following sub classifications of submitted line items in the asset and liabilities statements or notes:
- (a) Property plant and equipment of Urban Council within proper classification,
 - (b) Commercial and other receivables separately showing values receivable from related parties and values receivable from other parties,
 - (c) Following mentioned stock values should be shown separately—
 - I. The stock for general business;
 - II. The stocks available in the production process for such sale;
 - III. Items and services stock that should be consumed in production process or providing services,
 - (d) Commerce and other payables showing separately differed revenue and accrued expenditure payables to trade suppliers, payables to related parties,
 - (e) Allocation for employee benefits and allocation showing other item separately,
 - (f) Net asset / equity class such as capital expenses donation unidentified within contributed capital excess (deficiency) and accrued excess (deficiency).
113. The Urban Council should disclosure a description of all reserve including net asset/ equity in the asset and liabilities statement or notes.

Comprehensive revenue statement.

114. When surplus or depict of reporting period are consisting with other comprehensive revenue and Urban Council should produce revenue and expenditure items, compliance with Sri Lanka Public Section Accounting Standard identified in determining other comprehensive revenue and comprehensive revenue in comprehensive revenue statement.
115. Urban Council should submit an analization of expenses using classification on the basis of expenditure of the Urban Council Example of movement on basis of function of expenditure the administration, health, maintains of infrastructure facilities, common utility service and welfare. Urban Council should not submit or describe revenue or expenditure items of financial statement as “special items”.

Cash flow statement.

Cash and cash equivalence

116. “Cash and cash equivalence” is short terms investment with high liquidation retained to fulfill requirements of short terms cash bindings. Therefore, an investment is general qualified for cash and cash equivalence as available short mature period. i.e. matured time with three months or more than it from the date of acquisition. A bank overdraft generally considered as financial activities equal to loans.

Information’s submitted in the cash flow statement.

117. Cash flow statement should be produced in terms of the format ordered by the Commissioner of Local Government by the Urban Council through a classification according to cash flow operation activities, investment activities and financial activities submitted for the reporting period.

Operation activities.

118. “Operation activities” are activities recurrence to the Urban Council accordingly, cash flow result from operation activities is transaction, other incidents and positions included in determine surplus and depict. Some transaction such as plant items sold by Urban Council may be causes to arise benefits or loss included in surplus or depict. However, cash flow related such transaction is cash flow from cash flow investment activities.

Investment activities.

119. Acquisition and disposal of long-term assets and other investment not including moneys and equivalence are investment activities.

Financing activities.

120. Financial activity is resulted activities on changes of capital contributed to Urban Council and quantity and compact of granting loans.

Cash flow reported from operation activities.

121. Cash flow from operation activities of Urban Council should be submitted using cash flow circle method. Accordingly surplus or depict will be adjusted for impact of non cash transaction or future operation any different of payments or cash receipt or impact of items of revenue or expenditure of cash flows related financial activities.
122. Net cash flow generated from operational activities is determined by adjusting surplus or depict.
 - I. Variation of receivable and payable from stocks and operations within the period.
 - II. Depreciation, accrued revenue not received allocations (or unpaid) in cash and non-cash items such as unrealized foreign currency benefits and loss, and

III. Other all items effected for cash related investment or financing.

IV. Cross entries receipts and payments.

123. Following details should be indicated in notes:

- I. Basis of preparation financial statement and submission information regarding specific accounting policies used,
- II. Disclosure of required information by this standard which was not submitted in the financial statements,
- III. Not presented in any place of financial statement but providing relevant information to understand any matter.

124. The Urban council should produce notes methodical manner as possible to practical. Urban council should give cross references for each item in financial statements relevant to any related information in the notes.

125. Presentation of Notes methodically is,

- I. A declaration that the finical statements have been prepared compliance with Sri Lanka Public Sector Accounting Standard for Local Authorities.
- II. A summary of utilized important accounting policies.
- III. Numerical order of all statements and line item submitted assisted information for the items produced in the Financial Statements and.
- IV. Other any disclosure.

Disclosure of Accounting Policies.

126. The Urban Council should disclose the followings in the summary of important accounting policies.

- I. Based of measurement used in preparation Finical Statements.
- II. Other Accounting Standards utilized for understanding Finical Statements.

Accounting policies estimates and selecting and using incorrect accounting policies.

127. According to accounting policies, due policies, basis, agreement orders and equivalent principles are used by Urban Council in preparation and presentation financial statement. A Urban Council should use its account policies, equivalent, transactions selecting consistently for other incidents and practices.

Variation of Accounting Policies.

128. If financial Statements are provided as a result of changing such information faithful and most relevance regarding impact of other incidents or positions, transaction on the positions of Urban council. Urban council should revise an accounting policy and revision of accounting policy should be rare.
129. Transactions not made earlier or not adequate. Using new accounting policy to other incidents and practices should not be considered as variations of accounting policy.

Using the variations of accounting policies.

130. A Urban council should produce the variation of accounting policies related to previous periods in statement of changes net asset/ equity as unidentified items in determine surplus or depict of reporting period and us identified items in determine brought forward surplus or depict.

Variation of accounting estimates.

131. Accounting estimate revision is the adjustment to the value due to consumed termly asset or carrying value asset of liabilities as a result of assessing present situation related asset and liabilities and expected future benefits and

bindings. Revised new information or result of position newly arisen may be available in accounting estimate and those could not be considered as correction and when it is difficult to identify changes of accounting policy from changes of accounting estimate. Such variation is considered as revision of accounting estimate.

132. Following matters should be considered for variation accounting estimate.

- (a) Changing deprecation method to simple ways method from diminishing balance method of such item to depict revised assessment of asset benefits consuming style of property plant and equipment item.
- (b) Reestimation of useful life time of properly plant and equipment item.

133. Urban council should identify the impact of variation accounting estimate entering with retrospectively in surplus or depict as following.

- (a) If the variation effected only to the period of changing the period of changes occurred.
- (b) If such variation is effected for both periods, period occurred such changes and future period.

134. The amount of variation of asset or liability caused to arise due to variation of accounting estimate should be identified by Urban Council in adjusting carrying value of asset or liabilities in the period occurred such variation.

Correction of prior period Errors.

135. Prior period errors are omissions or misstatement arisen in the Financial Statements for one or more than period of Urban Council in misusing or due to failure to use following mentioned information in trustful manner.

- (a) The information that could be received at the time of granting approval to issue Financial statement for such period, and
- (b) Information that could be accounted and could be expected to obtain fairly at the occasion of preparing and presenting such Financial statement.

136. The errors described under above clause should be included the impact of mathematical errors, errors made using accounting policy, mistakes, misunderstanding the matter.

137. The Urban council should identify the impact of errors related prior period as an item identified in determine retained earning but brought forward unidentified in determine surplus or depict of reporting period within equity changes statement.

Disclosure of changing accounting polices

138. In the event of revision of accounting policy in the current year or a preceding year, Urban council should disclose the following.

- I. Nature of changes revision of accounting policy
- II. Where for in appling the new accounting policy trust worthy and accurate information could be provided
- III. Practicable the value of adjustment for surplus or depict
 - a. For current period and,
 - b. Value for the period prior current period.
- IV. If it is impracticable to determine the disclosure value of above (iii)

However, the disclosure of the financial statement for coming period should not be repeated.

Disclosure of variation of an estimate.

139. Urban Council should disclose the nature on any revision of accounting estimate and the impact of the current period for assets, liabilities and expenses on such revision

Disclosure of prior period errors

140. The Urban Council should disclose the following information regarding prior period error
- I. Nature of prior period error
 - II. Value of correction to retain earnings
 - III. If it is impracticable to determine the disclosure value of above (1) or (11) shall disclose that However, this disclosure of the financial statements for upcoming period should not be repeated.

Stock

141. Following assets should be considered as stock
- I. Consume in supplying services, distributed material, or service nature assets for administration of entity.
 - II. Assets retained to sell or distribute in general process of operation and
 - III. Assets of material or service nature for consuming in production proses , or
 - IV. Exiting assets of production process for selling and distributing

Measurement of stocks

142. The stock should be measured to the less value of net unrealized value or cost except at the used occasions
143. Retained stock or followings should be measured lesser value of cost or current cost
- I. Stocks consumed or without charges or fixed charges within administration process of the institution
 - II. Stocks available for distribute without target or fixed charges
 - III. Stocks available for consume in production process for distribute without target or fixed charges

Cost of stocks

144. Stock cost is consisting with all purchasing cost, translation cost and other costs incurred to carry out to the current position.

Cost of purchasing.

145. Cost of purchasing stock is consisting with purchasing cost, import excise and other tax (except tax recoverable from tax authority later) and transport expenses, operation charges and readymade goods expenses.

Translation cost

146. Cost of translation cost, number of production unit should be included only the cost such as direct materials related directly and direct labor.

Joint production and by production

147. In the production process, more than one production may be implemented at same time, when joint production made or main production or by production or translation cost of materials or every production could not be identified, the entity should separate on realistic and also at the occasion of production could be identified separately of every moment of completion production, separation can be made on the sale value of production.

Cost disposed from the stocks

148. Following matters should be examples to the cost identified as expenditure of the period after disposing stock cost.
- I. Labor of unusual values of ware materials or other production cost

- II. Store cost except if needed among production stages.
- III. Production and administration cost
- IV. Selling cost
- V. Interest cost, and changes of foreign exchange
- VI. Variation of foreign exchange

Cost of stock in a service

149. Stock in service should be measured to production cost. Production cost is consisting with cost of employees engaged directly or providing service including supervision the staff. The cost related sale and administrative staff should not be included and should be identified as expenditure incurred in the period.

Cost obtainable method

150. The council should measure stock cost of service and good items which would be generally exchange and could not be allocated certain projects using certain identification of individual cost.
151. Urban Council should measure using first in first out (FIFO) cost of stock or weighted general cost. Urban Council should use equivalent method for all stocks available equivalent nature use. Other method could be justified for stocks for other nature use.

Identifying as an expense.

152. When stocks are sold, exchanged or distributed, revenue related carrying value of such stock should be identified as expenditure of identified period. In the event lack of related revenue, expenditure is identified at the occasion of distribution goods or providing service. Any write off the stock or write off all deficiencies value of stock, should be identified as expenditure of the period occurred the loss. Any value of translation due to translation of write off any stock should be identified as deduction of stock value identified as expenses in the period occurred such translation.
153. Some stocks cannot be separated into other asset accounts. In utilizing property, plant or equipment made by self-allocated stocks are accounted later in to other asset, should be compliance with relevant paragraph of this standard relevant to this stock.

Disclosure.

154. A Urban council should disclose the followings.
- I. Used method including accounting policies followed for valuation stocks.
 - II. Total capacity value of the stocks and capacity value of classification proper to the Urban council.
 - III. Value of identified stocks as expenditure within the period.
 - IV. Write off within the period or stock identified as loss or translation.
 - V. Total carrying value of stocks pledged as Security for liabilities.

Property, plant and equipment.

155. Property plant and equipment are following mentioned tangible assets.
- I. Production or supplying goods or service are maintained for renting out to others or for administration affairs.
 - II. Expect to use one more than one reporting period.
156. If Urban council expected to use within one more than period, and items such as spare parts, equipment and service equipment's, or used as property plant and equipment items, they are properties plant and equipment. Unless those items should be classified as stock.

157. Land and buildings are separable asset. Even though such items are identified same, A Urban council should account separately.

Measurement of identification.

158. In identification basically it's property plant and equipment; A Urban council should have identified its cost.

Basic components of the cost.

159. The cost of property, plant and equipment's items should be consisting with followings.

- I. After deducting purchasing amount, import excise and commercial discount and rebate from non-refundable purchasing tax including legal for and broker chargers.
- II. Any cost attributed directly to bring the asset in required position or place to be able operate it as expected by the management should be included and cost of property place, basically handing over and fixing operation and assembling and check the operation.

160. Following mentioned cost property, plant and equipment are not costs and property plant, equipment's should be identified, since the occasions of using them.

- I. Cost of opening new facility
- II. Cost of introducing a new production or service (including cost for advertising and promotion)
- III. Cost of maintain business in new place or new business class (including training of servants)
- IV. Administration and other general performance cost, and
- V. Cost for loan.

161. In building and developing property plant and equipment items, if it is not necessary to bring up the revenue and expenditure it related incidental operation to expected location or operation position.

Measurement after basic identification.

162. After basic identification, property plant and equipment should be measured by deducting any accrued depreciation or any accrued to damaging loss from the cost.

163. Except general use damaged property plant and equipment item should be identified in surplus or depict as damage of proportion relevant cost deducted depreciations. A Urban Council should identify daily service cost of property plant and equipment in surplus or depict of the period incurred such cost.

Depreciable value and depreciation period.

164. The depreciable amount of an asset shall be allocated on a systematic basis its useful life by the Urban Council. Depreciable amount is accrual damage loss deducting accumulated depreciation and deducting other value. If an asset has already been ended useful life and it became expected position end of useful life time, residual value of an asset is estimated value that can be obtained after deducting residual value of an assets.

165. The expenditure of depreciation on every period should be identified in surplus or deficit.

166. It can be hinted that residual value of assets and useful lifetime has been changed after recent annual reporting date such as changing of the manner used assets unexpected degenerate and promotion of attrition level and changes of market prices. If such hints are unbillable and in the event of changes of current expectation the Urban council should review previous estimate and revise the method of depreciation method or useful lifetime Urban council should account residual value depreciable method or useful lifetime as a variation of according estimate.

167. Depreciation of an asset begins when it is available for use. *i.e* when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases change the asset is derecognized.
168. Useful life of an asset is, expected period to utilize the asset by Urban Council or number of production or number of equal units expected to obtain from the asset by the Urban Council. Consequently, all the following factors are considered in deterring the useful life of on asset.
- i. Expected usage of the asset. Usage is assessed by reference to the assets expected capacity or physical output.
 - ii. Expected physical over and tear, which depends on operational factors such as the number of shifts for which the asset is to be used end the repair and maintenance program, out the care and maintenance of the asset while idle.
 - iii. Technical or commercial obsolescence arising from changes or improvement in production or from a change in the market demand for the product or service output of the asset.
 - iv. Legal or similar limits on the use of the asset, such as the expiry of related leases. Except such as stone query and leads used for land filling, those should not be depreciated due to unlimited useful life is available for the lends.
 - v. Even though, the year purchased or utilized is not relent for depreciation should be made relent to the year when disposing

Depreciation Method

169. The depreciation method should reflect the pattern in which the asset's future economic benefits or service potential is expected to be consumed by the entity. These methods include the straight-line method, the diminishing balance method and the units of production method.

Derecognition

170. The Urban Council should derecognize the item of property, plant and equipment as following:
- I. On disposal or
 - II. When no future economic benefits or service potential is expected from its use or disposal
171. The gain or loss arising from the de recognition of an item of property, plant and equipment shall be included in surplus or deficit. The Urban Council should not categorize such gains.
172. Date of abandoning risk and benefits or asset should be considered as the date of disposing.
173. The gain or loss arising from the de recognition of an item of property plant and equipment shall be determined as this difference between the net disposal proceeds.

Disclosure

174. The Urban Council should disclose the followings for each class of property, plant and equipment.
- i. The measurement basis used for determining the gross carrying amount.
 - ii. The depreciated method used.
 - iii. The useful lives or the depreciation rates used.
 - iv. The gross carrying amount and the accumulated depreciation aggregated with accumulated impairment loss at the beginning and end of the period showing end.
 - v. A reconciliation of the carrying amount at the beginning and end of the period showing.

175. The Urban Council should disclose conduct and carrying value of pledged property, plant and equipment limited proprietorship or as a securely for liabilities.

Lease

176. “Lease” is an agreement of transferring possessing by less or to lease as response to payment or payments for ownership of utilizing asset for specified period.
177. Accounting for all lease except following are covered through these regulations.
- i. A lease for discovery of minerals, natural Gas and equivalent resource, which cannot be renewable.
 - ii. License agreement for items such as moving film, videoing, drama script, patent or publication rights.
 - iii. Lease for biological asset end.
 - (a) All risks incidental rights and transfer benefits as considerable.
 - (b) Non part of considerable leased period from useful lifetime of asset.

Financial statement of lessee

178. Except payment to the lessor not structured according to the increase of anticipated average inflation to the compensate of Lessor’s anticipated inflationary cost increase, Lessee should identify the payment of lessee as per straight-line method.
179. The lessor should subset assets subjected to lease according to the nature of assets in the assets and liabilities statement.
180. Except not structured according to the anticipated inflation to come sate the Lessor’ anticipated inflationary cost increase, the lessor through the Lessing period it should be identified as straight life method to the surplus or deficit of lease income.
181. The lessor should identify as cost expenditure including depreciation bearded in generally lease income.

Disclosure

182. The lessor should make following disclosures for lease.
- i. Lease payment identified as expedites.
 - ii. For examples information regularly contingent, general information of considerable lease agreement of lessees including conditions in posed by alternative of renewing and increasing section.

Employee benefits – Principles for General identification

183. Employee benefits are the salary and wages provided by entity as exchange to service rendered by employees including management the Urban council should identify employee benefits entitled its employees of the service rendered to Urban Council, in terms of requirements mentioned in this clause.
- i. After deducting values paid as contribution to employees directly or employee benefit fund, if binding arisen from services prior to the date of reporting as liability is exceeded the paid amount , except required from other chapter of this to identify cost.
 - ii. As a part of cost of assets such as stock or property, plant or equipment or as an assets up to the amount resulted to decrease of refund the cash or prior payment future payment by entity.

Certain Employee benefits

184. When an employee rendered the service to Urban Council, Urban Council should measure identified value of Urban Council or depicts as following.
- Salaries and wages, contribution for Widows and Orphans pension Fund, Employee Trust Fund or Employee Provident Fund, medical insurance premiums and use of a vehicle or benefits payable within short time prior to service period or after service period provided service such as houses.
 - Payment of bonuses and profit of a profit sharing scheme within provided service and reported.
 - Medical benefits not covered by insurance in the reporting period for entitled employee benefit.
 - Cost incurred for casual, annual or medical leave in the reporting period on leave.
185. The service of an employee is terminated on activity basis, Measure the value payable end of reporting period and should be identified as responsibility.
186. The benefits payable because of entity decision should be identified at the period reported and communicated such decision to the employee.
187. As a result of employees decision to accept voluntary unwanted reduplication and the benefits payable as an exchange for such benefits, Urban Council recognize the period accepted and reported by the employee.
188. Post service benefits such as pension salary paid former employees should be identified as expenditure in the period made payment. If such benefits are paid without reimbursed by other entity such as Central Government, the Urban Council should identify cost of such benefits as revenue and expenditure in the final performance statement and both accrual surplus or depicts.
189. Urban Council should disclose followings in notes of final statement.
- Value of post service benefits should as pension salary paid or payable to former employees of Urban Council within the period.
 - Amount paid or incurred post employee benefits paid or payable as pension salary to former employee of Urban Council within the period by other entity such as Central Government.
 - Number of employees payable such post service benefits and Number of current employees entitled to such benefits on retirement.

Revenue from non-exchange transactions**Tax and transfer.**

190. Revenue is gross inflows economic benefits or service potentials arisen in the period reporting general activities of Urban Council, resulted the increase of inflows, net assets, equity except inflows related contribution from Central Government, North Central Province Council as capital fund.
- Including assessment tax received or receivable.
 - Compensation including fines received or receivable.
 - Exchanging transfers received from the Government except capital fund end.
 - Gifts and donations received except the Government.

Tax and compensation

191. The assessment paid or payable to Urban Council and changes of other type include the tax. In terms of Law and regulations established for receive income to Urban Council.
192. Tax and compensation should be identified as revenues of the period imposed tax end compensation.

193. Receivable things balanced end of reporting tax and compensation pertaining to pervious period as at the date of reporting should be measured to recoverable value and identified as on asset.

Transfers from Government and North Central Provincial Council

194. The transfers by Government and North Central Provincial Council for incurring expenses are identified as revenue of periods identified such expenditure.
195. The Government transfers for providing funds for identified property plant and equipment's or other assets are identified as revenue of the period identified such properties, plant end equipment's or other asset surplus or depict.
196. The Government transfers related specified period should be identified as revenue of such period
197. Revenue from Government except capital funds not mentioned in the paragraph 194, 195 or 196 should be identified as revenue of the period received or receivable such transfers.
198. Transfers from Government for capital expenditure identify basically in other comprehensive income. Such other extensive revenue recognized and recognized as transfer revenue and corresponding value fulfilled during the period of recognizing criteria of revenue mentioned in the precedent clauses will be deducted from other extensive revenue. Government transfer not fulfilling the revenue recognizing criteria mentioned in precedent clauses up to the reporting date should be identified as a separate component in assets and liabilities statements.

Transfers from other parties except Government or North Central Provincial Council.

199. Transfers from other parties except Government or North Central Provincial Council are identified as revenue of the period found such expenditure.
200. Other transfers except from Government or North Central Provincial Council to grant funds for identified property plant and equipment's or other assets should be identified as revenue in the period identified such properties, plant end equipment's arts or other assets surplus on depict.
201. Other transfers except Government or North Central Provincial Council for specified period are identified as revenue of such period.
202. Other transfers from Government except capital fund not mentioned in clauses 199, 200, and 201 are identified as revenue of the period received or receivable such transfers.
203. Transfers from other punches except Government for capital expenditure are identified in other comprehensive revenue. Corresponding value identified as revenue in other comprehensive revenue and at the period satisfies criteria identify revenue mentioned in previous paragraph should be deducted from comprehensive revenue.
204. A Urban council should disclose followings regarding tax and transfer.
- Value of identified revenue as tax with proper unitization according to type of tax.
 - Revenue identified as fines with proper analyze according to fines of compensation

Revenue from exchange transactions

205. Revenue is gross inflows from economic benefits or service potentials arises in the period reporting normal activities of Urban Council resulted a incense of net asset equity except inflows related contributions by Government and North Central Province as capital fund. The paragraph is used to account the relevance arisen following transactions and incidents.
- Sale of good (produced by entity for sale or purchased for resale).
 - Supplying service.
 - Constriction contract that contractor is Urban Council. Constriction is comprised agreement that connected with technology and its procedure and adjustment of usage and interconnected process to achieve the final target.
 - Deposit generated interest or receivables.

Measurement of revenue.

206. A Urban Council should measure revenue to the receivable value or received consideration. Received or receivable consideration dentin is the value after deducting any cameral discount, settling discounts and capacity rebate.
207. Revenue includes only the gross inflows of economic benefits received or receivable by a Urban council on its own account. All amounts collected by Urban Council on behalf of third party should be excluded from revenue. Revenue includes only the commission of all taxes of sale and Value added collected on behalf of the Government. The amount collected on behalf of the Head is not revenue of Urban Council.

Sale of goods.

208. A Urban Council should identify revenue on sale of goods as Full Filling following all conditions.
 - (a) When Urban Council vested the considerable risk and benefits of the ownership of goods to the purchaser.
 - (b) Urban Council does not act regarding continues management related ownership on sold goods or not retain productive control.
 - (c) Value of the revenue can be measured in trustfully.
 - (d) Expected inflows of economic benefits related transaction to the Urban Council.
 - (e) Cost incurred or could have to be incurred can be measured in trust manner.
209. At what time Urban Council had handed over the benefits and constable risks of the title to purchaser should be checked in considering point of the transition. Most occasions, handing over the risk of ownership and benefits are made parallel to both Matters of transfer of legal ownership or awarding possession to the purchaser.

Supplying Services.

210. It the result to word transition in relation of providing service could be estimated in trustful manner, the revenue in relation to transaction should be identified by the Urban Council directing it to completion stage at the end of reporting period.
211. If following conditions cited as a method of completion percentage, result of a transaction may be estimated in trustful manner.
 - I. Able to measure the value of revenue in trustful manner.
 - II. Able to expect inflow the economic benefits in relation to transaction to the Urban Council.
 - III. Ambling to measure the stage completed transaction end of reporting period in trustful manner.
 - IV. Ambling to measure the cost incurred for transaction and cost has to incur for completion of transaction.
212. When the result in relation with service could not be measured in trustful manner, the revenue of Urban Council should have identified only to the amount recoverable in expenses.

Construction contract.

213. When the result of a construction contract could be estimated in faithful manner. Urban Council should identifying contract revenue and contract cost reliably constriction construct respectively revenue and expenditure through directing to completion stages of activities at the end of reporting period. Completion stage for faithful estimate of result and trustful estimate relating future estimate are not needed for the purpose.

Method completed a percentage.

214. This method is used to identify revenue through providing service and construction contract. When an estimate service transaction and revenue or construction contract is being implemented, Urban Council should review and revise as the requirement.

215. The Urban Council should accept reputable methods to determine completion stages using measuring method for transaction or completed work of contract in trustful manner.
- (a) Cost incurred for the works completed up to date is proportioned to estimated total cost. The cost incurred for works completed up to now is not included to the cost regarding future activities. i.e For material or future payment.
 - (b) Survey of completed work.
 - (c) Completion to physical proportion in contract work or service transaction.

Progress payments and advances received from customers are not depicted completed work.

216. If it is expected that cost could be recovered, Urban Council should identify as cost asset in relation to transaction such as prior payment or for material or future activities of a contract.
217. If it could not expect to recover any cost, Urban Council should promptly identify as expenditure.
218. When a result of construction contract could not be estimated in faithful manner,
- (a) Urban Council should identify revenue up to the amount only to expected that incurred cost could be recovered.
 - (b) Urban Council should identify contract cost as an expenditure incurred in the period.
219. When a total contract cost on construction contract expected to be exceeded the total contract revenue, expected loss should be promptly identified as expenditure with corresponding allowing for responsible agreement.
220. When it could be not expected to recover value identifying as contract revenue Urban Council should identify as expenditure value as adjustment of contract revenue.

Interest.

221. Identification of interest should always be made using fruitful interest rate.
222. “Fruitful interest rate” is the value of correct level of future cash receipt estimated to carrying value of assets. Fruitful interest rate is determined in basic identification, under fruitful interest rate,
- (a) Carrying value of asset is present value of future cash receipt discounted under fruitful interest rate and
 - (b) Carrying value of asset at the beginning of period should be multiply fruitful interest rate of such period and it is equal to interest income of period.
223. In the event of interest being received regularly at a same time interest rate and in excess and no other payment or receipts or discounts pertain to the interest ended asset the interest receivable from such asset for the respective period is the interest revenue of asset for such period.

Disclosure

224. Urban Council should disclose the followings.
- (a) Accounting policies followed to identify revenue including methods followed to determine completion stages of transactions.
 - (b) Revenue value of each category identified within the period showing revenue arisen followings
 - I. Sale of goods
 - II. Supplying services
 - III. Interest
 - IV. Commission , and
 - V. Another considerable revenue

225. Urban Council should disclose the followings in respect of revenue from constuction contract
- I. Value of revenue identified as revenue within the period
 - II. Method used to determine contract revenue identified within the period, and
 - III. Methods used to determine completion stages of contract in progress
226. Urban Council should disclose the followings
- I. Gross value receivable from customers for c ontract as and assest, and
 - II. Gross value payable from customers for c ontract as a liabilty
227. Urban Council should disclose the followings.
- I. Value of revenue identified exchange transactions with proper analization through type of transaction.
 - II. Values identified surplus or depict of receivables that could not be recovered from exchange transactions.
 - III. Value identified the amount allowed for receivables that could not be recovered and receivable gross value as the receivables from exchange transition on reporting date with analization.
 - IV. An analization of movement the amount allowed receivables that could not be recovered from exchange transactions within reporting period including the amount allowed on reporting date and value identified surplus or depict, value of amount allowed at the beginning of period.
 - V. Commissions
 - VI. Any value of write off receivables from exchange transactions that could be recovered within period and Authority approved write off.
228. A Urban Council should disclose followings related surcharges from Construing Contract.
- I. Leases
 - II. construction contract
 - III. Liabilities of employee benefit
 - IV. Income tax
229. A Urban Council should subunit followings.
- (a) Having a binding with Urban Council on reporting date as a result of past incident.
 - (b) Be able to expect the necessity to transfer economic benefits to Urban council in settling (not happened than has to be happened) .
 - (c) Be able to reliably estimate the value of the bond
230. Urban Council should identify allocation in the statement to asset and liabilities us responsibility and identify value of allocation as expenditure except, in the event of necessary of other standard in this paragraph to identify cost as a part of asset cost such as property plant and equipment of the stock.

Basic measurement

231. The Urban Council should measure the allocation to the most suitable estimate for the value required to settle bindings on reporting date. The value paid to settle bindings logically at the end period reporting and the value of transfer to the third party at that time by Urban Council is the most suitable estimate.
- b. When the provisions are from one responsible Source the best estimate for the settlement of the same will be possible most of the time. However, in such event, Urban Council will consider other possible result. If other possible result is more upper or lower to the possible result the best estimate is the upper or lower value to the possible result.

After measurement.

232. Urban Council should recover only the allocation prior identified against the allocation.
233. Urban Council should review allocation every reporting date and adjustment should be made to highlight suitable current estimate of the value that could be required to settle binding on such reporting date. In the event of identified the allocation firstly as a part of cost of asset. Any adjustment to the values identified earlier should be found in surplus or depict.

Contingent Liabilities

234. "A contingent liability" is a prevailing obligation not recognized as a probable obligation, but because it fails to meet one or both of the conditions in (ii) and (iii) of Regulation 229. When the Urban Council is jointly or severally liable, as part of an indebtedness when the part of the obligation is sought for other parties Considered.

Contingent Asset.

235. Assets that are established and exit from past events are intangible assets based solely on the occurrence or more undisclosed future events that are not fully controlled by the Urban Council. A Urban Council should not recognize a tangible asset as an intangible assist. If the future economic benefits are generated to the Urban Council is indeed definite, then a related assets is not and its identification is appropriate.

Disclosure pertaining to allocation.

236. Urban Council should disclose following for allocation of each class.
- i. Compare showing followings.
 - (a) Carrying value of comprising and ending of the period.
 - (b) Adding within the period.
 - (c) Value recovered against allocations within the period.
 - (d) Unutilized values translated within the period.
 - iii. A brief description regarding nature of bindings and any payment resulted relating to that and expected value.
 - iv. Hints pertaining to such inflows and uncertainty of payable period.
 - v. Expected reimbursement value mentioning value of any asset identified for expected reimbursements.

However, comparative information for previous period should not be necessity.

Disclosure of contingent liability

237. Urban Council should disclose a brief description regarding nature of contingent liability for contingent liability of every closes on reporting date except it is probable any inflows of resources in settling.
- I. An estimate of financial impact.
 - II. Amount of any inflow and hint of uncertainty relating period payable.
 - III. Probable any reimbursement.

After taking every fairs trisomy to do so, when one or more than disclosure could not be made, such matter should be disclosed.

Disclosure regarding contingent asset.

238. If inflow of economic benefits could not be expected (would happened rather than happening) but in the event of uncertainty, (not identified) and in the event of a description of contingent asset nature at the end of reporting period, practicable within out unfair cost or remunerating. A Urban Council should disclose an estimate of final impact. After making fair tiresome to do so, if the Urban Council could not make. This disclosure, such matter should be stated accordingly.

Borrowing cost.

239. This clause impose requirement to borrowing cost. Borrowing cost is interest and other cost incurred by Urban Council in granting fund as loan.

Identification.

240. A Urban Council should identify all browning cost at the period concerned as an expenditure of surplus or depict.
241. A Urban Council should identify recognized total interest expenditure within reporting period.

Foreign currency translation.

242. Urban Council should include foreign currency transaction as authorized in written; law of financial statement as following manner.

Reporting foreign currency transaction.

243. “Foreign currency Transaction” is a transaction that should be settled or named in foreign currency including occurred from following mentioned transaction made by a Urban Council:
- I. A service or purchase or sale of goods fixed its price in foreign currency,
 - II. Borrowing and loans of the values payable or receivable by fixed foreign currency,
 - III. Liabilities or setting of acquisition or disposing asset fixed foreign currency.
244. In basic identification using timely foreign currency value between local currency and foreign currency. Urban Council should identify the foreign currency value and local currency value.
245. Date of transaction is qualified date firstly for identification transaction in terms of this standard. Closest rate to the actual rate on the date made transaction should be used on practical reasons.
- I. General rate of a week or a month for each foreign currency may be used for all transactions made within such period, or
 - II. If settlement was made within short time from, the date of transaction related settled rate of receivables or payables could be used.

Final reporting of reporting period.

246. At the end of every reporting period, Urban council should,
- I. Translation of all foreign currency item using final rate and,
 - II. Transaction of non-currency on the date of transaction.
247. Urban Council should identify arisen exchange variation on surplus or depicts of the period concord, in settling financial items or in translation financial item to the rate more than different the rate translated earlier.

Disclosure of related parties.

248. A Urban Council should disclose the transaction with related parties in the Financial statement and balance of arrears with such parties.

Interpretation of related party.

249. If any parties has possibility to (a) control other party or (b) make considerable impact to other party in taking. Financial and operation decision such party should be considered as related party with this matter.
250. Related parties include,
- I. Chief management persons and close members of chief management,
 - II. Parties of considerable right of title direct or indirect by any person described in (a) or such person alone could implement considerable impact and,
 - III. Parties who have considerable impact or controlled by Reporting Urban Council.
251. Chief Management personal is,
- I. All councilors of a Urban Council,
 - II. Other personal having authority and responsibility for planning operation and administration activities of Urban Council and,
 - III. Secretary of Urban Council and Head of Each Department as necessity.
252. Following persons are guessed as family close members of an individual person,
- I. Spouse, home partner or relations resided as common householders,
 - II. Children, son in laws, daughter in law parents adult parents, brother or sisters,
 - III. Children of spouse of home partner parents in law, brother in law sister in law.

Disclosure of connection between subsidiary and holding company

253. Disclosure of connection between subsidiary and holding company should be disclosed disregarding the transaction of related parties.

Disclosure of related parties' transaction.

254. In the case of transactions with related parties to Urban council the information required to understand the impact such as relations on financial statements nature of related parties' connection, details of transaction arrears balance end bindings should be disclosed.
255. In the event of connections with related parties, disclosure transaction shall be as following:
- I. Purchasing or selling goods (readymade or raw),
 - II. Purchasing of property and other asset,
 - III. Leases,
 - IV. Research and development transfers,
 - V. Transfers under Financial agreement (contribution of equity including loan and cash or goods),
 - VI. Guarantees or additional grate allocation and,
 - VII. Liabilities for Urban Council or settlements of Urban Council for other parties.

256. Unless otherwise, such language could be proved, Urban Council should disclose that transaction was made with related parties on equal language to the transaction distance at hand.
257. A Urban council should disclosure equal nature item as movement except Separate disclosure is required to get an idea on influence of related parties on Financial Standard of Urban Council, A Urban Council Should disclose as an item aggregation and equal nature.

Other assets and liabilities

Receivables.

258. Value of receivables in terms of relevant laws and sub laws, the Urban Council should basically identify receivables on unchanged transaction and should be measured on transaction price.
259. Urban Council should review and consider whether the value of receivable can be recovered end of reporting period.
260. The Urban Council should review the value of receivables on reporting date in order to assess for recovering in any amount showing as receivables. The values recoverable identifying percentages for damaging should be measured in asset and liabilities statement.

Shares of listed companies.

261. Shares of share exchange, transaction should be measured according to prices weighted of the business disclosed prior to end of reporting period for share exchange respectively.
262. If a listed shares of share exchange, was suspended transaction of such exchange at the end of reporting period of transaction, such shares should be measured in assets and liabilities statement on the most expectable value on that day

Shares of other companies.

263. Measurement of companies not receiving price should be done to the lesser value of share cost or net asset. Net value of assets of shares should be obtained on the basis of financial statement of general purposes of Municipal Council.

Payable loans.

264. Urban Council should measure payable loans on the payable value.
265. If a loan should be paid after a year from reporting date, It is classified as non-current liabilities, the loan amount less than one year at reporting date is classified as current liabilities.
266. Accrued interest unpaid until the end of reporting period should be identified as liability as liability of asset and liability statement.

Payables.

267. A Urban Council should measure payables on transaction price and identify accordingly.
268. Value of payables balanced at the end of reporting period should be identified as liabilities in the assets and liabilities statement.

Tax on surplus or depict.

269. Values payable calculated in terms of relevant regulations on surplus or depict until end of reporting period, should be identified by Urban Council as payable tax.

Disclosure.

270. Urban Council should disclose followings separate regarding receivables from un exchanged transactions and exchange transaction:

- I. Net value identified as receivables on reporting date with analization of allow for receivables that could not be recovered and gross value of receivables,
- II. Analization of movement picketing in for receivables that could not be recovered within reporting period including allowance value at the beginning of the period, identified value of surplus or depict and financial allowance of reporting date,
- III. Age unitization of the values recoverables on reporting date, and
- IV. Any values write off as unrecoverable within period and authority approved such write off.

Reporting of service performance information

Subject Scope.

271. Reporting of service performance information's in Financial statement should be in accordance with the provisions motioned under this paragraph.
272. Reporting service performance information in terms of this paragraph represents the proper practice. It is not necessary comply with this paragraph to confirm that Financial statement has been prepared in terms of Sri Lanka Public Sector Accounting Standards for the Local Government Authorities.
273. Unless otherwise, service performance information are compliance with all principles in this paragraph it should not be described that they are compliance with this paragraph.

Service performance statement.

274. A Urban Council should report service efficiency information in terms of this paragraph, in addition to present financial statement motioned under these regulations, should produce a service performance statement.

Service performance information.

275. Following motioned information should be submitted in service performance statement:
 - I. Service performance Fund,
 - II. Performance indicator and,
 - III. Total cost of service.
276. Urban Council should submit following information following information recording performance indicator and total cost of service:
 - I. Planned and actual information for reported period, and
 - II. Actual information for prior reported period.
277. Where information of other statement or notes consisting Financial statement include in service performance information reference to such information should be submitted in service reformative statement.

Detailed inquiry and analization.

278. A Urban Council should submit a detailed inquiry on service performance information and an analization.
279. In analization and inquiring details on service performance information, a brief analization of service performance of Urban Council should be provided.

280. Through detailed inquiry and analization of service performance:

- I. Discussed the quantity fulfilled objective of service performance,
- II. Submission of impartially clarification addressed both aspect of positive and negative in produced information,
- III. Providing facilities to users assessment regarding efficient and productively of service performance of Urban Council.

Incidents after end of reporting period.

281. “Incidents after end of reporting period.” is cited as the incidents occurred between closing date of reporting period and the date granted approved for issuance of financial statement.

Identification and measurement.

Incidents adjusted after end of reporting period.

282. A Urban Council should adjust identified value in the Financial statement including disclosures related depicted incidents adjusted after end of reporting period and should identify prior identified items. Incidents adjusted after reporting period are the incidents provide evidence for the positions of end of the period.

283. Following mentioned matters should be considered as examples to incidents mentioned under above section:

- i. Receipt of information after the reporting period depicted that an asset has been damaged at the end of reporting period or prior identified damaging loss should be adjusted for asset:
 - (a) Bankrupt of house renter after end of reporting period confirm that a loss occurred end of reporting period on receivable rent and carrying value for receivable rent damaging should be adjusted,
 - (b) Evidence may be given regarding sale price end of reporting period for objective of valuation recoverable on such date from sold stock after end of reporting period,
- ii. Deterring cost of asset purchased prior to end of reporting period or the amount received from sold asset after the end of reporting period.

Unadjusted incidents after end of reporting period.

284. The value identified in Financial statement should not be adjusted to depict unadjusted incidents after end of reporting period. Unadjusted incidents after end of reporting period are incidents depicted arisen after end of reporting period.

285. Losses occurred by floods fire or other incidents means as incidents unadjusted after end of reporting period.

Disclosure.

Date of approved for issuance.

286. Urban Council should disclosure the date of granted approval for issuance financial statement and the person who has been granted approved for said issuance.

CHAPTER V

ASSESSMENT TAX OTHER TAX AND CHARGES OF URBAN COUNCIL

287. The Urban Council should maintain the information pertaining all buildings and lands payable assessment tax under assessment tax ledger compliance with the format order by commissioner of local Government.

- I. The Urban Council should issue a warrant for recovery assessment tax within the period ordered according to the manner in basic law,

- II. The urban commissioner should take all the steps to recover assessment amount and additional charges prior to ending following quarter according to the basic law regarding issued warrant,
 - III. Unless otherwise where a property is detained is action should not be taken to recover additional charges for the assessment,
 - IV. Keeping safety detained movable property during the period up to action is the duty of the officer issued warrant for detain the property and the detailed regarding prohibited property should be prepared in three copies and one copy should be in the custody of Urban Commissioner or chief officer of revenue section,
 - V. The office ordered the power to detain the property issuing warrant for the purpose should issue prescribed receipts in favor of tax payer for assessment and additional charges,
 - VI. The assessment and additional charges recovered under written law in taking action to detain the property should be deposited and the officer responsible to detain such property should keep the accounts accordingly.
288. A submission report regarding the measures taken under warrant issued to officer for detain the property to the officer allow issued current shall be the duty of respective officer.
289. If any employee who is not in the regular service of Urban Council is engaged in prohibition property the payment to such officer for the purpose should be in terms of the agreement made between the officer concerned and the Urban Council.
290. If any external party provides service to prohibit property, keeping a security deposit of relevant external party for the purpose is the duty of Urban Commissioner of Urban Council.

Vehicle and animal tax

291. Information regarding vehicle and animal tax of all householders should be collected and a register on such information should be maintained.
292. If any by law is effected for the purpose of recovery vehicle and animal tax, relevant tax should be recovered considering such regulations.

Industrial tax and business tax

293. A survey should be conducted pertain to the properties subjected to industrial tax and business tax within the territory of all Urban Council and relevant list should be prepared before 31st of March of relevant year by revenue Inspectors of Local Government Authorities.
294. Following mentioned information's should be included for the report prepared under above clause 295:
- I. Locations of industrial/ business,
 - II. Grama Niladari division,
 - III. Nature of industry business,
 - IV. assessment number if any,
 - V. Name of the person maintained industrial/ business.
295. The reports should be maintained compliance with formats ordered the Commissioner of Local Government including separate details regarding the property subjected to industrial tax and business tax.
296. The lists should be prepared pertain to the properties subjected to industrial tax or business tax unpaid and defaulters as at 31st of March in the current year by the in charge of revenue section of the Urban Council and should be reported to the Secretary of Urban Council.
297. Following the provisions of basic law in order to recover unpaid industrial tax and business tax as at 31st of March in the current year should be the Shall of Secretary of Urban Council.

Tax on undeveloped lands

298. Identifying the land subjected to tax on undeveloped land within the territory of Urban Council and should be informed to the owners of relevant land that such land are subjected to the tax on undeveloped lands in terms of the provisions of basic law.
299. The relevant notice should be deliver under the registered post to the owners of properties subjected to the tax prescribing specified period for providing information to identify capital valued regarding property subjected to tax.
300. After delivering the notice under above clause, it expected information are not provided within the period indicated in the notice determine the capital value considering lack of such information shall be legitimately.
301. If the person subjected to the tax is not paid such amount, taking action to recover relevant tax in accordance with the steps mentioned in the basic law, shall be the duty of unborn Commissioner of the Urban Council.
302. The information pertain to recover tax on undeveloped land should be maintained under separate report.

Tax on land sale

303. Recovery of tax on land sale related to Urban Council should be calculated on the value of selling lands.
304. If any amount should be calculated on the value of selling lands paid for the tax on land sale prior to sell any land such payment should a deposited amount and action should be taken to recover the total amount after sale of land.
305. The Secretary of Urban Council should take action to follow steps mentioned in the basic law in order to recover unpaid tax on land sale.
306. A register regarding information on recover tax on land sale should be maintained compliance with a format ordered by the Commissioner of Local Government.

CHAPTER VI

LEASING OUT AND RENTING OUT PROPERTIES

307. The information regarding properties leased out or rent out by Local Government Authorities should be maintained under a register compliance with format ordered by the Commissioner of Local Government.
308. All agreement entered in between Local Government Authorities and second party pertain renting out or leasing out properties a copy certified by Administrative Head of Local Government Authority should be delivered to internal audit section and to revenue section.
309. Monthly rental relevant to the agreement should be paid on or before 10th day of relevant month and conditions related to the paying date should be included in the agreement.
310. Executive Head and administrative Head of Local Government Authorities should take all steps to follow the provision of basic law and provisions provided under regulations from time to time in order to rent out or lease out the properties belongs to Local Government Authorities by Urban Council.
311. Urban council or any committee vested powers by council any tender procedure as a whole or separate with is considered as the entity in the event of leasing out rented out of the property of Urban Council and the procurement committee means any other committee appointed for any tender procedure or tender procedures by the council.
312. Following methods should be certified by the tender procedure under these regulations:
 - I. Tendering with qualititiveness within stipulated time enabling to provide maximum economic advantages with high quality,
 - II. Taking action to maximum financial gains to the fund compliance with effected written law,
 - III. Providing fair equal and maximum opportunities for participation tenders to qualified partners,

- IV. Certifying transparent and legitimately of evaluation and awarding procedure,
 - V. Completion of tender procedure with more transparency enabling to acknowledge duly information pertain tenders to the public.
313. The tender procedure relevant to lease out the properties of Urban Council should be completed as protecting following methods:
- I. That certifying the maintain of process ensuring the right of information to the public regarding details of tender subjected to limits of written law,
 - II. The offers who are engaging in tender process should not use their authority in undue manner. They should not use their position in tender process for obtain benefits himself, his family members or business partners,
 - III. All officers relevant to tenders should publish that they have no any connection within the tender process if such doubt is arisen the relevant officer should declare the relations and should resign from the tender procedure,
 - IV. Obtain any personal benefits through tender process should be prevented. Any gift should not be received and should not be subjected to any motivation No person shall affect the interest of tender or act making adverse effect on such interest.
- 314.
- I. The Chairman of Urban Council should propose resolution to appoint a tender committee and an evaluation committee relevant to tender procedure pertain to lease rent out or sell the property belongs to Urban Council or to maintain the liabilities with private sector.
 - II. In presentation such resolution, matters should be confirmed that prior requirements has been completed for the purpose.
 - III. The Urban Council should appoint a permanent tender committee and evaluation committee described under these regulations.
315. The tender committee should complete the following matters and confirm to the council accordingly:
- I. To maintain required communications with all stakeholders in the tender process,
 - II. To prepare prior qualifications, documents specification documents bidding documents and submit them to evaluation commit to review and approve,
 - III. To arrange dates and information prior to obtain evaluation report,
 - IV. To deliver minutes notes of the meeting of evaluation committee and tender committee,
 - V. To produce relevant request to provide necessary assistance for easy to implement tender procedure and all other incidental matters,
 - VI. To maintain all information and steps relevant to tender procedure with transparent manner.
316. To responsible pertain to recommendations of tender committee and evaluation committee produced to the Council.
317. Tender committee and evaluation committee should implement whole tender procedure as described by these regulations.
318. All these members of tender committee and evaluation committee should give priority to the duties of tender committee evaluation committee other than the normal daily works.
319. Tender committee should satisfy whether following matters were completed regarding tender process:
- I. That they have appointed,
 - II. Review and accept the tender time table for awarding as planning,
 - III. Publishing advertisement regarding tender in the first meeting selling the documents of bid invitation determine the dates of closing and inviting bids.

320. The technical evaluation committee should satisfy that following matters have been completed
 - I. Making concurrence with tender committee pertain tender time table for awarding within minimum period.
 - II. That recommendations made to tender committee to obtain written clarification from bidders and proper time.
 - III. Compliments have been recommend when necessity arise to biding documents
 - IV. Participations to discussion on notice issued by tender committee
 - V. Certifying that the agreement and draft prepared by the council are compliance with decision of tender committee and that their recommendations have been produced to the tender committee
321. In the event of extraordinary instances unanimously passed by the Council and necessity arisen to process deviated from normal tender procedure, the reasons for the same may be stated by the Financial Committee to the Urban Council, and the Council should consider the facts and take a decision pertaining to the tender procedure subjected to the approval of Assistant Commissioner of Local Government.
322. All tender committee appointed by the Urban Council under these regulations shall be consisting with Chairman of Urban Council, Secretary and an officer nominated by the Assistant Commissioner of Local Government of the District relevant Local Government Authority and in addition to this, other members should be appointed not more than 5 in numbers. Appointing the members as such it is compulsorily for them to be the members of the councilors and women representation should be taken in to account.
323. The Chairman of the tender board shall be the Chairman of Urban council.
324. In the event of the Chairman of a tender committee fails to attend meeting due to any reasons or he is unable to act as the chairperson of the board. To enable to the board should be temporally appointed as acting Chairman.
325. The Chairman should appoint all evaluating committee on the decision of the council.
326. The Chairman should appoint an officer of the Council as Urban Commissioner for all tender committee on the decision of the Council.
327. Any member of evaluating committee for the tender procedure should not be appointed as a member of both tender committee and evaluation committee.
328. Where the necessity arisen regarding any specified matter or drafting and evaluating bid documents the evaluating committee may obtain specialized instructions from external persons or instructions after reporting to the Counsel.
329. The payments made for the members participation to tender committee and evaluation committee shall be compliance with orders and instructions given from time to time by the Commissioner of Local Government Authorities.
330. Where a member of tender committee, could not attend to a meeting on any reason or mater such member should inform to the Urban Commissioner in written the absence of meeting.
331. In the event of any member is absent, the number of present members exceeding the 50% of all members they are able to decide the continue meeting if absent member has any observation such observation should be delivered among other members by Urban Commissioner of the Committee.
332. The Urban Commissioner of such committee should deliver the minutes of the meeting within a week to the absent member if he produces the observation within 3days, it should be submitted to the Chairman and the Chairman should produce it to the relevant committee.
333. Any member of tender committee or evaluation committee is absent to following three meetings without acceptable reasons, he should be considered as interdicted from the member and the Urban Commissioner of the Committee should report to the Commissioner of Local Government and the Council.
334. The Seretary should inform the date; time and place conducted all meeting in consulting with the Chairman.
335. A consolidated first meeting of tender committee and evaluating committee should be conducted for the concurrence petering to tender timetable, tender method and the bid invitation documents.
336. The details and the time should be prescribed according to tender timetable

337. The Secretary of the Committee should maintain an attendance register for the members.
338. The minutes of the committee meeting should be reported according to the manner approved by the council and the members presented should certify it.
339. Any member of Tender Committee may report that he is not agreed with the decision if so, reasons for non-concurrence should be attached to the committee report as an annexure.
340. The Secretary of the Council should provide provisions for the safety of reports and such reports should be kept in safety at least 12 years.
341. All members of tender committee and evaluation committee should sign a declaration about their impartiality honesty having no personal connection at the first meeting of such committee.
342. The Financial Committee authorized by the Council or the Council should determined
 - I. The performance of tender committee and evaluation committee
 - II. Should review the post tenders selected randomly
 - III. A method should be adhered that randomly verifying whether the formality in attending the meeting and decision taken by the members are compliance with these regulations and reputed tender procedure and the Council should review such reports from time to time and take necessary solutions
343. In the event of examine or prove that a members of tender committee and evaluation committee in discharging the duties of the same had been worked irresponsibility, carelessly or without due attention the Chairman should take following steps to report to the Commissioner of Local Government Authorities Chairman.
 - I. Giving instructions to expedite the tender procedure in reproducing tender time table
 - II. Giving instructions to follow correction procedure
 - III. Propose to the council in order to take action to correct the membership.
344. Planning the completely tender procedure should be made compliance with tender plan in order to certain that a project has been completed within prescribed time.
345. Invitation of bid or inspections prior qualifications of bidders should be made with the approved of the Tender Committee.
346. For main tender plan
 - I. The Urban Commissioner of the Urban Council should prepare main tender plan the approved of the Council for the purpose should be granted
 - II. Expected tenders should be listed in the key tender plan at least for a period of one year
 - III. Key Tender Plan should be updated during the period not more than 6 month
347. Steps of each tender should be included methodology in two storages from commencing the tender procedure up to closing. The Urban Commissioner should prepare the plan.
348. The first stage of the tender time table should be the procedure from commencing the tender procedure up to preparing the drafts of invitations bids and the Urban Commissioner should responsible to prepare the first stage without delay and to monitor regarding regularly updating.
349. All tender events after preparing bid invitation documents should be included in to second stage of the timetable
350. The relevant tender committee should responsible to consider the tender timetable and to approve in the first meeting and the Chairman should submit the draft of tender timetable and relevant tender documents to the tender committee.
351. After making agreement regarding tender timetable the Chairman of the tender committee should regulate the relevant tender committee in consultation with member of evaluating committee and should be reported to the council according.

352. It is the responsibility of chairperson of tender board to explain the reason for considerable delay and remedial measures for the same and informing in the Council regarding the same.
353. The officer authorized by the Council may begin to draft bid invitation documents even prior to appointed evaluation committee.
354. Basic information should be with successful bidder such as criteria confirming the direct eligibility and requirement for appropriate and relevant for bidder to prepare bid or shopping method shall be included in invitation for bid.
355. Relevant matters ordered by regulations should be included in the instructions for bidders.
356. Blacklisted partners determined by the Council should be updated and published from time to time by the Council.
357. Following matters should be clarified by bid security.
- I. It is not allowed for the bidder to withdraw or amend the bid during validity period.
 - II. As per the criteria discribed in the bid, prices of bid will be agreed upon after rectify mathematical errors.
 - III. If the tender is awarded within valied period,the bidder will accept the tender award.
 - IV. That the bidder produce the perfomance bid security prior to closing date specified in the bid invitation document and following one method among methods is aplicable for bid security.
 - i. Presentation of bid security statement,
 - ii. if bidder failed to fulfill conditions of bid security statement in the stipulated format declaring the consent that subjected to suspend awarding property or other of the Council to the bidder for any specified period.
 - iii. Prescribing to produce suitable bid security or cash deposit
 - iv. Taking action under above subsection (II), the Council should select one out of following alterations.
 - (a) Obtaining a surety for bids only as a certificate for an amount payable at one equal to one to two percent (1% to 2%) over the estimating value
 - (b) Obtaining a surety for bids only as a certificate for an amount payable at one equal to five decimal to one percent (0.5% up to 1%) over the estimating value
 - v. If a bid security is offered in the form of a security, guarantee or guarantee, it must be canceled and converted into cash unconditionally upon first written request by the Urban Council
 - vi. If the bidder fails to comply with the terms set out in this directive, the Urban Council shall transfer the security to the Council Fund
358. At least one day before the closing bid after payment prescribed fee if any, should give to provide to any bidder to obtain copies of bid invitation document during office hours by post or personally
359. Any bidder who is willing to check bid invitation document, should be allowed to check such document free of charge.
360. Provisions should be provided to obtain bid-inviting documents from head office or sub offices.
361. If any specified charge is imposed to purchase bid invitation document, such amount should not be the high amount, which make discourage the bidders.
362. the council should maintain a report pertaining to issue bid inviting document.
363. The time allocated for inviting bids should be sufficient fairly for preparing bids.
364. Bids should be received,
- i. through resisted post or,
 - ii. Delivered bids personally to the officer authorized by the council at the place specially determined and receive the receipt, or ,

- iii. If it is stated in the bid inviting document that a sealed tender box is available, through delivery to the sealed tender box provided for the purposed at each place by Urban Commissioner.
365. A condition should be included in the bid invitation document that all bids should be produced under sealed cover.
366. Receiving of bids should be closed at the time stated in bid inviting document. Delayed bids should not be received and should be returned without opening.
367. The responsibility of opening bids is vested to the tender committee. The tender committee may vest such authority to the tender opening committee and such committee should be consisting with two members approved by tender committee.
368. Immediately after closing of bids, the bids should be opened in the present of bidders or their representative.
369. Any bids received at fined time or period closing bids, should not be rejected at opening occasion.
370. Only the bid marked as “Original Copy” should be opened. The “copy” should not be opened.
371. The envelop marked “ withdrawals” if any at the closing time or prior to closing bid, should be opened first. If the bid opening committee is satisfied with the contained and authentication of the withdrawal letters, the bidders original bid should not be opened.If the bid opening committee is not satisfied with the content, original bid should be opened together with the other bids. If the envelop marked “modification” should be opened with original bid.
372. The bid opening committee should read following matters to the persons present.
 - i. Name of each bidder and the amount indicated in the bid format.
 - ii. Whether, the bid security statement is presented or not in the bid security.
 - iii. Any discount produced if such amount and
 - iv. Any other relevant information with the concent of bid opening committee.
373. Bid opening should be reported in a specified format and such report should be signed by all the members of bid opening committee.
374. Immediately after opening of bids original bid documents and together with all reports should be sealed and handed over to Secretary. The Secretary should hand over them to Chairman of evaluation committee.
375. The objective of bid evaluation is to determine the highest bid which has been evaluated and responded to in the summery.
376. In evaluation bids, evaluation bids should be made under following stages
 - i. Checking bids
 - ii. Detailed bid evaluation
 - iii. Post experiencesDetermine qualification and experience of bidder with evaluated minimum price.
377. In checking bids, following matters should be conformed
 - i. The bidder has qualified
 - ii. Placed signature on the bid
 - iii. Legitimately validity of the bid
 - iv. No deviation from provisions stated in the bid invitation documents
378. Where any instances, any regulation’s stated above close 379 pertaining to the bid produced was not confirmed, relevant bid may be rejected.

379. After checking the report of tender committee and obtaining necessary clarification from evaluation committee, the tender committee should implement one any provisions stated below clause (i) and (ii)
 - iii. (a) recommendations of awarding tender may be produced to the Council
 - (c) Considering the observations properly, the tender committee may request to reproduce a report from evaluation committee
 - iv. If the tender committee continue to arise issues pertaing any specified matter in the report of evaluation committee, such arisen matters should be discussed with all members of the evaluation committee in order to settle the crisis if the members of the tender committee is unable to take a decision regarding such issue, the decision of the majority of tender committee members should be effected.
380. After producing the recommendation of tender committee regarding tender awarding to the council, the council should determine to select successful bidder and to award tender to such bidder.
381. After determine the tender awarding by the council within the valid period of bid, the Urban Commissioner should issue the letter of awarding
 - i. The date of submission of bid security for agreement
 - ii. The date and place of the agreement entered in between the Council and bidder and date of producing the proposal, if any
382. Inform the aggrieved bidder of the reasons for the lack of success pointing out the specific shortcoming in its bid with out disclosing contents of other bids.
383. After the notification of contract award, a bidder who wishes to ascertain the grounds on which its bid was not selected should address its request to the Chairman of the Council.
384. Whare any instances, such request has been produced to the Chairman, only the information relevent to such request should be informed to the bidder.
385. After fulfilling requirements mentioned under these regulations and completing provisions of Section 40 of Urban Council Ordinance (Chapter 255) the Council and the bidder should enter in to relevent agreement on specified date and time.
386. Prior to entering to the agreement with the Council, the Urban Commissioner should confrim to the Chairman that the draft agreement has been approved and relevent security for the agreement has been completed.
387. The Council should publish
 - a. Total number of bid received
 - b. Name of sucessefull bidder
 - c. The amount at which the contract awarded through proper commiunication media
 - i. When a bid security declaration is requested with bids and any specialized bidder failed to fullfill any condition mentioned in sush security statement, the Chairman should promptly inform to the commissioner of Local Government Regarding such failure and should report to the Council Accordinly.
 - ii. After receiving such reports, the Chairman should allocate concessorny time for answering
 - iii. Upon receipt of such notification,if no satisfactory reply is received the bidders name shall be included in the defaulted contractors databass maintained by the provincial council on the approval of concil by Urban Commissioner
388. Whatever mentioned contrary prior to under these regulations regarding implementation investment project with the participation of private sector, should be given the priority to regulations mentions under this clause and should be applicable as necessary.
389. In implementation investment project with the participation of privat sector, the council should appoint a special tender committee an evalution committee comprising with qualified persons.

390. When the council has approved a resolution for implementing investment project with private sector including proposals for project activities identified Or unidentified projects by the council. Following requirement for the purpose should be fulfilled.
 - I. National Competitive bid invitation procedure should be followed for bid invitation.
 - II. The lands relevant to implement project are without liabilities and having unfettered possession of the council.
 - III. Identification of a project whether it is a project passed by the Council or a proposal in the process of identification and intended to be implemented.
 - IV. Identification of the project whether approved by a resolution by the Council or project being identified for implementation.
 - V. Identify gross valuation of contribution of the council relevant to whole investment.
 - VI. To implement such a project completion of all other requirement where necessary to implement the same without any obstacles.
 - VII. In the event of approving condominium plans according to property investment nature of project subject.
 - VIII. Members of tender committee should be consisting minimum seven and it should be compulsorily include the Chairman, councilor represented the council urban Commissioner of the council and a member representing commissioner of local government of the province.
 - IX. The evaluation committee should be consisting with five members with a member having knowledge regarding implementing private and government jointventure project and tender procedure .
 - X. Obtaining assistance of external instructors under guidance and supervision for drafting bid invitation document and evaluation bids by the evaluation committee.
391. Whatever mentioned prior to these regulations, orders mentioned under these clauses regarding leasing, renting out fair and leasing, renting out meat stall, fish stall in short time, should be priority and applicable as necessary.
392. Regarding annual leased, renting out should be based a calendar year.
393. When the properties leased or rented out are vested to the Council compliance with section 32 and 34 of Urban Council Act, the tender committee should produce the recommendation of financial committee to the Council that the requirement mentioned in the law regarding renting out leasing out for the calendar year has been fulfilled.
394. Tender procedure regarding properties relevant to enter into agreement for upcoming calendar year, should have commenced from 1st of September in the current year.
395. Determining the bid value pertain properties should be made on valuation report of Chartered value.
396. Tender Committee of first meeting should determine that the council has legitimately right to enter into agreement relevant to all properties.
397. Tender committee should report to the Council whether advertisements are published in the newspaper for bid institution or the reasons to publish bidding notice following alternative methodology and the recommendation pertain to alternative methods.
398. After producing evaluation committee recommendation to tender committee as qualified bids out of bids presented in bid invitation the tender committee should submit recommendations pertain to move advantages successful bid to council through Financial Committee.
399. The Secretary of the council should inform in written the decision of relevant awards to successful bidder after determine the successful bidder by the Council.
400. After awarding make to successful bidder if the failure of entering in to relevant agreement (with or without submission of fair reasons) on the date mentioned in the letter of award the tender committee should promptly meet and report the recommendation regarding the measures to the council.
401. Where the lessee or renter expected to terminate the agreement remain the times within the year or agreed period, tender committee may recommend a bidder among bidders qualified prior invitation bids on the recommendation

with evaluation committee for the balance period in the year and, or the tender committee should recommend the profitable alternative procedure to the Council. Inviting bidders in front of the tender committee and discuss should be legitimately.

402. When the failure of entering in to the agreements on or prior to the specified date allocated for agreement under letter of award or provided additional times for the purpose. The Urban Commissioner should properly report to the tender committee regarding the immovable property not entering in to the agreement within such period.
403. Tender committee should submit recommendation pertaining to measures taken accordingly within one week to the Council.
404. Where this is one more than qualified bidders pertain to any property, if tender committee recommends one bidder has more Profitable bidder, contract may be awarded to such bidder, and recommendation of tender committee to follow relevant steps up to only the qualified bidders shall legitimating.
405. In the event of not having more than one qualified bidder or qualified bidder rejecting the tender awarding regarding any properties, Chairman should take necessary action to follow same tender procedure again in terms of these regulations.
406. In leasing out or renting out of immovable property, bid value, prior cash value and rent should always be determined based on values certified by government or private chartered value.
407. Even though, whatever mentioned prior under these regulations, regulations mentioned under this clause regarding sale of movable and immovable properties of the council should be given priority and applicable.
 - I. According to the manner, the immovable properties belongs to the Council, a special committee appointed for the purpose should be provided that no obstacles in any manner for sale in terms of conditions mentioned in the transfer ledger under or any other manner.
 - II. After submitting a report under above regulations to the Chairman by Urban Commissioner. The Chairman should provide a resolutions for the permissions of the Council and obtaining the approval
 - III. Permanent tender committee for the tender procedure or tender committee appointed for the purpose should identify the relevant property and recommendations pertain to property value should be submitted to tender committee on valuations reports obtained from Chartered value situation pertaining for sale of property or from the persons with specialized knowledge under the evaluation committee appointed for the purpose
 - IV. In the event of movable properties, tender committee should determine bid value of each goods based on separated assessed value of goods and recommendations pertain to suitable tender procedure as gaining maximum benefit to the Council.
 - V. In the event of immovable properties, such property should be sold at more advantage value on the invitations of bid under public auction through advertisement published to the public under public newspaper or publishing any other manner proposed by Tender Committee.
 - VI. The goods which are available to sell same time under movable properties should be mentioned separately and bid value should be immediately assessed in the tender process. And if any reasons are available to obtain bid value not considering as items related matters are determined at a meeting held together with evaluations committee and tender committee and should be obtained the approval of Council.
408. Even through whatever mentioned prior under these regulations regarding leasing out, renting out lands buildings belongs to the Council on long term basis, following provisions should be priority for the purpose.
 - I. In the tender procedure relevant to leased out or rent out of lands belongs to the council for a period more than one year even through whatever mentioned under these regulations orders contained in this paragraph should be priority and applicable and tender committee should recommend to the council that followings matters have been fulfilled accordingly

- II. In taken action to rent out or lease out or sell their movable property (land or buildings) by Urban Council, the tender committee should provide recommendations that provisions of section 36 of Urban Council Ordinance (chapter 252) have been fulfilled for the purpose .
- III. Identifying lessee party regarding all buildings proposed to lease out by the Council should be made under duly tender procedure described on these regulations and period of the agreement should be specifically noted in the tender notice. Accordingly, the agreement period should be considered as the period mentioned in the tender notice and tenders should be awarded accordingly.
- IV. The agreement entered with selected lessee under duty tender procedure for any period pertain to own property may be accepted the right of heirs of lease only for the agreed period.
- V. When only the consortium made using previous fund, no obstacles to accept the consent of renewing the period of agreement subjected to conditions mentioned in the agreement accepting period of lease in the agreement for lease ownership of the buildings so constructed
- VI. When the Lessee or renters are ejected from the properties leased out or rent out by the Council for development activities of such buildings or any other necessity. The council may take action to provide alternative places subjected to the conditions of the agreements only for the agreed period.
- VII. When the trade stalls are provided to previous lessee under new facilities of trade complex constructed after ejecting lessee for development purposes, these regulations should not be obstacles to enter into agreement with above lessee for the balance period of such agreement considering as the lease rent determine on the basis of assessed value made by the Government valuer.
- VIII. Monthly rental should be revised on the assessment made by a Chartered Valuer or Government Valuer relevant to all lands buildings leased rent or rent out by Local Government Authority at once in three years from the date of commencing the agreement.
- IX. In addition to prescribed amount, it should be published in the tender notice that assessment tax also should be paid from the relevant period and such matter should be entered in to the agreement accordingly.

Charges recoverable to the Urban Council

409. All charges other than stamp duty recovered by Urban Council should be the charges determined and published by the Council compliance with provisions mentioned in the written law authorities to Local Government Authorities for determine the charges.
410. The Local Government Authorities may recover stamp duty regarding transfer of lands within the territory of Urban Council in terms of the Statutes enacted by the Provincial Council for the purpose or in accordance with any other written law.
411. The charges payable to Urban Council may pay in the manner provide provisions under these regulations
412. Prior to recover stipulated charges the officer authorized to power should satisfy that requirement in the written law has been fulfilled in all manner.
413. In the event of charges recovered regarding a permit receivable from Local Government Authorities, such free should be as charges recovered in order to issue prescribed permit and fees should not be charged prior to issue permit.
414. A register regarding business, industry under annual license should be prepared according to the survey conducted prior to 31st of March in the current year and the authorized officer for the purpose should take prompt action to make complaint to the Magistrate Court rerating to authorize industry business on the information of such survey.
415. The report prepared under above clause should be included following information
 - I. Name of industry or business
 - II. Grama Niladari devotion
 - III. Nature of industrial bussiness

IV. Assessment tax number ,if any

V. Name of person maintain the industrial business

416. The value of charges paid to Local Government Authority, should be confirmed by the authorized officer.
417. The report pertaining to charges recovered to the Fund of Local Government corresponding Calendar Month should be submitted to Secretary of Urban Council.
418. The officer authorized by the Secretary should maintain a register relevant to the court procedure arising pertain to the payment made from the fund of Urban Council.
419. The Urban Council should make procumbent regarding goods, work services; information system and supply subjected to regulations order by the national procumbent commission for the procumbent guidelines should be applicable for the purpose. Working under direct labour.

Working under direct labour.

420. In implementation project under direct labour system by the Urban Council following step should be fulfilled.
 - I. Urban Council should launch project works under direct labour systems compliance with estimates approved for the purpose and in the event of any revisions such revised estimate should be approved by the Council or the manner authorized by the Council for the purpose.
 - II. The estimate prepared by the Urban Council for works implemented under direct labour system should be approved by the Council.
421. Financial differences considerable regarding estimate value under direct labour should be published from time to time by competent Authorized for the purpose in relevant Provincial Council.
422. Information should be maintained regarding employees engaged in service and daily balance and labour used in all works sites functional under direct labour.

Interim provisions

423. Even though any type of financial reporting system is utilized as at 01.01.2019 by any Urban Council, Financial reporting of Urban Council should be made compliance with Sri Lanka Public Sector Accounting stranded for the Local Authorities from 01.01.2020. However, parallel to the budget proposal implemented for the financial year 2019 prior to 31st 12-2019, a budget proposal passed by the Council should be situational applicable subjected to these regulations for the financial year 2020.
424. The Urban Council should Cleary mention in the first financial statement that Sri Lanka Public Sector Accounting Standards for the Local Government Authorities are complacence to the Urban Council and the and the Urban Council should consider following actions that should be considered as first declaration.
 - I. Where financial statement has not be presented for prior period, or
 - II. Submitting of latest prior financial statement according to principal with Sri Lanka Public Sector Accounting Standards for the Local Government Authorities regarding all matters, or
 - III. If latest prior financial statement are presented, compliance with Sri Lanka Public Sector Accounting Standards for the Local Government Authorities.
425. Whatever mentioned in the financial statement prepared prior to the date of 1st of January 2020 assets and liabilities status should be prepared according to provisions mentioned under these regulations as at 1st of January 2020.
426. Except where provisions are external within following clauses under this paragraph Urban Council should include following information in the operating assets and liabilities statement.
 - I. All assets and liabilities should be identified through Sri Lanka Public Sector Accounting Standards for the Local Government Authorities Assets or liabilities items, which are not permitted to identifying through Sri Lanka Public Sector Accounting Standard for the local authorities.

- II. Other types of assets liabilities or component of mass under Sri Lanka Public Sector Accounting Standards for the Local Government Authorities should be classified again all items identified as the same type of asset liabilities or component of mass under previous financial reporting.
 - III. In measuring all identified assets and liabilities assets and liabilities Sri Lanka Public Sector Accounting standard should be used
427. Accounting policies used Sri Lanka Public Sector Accounting Standard for Local Authorities in opening assets and liabilities declaring may be differ from the accounting stranded used from the financial statement prior to the date of 1st January 2020. Adjustment is arisen as other incidents, positions, or results. Therefore the Urban Council should identify them as adjustment (in appropriate other type within net asset mass) to surplus or defect as at 1st of January 2020 of transition to Sri Lanka Public Sector Accounting Standards for the Local Government Authorities.
428. A Urban Council submitted its financial statements recently compliance with Sri Lanka Public Sector Accounting Stranded for Local Authorities may be selected to use revalued value of property plant and equipment used in presentation of Sri Lanka Public Sector Accounting Standards for the Local Government Authorities.
429. Property, plant and equipment or any property plant and equipment class unidentified in the prior financial statements by the Urban Council.
- a. The Urban council may identify and select the market value of property plant and equipment acquired prior to migration to Sri Lanka Public Sector Accounting standards for Local Authorities or market value of property plant and equipment of any relevant classes as at the date of the migration Sri Lanka Public Sector Accounting Standard for Local Authorities.
 - b. Property plant and equipment or property plant and equipment of any class acquired prior to the date of migration Sri Lanka Public Sector Accounting Standards for the Local Government Authorities and unidentified properties, plant and equipment previous financial statements except properties plant and equipment purchased financing from half or fully arrears loans as at the date migration Sri Lanka Public Sector Accounting Standard for Local Authorities.
430. A Urban Council who did not identify any property plant and equipment class may identify as value to the date of valuation of relevant property plant and equipment after deferring the market value of property plant or equipment as at previous report date.
431. The Urban Council should identify surplus or depict as adjustment after recognizing carrying value of assets and liabilities according to above order.
432. The Urban Council should produce opening assets and liabilities (as at 1st of January 2020) statement prepared in terms of this standard as comparative information in the first financial statements compliance with Sri Lanka Public Sector Accounting Stranded for Local Authorities.
433. The Urban Council may submit comparative information related to previous financial period in amplify revenue statement of first financial statement prepared using Sri Lanka Public Sector Accounting Standards for the Local Government Authorities on the basis of principals identifying and measuring General objectives in the financial statement produced by Urban Council for such period.
434. Urban Council should clarify impact to mass and financial performance reported in the migration to Sri Lanka Public Sector Accounting Standards for the Local Government Authorities on the basis previous financial reporting in order to transition to Sri Lanka Public Sector Accounting Standard.
435. Urban Council should disclose the following for identifying classes of any class of property plant and equipment.
- I. Selecting in the financial statement
 - II. Class or classes of property plant and equipment
 - III. Identifying any property plant or equipment not relevance for selecting due to obtaining loans and
436. An entity should disclosure the date of identified carrying value as market value in respect of property, plant, equipment or property, plant, equipment of any class

437. To adhere with preceding clause, following should be including first financial statement prepared as per Sri Lanka Public Sector Standards for Local Government Authority by Urban Council.
- I. A description all revision nature of Accounting Standards.
 - II. A comparison of net assets/ equity determine as per the basis of prior used financial reporting with the net assets/ equity determine as per Sri Lanka Public Sector Standards for Local Government Authority which was migrated to Sri Lanka Public Sector Standards as at 01st of January 2020.
438. Sri Lanka Public Sector Standards for Local Government Authority shall be effected for financial statement as at 31st of December 2019 or for the period ended on such date. If Urban Council applied these Standard for the period ended as at 31st of December 2019, it should be disclosed such matters.
439. In implementing specified regulations and information empowered under this regulations, powers specify any rules and regulations regarding formats and account codes is vested with Commissioner of Local Government Authority.
440. Unless the context otherwise requires, in these Regulations.
- “Productivity” means connection between actual target and service perform target
- “Efficiency” means connection between (a) input and output or (b) input and result.
- “Input” means resource utilized by Urban Council to produce an output.
- “Output” means services rendered Urban Council to produce an output.
- “Result” means the social impact could be applied reasonably
441. In the event of any inconsistency or discrepancy between the Sinhala, Tamil, and English texts of these rules, the Sinhala text should prevail.

07-428/2

NORTH CENTRAL PROVINCE PROVINCIAL COUNCIL

Notification

I, Mahipala Herath, Governor of North Central Province and Minister in charge of the subject of Local Government of North Central Province, in terms of powers vested in me under Section 2 of Provincial Council (incidental Provisions) Act, No. 12 of 1989, that should be read with Section 171 and 184 of Pradeshiya Sabha Act, No. 15 of 1987, do hereby impose regulations regarding Financial Administration of Pradeshiya Sabha with effect from 1st of January, 2020.

MAHIPALA HERATH,

Governor,

Minister of Charge of the subject of Local Government,
North Central Province.

At the Governor's Office of North Central Province,
10th June, 2020.

RULES

01. These rules are enacted to rescind Pradeshiya Sabha (Finance and Administration) rules of 1988 complied by the Minister of Public Administration, Provincial Council and Home affairs, published in *Gazette Extra Ordinary* of Democratic Socialist Republic of Sri Lanka No. 554/5 and dated 17 April 1989 , to ensure rules pertaining to Sri Lanka Public Sector Accounting Standards for the Local Government Authorities and to provide provisions in the financial administration of Pradeshiya Sabha.
02. These rules shall be cited as “ Regulations on accounting of financial administration of Pradeshiya Sabha”

CHAPTER 1

GENERAL

03. Unless in accordance with provisions mentioned in written law regarding collection or payment of any amount out of the fund of Pradeshiya Sabha should not be effected.
04. Financial year of Pradeshiya Sabha will be commenced 1st of January and ended 31st December of each year.
05. i. Chairman of Pradeshiya Sabha should be the chief Accounting Officer of Pradeshiya Sabha fund and he should be responsible regarding the following methods.
 - a. Obtain the decisions from Pradeshiya Sabha regarding the matters that should be determined by Pradeshiya Sabha by written law.
 - b. Taking action to implement decisions immediately regarding the matters empowered by any written law determined by the Pradeshiya Sabha.
 - c. Function the responsibilities and function in proper manner that should be implemented for the Pradeshiya Sabha or vested into Chairman by law.
 - d. Entrusted powers and functions in proper manner to the staff of Pradeshiya Sabha and responsible whether the powers and functions so imposed implement in proper manner.
- ii. Chairman of Pradeshiya Sabha will be the chief accounting officer to the fund of Pradeshiya Sabha.
06. Maintain of activities of Pradeshiya Sabha with proper financial management in accordance with any written law and in accordance with procedure contained in such written law shall be the duties of Chairman and Secretary of the Pradeshiya Sabha.
07. Where any un authorized payments was approved by the Pradeshiya Sabha, such payment should not be made by the Chairman as the chief accounting officer and in the event of any loss caused to the fund of Pradeshiya Sabha due to negligence or misconduct, the Chairman and the Secretary should take action to identify loss and recover the same from responsible party.
08. Presentation of accounts of the fund of Pradeshiya Sabha should be prepared in accordance with Sri Lanka Public Sector Accounting Standards for the Local Government Authorities as provides further provisions by these regulations and should be taken action to submit the account of each financial year to the auditor general on twenty eight day of February or before the same date of following financial year.
09. As the chief accounting officer and accounting officer should certify to maintain as certifying the staff including Secretary, of Pradeshiya Sabha that the safeties of the fund of the Pradeshiya Sabha collecting revenue to the fund and spending collected revenue should be made in accordance with the written law and to the annual budget .
10. As the chief accounting officer and accounting officer should certify that the financial and accounts operation and management are maintained subjected to general supervision and management of the Chairman and Secretary in accordance with the provisions mentioned in relevant written law.
11. After taking action according to the provisions of written law and where the provisions are not provided in the annual budget the Chairman and Secretary of the Pradeshiya Sabha should take actions not to make liabilities with second parties relevant to any expenses.
12. The Chairman should maintain financial management as certifying following matters.
 - I. That revenue and expenses of head office of the Pradeshiya Sabha and sub offices are properly managed.
 - II. That financial activities of the Pradeshiya Sabha have properly planned through classification of expenses according to program and relevant to budget and the Chairman that applied public financial regulations or provisions mentioned under financial management regulations under each provisional Pradeshiya Sabha regarding the matters not covered by these regulations.
 - III. That the Secretary of Pradeshiya Sabha has prepared and implemented internal program pertaining collecting revenue of the Pradeshiya Sabha.

- IV. That proper management mechanism has been created for the satisfaction that information is updated.
 - V. That the program included in development plan and annual budget are successfully implemented and certifying that the accrued benefits are tally with expenses.
 - VI. That taking action to recover the income that relevant officers employees according to budget within prescribed period and it has been properly accounted.
 - VII. That internal auditing is properly maintained in the Pradeshiya Sabha.
 - VIII. That necessary action has been taken for the protection of all movable and immovable properties in the Pradeshiya Sabha.
 - IX. Certify that monthly bank reconciliation statements are prepared before fifteenth (15) day of next month ending a month.
 - X. Certify that necessary insurance procedure has been taken regarding other valuable things including delivery of Roadway cash.
 - XI. Satisfaction that required deposits have been made regarding officers relevant security ordinance including financial and store activities.
 - XII. Taking action to obtain approval of the Pradeshiya Sabha after preparing and submitting annual development plan relevant to four year development plan.
13. when a loss, damage of Pradeshiya Sabha or fund of the Pradeshiya Sabha, having connections with any officer, bearer or employee of Pradeshiya Sabha a board of inquiring comprising three suitable officers should be appointed by the Chairman to identify such loss, damage and to determine the responsible for the matters.
 14. In the event of the reports of inquiry board appointed by Chairman is produced to himself action should be taken to recover respective loss damage from respective persons.
 15. In the event of any disclosure in the inquiry conducted under above clause 13 that responsible person for relevant damage, loss as committed any misconduct or any act connected to negligence of duties, that effected to loss as committed any misconduct or any act connected to negligence of duties that effected to right of Government, Provincial Pradeshiya Sabha or Pradeshiya Sabha, disciplinary authority should be reported to take disciplinary action regarding the matter.
 16. In respect of a loss damaged identified as per above clause 14 from party or parties deem to be responsible ,in the event of same cannot be legitimately recovered or such amount can be neglected a resolution could be made by Chairman to considered as an amount cannot be recovered under written law.
 17. If the Pradeshiya Sabha maintain the sub offices, officer in charge of all sub officers and all officers should be responsible to certify that following measures are taken regarding the maintain relevant financial activities.
 - I. To responsible for making all functions entrusted to themselves in accordance with written law and decision of the Pradeshiya Sabha immediately.
 - II. Taking action to recover all income,in terms of written law within the area of sub officers,in to the fund of Pradeshiya Sabha in terms of written law.
 - III. Taking action to properly maintain all documents and information.
 - IV. Obtaining and updating insurance cover regarding properly subjects relevant to the office with general insurance cover.
 - V. Maintain petty cash imprest and imprests with value determined by the Pradeshiya Sabha for sub offices.
 - VI. Submitting reports as daily reports monthly report, quarterly reports relevant to sub office accounting to Sri Lanka Public Sector Accounting Standards for the Local Government Authorities.
 - VII. Insuring on a report obtained assessed the assets that should be insured and protected security of all assets relevant to authorities limit and sub offices.
 - VIII. All the information relating to all respective sub officers are maintained compliance with provisions of Right to Information Act, No. 12 of 2016 and maintain the register pertaining the information.

18. The Secretary of Pradeshiya Sabha monitor whether the actions are taken place according to the provisions under above clause 17 and a register regarding all the information of the head office are maintained interms of the provisions and regulations of Right to Information Act, No. 12 of 2016.
19. The Chairman should provide necessary provisions to supply information regarding accounts of the fund of Pradeshiya Sabha or any other officers authorized by details requested by an investigation officer or any commissioner of local government relevant to investigation conducted regarding Pradeshiya Sabha or office bearer or officer.
20. The Chairman or Secretary of Pradeshiya Sabha should take action to furnish answers and provide details without any delay regarding the matter or whenever inquired from Chairman or Secretary of Pradeshiya Sabha by Auditor General, Minister or Commissioner of Local Government.
21. The Chairman should take necessary actions required to maintai internal auditing of the Pradeshiya Sabha in terms of the of the National Audit Act, No. 19 of 2019.
22. Within a certain financial year, if any revenue with could not be recovered legitimately or happened to be given up or not an adequate amount to recover enabling to determine by the Pradeshiya Sabha that such amount should not be recovered, the resolution should be submitted by the major within the financial year itself or within first six months of up coming year.
23. The Chairman should take necessary actions to maintain any machinery vehicle or other properly as not under utilizing end to maintain well with repairs.
24. In any instances which does not covered by these regulations or making a decision on such an instance for taking action or any negligence, may should adhere to the government financial ,regulation or providential Pradeshiya Sabha financial regulations.
25. Any donation or gift awarded to Chairman vice major or any other counselor Secretary of Pradeshiya Sabha or any other officer should be deem to considered as donations received to Pradeshiya Sabha.
26. A budget report of Pradeshiya Sabha for coming year should be prepared in accordance with Sri Lanka Public Sector Accounting Standards for the Local Government Authorities by the Chairman inquiring committee of Pradeshiya Sabha and in terms of the provisions provided her win after and the format given by the Commissioner of Local Government.
27. Conditions and all other specification in have to fulfill to be considered asa duty passed budget in terms of written law prior to the commencement of respective financial year for the budget submitted by the Chairman.
28. After passing the budget by the Pradeshiya Sabha certified copies of the same should be sent to Commissioner of Local Government Authorities, District Assistant Commissioner of Local Government Authorities and the Auditor General.
29. The Chairman may prepare and submit the supplementary budget made in accordance with Sri Lanka Public Sector Accounting Standards for the Local Government Authorities relevant to additional income in any instances within a financial year. In the event of presenting a supplementary budget for depreciation allocation by Pradeshiya Sabha, should not be corresponding to the income.
30. Until the committee on finance consider and make recommendation regarding any budget or supplementary budget produced to the Pradeshiya Sabha, the Pradeshiya Sabha should not consider it.
31. Where the provisions allocated are not sufficient for any expenses or subjects by budget or supplementary budget, the Chairman may provide required provisions through allocations under other heads.
32. All budget or supplementary budget legitimately adopted by the general meeting of Pradeshiya Sabha should publish for public for information.
33. A fund shall be established under limitations and provisions mentioned in basic law for Pradeshiya Sabha.
34. All moneys accrued for Pradeshiya Sabha should be maintained as accounts under banks approved by minister of finance.
35. Signing cheques and drafts under accounts relevant to the fund of Pradeshiya Sabha should be made by two officers of Pradeshiya Sabha.

36. Specimen signatures of officers that should be placed signatures on cheques and drafts under accounts relevant to the fund of Pradeshiya Sabha should certified and submitted to the banks by chief accounting officers of local government authorities.
37. Business hours of Pradeshiya Sabha shall be as determined by the Pradeshiya Sabha.
38. Moneys paid in to the credit of the fund of Pradeshiya Sabhas shall be deposited daily in the bank unless otherwise authorized by the financial committee.
39. In the event of cheques issued for the payment by cheques for the fund of Pradeshiya Sabha will be dishonest, order should be made to the payer for the payment of such amount in cash.
40. Maintaining of accounts relevant to fund of Pradeshiya Sabha and all matters incidental including accounting should be the manner hereinafter and in accordance with Sri Lanka Public Sector Accounting Standard.
41. Chief Accounting Officer should take all steps to answer every audit queries issued to Pradeshiya Sabha without any delay.
42. All properties belongs to Pradeshiya Sabha should be enter in to inventory and board of survey should be conducted for every property end of each financial year according to Sri Lanka Public Sector Accounting Standards for the Local Government Authorities as per the format issued by the commissioner of local government authorities end enter into inventory and update and maintain.
43. If the board of survey recommend to dispose any good items, the Chairman should submit relevant resolution to the Pradeshiya Sabha enabling to determine to auction such items as at 31st of March in the following financial years and to dispose the disposable items accordingly and final report should be submitted before fifteenth (15) day of February.
44. Board of survey report should be submitted with copies and one copy should be produced to the auditor general.
45. The board of survey appointed regarding the property of Pradeshiya Sabha should be consisting with an officer representing District Assistant Commissioner of Local Government and the Secretary of Pradeshiya Sabha should determine the number of board of survey.
46. Every board of survey should be appointed by the Secretary of Pradeshiya Sabha and board of survey should be completed within one month from the date of appointed.
47. Store material purchased should be entered in to inventory without any later and the date and number of paying voucher relevant to purchasing should be respectively noted.
48. Any store materials should not be issued without an issuing order of Authorized officer and survey for store materials should be conducted under board of survey and should be obtain a report at the end of every financial year.

CHAPTER II

Fund of Pradeshiya Sabha and payment made to the fund

49. A receipt should be issued according to the format imposed by the Commissioner of Local Government in terms of Sri Lanka Public Sector Accounting Standards for the Local Government Authorities regarding any payments made to the fund of Pradeshiya Sabha. However in the event of any statutory firm or a company established under company Act, No. 7 of 2007 or a bank approved by the Monetary Board of Central Bank or Financial Institute authorized by Pradeshiya Sabha having an agreement with Pradeshiya Sabha to accept any payment made to the Pradeshiya Sabhas a payment for Pradeshiya Sabha fund and any electronic or manual notes, issued by such firm or institute for accepting respective cash and shall be considered as a receipt issued by the Pradeshiya Sabha.
50. In accepting money by any statutory institution company established under company Act, No. 7 of 2007 or a bank approved monetary board by Central Bank or any other financial firm for the Pradeshiya Sabha in the manner mentioned under above subsection (49) all related matters including ceding such accepted money in to the fund of Pradeshiya Sabha should be make in terms of the agreement effected between Pradeshiya Sabha and relevant firm.
51. Where receipt relevant to format mentioned in above clause 49 is issued it should be completed with four copies. In conformation of accepting cash, cashier should place the signature.

52. All books with counter file should be kept in the custody of authorized officer and the Secretary of Pradeshiya Sabha should be responsible for the safety of such documents.
53. Keeping safeguard of all counter file books, receipts and related documents in accordance with Right to Information Act, No. 12 of 2016 shall be the duty of Secretary.
54. Report Pertain Crediting the amount recovered in terms of the agreement by any firm Authorized firm for the Pradeshiya Sabha on the permission of accepting money for the fund of Pradeshiya Sabha should be submitted in the following month and reviewed by the General meeting of Pradeshiya Sabha.
55. Daily receipt analyze should be prepared according to the format imposed by the commissioner of local government in terms of Sri Lanka Public Sector Accounting standards for the Local Government Authorities regarding payments made to the fund of Pradeshiya Sabha and the receipt under sub offices should be indicated separately.
56. consolidated monthly analyze regarding expenses compliance with format ordered by the commissioner of Local Government according to Sri Lanka Public Sector Accounting Standards for the Local Government Authorities regarding the expenditure of the fund of Pradeshiya Sabha should be submit to the Accounting Officer.
57. Reports regarding arrears income under self-generated revenue relevant to every calendar month should be prepared at head office and sub offices imposed by the commissioner of local government according to Sri Lanka Public Sector Accounting Standards for the Local Government Authorities and summary report of the same should be submitted to Secretary of Pradeshiya Sabha of Pradeshiya Sabha.
58. The Secretary of Pradeshiya Sabha should certify that only the balance amount that can be recovered from arrears balance under other revenue including assessment tax fee and rent that should be recovered to the fund of Pradeshiya Sabha of the end of every years has brought forwarded for the following years.
59. Petty cash impress limit that can be maintained under the fund of Pradeshiya Sabha should be determined by the Pradeshiya Sabha in accordance with Sri Lanka Public Sector Accounting Standards for the Local Government Authorities.
60. Release of advances relevant to the Pradeshiya Sabha should be always subjected to the maximum of rupees one lacks for a staff officer according to the estimate for the purpose.
61. However considering the structure of staff of the Pradeshiya Sabha, payment of advance not more than rupees twenty five thousand for non-staff officer based on the estimate for the purpose shall be legitimately.
62. A survey should be conducted to identify property of revenue resource to the fund of Pradeshiya Sabha in the following years within the limit of Pradeshiya Sabha by officers and assistants authorized powers for the purpose by the Chairman of Pradeshiya Sabha and should be submitted report according before 31st of March on every years.

CHAPTER III

Payments that should made from the fund of Pradeshiya Sabha

63. Miscellaneous payments except reimbursement travelling expenses made from the fund of Pradeshiya Sabha should be made by a voucher as for the format imposed by the commissioner of local government and in terms of the provisions mentioned under this order in accordance with Sri Lanka Public Sector Accounting Standards for the Local Government Authorities.
64. It should be noted that authorizing for the expenses for the payment relevant of fund of Pradeshiya Sabha has been made according to the provision of basic law and the Chairman should make approving the expenses and certifying the expenses should be made by the Secretary.
65. In each voucher Pradeshiya Sabha order granting authoritative power for the respective expenditure or in the event of power being granted by the Pradeshiya Sabha for the expenditure or and office being authorized for the expenditure such authorization should be started.
66. The voucher should be prepared by the responsible person for any service and an officer authorized for the purpose should check the voucher.

67. In every voucher should be described the service rendered specially stated and the officer checked by the voucher should place the signature satisfying that all relevant information are correctly entered to the voucher.
68. The value included to the voucher should be indicated in both ways of in words and letters and figures.
69. Any note of the voucher should not be erased or distorted and if any correction it should be altered visibility and initiated by the authorized officer,
70. Relevant confirmation to every voucher should be entered as annexure.
71. When a material supplied or works completed under an agreement contract if any works, a certificate that the works have been completed according to the conditions of agreements or contract should be attached to the voucher as an annexure.
72. If a relevant voucher is to make fined payments or retention money, the certificate issued by officer in charge of the duty certifying that the works have been completed properly and in prescribed manner and should be submitted with the paying voucher.
73. In case of vouchers pertaining to payments for receipt stores items, it has to be authenticated through certificate that such items are included in inventory book or store ledgers.
74. In any salary register or voucher or any documents for approving any payments only original copy should be certified by authorized officer and in the event of additional copies "copy" should be noted in each copies so required.

Salary for staff of Local Government Authorities

75. Payment of salary for the officers or employers who serve in a post with permanent and pensionable of provincial public service relevant to local government authorities or under membership of employee trust fund shall be as the provisions of establishment code procedural rules of provincial public service orders follow and other orders imposed from time to time by the Governor of Provincial Council.
76. Conditions should be applicable regarding employing in the service any servants for the local government authorities not in the post of Provincial Public Service relevant to any Local Government institute and according salary or allowances should be applicable.
77. Salary of the officers and employees of the provincial public service attached to Local Government Authorities should be paid from the fund of Pradeshiya Sabha and the expenses so spend should be reimbursed in accordance with the orders relevant to reimbursement of Public Salary.
78. A salary ledger including details pertaining salaries of all employees of Pradeshiya Sabha should be maintain by Local Government Authorities in Accordance with policies of Sri Lanka Public Accounts Committee.
79. Travelling expenses and holiday pays can be paid requesting under prescribed vouchers for the service rendered to relevant Pradeshiya Sabha for officer's employees who serve in a post of provincial public service relevant to Pradeshiya Sabha in terms of the provisions of establishment code or provisions mentioned in procedure rule of provincial public service off North Central Province.
80. Provisions of pension salary code with the provisions of Provincial Pradeshiya Sabha pension salary Act No.17 of 1993 should be applicable to all officers; employees hold posts with pensionable salary in respective provincial Pradeshiya Sabha attached to local Government Authorities in the event for the non-pensionable posts respective officers should be contributed to the public employee trust fund.
81. However any person attached who is entitled for pension in the Local Government Authorities under by laws of pensions salary as at the date of effected this order shall not have any impact over the Provisions of this Sections.

Loan and investment paid from the Pradeshiya Sabha Fund

82. If any excess amount of allocation for the expected services of Pradeshiya Sabha, such investment can be made as determined by the Pradeshiya Sabha in accordance with provisions of Pradeshiya Sabha Act No 15 of 1887

83. (I) A Ledger pertaining loan and recovery of loan from the fund of Pradeshiya Sabha should be maintained and it should be prepared according to Sri Lanka Public Sector Accounting Standards for the Local Government Authorities and in accordance with the formats imposed by the commissioner of Local Government as per the Provisions mentioned hereinafter
- (II) A separate advance account should be maintained as General fund account for employee loans that should be paid to officers and employees of Pradeshiya Sabha.

CHAPTER 04

APPLICABLE THE SRI LANKA PUBLIC ACCOUNTING STANDARD FOR PRADESHIYA SABHA

Maintain accounts of Pradeshiya Sabha and Financial Statement

84. The Pradeshiya Sabha should maintain its accounts and prepare financial statements applying Sri Lanka Public Sector Accounting Standards for the Local Government Authorities objective and related principles in preparation of financial statement of Pradeshiya Sabha.

Objective and principles related in preparation Financial Statement of Pradeshiya Sabha

85. In presentation of financial statements by a Pradeshiya Sabha related objective financial statement detail of financial statement approved Pradeshiya Sabha shall be as utilized the financial statements or deposit.
86. Interpretation regarding assets liabilities and net assets allies' equity relevant to Pradeshiya Sabha under this order shall be following.
- I. Current economic resource maintained by Pradeshiya Sabha as result of past incidents should be an asset to the Pradeshiya Sabha.
 - II. Current liabilities to the Pradeshiya Sabha for transferring economic resources as a result of past incident are a responsibility.
 - III. After deducting all liabilities by the Pradeshiya Sabha, ownership of other assets should be net assets *alias* equity of Pradeshiya Sabha.
87. "Revenue" of Pradeshiya Sabha is increased of inflows or asset or increase of economic benefit of liabilities decrease nature, resulted net asset *alias* equity within the reporting period except the matters related contribution made by the Government or North Central Provincial Pradeshiya Sabha as capital fund
88. "Expenditure" of Pradeshiya Sabha is decrease of inflows or asset or decrease of economic benefit of liabilities creating nature, resulted decrease of Net asset *alias* equity within the period specified other than the matters related to distribution to the Pradeshiya Sabha for contribute Capital.
89. Items completed following criteria's compliance with interpretation of revenue and expenditure of assets or liabilities should be identified for Financial statement by Pradeshiya Sabha.
- I. Relevant item and any future economic benefits related. It can be expected in flows or outflows to the Pradeshiya Sabha.
 - II. Having a trustfully measurable cost or value to the item.
90. Financial statement should be prepared using accounting based on accrual by a Pradeshiya Sabha. Identifying as items, asset, equity, revenue or expense on accrual basic should be only to complete criteria's for such items.

Presentation of Financial Statement by a Pradeshiya Sabha

91. Presentation of Financial statement by a Pradeshiya Sabha should be made subjected to the provisions mentioned in basic law.
92. Every financial statements submitted by Pradeshiya Sabha should be fairly included Financial position and financial performance of the Pradeshiya Sabha and variable of financial statement, changes of equity and incidental notes should be disclosure.

93. A statement of declaring the respective Financial statement has been prepared accordance with Sri Lanka Public Sector Accounting Standards for the Local Government Authorities should be included with Financial statement passed by Pradeshiya Sabha.
94. (I) Administration including the Chairman of the Pradeshiya Sabha should assessed the possibility of maintaining perpetual succession of Financial statement passed by the Pradeshiya Sabha. And also considering the continuous position of Pradeshiya Sabha should prepare annual financial statement for the future not limiting to annual basic. The Pradeshiya Sabha should disclose the matters arisen doubt or uncertainly in discharging under financial statement approved by the Pradeshiya Sabha.
- (II) The perpetual succession of the financial statement passed by a Municipal Pradeshiya Sabha should be established by a fixed board for the purpose including Chairman and Secretary.
95. According to the Sri Lanka Public Sector Accounting Standards for the Local Government Authorities, consequence to considerable charge in the nature of operation of a Pradeshiya Sabha or reviewing annual financial statement, other type of presentation or classification unless, conveniently recognize as appropriate presentation and classification of items of respective statement should be as seam as in upcoming year as well.
96. The values should be for the period respective financial statement in the current year as mention under Sri Lanka Public Sector Accounting Standards for the Local Government Authorities and details that can be compared relevance to the previous year, should be included accordingly.
97. Budgetary information in a budget prepared by a Pradeshiya Sabha according to principles of identifying and measuring under Sri Lanka Public Sector Accounting Standards for the Local Government Authorities in the respective financial year should be submitted in the financial statement for relevant period.
98. Budgetary information in the budget which has not prepared by a Pradeshiya Sabha according to identifying and measuring under Sri Lanka Public Sector Accounting Standards for the Local Government Authorities in the respective financial year should not be submitted in the financial statement for relevant period.
99. A Pradeshiya Sabha submitted budgetary information in the financial statements.
 - I. Following values should be produced according to columns or lines for easy to compare.
 - (a) Actual
 - (b) Budgetary; and
 - (c) Actual of previous comparative period.
 - II. If any variance, original and final budget should be submitted separate lines and
 - III. If any quantitative variance between values produced for line items of the notes, disclose of reasons for the matter.

Quantities and Movement

100. If the impact is made to economic decision on Financial statement individually or by omission of information or mistaking such information should be considered as adequate information.
101. If the impact so is not quantities, no necessity of this stranded is arisen.
102. Quantities of same items should be confirmed to the Pradeshiya Sabha and if it is not quantitate, unequal nature should be confirmed to the Pradeshiya Sabha.

Complete Financial statement set

103. Complete Financial statement set relevant to Pradeshiya Sabha should be included following.
 - I. Assets and liabilities statements.
 - II. Comprehensive revenue statement.
 - III. Statement of net assets / equity changes.

IV. Cash flow statement and

V. Summery notes of considerable accounting policies and other detailed information.

Identifying Financial Statements

104. A Pradeshiya Sabha should clearly identify each financial statement (including the notes). It should be identified separating from other information in such registry. In addition to that Pradeshiya Sabha should provide highlighted the following information and in the event of the information produced is required to understand, it should be reproduced.

- I. Name of entity reported and revised name of entity if any since the end of previous period.
- II. Final date of the period reporting financial statement and period covered by the financial statement.
- III. The currency in which financial statements are presented.
- IV. Amount of values indicated in financial statement presented in currency units. (i.e Rupees millions)

105. Following details of financial statement notes of Pradeshiya Sabha should be disclosure.

- (a) Legitimately structure of the Pradeshiya Sabha, Authoritative limit, province within the authoritative area, and address of the Head Office, and
- (b) A description pertaining the operation of Pradeshiya Sabha and key functions.

Asset and liabilities Statement

106. A statement regarding assets, liabilities and assets and liabilities for assets as at final date of period reported, should be produced.

Current/non-current classification

107. The Pradeshiya Sabha should submit current and non-current assets and current and non-current liabilities as a separate classification in the financial statement.

108. In following instances, asset of Pradeshiya Sabha should be grouped as current.

- (a) Expected to realize asset within normal operation circle of Pradeshiya Sabha or intend to consume, sell or distribute.
- (b) Retaining assets for selling.
- (c) Expect to realize the asset within period of twelve months after the date of reporting.
- (d) Asset being cash or cash equivalent expect, unless the asset is not limited to realize, exchange or use for a period at least twelve months after the date of reporting.

109. Other all assets of Pradeshiya Sabha should be classified as non-current asset. In the event of operational procedure of Municipal Council could not be identified clearly, period of the same should be presumed as twelve months.

110. In following instances, liabilities of Pradeshiya Sabha should be grouped as current.

- (a) Expected to settle liabilities within general circle of Pradeshiya Sabha.
- (b) Schedule to be settled liabilities within twelve months after date of reporting.
- (c) Not having unconditional right of entity to defer to settles liabilities within at least twelve months after reporting date.

111. Pradeshiya Sabha should classify other all liabilities as non-liabilities.

Information's that should be furnished in asset and liabilities statement or notes

112. The Pradeshiya Sabha should disclosure the following sub classifications of submitted line items in the asset and liabilities statements or notes.

- (a) Property plant and equipment of Pradeshiya Sabha within proper classification.
- (b) Commercial and other receivables separately showing values receivable from related parties and values receivable from other parties
- (c) Following mentioned stock values should be shown separately.
 - I. The stock for general business.
 - II. The stocks available in the production process for such sale.
 - III. Items and services stock that should be consumed in production process or providing services
- (d) Commerce and other payables showing separately differed revenue and accrued expenditure payables to trade suppliers, payables to related parties.
- (e) Allocation for employee benefits and allocation showing other item separately.
- (f) Net asset / equity class such as capital expenses donation unidentified within contributed capital excess (deficiency) and accrued excess (deficiency)

113. The Pradeshiya Sabha should disclosure a description of all reserve including net asset/ equity in the asset and liabilities statement or notes.

Comprehensive revenue statement

114. When surplus or depict of reporting period are consisting with other comprehensive revenue and Pradeshiya Sabha should produce revenue and expenditure items, compliance with Sri Lanka Public Section Accounting Standard identified in determining other comprehensive revenue and comprehensive revenue in comprehensive revenue statement.
115. Pradeshiya Sabha should submit an analization of expenses using classification on the basis of expenditure of the Pradeshiya Sabha Example of movement on basis of function of expenditure the administration, health, maintains of infrastructure facilities, common utility service and welfare. Pradeshiya Sabha should not submit or describe revenue or expenditure items of financial statement as “special items”.

Cash flow statement

Cash and cash equivalence

116. “Cash and cash equivalence” is short terms investment with high liquidation retained to fulfill requirements of short terms cash bindings. Therefore, an investment is general qualified for cash and cash equivalence as available short mature period. I.e. matured time with three months or more than it from the date of acquisition. A bank overdraft generally considered as financial activities equal to loans.

Information’s submitted in the cash flow statement

117. Cash flow statement should be produced in terms of the format ordered by the commissioner of Local Government by the Pradeshiya Sabha through a classification according to cash flow operation activities, investment activities and financial activities submitted for the reporting period.

Operation activities

118. “Operation activities” are activities recurrence to the Pradeshiya Sabha accordingly, cash flow result from operation activities is transaction, other incidents and positions included in determine surplus and depict. Some transaction such as plant items sold by Pradeshiya Sabha may be causes to arise benefits or loss included in surplus or depict. However, cash flow related such transaction is cash flow from cash flow investment activities.

Investment activities

119. Acquisition and disposal of long-term assets and other investment not including moneys and equivalence are investment activities.

Financing activities

120. Financial activity is resulted activities on changes of capital contributed to Pradeshiya Sabha and quantity and compact of granting loans.

Cash flow reported from operation activities

121. Cash flow from operation activities of Pradeshiya Sabha should be submitted using cash flow circle method. Accordingly surplus or depict will be adjusted for impact of non cash transaction or future operation any different of payments or cash receipt or impact of items of revenue or expenditure of cash flows related financial activities.
122. Net cash flow generated from operational activities is determined by adjusting surplus or depict.
- I. Variation of receivable and payable from stocks and operations within the period.
 - II. Depreciation, accrued revenue not received allocations (or unpaid) in cash and non-cash items such as unrealized foreign currency benefits and loss, and
 - III. Other all items effected for cash related investment or financing.
 - IV. Cross entries receipts and payments.
123. Following details should be indicated in notes.
- I. Basis of preparation financial statement and submission information regarding specific accounting policies used.
 - II. Disclosure of required information by this standard which was not submitted in the financial statements.
 - III. Not presented in any place of financial statement but providing relevant information to understand any matter.
124. The Pradeshiya Sabha should produce notes methodical manner as possible to practical. Pradeshiya Sabha should give cross references for each item in financial statements relevant to any related information in the notes.
125. Presentation of Notes methodically is
- I. A declaration that the Financial statements have been prepared compliance with Sri Lanka Public Sector Accounting Standard for Local Authorities.
 - II. A summary of utilized important accounting policies.
 - III. Numerical order of all statements and line item submitted assisted information for the items produced in the Financial Statements and.
 - IV. Other any disclosure.

Disclosure of Accounting Policies

126. The Pradeshiya Sabha should disclose the followings in the summary of important accounting policies.
- I. Based of measurement used in preparation Financial Statements.
 - II. Other Accounting Standards utilized for understanding Financial Statements.

Accounting policies estimates and selecting and using incorrect accounting policies

127. According to accounting policies, due policies, basis, agreement orders and equivalent principles are used by Pradeshiya Sabha in preparation and presentation financial statement. A Pradeshiya Sabha should use its account policies, equivalent, transactions selecting consistently for other incidents and practices. Accounting policies that should be followed by Local Government Authorities should be introduced by the Commissioner of Local Government Authorities.

Variation of Accounting Policies

128. If financial Statements are provided as a result of changing such information faithful and most relevance regarding impact of other incidents or positions, transaction on the positions of Pradeshiya Sabha. Pradeshiya Sabha should revise an accounting policy and revision of accounting policy should be rare.
129. Transactions not made earlier or not adequate. Using new accounting policy to other incidents and practices should not be considered as variations of accounting policy.

Using the variations of accounting policies

130. A Pradeshiya Sabha should produce the variation of accounting policies related to previous periods in statement of changes net asset/ equity as unidentified items in determine surplus or depict of reporting period and as identified items in determine brought forward surplus or depict.

Variation of accounting estimates

131. Accounting estimate revision is the adjustment to the value due to consumed termly asset or carrying value asset of liabilities as a result of assessing present situation related asset and liabilities and expected future benefits and bindings. Revised new information or result of position newly arisen may be available in accounting estimate and those could not be considered as correction and when it is difficult to identify changes of accounting policy from changes of accounting estimate. Such variation is considered as revision of accounting estimate.
132. Following matters should be considered for variation accounting estimate.
- (a) Changing depreciation method to simple ways method from diminishing balance method of such item to depict revised assessment of asset benefits consuming style of property plant and equipment item.
 - (b) Re estimation of useful life time of properly plant and equipment item.
133. Pradeshiya Sabha should identify the impact of variation accounting estimate entering with retrospectively in surplus or depict as following.
- (a) If the variation effected only to the period of changing the period of changes occurred.
 - (b) If such variation is effected for both periods, period occurred such changes and future period.
134. The amount of variation of asset or liability caused to arise due to variation of accounting estimate should be identified by Pradeshiya Sabha in adjusting carrying value of asset or liabilities in the period occurred such variation.

Correction of prior period Errors

135. Prior period errors are omissions or misstatement arisen in the Financial Statements for one or more than period of Pradeshiya Sabha in misusing or due to failure to use following mentioned information in trustful manner.
- (a) The information that could be received at the time of granting approval to issue Financial statement for such period, and
 - (b) Information that could be accounted and could be expected to obtain fairly at the occasion of preparing and presenting such Financial statement.
136. The errors described under above clause should be included the impact of mathematical errors, errors made using accounting policy, mistakes, misunderstanding the matter.
137. The Pradeshiya Sabha should identify the impact of errors related prior period as an item identified in determine retained earning but brought forward unidentified in determine surplus or depict of reporting period within equity changes statement.

Disclosure of changing accounting polices

138. In the event of revision of accounting policy in the current year or a preceding year, Pradeshiya Sabha should disclose the following

- I. Nature of changes revision of accounting policy
- II. Where for in applying the new accounting policy trust worthy and accurate information could be provided
- III. Practicable the value of adjustment for surplus or depict
 - a. For current period and,
 - b. Value for the period prior current period.
- IV. If it is impracticable to determine the disclosure value of above (iii)

However, the disclosure of the financial statement for coming period should not be repeated.

Disclosure of variation of an estimate

139. Pradeshiya Sabha should disclose the nature on any revision of accounting estimate and the impact of the current period for assets, liabilities and expenses on such revision.

Disclosure of prior period errors

140. The Pradeshiya Sabha should disclose the following information regarding prior period error
- I. Nature of prior period error
 - II. Value of correction to retain earnings
 - III. If it is impracticable to determine the disclosure value of above (1) or (11) shall disclose that
However, this disclosure of the financial statements for upcoming period should not be repeated.

Stock

141. Following assets should be considered as stock
- I. Consume in supplying services, distributed material, or service nature assets for administration of entity.
 - II. Assets retained to sell or distribute in general process of operation and
 - III. Assets of material or service nature for consuming in production proses , or
 - IV. Exiting assets of production process for selling and distributing

Measurement of stocks

142. The stock should be measured to the less value of net unrealized value or cost except at the used occasions
143. Retained stock or followings should be measured lesser value of cost or current cost
- I. Stocks consumed or without charges or fixed charges within administration process of the institution
 - II. Stocks available for distribute without target or fixed charges
 - III. Stocks available for consume in production process for distribute without target or fixed charges

Cost of stocks

144. Stock cost is consisting with all purchasing cost, translation cost and other costs incurred to carry out to the current position.

Cost of purchasing

145. Cost of purchasing stock is consisting with purchasing cost, import excise and other tax (except tax recoverable from tax authority later) and transport expenses, operation charges and readymade goods expenses.

Translation cost

146. Cost of translation cost, number of production unit should be included only the cost such as direct materials related directly and direct labour.

Joint production and by production

147. In the production process, more than one production may be implemented at same time, when joint production made or main production or by production or translation cost of materials or every production could not be identified, the entity should separate on realistic and also at the occasion of production could be identified separately of every moment of completion production, separation can be made on the sale value of production.

Cost disposed from the stocks

148. Following matters should be examples to the cost identified as expenditure of the period after disposing stock cost.
- I. Labor of unusual values of ware materials or other production cost
 - II. Store cost except if needed among production stages.
 - III. Production and administration cost
 - IV. Selling cost
 - V. Interest cost, and changes of foreign exchange
 - VI. Variation of foreign exchange

Cost of stock in a service

149. Stock in service should be measured to production cost. Production cost is consisting with cost of employees engaged directly or providing service including supervision the staff. The cost related sale and administrative staff should not be included and should be identified as expenditure incurred in the period.

Cost obtainable method

150. The Pradeshiya Sabha should measure stock cost of service and good items which would be generally exchange and could not be allocated certain projects using certain identification of individual cost.
151. Pradeshiya Sabha should measure using first in first out (FIFO) cost of stock or weighted general cost. Pradeshiya Sabha should use equivalent method for all stocks available equivalent nature use. Other method could be justified for stocks for other nature use.

Identifying as an expense

152. When stocks are sold, exchanged or distributed, revenue related carrying value of such stock should be identified as expenditure of identified period. In the event lack of related revenue, expenditure is identified at the occasion of distribution goods or providing service. Any write off the stock or write off all deficiencies value of stock, should be identified as expenditure of the period occurred the loss. Any value of translation due to translation of write off any stock should be identified as deduction of stock value identified as expenses in the period occurred such translation.
153. Some stocks cannot be separated into other asset accounts. In utilizing property, plant or equipment made by self-allocated stocks are accounted later in to other asset, should be compliance with relevant paragraph of this standard relevant to this stock.

Disclosure

154. A Pradeshiya Sabha should disclose the followings.

- I. Used method including accounting policies followed for valuation stocks.
- II. Total capacity value of the stocks and capacity value of classification proper to the Pradeshiya Sabha.
- III. Value of identified stocks as expenditure within the period.
- IV. Write off within the period or stock identified as loss or translation.
- V. Total carrying value of stocks pledged as Security for liabilities.

Property, plant and equipment

155. Property plant and equipment are following mentioned tangible assets.
- I. Production or supplying goods or service are maintained for renting out to others or for administration affairs.
 - II. Expect to use one more than one reporting period.
156. If Pradeshiya Sabha expected to use within one more than period, and items such as spare parts, equipment and service equipment's, or used as property plant and equipment items, they are properties plant and equipment. Unless those items should be classified as stock.
157. Land and buildings are separable asset. Even though such items are identified same, A Pradeshiya Sabha should maintain account separately.

Measurement of identification

158. In identification basically it's property plant and equipment; A Pradeshiya Sabha should have identified its cost.

Basic components of the cost

159. The cost of property, plant and equipment's items should be consisting with followings.
- I. After deducting purchasing amount, import excise and commercial discount and rebate from non-refundable purchasing tax including legal for and broker chargers.
 - II. Any cost attributed directly to bring the asset in required position or place to be able operate it as expected by the management should be included and cost of property place, basically handing over and fixing operation and assembling and check the operation.
160. Following mentioned cost property, plant and equipment are not costs and property plant, equipment's should be identified, since the occasions of using them.
- I. Cost of opening new facility
 - II. Cost of introducing a new production or service (including cost for advertising and promotion)
 - III. Cost of maintain business in new place or new business class (including training of servants)
 - IV. Administration and other general performance cost, and
 - V. Cost for loan.
161. In building and developing property plant and equipment items, if it is not necessary to bring up the revenue and expenditure it related incidental operation to expected location or operation position.

Measurement after basic identification

162. After basic identification, property plant and equipment should be measured by deducting any accrued depreciation or any accrued to damaging loss from the cost.
163. Except general use damaged property plant and equipment item should be identified in surplus or depict as damage of proportion relevant cost deducted depreciations. A Pradeshiya Sabha should identify daily service cost of property plant and equipment in surplus or depict of the period incurred such cost.

Depreciable value and depreciation period

164. The depreciable amount of an asset shall be allocated on a systematic basis its useful life by the Pradeshiya Sabha. Depreciable amount is accrual damage loss deducting accumulated depreciation and deducting other value. If an asset has already been ended useful life and it became expected position end of useful life time, residual value of an asset is estimated value that can be obtained after deducting residual value of an asset.
165. The expenditure of depreciation on every period should be identified in surplus or deficit.
166. It can be hinted that residual value of assets and useful lifetime has been changed after recent annual reporting date such as changing of the manner used assets unexpected degenerate and promotion of attrition level and changes of market prices. If such hints are unbillable and in the event of changes of current expectation the Pradeshiya Sabha should review previous estimate and revise the method of depreciation method or useful lifetime Pradeshiya Sabha should account residual value depreciable method or useful lifetime as a variation of according estimate.
167. Depreciation of an asset begins when it is available for use. *i.e* when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases change the asset is derecognized.
168. Useful life of an asset is, expected period to utilize the asset by Pradeshiya Sabha or number of production or number of equal units expected to obtain from the asset by the Pradeshiya Sabha. Consequently, all the following factors are considered in deterring the useful life of an asset.
 - i. Expected usage of the asset. Usage is assessed by reference to the assets expected capacity or physical output.
 - ii. Expected physical over and tear, which depends on operational factors such as the number of shifts for which the asset is to be used and the repair and maintenance program, out the care and maintenance of the asset while idle.
 - iii. Technical or commercial obsolescence arising from changes or improvement in production or from a change in the market demand for the product or service output of the asset.
 - iv. Legal or similar limits on the use of the asset, such as the expiry of related leases. Except such as stone quarry and lands used for land filling, those should not be depreciated due to unlimited useful life is available for the lands.
 - v. Even though, the year purchased or utilized is not relevant for depreciation should be made relevant to the year when disposing

Depreciation Method

169. The depreciation method should reflect the pattern in which the asset's future economic benefits or service potential is expected to be consumed by the entity. These methods include the straight-line method, the diminishing balance method and the units of production method. Accounting policies that should be followed by Local Government Authorities should be introduced by the Commissioner of Local Government Authorities.

De recognition

170. The Pradeshiya Sabha should derecognize the item of property, plant and equipment as following.
 - I. On disposal or
 - II. When no future economic benefits or service potential is expected from its use or disposal
171. The gain or loss arising from the de recognition of an item of property, plant and equipment shall be included in surplus or deficit. The Pradeshiya Sabha should not categorize such gains.
172. Date of abandoning risk and benefits or asset should be considered as the date of disposing.

173. The gain or loss arising from the de recognition of an item of property plant and equipment shall be determined as this difference between the net disposal proceeds.

Disclosure

174. The Pradeshiya Sabhashould disclose the followings for each class of property, plant and equipment.
- i. The measurement basis used for determining the gross carrying amount.
 - ii. The depreciated method used.
 - iii. The useful lives or the depreciation rates used.
 - iv. The gross carrying amount and the accumulated depreciation aggregated with accumulated impairment loss at the beginning and end of the period showing end.
 - v. A reconciliation of the carrying amount at the beginning and end of the period showing.
175. The Pradeshiya Sabha should disclose conduct and carrying value of pledged property, plant and equipment limited proprietorship or as a securely for liabilities.

Lease

176. “Lease” is an agreement of transferring possessing by less or to lease as response to payment or payments for ownership of utilizing asset for specified period.
177. Accounting for all lease except following are covered through these regulations.
- i. A lease for discovery of minerals, natural Gas and equivalent resource, which cannot be renewable.
 - ii. License agreement for items such as moving film, videoing, drama script, patent or publication rights.
 - iii. Lease for biological asset end.
 - (a) All risks incidental rights and transfer benefits as considerable.
 - (b) Non part of considerable leased period from useful lifetime of asset.

Financial statement of lessee

178. Except payment to the lessor not structured according to the increase of anticipated average inflation to the compensate of Lessor’s anticipated inflationary cost increase, Lessee should identify the payment of lessee as per straight-line method.

Financial Statement of lessee

179. The lessor should subset assets subjected to lease according to the nature of assets in the assets and liabilities statement.
180. Except not structured according to the anticipated inflation to come sate the Lessor’ anticipated inflationary cost increase, the lessor through the Lessing period it should be identified as straight life method to the surplus or deficit of lease income.
181. The lessor should identify as cost expenditure including depreciation bearded in generally lease income.

Disclosure

182. The lessor should make following disclosures for lease.
- i. Lease payment identified as expedites.
 - ii. For examples information regularly contingent, general information of considerable lease agreement of lessees including conditions in posed by alternative of renewing and increasing section.

Employee benefits – Principles for General identification

183. Employee benefits are the salary and wages provided by entity as exchange to service rendered by employees including management the Pradeshiya Sabha should identify employee benefits entitled its employees of the service rendered to Pradeshiya Sabha, in terms of requirements mentioned in this clause.
- i. After deducting values paid as contribution to employees directly or employee benefit fund, if binding arisen from services prior to the date of reporting as liability is exceeded the paid amount, except required from other chapter of this to identify cost.
 - ii As a part of cost of assets such as stock or property, plant or equipment or as an assets up to the amount resulted to decrease of refund the cash or prior payment future payment by entity.

Certain Employee benefits

184. When an employee rendered the service to Pradeshiya Sabha, Pradeshiya Sabha should measure identified value of Pradeshiya Sabha or depicts as following.
- i. Salaries and wages, contribution for Widows and Orphans pension Fund, Employee Trust Fund or Employee Provident Fund, medical insurance premiums and use of a vehicle or benefits payable within short time prior to service period or after service period provided service such as houses.
 - ii. Payment of bonuses and profit of a profit sharing scheme within provided service and reported.
 - iii. Medical benefits not covered by insurance in the reporting period for entitled employee benefit.
 - iv. Cost incurred for casual, annual or medical leave in the reporting period on leave.
185. The service of an employee is terminated on activity basis, Measure the value payable end of reporting period and should be identified as responsibility.
186. The benefits payable because of entity decision should be identified at the period reported and communicated such decision to the employee.
187. As a result of employees decision to accept voluntary unwanted reduplication and the benefits payable as an exchange for such benefits, Pradeshiya Sabha recognize the period accepted and reported by the employee.
188. Post service benefits such as pension salary paid former employees should be identified as expenditure in the period made payment. If such benefits are paid without reimbursed by other entity such as Central Government, the Pradeshiya Sabha should identify cost of such benefits as revenue and expenditure in the final performance statement and both accrual surplus or depicts.\
189. Pradeshiya Sabhashould disclose followings in notes of final statement.
- i. Value of post service benefits should as pension salary paid or payable to former employees of Pradeshiya Sabha within the period.
 - ii. Amount paid or incurred post employee benefits paid or payable as pension salary to former employee of Pradeshiya Sabha within the period by other entity such as Central Government.
 - iii. Number of employees payable such post service benefits and Number of current employees entitled to such benefits on retirement.

Revenue from non-exchange transactions

Tax and transfer

190. Revenue is gross inflows economic benefits or service potentials arisen in the period reporting general activities of Pradeshiya Sabha, resulted the increase of inflows, net assets , equity except inflows related contribution from Central Government, North Central Province Pradeshiya Sabha as capital fund.

- i. Including assessment tax received or receivable.
- ii. Compensation including fines received or receivable.
- iii. Exchanging transfers received from the Government except capital fund end.
- iv. Gifts and donations received except the Government.

Tax and compensation

191. The assessment paid or payable to Pradeshiya Sabha and changes of other type include the tax. In terms of Law and regulations established for receive income to Pradeshiya Sabha.
192. Tax and compensation should be identified as revenues of the period imposed tax end compensation.
193. Receivable things balanced end of reporting tax and compensation pertaining to pervious period as at the date of reporting should be measured to recoverable value and identified as on asset.

Transfers from Government and North Central Provincial Council

194. The transfers by Government and North Central Provincial Council for incurring expenses are identified as revenue of periods identified such expenditure.
195. The Government transfers for providing funds for identified property plant and equipment's or other assets are identified as revenue of the period identified such properties, plant end equipment's or other asset surplus or depict.
196. The Government transfers related specified period should be identified as revenue of such period.
197. Revenue from Government except capital funds not mentioned in the paragraph 194, 195 or 196 should be identified as revenue of the period received or receivable such transfers.
198. Transfers from Government for capital expenditure identify basically in other comprehensive income. Such other extensive revenue recognized and recognized as transfer revenue and corresponding value fulfilled during the period of recognizing criteria of revenue mentioned in the precedent clauses will be deducted from other extensive revenue. Government transfer not fulfilling the revenue recognizing criteria mentioned in precedent clauses up to the reporting date should be identified as a separate component in assets and liabilities statements.

Transfers from other parties except Government or North Central Provincial Council

199. Transfers from other parties except Government or North Central Provincial Council are identified as revenue of the period found such expenditure.
200. Other transfers except from Government to grant funds for identified property plant and equipment's or other assets should be identified as revenue in the period identified such properties, plant end equipment's arts or other assets surplus on depict.
201. Other transfers except Government for specified period are identified as revenue of such period.
202. Other transfers from Government or Provincial Pradeshiya Sabha except capital fund not mentioned in clauses 199, 200, and 201 are identified as revenue of the period received or receivable such transfers.
203. Transfers from other punches except Government for capital expenditure are identified in other comprehensive revenue. Corresponding value identified as revenue in other comprehensive revenue and at the period satisfies criteria identify revenue mentioned in previous paragraph should be deducted from comprehensive revenue.
204. A Pradeshiya Sabha should disclose followings regarding tax and transfer.
 - (a) Value of identified revenue as tax with proper unitization according to type of tax.
 - (b) Revenue identified as fines with proper analyze according to fines of compensation.

Revenue from exchange transactions

205. Revenue is gross inflows from economic benefits or service potentials arises in the period reporting normal activities of Pradeshiya Sabha resulted a incense of net asset equity except inflows related contributions by Government and North Central Province as capital fund. The paragraph is used to account the relevance arisen following transactions and incidents.
- (a) Sale of good (produced by entity for sale or purchased for resale).
 - (b) Supplying service.
 - (c) Construction contract that contractor is Pradeshiya Sabha. Constriction is comprised agreement that connected with technology and its procedure and adjustment of usage and interconnected process to achieve the final target.
 - (d) Deposit generated interest or receivables.

Measurement of revenue

206. A Pradeshiya Sabha should measure revenue to the receivable value or received consideration. Received or receivable consideration dentin is the value after deducting any cameral discount, settling discounts and capacity rebate.
207. Revenue includes only the gross inflows of economic benefits received or receivable by a Pradeshiya Sabha on its own account. All amounts collected by Pradeshiya Sabha on behalf of third party should be excluded from revenue. Revenue includes only the commission of all taxes of sale and Value added collected on behalf of the Government. The amount collected on behalf of the Head is not revenue of Pradeshiya Sabha.

Sale of goods

208. A Pradeshiya Sabha should identify revenue on sale of goods as Full Filling following all conditions.
- (a) When Pradeshiya Sabha vested the considerable risk and benefits of the ownership of goods to the purchaser.
 - (b) Pradeshiya Sabha does not act regarding continues management related ownership on sold goods or not retain productive control.
 - (c) Value of the revenue can be measured in trustfully.
 - (d) Expected inflows of economic benefits related transaction to the Pradeshiya Sabha.
 - (e) Cost incurred or could have to be incurred can be measured in trust manner.
209. At what time Pradeshiya Sabha had handed over the benefits and constable risks of the title to purchaser should be checked in considering point of the transition. Most occasions, handing over the risk of ownership and benefits are made parallel to both Matters of transfer of legal ownership or awarding possession to the purchaser.

Supplying Services

210. It the result to word transition in relation of providing service could be estimated in trustful manner, the revenue in relation to transaction should be identified by the Pradeshiya Sabha directing it to completion stage at the end of reporting period.
211. If following conditions cited as a method of completion percentage, result of a transaction may be estimated in trustful manner.
- I. Able to measure the value of revenue in trustful manner.
 - II. Able to expect inflow the economic benefits in relation to transaction to the Pradeshiya Sabha.
 - III. Ambling to measure the stage completed transaction end of reporting period in trustful manner.
 - IV. Ambling to measure the cost incurred for transaction and cost has to incur for completion of transaction.

212. When the result in relation with service could not be measured in trustful manner, the revenue of Pradeshiya Sabha should have identified only to the amount recoverable in expenses.

Construction contract

213. When the result of a construction contract could be estimated in faithful manner. Pradeshiya Sabha should identifying contract revenue and contract cost reliably construction construct respectively revenue and expenditure through directing to completion stages of activities at the end of reporting period. Completion stage for faithful estimate of result and trustful estimate relating future estimate are not needed for the purpose.

Method completed a percentage

214. This method is used to identify revenue through providing service and construction contract. When an estimate service transaction and revenue or construction contract is being implemented, Pradeshiya Sabha should review and revise as the requirement.
215. The Pradeshiya Sabha should accept reputable methods to determine completion stages using measuring method for transaction or completed work of contract in trustful manner.
- (a) Cost incurred for the works completed up to date is proportioned to estimated total cost. The cost incurred for works completed up to now is not included to the cost regarding future activities. i.e For material or future payment.
 - (b) Survey of completed work.
 - (c) Completion to physical proportion in contract work or service transaction.

Progress payments and advances received from customers are not depicted completed work

216. If it is expected that cost could be recovered, Pradeshiya Sabha should identify as cost asset in relation to transaction such as prior payment or for material or future activities of a contract.
217. If it could not expect to recover any cost, Pradeshiya Sabha should promptly identify as expenditure.
218. When a result of construction contract could not be estimated in faithful manner,
- (a) Pradeshiya Sabha should identify revenue up to the amount only to expected that incurred cost could be recovered.
 - (b) Pradeshiya Sabha should identify contract cost as an expenditure incurred in the period.
219. When a total contract cost on construction contract expected to be exceeded the total contract revenue, expected loss should be promptly identified as expenditure with corresponding allowing for responsible agreement.
220. When it could be not expected to recover value identifying as contract revenue Pradeshiya Sabha should identify as expenditure value as adjustment of contract revenue.

Interest

221. Identification of interest should always be made using fruitful interest rate.
222. “Fruitful interest rate” is the value of correct level of future cash receipt estimated to carrying value of assets. Fruitful interest rate is determined in basic identification, under fruitful interest rate,
- (a) Carrying value of asset is present value of future cash receipt discounted under fruitful interest rate and
 - (b) Carrying value of asset at the beginning of period should be multiply fruitful interest rate of such period and it is equal to interest income of period.
223. In the event of interest being received regularly at a same time interest rate and in excess and no other payment or receipts or discounts pertain to the interest ended asset the interest receivable from such asset for the respective period is the interest revenue of asset for such period.

Disclosure

224. Pradeshiya Sabha should disclose the followings:

- (a) Accounting polices followed to identify revenue including methods followed to determine completion stages of transactions.
- (b) Revenue value of each category identified within the period showing revenue arisen followings:
 - I. Sale of goods
 - II. Suplying services
 - III. Interest
 - IV. Commision; and
 - V. Another considerable revenue

225. Pradeshiya Sabha should disclose the followings in respect of revenue from constuction contract:

- I. Value of revenue identified as revenue within the period
- II. Method used to determine contract revenue identified within the period, and
- III. Methods used to determine completion stages of contract in progress

226. Pradeshiya Sabha should disclose the followings:

- I. Gross value receivable from customers for contract as and assest, and
- II. Gross value payable from customers for contract as a liability

227. Pradeshiya Sabha should disclose the followings:

- I. Value of revenue identified exchange transactions with proper analization through type of transaction.
- II. Values identified surplus or depict of receivables that could not be recovered from exchange transactions.
- III. Value identified the amount allowed for receivables that could not be recovered and receivable gross value as the receivables from exchange transition on reporting date with analization.
- IV. An analization of movement the amount allowed receivables that could not be recovered from exchange transactions within reporting period including the amount allowed on reporting date and value identified surplus or depict, value of amount allowed at the beginning of period.
- V. Commissions
- VI. Any value of write off receivables from exchange transactions that could be recovered within period and Authority approved write off.

228. A Pradeshiya Sabha should disclose followings related surcharges from Construing Contract:

- I. Leases
- II. construction contract
- III. Liabilities of employee benefit
- IV. Income tax

229. A Pradeshiya Sabha should sub unit followings:

- (a) Having a binding with Pradeshiya Sabha on reporting date as a result of past incident.
- (b) Be able to expect the necessity to transfer economic benefits to Pradeshiya Sabha in settling (not happened than has to be happened) .
- (c) Be able to reliably estimate the value of the bond

230. Pradeshiya Sabha should identify allocation in the statement to asset and liabilities us responsibility and identify value of allocation as expenditure except, in the event of necessary of other standard in this paragraph to identify cost as a part of asset cost such as property plant and equipment of the stock.

Basic measurement

231. The Pradeshiya Sabha should measure the allocation to the most suitable estimate for the value required to settle bindings on reporting date. The value paid to settle bindings logically at the end period reporting and the value of transfer to the third party at that time by Pradeshiya Sabha is the most suitable estimate.
- b. When the provisions are from one responsible Source the best estimate for the settlement of the same will be possible most of the time. However, in such event, Pradeshiya Sabha will consider other possible result. If other possible result is more upper or lower to the possible result the best estimate is the upper or lower value to the possible result.

After measurement

232. Pradeshiya Sabha should recover only the allocation prior identified against the allocation.
233. Pradeshiya Sabha should review allocation every reporting date and adjustment should be made to highlight suitable current estimate of the value that could be required to settle binding on such reporting date. In the event of identified the allocation firstly as a part of cost of asset. Any adjustment to the values identified earlier should be found in surplus or depict.

Contingent Liabilities

234. "A contingent liability" is a prevailing obligation not recognized as a probable obligation, but because it fails to meet one or both of the conditions in (ii) and (iii) of Regulation 229. When the Pradeshiya Sabha is jointly or severally liable, as part of an indebtedness when the part of the obligation is sought for other parties Considered.

Contingent Asset

235. Assets that are established and exit from past events are intangible assets based solely on the occurrence or more undisclosed future events that are not fully controlled by the Pradeshiya Sabha. A Pradeshiya Sabha should not recognize a tangible asset as an intangible assist. If the future economic benefits are generated to the Pradeshiya Sabha is indeed definite, then a related assets is not and its identification is appropriate.

Disclosure pertaining to allocation

236. Pradeshiya Sabha should disclose following for allocation of each class:
- i. Compare showing followings:
 - (a) Carrying value of comprising and ending of the period.
 - (b) Adding within the period.
 - (c) Value recovered against allocations within the period.
 - (d) Unutilized values translated within the period.
 - iii. A brief description regarding nature of bindings and any payment resulted relating to that and expected value.
 - iv. Hints pertaining to such inflows and uncertainly of payable period.
 - v. Expected reimbursement value mentioning value of any asset identified for expected reimbursements.
- However, comparative information for previous period should not be necessity.

Disclosure of contingent liability

237. Pradeshiya Sabha should disclose a brief description regarding nature of contingent liability for contingent liability of every closes on reporting date except it is probable any inflows of resources in settling.

- I. An estimate of financial impact.
- II. Amount of any inflow and hint of uncertainty relating period payable.
- III. Probable any reimbursement.

After taking every fair trisomy to do so, when one or more than disclosure could not be made, such matter should be disclosed.

Disclosure regarding contingent asset

238. If inflow of economic benefits could not be expected (would happened rather than happening) but in the event of uncertainty, (not identified) and in the event of a description of contingent asset nature at the end of reporting period, practicable within out unfair cost or remunerating. A Pradeshiya Sabha should disclose an estimate of final impact. After making fair tiresome to do so, if the Pradeshiya Sabha could not make. This disclosure, such matter should be stated accordingly.

Borrowing cost

239. This clause impose requirement to borrowing cost. Borrowing cost is interest and other cost incurred by Pradeshiya Sabha in granting fund as loan.

Identification

240. A Pradeshiya Sabha should identify all browning cost at the period concerned as an expenditure of surplus or depict.
241. A Pradeshiya Sabha should identify recognized total interest expenditure within reporting period.

Foreign currency translation

242. Pradeshiya Sabha should include foreign currency transaction as authorized in written; law of financial statement as following manner.

Reporting foreign currency transaction

243. “Foreign currency Transaction” is a transaction that should be settled or named in foreign currency including occurred from following mentioned transaction made by a Pradeshiya Sabha.

- I. A service or purchase or sale of goods fixed its price in foreign currency.
- II. Borrowing and loans of the values payable or receivable by fixed foreign currency.
- III. Liabilities or setting of acquisition or disposing asset fixed foreign currency.

244. In basic identification using timely foreign currency value between local currency and foreign currency. Pradeshiya Sabha should identify the foreign currency value and local currency value.

245. Date of transaction is qualified date firstly for identification transaction in terms of this standard. Closest rate to the actual rate on the date made transaction should be used on practical reasons.

- I. General rate of a week or a month for each foreign currency may be used for all transactions made within such period; or
- II. If settlement was made within short time from, the date of transaction related settled rate of receivables or payables could be used.

Final reporting of reporting period

246. At the end of every reporting period, Pradeshiya Sabha should:
- I. Translation of all foreign currency item using final rate and,
 - II. Transaction of non-currency on the date of transaction.
247. Pradeshiya Sabha should identify arisen exchange variation on surplus or depicts of the period concord, in settling financial items or in translation financial item to the rate more than different the rate translated earlier.

Disclosure of related parties

248. A Pradeshiya Sabha should disclose the transaction with related parties in the Financial statement and balance of arrears with such parties.

Interpretation of related party

249. If any parties has possibility to (a) control other party or (b) make considerable impact to other party in taking. Financial and operation decision such party should be considered as related party with this matter.
250. Related parties include:
- I. Chief management persons and close members of chief management,
 - II. Parties of considerable right of title direct or indirect by any person described in (a) or such person alone could implement considerable impact; and,
 - III. Parties who have considerable impact or controlled by Reporting Pradeshiya Sabha.
251. Chief Management personal is:
- I. All Pradeshiya Sabhaors of a Pradeshiya Sabha.
 - II. Other personal having authority and responsibility for planning operation and administration activities of Pradeshiya Sabha; and,
 - III. Secretary of Pradeshiya Sabha of Pradeshiya Sabha and Head of Each Department as necessity.
252. Following persons are guessed as family close members of an individual person:
- I. Spouse, home partner or relations resided as common householders.
 - II. Children, son in laws, daughter in law parents adult parents, brother or sisters.
 - III. Children of spouse of home partner parents in law, brother in law sister in law.

Disclosure of connection between subsidiary and holding company

253. Disclosure of connection between subsidiary and holding company should be disclosed disregarding the transaction of related parties.

Disclosure of related parties' transaction

254. In the case of transactions with related parties to Pradeshiya Sabha the information required to understand the impact such as relations on financial statements nature of related parties' connection, details of transaction arrears balance end bindings should be disclosed.
255. In the event of connections with related parties, disclosure transaction shall be as following:
- I. Purchasing or selling goods (readymade or raw)
 - II. Purchasing of property and other asset.

III. Leases.

IV. Research and development transfers.

V. Transfers under Financial agreement (contribution of equity including loan and cash or goods).

VI. Guarantees or additional grant allocation; and.

VII. Liabilities for Pradeshiya Sabha or settlements of Pradeshiya Sabha for other parties.

256. Unless otherwise, such language could be proved, Pradeshiya Sabha should disclose that transaction was made with related parties on equal language to the transaction distance at hand.

257. A Pradeshiya Sabha should disclose equal nature item as movement except Separate disclosure is required to get an idea on influence of related parties on Financial Standard of Pradeshiya Sabha, A Pradeshiya Sabha Should disclose as an item aggregation and equal nature.

Other assets and liabilities

Receivables

258. Value of receivables in terms of relevant laws and sub laws, the Pradeshiya Sabha should basically identify receivables on unchanged transaction and should be measured on transaction price.

259. Pradeshiya Sabha should review and consider whether the value of receivable can be recovered end of reporting period.

260. The Pradeshiya Sabha should review the value of receivables on reporting date in order to assess for recovering in any amount showing as receivables. The values recoverable identifying percentages for damaging should be measured in asset and liabilities statement.

Shares of listed companies

261. Shares of share exchange, transaction should be measured according to prices weighted of the business disclosed prior to end of reporting period for share exchange respectively.

262. If a listed shares of share exchange, was suspended transaction of such exchange at the end of reporting period of transaction, such shares should be measured in assets and liabilities statement on the most expectable value on that day.

Shares of other companies

263. Measurement of companies not receiving price should be done to the lesser value of share cost or net asset. Net value of assets of shares should be obtained on the basis of financial statement of general purposes of Municipal Council.

Payable loans

264. Pradeshiya Sabha should measure payable loans on the payable value.

265. If a loan should be paid after a year from reporting date, It is classified as non-current liabilities, the loan amount less than one year at reporting date is classified as current liabilities.

266. Accrued interest unpaid until the end of reporting period should be identified as liability as liability of asset and liability statement.

Payables

267. A Pradeshiya Sabha should measure payables on transaction price and identify accordingly.

268. Value of payables balanced at the end of reporting period should be identified as liabilities in the assets and liabilities statement.

Tax on surplus or depict

269. Values payable calculated in terms of relevant regulations on surplus or depict until end of reporting period, should be identified by Pradeshiya Sabha as payable tax.

Disclosure

270. Pradeshiya Sabha should disclose followings separate regarding receivables from un exchanged transactions and exchange transaction:
- I. Net value identified as receivables on reporting date with analization of allow for receivables that could not be recovered and gross value of receivables.
 - II. Analization of movement picketing in for receivables that could not be recovered within reporting period including allowance value at the beginning of the period, identified value of surplus or depict and financial allowance of reporting date.
 - III. Age unitization of the values recoverables on reporting date; and.
 - IV. Any values write off as unrecoverable within period and authority approved such write off.

Reporting of service performance information

Subject Scope

271. Reporting of service performance information's in Finical statement should be in accordance with the provisions motioned under this paragraph.
272. Reporting service performance information in terms of this paragraph represents the proper practice. It is not necessary comply with this paragraph to confirm that Finical statement has been prepared in terms of Sri Lanka Public Sector Accounting Standards for the Local Government Authorities.
273. Unless otherwise, service performance information are compliance with all principles in this paragraph it should not be described that they are compliance with this paragraph.

Service performance statement

274. A Pradeshiya Sabha should report service efficiency information in terms of this paragraph, in addition to present finical statement motioned under these regulations, should produce a service performance statement.

Service performance information

275. Following motioned information should be submitted in service performance statement:
- I. Service performance Fund
 - II. Performance indicator and
 - III. Total cost of service
276. Pradeshiya Sabha should submit following information following information recording performance indicator and total cost of service:
- I. Planned and actual information for reported period; and
 - II. Actual information for prior reported period.
277. Where information of other statement or notes consisting Financial statement include in service performance information reference to such information should be submitted in service reformative statement.

Detailed inquiry and analization

278. A Pradeshiya Sabha should submit a detailed inquiry on service performance information and an analization.
279. In analization and inquiring details on service performance information, a brief analization of service performance of Pradeshiya Sabha should be provided.
280. Through detailed inquiry and analization of service performance.
- I. Discussed the quantity fulfilled objective of service performance.
 - II. Submission of impartially clarification addressed both aspect of positive and negative in produced information.
 - III. Providing facilities to users assessment regarding efficient and productively of service performance of Pradeshiya Sabha.

Incidents after end of reporting period

281. “Incidents after end of reporting period.” is cited as the incidents occurred between closing date of reporting period and the date granted approved for issuance of financial statement.

Identification and measurement

Incidents adjusted after end of reporting period

282. A Pradeshiya Sabha should adjust identified value in the Finical statement including disclosures related depicted incidents adjusted after end of reporting period and should identify prior identified items. Incidents adjusted after reporting period are the incidents provide evidence for the positions of end of the period.
283. Following mentioned matters should be considered as examples to incidents mentioned under above section.
- i. Receipt of information after the reporting period depicted that an asset has been damaged at the end of reporting period or prior identified damaging loss should be adjusted for asset.
 - (a) Bankrupt of house renter after end of reporting period confirm that a loss occurred end of reporting period on receivable rent and carrying value for receivable rent damaging should be adjusted.
 - (b) Evidence may be given regarding sale price end of reporting period for objective of valuation recoverable on such date from sold stock after end of reporting period.
 - ii. Deterring cost of asset purchased prior to end of reporting period or the amount received from sold asset after the end of reporting period.

Unadjusted incidents after end of reporting period

284. The value identified in finical statement should not be adjusted to depict unadjusted incidents after end of reporting period. Unadjusted incidents after end of reporting period are incidents depicted arisen after end of reporting period.
285. Losses occurred by floods fire or other incidents means as incidents unadjusted after end of reporting period.

Disclosure

Date of approved for issuance

286. Pradeshiya Sabha should disclosure the date of granted approval for issuance financial statement and the person who has been granted approved for said issuance.

CHAPTER V

Assessment tax other tax and charges of Pradeshiya Sabha

287. The Pradeshiya Sabha should maintain the information pertaining all buildings and lands payable assessment tax under assessment tax ledger compliance with the format order by commissioner of local Government.
- I. The Pradeshiya Sabha should issue a warrant for recovery assessment tax within the period ordered according to the manner in basic law
 - II. The Secretary of Pradeshiya Sabha should take all the steps to recover assessment amount and additional charges prior to ending following quarter according to the basic law regarding issued warrant
 - III. Unless otherwise where a property is detained is action should not be taken to recover additional charges for the assessment
 - IV. Keeping safety detained movable property during the period up to action is the duty of the officer issued warrant for detain the property and the detailed regarding prohibited property should be prepared in three copies and one copy should be in the custody of Secretary of Pradeshiya Sabha or chief officer of revenue section
 - V. The office ordered the power to distrain the property issuing warrant for the purpose should issue prescribed receipts in favor of tax payer for assessment and additional charges
 - VI. The assessment and additional charges recovered under written law in taking action to distrain the property should be deposited and the officer responsible to distrain such property should keep the accounts accordingly
288. A submission report regarding the measures taken under warrant issued to officer for detain the property to the officer allow issued current shall be the duty of respective officer.
289. If any employee who is not in the regular service of Pradeshiya Sabha is engaged in prohibition property the payment to such officer for the purpose should be in terms of the agreement made between the officer concerned and the Pradeshiya Sabha.
290. If any external party provides service to prohibit property, keeping a security deposit of relevant external party for the purpose is the duty of Secretary of Pradeshiya Sabha of Pradeshiya Sabha.

Acreage tax

291. where acreage tax is imposed by Pradeshiya Sabha, a register regarding the property subjected to acreage tax should be maintained.
292. where acreage tax is not imposed by Pradeshiya Sabha, in the event of issuing warrant for recovery such tax rules from No. 287 to 290 of these code of rules should be applicable where necessary.
293. Identified the physical charges relating Assessment tax and Acreage tax is the duty of secretary of Pradeshiya Sabha or any officer authorized by him in the Pradeshiya Sabha.

Vehicle and animal tax

294. Information regarding vehicle and animal tax of all householders should be collected and a register on such information should be maintained.
295. If any by law is effected for the purpose of recovery vehicle and animal tax, relevant tax should be recovered considering such regulations.

Industrial tax and business tax

296. A survey should be conducted pertain to the properties subjected to industrial tax and business tax within the territory of all Pradeshiya Sabha and relevant list should be prepared before 31st of March of relevant year by revenue Inspectors of Local Government Authorities.

297. Following mentioned information's should be included for the report prepared under above clause 295.

- I. Locations of industrial/ business
- II. Grama Niladari division
- III. Nature of industry business
- IV. assessment number if any
- V Name of the person maintained industrial/ business

298. The reports should be maintained compliance with formats ordered the Commissioner of Local Government including separate details regarding the property subjected to industrial tax and business tax.

299. The lists should be prepared pertain to the properties subjected to industrial tax or business tax unpaid and defaulters as at 31st of March in the current year by the in charge of revenue section of the Pradeshiya Sabha and should be reported to the Secretary of Pradeshiya Sabha.

300. Following the provisions of basic law in order to recover unpaid industrial tax and business tax as at 31st of March in the current year should be the Shall of Secretary of Pradeshiya Sabha of Pradeshiya Sabha.

Tax on undeveloped lands

301. Identifying the land subjected to tax on undeveloped land within the territory of Municipal Pradeshiya Sabha and should be informed to the owners of relevant land that such land are subjected to the tax on undeveloped lands in terms of the provisions of basic law.

302. The relevant notice should be deliver under the registered post to the owners of properties subjected to the tax prescribing specified period for providing information to identify capital valued regarding property subjected to tax.

303. After delivering the notice under above clause, it expected information are not provided within the period indicated in the notice determine the capital value considering lack of such information shall be legitimately.

304. If the person subjected to the tax is not paid such amount, taking action to recover relevant tax in accordance with the steps mentioned in the basic law, shall be the duty of Secretary of the Pradeshiya Sabha.

305. The information pertain to recover tax on undeveloped land should be maintained under separate report.

Tax on land sale

306. Recovery of tax on land sale related to Pradeshiya Sabha should be calculated on the value of selling lands.

307. If any amount should be calculated on the value of selling lands paid for the tax on land sale prior to sell any land such payment should a deposited amount and action should be taken to recover the total amount after sale of land.

308. The Chairman of Pradeshiya Sabha should take action to follow steps mentioned in the basic law in order to recover unpaid tax on land sale.

309. A register regarding information on recover tax on land sale should be maintained compliance with a format ordered by the Commissioner of Local Government.

CHAPTER VI

LEASING OUT AND RENTING OUT PROPERTIES

310. The information regarding properties leased out or rent out by Local Government Authorities should be maintained under a register compliance with format ordered by the Commissioner of Local Government.

311. All agreement entered in between Local Government Authorities and second party pertain renting out or leasing out properties a copy certified by Administrative Head of Local Government Authority should be delivered to internal audit section and to revenue section.

312. Monthly rental relevant to the agreement should be paid on or before 10th day of relevant month and conditions related to the paying date should be included in the agreement.
313. Executive Head and administrative Head of Local Government Authorities should take all steps to follow the provision of basic law and provisions provided under regulations from time to time in order to rent out or lease out the properties belongs to Local Government Authorities by Pradeshiya Sabha.
314. Pradeshiya Sabha or any committee vested powers by Pradeshiya Sabha any tender procedure as a whole or separate with is considered as the entity in the event of leasing out rented out of the property of Pradeshiya Sabha and the procurement committee means any other committee appointed for any tender procedure or tender procedures by the Pradeshiya Sabha.
315. Following methods should be certified by the tender procedure under these regulations.
 - I. Tendering with qualititiveness within stipulated time enabling to provide maximum economic advantages with high quality,
 - II. Taking action to maximum financial gains to the fund compliance with effected written law,
 - III. Providing fair equal and maximum opportunities for participation tenders to qualified partners,
 - IV. Certifying transparent and legitimately of evaluation and awarding procedure,
 - V. Completion of tender procedure with more transparency enabling to acknowledge duly information pertain tenders to the public.
316. The tender procedure relevant to lease out the properties of Pradeshiya Sabha should be completed as protecting following methods.
 - I. That certifying the maintain of process ensuring the right of information to the public regarding details of tender subjected to limits of written law,
 - II. The offers who are engaging in tender process should not use their authority in undue manner. They should not use their position in tender process for obtain benefits himself, his family members or business partners,
 - III. All officers relevant to tenders should publish that they have no any connection within the tender process if such doubt is arisen the relevant officer should declare the relations and should resign from the tender procedure,
 - IV. Obtain any personal benefits through tender process should be prevented. Any gift should not be received and should not be subjected to any motivation No person shall affect the interest of tender or act making adverse effect on such interest.
317. Subsequent decision that should be taken by the tender board should be produced to Pradeshiya Sabha within one week.
 - I. The Chairman of Pradeshiya Sabha should propose resolution to appoint a tender committee and an evaluation committee relevant to tender procedure pertain to lease rent out or sell the property belongs to Pradeshiya Sabha or to maintain the liabilities with private sector.
 - II. In presentation such resolution, matters should be confirmed that prior requirements has been completed for the purpose.
 - III. The Pradeshiya Sabha should appoint a permanent tender committee and evaluation committee described under these regulations.
318. The tender committee should complete the following matters and confirm to the Pradeshiya Sabha accordingly.
 - I. To maintain required communications with all stakeholders in the tender process,
 - II. To prepare prior qualifications ,documents specification documents biding documents and submit them to evaluation commit to review and approve,
 - III. To arrange dates and information prior to obtain evaluation report,
 - IV. To deliver minutes notes of the meeting of evaluation committee and tender committee,

- V To produce relevant request to provide necessary assistance for easy to implement tender procedure and all other incidental matters,
 - VI To maintain all information and steps relevant to tender procedure with transparent manner.
319. To responsible pertain to recommendations of tender committee and evaluation committee produced to the Pradeshiya Sabha.
320. Tender committee and evaluation committee should implement whole tender procedure as described by these regulations.
321. All these members of tender committee and evaluation committee should give priority to the duties of tender committee evaluation committee other than the normal daily works.
322. Tender committee should satisfy whether following matters were completed regarding tender process.
- I. That they have appointed,
 - II. Review and accept the tender time table for awarding as planning,
 - III. Publishing advertisement regarding tender in the first meeting selling the documents of bid invitation determine the dates of closing and inviting bids.
323. The technical evaluation committee should satisfy that following matters have been completed,
- I. Making concurrence with tender committee pertain tender time table for awarding within minimum period,
 - II. That recommendations made to tender committee to obtain written clarification from bidders and proper time,
 - III. Compliments have been recommend when necessity arise to bidding documents,
 - IV. Participations to discussion on notice issued by tender committee,
 - V Certifying that the agreement and draft prepared by the Pradeshiya Sabha are compliance with decision of tender committee and that their recommendations have been produced to the tender committee.
324. In the event of extraordinary instances unanimously passed by the Pradeshiya Sabha and necessity arisen to process deviated from normal tender procedure, the reasons for the same may be stated by the Financial Committee to the Pradeshiya Sabha, and the Pradeshiya Sabha should consider the facts and take a decision pertaining to the tender procedure subjected to the approval of Assistant Commissioner of Local Government.
325. All tender committee appointed by the Pradeshiya Sabha under these regulations shall be consisting with Chairman of Pradeshiya Sabha, Secretary of Pradeshiya Sabha and an officer nominated by the Assistant Commissioner of Local Government of the District relevant Local Government Authority and in addition to this, other members should be appointed not more than 5 in numbers. Appointing the members as such it is compulsorily for them to be the members of the Pradeshiya Sabhas and women representation should be taken in to account.
326. The Chairman of the tender board shall be the Chairman of Pradeshiya Sabha.
327. In the event of the Chairman of a tender committee fails to attend meeting due to any reasons or he is unable to act as the chairperson of the board. To enable to the board should be temporally appointed as acting Chairman.
328. The Chairman should appoint all evaluating committee on the decision of the Pradeshiya Sabha.
329. The Chairman should appoint an officer of the Pradeshiya Sabha as Secretary of Pradeshiya Sabha for all tender committee on the decision of the Pradeshiya Sabha.
330. Any member of evaluating committee for the tender procedure should not be appointed as a member of both tender committee and evaluation committee.
331. Where the necessity arisen regarding any specified matter or drafting and evaluating bid documents the evaluating committee may obtain specialized instructions from external persons or instructions after reporting to the Counsel.
332. The payments made for the members participation to tender committee and evaluation committee shall be compliance with orders and instructions given from time to time by the Commissioner of Local Government Authorities.
333. Where a member of tender committee, could not attend to a meeting on any reason or matter such member should inform to the Secretary of Pradeshiya Sabha in written the absence of meeting.

334. In the event of any member is absent, the number of present members exceeding the 50% of all members they are able to decide the continue meeting if absent member has any observation such observation should be delivered among other members by Urban Commissioner of the Committee.
335. The Secretary of Pradeshiya Sabha of such committee should deliver the minutes of the meeting within a week to the absent member if he produces the observation within 3 days, it should be submitted to the Chairman and the Chairman should produce it to the relevant committee.
336. Any member of tender committee or evaluation committee is absent to following three meetings without acceptable reasons, he should be considered as interdicted from the member and the Secretary of Pradeshiya Sabha of the Committee should report to the Commissioner of Local Government and the Pradeshiya Sabha.
337. The Secretary of Pradeshiya Sabha should inform the date; time and place conducted all meeting in consulting with the Chairman.
338. A consolidated first meeting of tender committee and evaluating committee should be conducted for the concurrence pertaining to tender timetable, tender method and the bid invitation documents.
339. The details and the time should be prescribed according to tender timetable
340. The Secretary of the Committee should maintain an attendance register for the members
341. The minutes of the committee meeting should be reported according to the manner approved by the Pradeshiya Sabha and the members presented should certify it.
342. Any member of Tender Committee may report that he is not agreed with the decision. If so, reasons for non-concurrence should be attached to the committee report as a separate annexure.
343. The Secretary of Pradeshiya Sabha of the Pradeshiya Sabha should provide provisions for the safety of reports and such reports should be kept in safety at least 12 years.
344. All members of tender committee and evaluation committee should sign a declaration about the impartiality honesty having no personal connection at the first meeting of such committee.
345. The Financial Committee authorized by the Pradeshiya Sabha or the Pradeshiya Sabha should determine.
 - I. The performance of tender committee and evaluation committee,
 - II. Should review the past tenders selected randomly,
 - III. A method should be adhered that randomly verifying whether the formality in attending the meeting and decision taken by the members are compliance with these regulations and reputed tender procedure and the Pradeshiya Sabha should review such reports from time to time and take necessary solutions.
346. In the event of examine or prove that a members of tender committee and evaluation committee in discharging the duties of the same have been worked irresponsibly, carelessly or without due attention the Chairman should take following steps to report to the Commissioner of Local Government Authorities.
 - I. Giving instructions to expedite the tender procedure in reproducing tender time table
 - II. Giving instructions to follow correction procedure
 - III. Propose to the Pradeshiya Sabha in order to take action to correct the membership.
347. Planning the completely tender procedure should be made compliance with tender plan in order to certain that a project has been completed within prescribed time.
348. Invitation of bid or inspections prior qualifications of bidders should be made with the approved of the Tender Committee.
349. For main tender plan.
 - I. The Secretary of Pradeshiya Sabha should prepare main tender plan the approved of the Pradeshiya Sabha for the purpose should be granted.

II. Expected tenders should be listed in the key tender plan at least for a period of one year.

III. Key Tender Plan should be updated during the period not more than 6 months.

350. Steps of each tender should be included methodology in two storages from commencing the tender procedure up to closing. The Secretary of Pradeshiya Sabha should prepare the plan.
351. The first stage of the tender time table should be the procedure from commencing the tender procedure up to preparing the drafts of invitations bids and the Secretary of Pradeshiya Sabha should responsible to prepare the first stage without delay and to monitor regarding regularly updating.
352. All tender events after preparing bid invitation documents should be included in to second stage of the timetable.
353. The relevant tender committee should responsible to consider the tender timetable and to approve in the first meeting and the Chairman should submit the draft of tender timetable and relevant tender documents to the tender committee.
354. After making agreement regarding tender timetable the Chairman of the tender committee should regulate the relevant tender committee in consultation with member of evaluating committee and should be reported to the Pradeshiya Sabha according.
355. It is the responsibility of chairperson of tender board to explain the reason for considerable delay and remedial measures for the same and informing in the Pradeshiya Sabha regarding the same.
356. The officer authorized by the Pradeshiya Sabha may begin to draft bid invitation documents even prior to appointed evaluation committee.
357. Basic information should be with successful bidder such as criteria confirming the direct eligibility and requirement for appropriate and relevant for bidder to prepare bid or shopping method shall be included in invitation for bid.
358. Relevant matters ordered by regulations should be included in the instructions for bidders.
359. Blacklisted partners determined by the Pradeshiya Sabha should be updated and published from time to time by the Pradeshiya Sabha.
360. Following matters should be clarified by bid security.
 - I. It is not allowed for the bidder to withdraw or amend the bid during validity period.
 - II. As per the criteria discribed in the bid, prices of bid will be agreed upon after rectify mathematical errors.
 - III. If the tender is awarded within valied period,the bidder will accept the tender award.
 - IV. That the bidder produce the performace bid security prior to closing date specified in the bid invitation document and following one method among methods is aplicable for bid security.
 - i. Presentation of bid security statement,
if bidder failed to fulfill conditions of bid security statement in the stipulated format declaring the consent that subjected to suspend awarding property or other of the Pradeshiya Sabha to the bidder for any specified period,
 - ii. Prescribing to produce suitable bid security or cash deposit,
 - iii. Taking action under above subsection (II), the Pradeshiya Sabha should select one out of following alterations.
 - (a) Obtaining a surety for bids only as a certificate for an amount payable at one equal to one to two percent (1% to 2%) over the estimating value.
 - (b) Obtaining a surety for bids only as a certificate for an amount payable at one equal to five decimal to one percent (0.5% up to 1%) over the estimating value.
 - iv. If a bid security is offered in the form of a security, guarantee or guarantee, it must be canceled and converted into cash unconditionally upon first written request by the Pradeshiya Sabha.

- v. If the bidder fails to comply with the terms set out in this directive, the Munciple Pradeshiya Sabha shall transfer the security to the Pradeshiya Sabha Fund
361. At least one day before the closing bid after payment prescribed fee if any, should give to provide to any bidder to obtain copies of bid invitation document during office hours by post or personally
362. Any bidder who is willing to check bid invitation document, should be allowed to check such document free of charge.
363. Provisions should be provided to obtain bid-inviting documents from head office or sub offices.
364. If any specified charge is imposed to purchase bid invitation document, such amount should not be the high amount, which make discourage the bidders.
365. the Pradeshiya Sabha should maintain a report pertaining to issue bid inviting document.
366. The time allocated for inviting bids should be sufficient fairly for preparing bids.
367. Bids should be received,
 - i. through resisted post or,
 - ii. Delivered bids personally to the officer authorized by the Pradeshiya Sabha at the place specially determined and receive the receipt, or ,
 - iii. If it is stated in the bid inviting document that a sealed tender box is available, through delivery to the sealed tender box provided for the purposed at each place by Urban Commissioner.
368. A condition should be included in the bid invitation document that all bids should be produced under sealed cover.
369. Receiving of bids should be closed at the time stated in bid inviting document. Delayed bids should not be received and should be returned without opening.
370. The responsibility of opening bids is vested to the tender committee. The tender committee may vest such authority to the tender opening committee and such committee should be consisting with two members approved by tender committee.
371. Immediately after closing of bids, the bids should be opened in the present of bidders or their representative.
372. Any bids received at fined time or period closing bids, should not be rejected at opening occasion.
373. Only the bid marked as “Original Copy” should be opened. The “copy” should not be opened.
374. The envelop marked “ withdrawals” if any at the closing time or prior to closing bid, should be opened first. If the bid opening committee is satisfied with the contained and authentication of the withdrawal letters, the bidders original bid should not be opened.If the bid opening committee is not satisfied with the content, original bid should be opened together with the other bids. If the envelop marked “modification” should be opened with original bid.
375. The bid opening committee should read following matters to the persons present.
 - i. Name of each bidder and the amount indicated in the bid format.
 - ii. Whether, the bid security statement is presented or not in the bid security.
 - iii. Any discount produced if such amount and
 - iv. Any other relevant information with the concent of bid opening commetee.
376. Bid opening should be reported in a specified format and such report should be signed by all the members of bid opening committee.
377. Immediately after opening of bids original bid documents and together with all reports should be sealed and handed over to Secretary. The Secretary of Pradeshiya Sabha should hand over them to Chairman of evaluation committee.
378. The objective of bid evaluation is to determine the highest bid which has been evaluated and responded to in the summery.
379. In evaluation bids, evaluation bids should be made under following stages.

- i. Checking bids,
- ii. Detailed bid evaluation,
- iii. Post experiences,

Determine qualification and experience of bidder with evaluated minimum price.

380. In checking bids, following matters should be conformed :

- i. The bidder has qualified,
- ii. Placed signature on the bid,
- iii. Legitimately validity of the bid,
- iv. No deviation from provisions stated in the bid invitation documents.

381. Where any instances, any regulation's stated above close 379 pertaining to the bid produced was not confirmed, relevant bid may be rejected.

382. After checking the report of tender committee and obtaining necessary clarification from evaluation committee, the tender committee should implement one any provisions stated below clause (i) and (ii)

- i. (a) recommendations of awarding tender may be produced to the Pradeshiya Sabha
- (b) Considering the observations properly, the tender committee may request to reproduce a report from evaluation committee
- ii. If the tender committee continue to arise issues pertaing any specified matter in the report of evaluation committee, such arisen matters should be discussed with all members of the evaluation committee in order to settle the crisis. if the members of the tender committee is unable to take a decision regarding such issue, the decision of the majority of tender committee members should be effected.

383. After producing the recommendation of tender committee regarding tender awarding to the Pradeshiya Sabha, the Pradeshiya Sabha should determine to select successful bidder and to award tender to such bidder.

384. After determine the tender awarding by the Pradeshiya Sabha within the valid period of bid, the Secretary of Pradeshiya Sabha should issue the letter of awarding

- i. The date of submission of bid security for agreement
- ii. The date and place of the agreement entered in between the Pradeshiya Sabha and bidder and date of producing the proposal, if any

385. Inform the aggrieved bidder of the reasons for the lack of success pointing out the specific shortcoming in its bid with out disclosing contents of other bids.

386. After the notification of contract award, a bidder who wishes to ascertain the grounds on which its bid was not selected should address its request to the Chairman of the Pradeshiya Sabha.

387. Whare any instances, such request has been produced to the Chairman, only the information relevent to such request should be informed to the bidder

388. After fulfilling requirements mentioned under these regulations and completing provisions of Section 19 and Section 174 of Pradeshiya Sabha Act No. 15 of 1987, the Pradeshiya Sabha and the bidder should enter in to relevent agreement on specified date and time.

389. Prior to entering to the agreement with the Pradeshiya Sabha, the Urban Commissioner should confrim to the Chairman that the draft agreement has been approved and relevent security for the agreement has been completed.

390. The Pradeshiya Sabha should publish

- a. Total number of bid received
- b. Name of sucessefull bidder
- c. The amount at which the contract awarded through proper commiunication media

- i. When a bid security declaration is requested with bids and any specilaized bidder failed to fullfill any condition mentioned in sush security statement, the Chairman should promptly inform to the commisioner of Local Government Regarding such failure and should report to the Pradeshiya Sabha Accordinly.
 - ii. After receving such reports, the Chairman should allocate concessorny time for answering
 - iii. Upon receipt of such notification, if no satisfactory reply is received the bidders name shall be included in the defaulted contractors databass maintained by the provincial Pradeshiya Sabha on the approval of concil by Urban Commisioner.
391. Whatever mentioned contrary prior to under these regulations regarding implementation investment project with the participation of privat sector, should be given the prioty to regulations mentions under this clause and should be applicable as necessary.
392. In implementation investment project with the participation of privat sector, the Pradeshiya Sabha should appoint a special tender committee an evalution committee comprising with qulified persons.
393. When the Pradeshiya Sabha has approved a resoulution for implementing investment project with private sector including proposals for project activities identified Or unidentified projects by the Pradeshiya Sabha. Following requirment for the purpose should be fulfilled.
 - I. National Competitive bid invitation proceduce should be followed for bid invitation.
 - II. The lands relevent to implement project are without liabilities and having unfettered possession of the Pradeshiya Sabha.
 - III. Identification of a project whether it is a project passed by the Pradeshiya Sabha or a proposal in the process of identification and intended to be implemented.
 - IV. Identifiction of the project whether approved by a resolution by the Pradeshiya Sabha or project being identified for implementation.
 - V. Identify gross valuation of contribution of the Pradeshiya Sabha relevento whole investment.
 - VI. To implement such a project complition of all other requirment where necessary to implement the same without any obstacles.
 - VII. In the event of approving condominiun plans according to property investment nature of project subject.
 - VIII. Members of tender committee should be consisting minimum seven and it should be compulsorly include the Chairman, Pradeshiya Sabha represented the Pradeshiya Sabha urben comisioner of the Pradeshiya Sabha and a member representing commisioner of local government of the province.
 - IX. The evaluation commitee should be consisting with five members with a member having knowledge regurding implementing private and government jointventure project and tender proceduce .
 - X. Obteing assistance of extenal instructors under guidance and supervision for drafting bid invitation document and evalution bids by the evalution commutee.
394. Whatever mentioned prior to these regulation, orders mentioned under these clauses regarding leasing, renting out fair and leasing, renting out meat stall, fish stall in short time, should be priority and applicable as necessary.
395. Regarding annual leased, renting out should be based a calendar year.
396. When the properties leased or rented out are vested to the Pradeshiya Sabha compliance with sections 16 and 18 of Pradeshiya Sabha Act, the tender committee should produce the recommendation of financial committee to the Pradeshiya Sabha that the requirement mentioned in the law regarding renting out leasing out for the calendar year has been fulfilled.
397. Tender procedure regarding properties relevant to enter into agreement for upcoming calendaryear, should have commenced from 1st of September in the current year.
398. Determining the bid value pertain properties should be made on valuation report of Chartered value.

399. Tender Committee of first meeting should determine that the Pradeshiya Sabha has legitimately right to enter into agreement relevant to all properties.
400. Tender committee should report to the Pradeshiya Sabha whether advertisements are published in the newspaper for bid institution or the reasons to publish bidding notice following alternative methodology and the recommendation pertain to alternative methods.
401. After producing evaluation committee recommendation to tender committee as qualified bids out of bids presented in bid invitation the tender committee should submit recommendations pertain to move advantages successful bid to Pradeshiya Sabha through Financial Committee.
402. The Secretary of Pradeshiya Sabha should inform in written the decision of relevant awards to successful bidder after determine the successful bidder by the Pradeshiya Sabha.
403. After awarding make to successful bidder if the failure of entering in to relevant agreement (with or without submission of fair reasons) on the date mentioned in the letter of award the tender committee should promptly meet and report the recommendation regarding the measures to the Pradeshiya Sabha.
404. Where the lessee or renter expected to terminate the agreement remain the times within the year or agreed period, tender committee may recommend a bidder among bidders qualified prior invitation bids on the recommendation with evaluation committee for the balance period in the year and, or the tender committee should recommend the profitable alternative procedure to the Pradeshiya Sabha. Inviting bidders in front of the tender committee and discuss should be legitimately.
405. When the failure of entering in to the agreements on or prior to the specified date allocated for agreement under letter of award or provided additional times for the purpose. The Secretary of Pradeshiya Sabha should properly report to the tender committee regarding the immovable properly not entering in to the agreement within such period.
406. Tender committee should submit recommendation parting to measures taken accordingly within one week to the Pradeshiya Sabha.
407. Where this is one more than qualified bidders pertain to any property, if tender committee recommends one bidder has more Profitable bidder, contract may be awarded to such bidder, and recommendation of tender committee to follow relevant steps up to only the qualified bidders shall legitimating.
408. In the event of not having more than one qualified bidder or qualified bidder rejecting the tender awarding regarding any properties, Chairman should take necessary action to follow same tender procedure again in terms of these regulations.
409. In leasing out or renting out of immovable property, bid value, prior cash value and rent should always be determined based on values certified by government or private charted value.
410. Even though, whatever mentioned prior under these regulations, regulations mentioned under this clause regarding sale of movable and immovable properties of the Pradeshiya Sabha should be given priority and applicable.
 - I. According to the manner, the immovable properties belongs to the Pradeshiya Sabha, a special committee appointed for the purpose should be provided that no obstacles in any manner for sale in terms of conditions mentioned in the transfer ledger under or any other manner.
 - II. After submitting a report under above regulations to the Chairman by Urban Commissioner. The Chairman should provide a resolutions for the permissions of the Pradeshiya Sabha and obtaining the approval.
 - III. Permanent tender committee for the tender procedure or tender committee appointed for the purpose should identify the relevant property and recommendations pertain to property value should be submitted to tender committee on valuations reports obtained from Chartist value situation pertaining for sale of property or from the persons with specialized knowledge under the evaluation committee appointed for the purpose.
 - IV. In the event of movable properties, tender committee should determine bid value of each goods based on separated assessed value of goods and recommendation spertain to suitable tender procedure as gaining maximum benefit to the Pradeshiya Sabha.

- V. In the event of immovable properties, such property should be sold at more advantage value on the invitations of bid under public auction through advertisement published to the public under public newspaper or publishing any other manner proposed by Tender Committee.
 - VI. The goods which are available to sell same time under movable properties should be mentioned separately and bid value should be immediately assessed in the tender process. And if any reasons are available to obtain bid value not considering as items related matters are determined at a meeting held together with evaluations committee and tender committee and should be obtained the approval of Pradeshiya Sabha.
411. Even through whatever mentioned prior under these regulations regarding leasing out, renting out lands buildings belongs to the Pradeshiya Sabha on long term basis, following provisions should be priority for the purpose.
- I. In the tender procedure relevant to leased out or rent out of lands belongs to the Pradeshiya Sabha for a period more than one year even through whatever mentioned under these regulations orders contained in this paragraph should be priority and applicable and tender committee should recommend to the Pradeshiya Sabha that followings matters have been fulfilled accordingly.
 - II. In taken action to rent out or lease out or sell their movable property (land or buildings) by Pradeshiya Sabha, the tender committee should provide recommendations that provisions sub section (i) of (x, xi and xii) of Section 19 of Pradeshiya Sabha Act No. 15 of 1987, have been fulfilled for the purpose .
 - III. Identifying lessee party regarding all buildings proposed to lease out by the Pradeshiya Sabha should be made under duly tender procedure described on these regulations and period of the agreement should be specifically noted in the tender notice. Accordingly, the agreement period should be considered as the period mentioned in the tender notice and tenders should be awarded accordingly.
 - IV. The agreement entered with selected lessee under duty tender procedure for any period pertain to own property may be accepted the right of heirs of lease only for the agreed period.
 - V. When only the consortium made using previous fund, no obstacles to accept the consent of renewing the period of agreement subjected to conditions mentioned in the agreement accepting period of lease in the agreement for lease ownership of the buildings so constructed.
 - VI. When the Lessee or renters are rejected from the properties leased out or rent out by the Pradeshiya Sabha for development activities of such buildings or any other necessity. The Pradeshiya Sabha may take action to provide alternative places subjected to the conditions of the agreements only for the agreed period.
 - VII. When the trade stalls are provided to previous lessee under new facilities of trade complex constructed after ejecting lessee for development purposes, these regulations should not be obstacles to enter into agreement with above lessee for the balance period of such agreement considering as the lease rent determine on the basis of assessed value made by the Government valuer.
 - VIII. Monthly rental should be revised on the assessment made by a Chartered Valuer or Government Valuer relevant to all lands buildings leased rent or rent out by Local Government Authority at once in three years from the date of commencing the agreement.
 - IX. In addition to prescribed amount, it should be published in the tender notice that assessment tax also should be paid from the relevant period and such matter should be entered in to the agreement accordingly.

Charges recoverable to the Pradeshiya Sabha

412. All charges other than stamp duty recovered by Pradeshiya Sabha should be the charges determined and published by the Pradeshiya Sabha compliance with provisions mentioned in the written law authorities to Local Government Authorities for determine the charges.
413. The Local Government Authorities may recover stamp duty regarding transfer of lands within the territory of Pradeshiya Sabha in terms of the Statutes enacted by the Provincial Pradeshiya Sabha for the purpose or in accordance with any other written law.
414. The charges payable to Pradeshiya Sabha may pay in the manner provide provisions under these regulations.

415. Prior to recover stipulated charges the officer authorized to power should satisfy that requirement in the written law has been fulfilled in all manner.
416. In the event of charges recovered regarding a permit receivable from Local Government Authorities, such free should be as charges recovered in order to issue prescribed permit and fees should not be charged prior to issue permit.
417. A register regarding business, industry under annual license should be prepared according to the survey conducted prior to 31st of March in the current year and the authorized officer for the purpose should take prompt action to make complaint to the Magistrate Court relating to authorize industry business on the information of such survey.
418. The report prepared under above clause should be included following information
 - I. Name of industry or business
 - II. Grama Niladari devotion
 - III. Nature of industrial business
 - IV. Assessment tax number ,if any
 - V. Name of person maintain the industrial business
419. The value of charges paid to Local Government Authority, should be confirmed by the authorized officer.
420. The report pertaining to charges recovered to the Fund of Local Government corresponding Calendar Month should be submitted to Commissioner of Pradeshiya Sabha.
421. The officer authorized by the Secretary of Pradeshiya Sabha should maintain a register relevant to the court procedure arising pertain to the payment made from the fund of Pradeshiya Sabha.
422. The Pradeshiya Sabha should make procumbent regarding goods, work services; information system and supply subjected to regulations order by the national procumbent commission for the procumbent guidelines should be applicable for the purpose. Working under direct labour.

Working under direct labour.

423. In implementation project under direct labour system by the Pradeshiya Sabha following step should be fulfilled
 - I. Pradeshiya Sabha should launch project works under direct labour systems compliance with estimates approved for the purpose and in the event of any revisions such revised estimate should be approved by the Pradeshiya Sabha or the manner authorized by the Pradeshiya Sabha for the purpose.
 - II. The estimate prepared by the Pradeshiya Sabha for works implemented under direct labour system should be approved by the Pradeshiya Sabha
424. Financial differences considerable regarding estimate value under direct labour should be published from time to time by competent Authorized for the purpose in relevant Provincial Pradeshiya Sabha.
425. Information should be maintained regarding employees engaged in service and daily balance and labour used in all works sites functional under direct labour.

Interim provisions

426. Even though any type of financial reporting system is utilized as at 01.01.2019 by any Pradeshiya Sabha, Financial reporting of Pradeshiya Sabha should be made compliance with Sri Lanka Public Sector Accounting standards for the Local Authorities from 01.01.2020. However, parallel to the budget proposal implemented for the financial year 2019 prior to 31st 12-2019, a budget proposal passed by the Pradeshiya Sabha should be situational applicable subjected to these regulations for the financial year 2020.
427. The Pradeshiya Sabha should clearly mention in the first financial statement that Sri Lanka Public Sector Accounting Standards for the Local Government Authorities are compliance to the Municipal Pradeshiya Sabha and the Pradeshiya Sabha should consider following actions that should be considered as first declaration.

- I. Where financial statement has not be presented for prior period; or
 - II. Submitting of latest prior financial statement according to principal with Sri Lanka Public Sector Accounting Standards for the Local Government Authorities regarding all matters; or
 - III. If latest prior financial statement are presented, compliance with Sri Lanka Public Sector Accounting Standards for the Local Government Authorities.
428. Whatever mentioned in the financial statement prepared prior to the date of 1st of January 2020 assets and liabilities status should be prepared according to provisions mentioned under these regulations as at 1st of January 2020.
429. Except where provisions are external within following clauses under this paragraph Pradeshiya Sabha should include following information in the operating assets and liabilities statement.
- I. All assets and liabilities should be identified through Sri Lanka Public Sector Accounting Standards for the Local Government Authorities Assets or liabilities items, which are not permitted to identifying through Sri Lanka Public Sector Accounting Standard for the local authorities.
 - II. Other types of assets liabilities or component of mass under Sri Lanka Public Sector Accounting Standards for the Local Government Authorities should be classified again all items identified as the same type of asset liabilities or component of mass under previous financial reporting.
 - III. In measuring all identified assets and liabilities assets and liabilities Sri Lanka Public Sector Accounting standard should be used.
430. Accounting policies used Sri Lanka Public Sector Accounting Standard for Local Authorities in opening assets and liabilities declaring may be differ from the accounting stranded used from the financial statement prior to the date of 1st January 2020. Adjustment is arisen as other incidents, positions, or results. Therefore the Pradeshiya Sabha should identify them as adjustment (in appropriate other type within net asset mass) to surplus or defect as at 1st of January 2020 of transition to Sri Lanka Public Sector Accounting Standards for the Local Government Authorities.
431. A Pradeshiya Sabha submitted its financial statements recently compliance with Sri Lanka Public Sector Accounting Stranded for Local Authorities may be selected to use revalued value of property plant and equipment used in presentation of Sri Lanka Public Sector Accounting Standards for the Local Government Authorities.
432. Property, plant and equipment or any property plant and equipment class unidentified in the prior financial statements by the Pradeshiya Sabha.
- a. The Pradeshiya Sabha may identify and select the market value of property plant and equipment acquired prior to migration to Sri Lanka Public Sector Accounting standards for Local Authorities or market value of property plant and equipment of any relevant classes as at the date of the migration Sri Lanka Public Sector Accounting Standard for Local Authorities.
 - b. Property plant and equipment or property plant and equipment of any class acquired prior to the date of migration Sri Lanka Public Sector Accounting Standards for the Local Government Authorities and unidentified properties, plant and equipment previous financial statements except properties plant and equipment purchased financing from half or fully arrears loans as at the date migration Sri Lanka Public Sector Accounting Standard for Local Authorities.
433. A Pradeshiya Sabha who did not identify any property plant and equipment class may identify as value to the date of valuation of relevant property plant and equipment after deferring the market value of property plant or equipment as at previous report date.
434. The Pradeshiya Sabha should identify surplus or depict as adjustment after recognizing carrying value of assets and liabilities according to above order.
435. The Pradeshiya Sabha should produce opening assets and liabilities (as at 1st of January 2020) statement prepared in terms of this standard as comparative information in the first financial statements compliance with Sri Lanka Public Sector Accounting Stranded for Local Authorities.

436. The Pradeshiya Sabha may submit comparative information related to previous financial period in amplify revenue statement of first financial statement prepared using Sri Lanka Public Sector Accounting Standards for the Local Government Authorities on the basis of principals identifying and measuring General objectives in the financial statement produced by Pradeshiya Sabha for such period.
437. Pradeshiya Sabha should clarify impact to mass and financial performance reported in the migration to Sri Lanka Public Sector Accounting Standards for the Local Government Authorities on the basis previous financial reporting in order to transition to Sri Lanka Public Sector Accounting Standard.
438. Pradeshiya Sabha should disclose the following for identifying classes of any class of property plant and equipment.
 - I. Selecting in the financial statement
 - II. Class or classes of property plant and equipment
 - III. Identifying any property plant or equipment not relevance for selecting due to obtaining loans and
 - IV. Identifying any loans mentioned (iii) above.
439. An entity should disclosure the date of identified carrying value as market value in respect of property, plant, equipment or property, plant, equipment of any class
440. To adhere with preceding clause, following should be including first financial statement prepared as per Sri Lanka Public Sector Standards for Local Government Authority by Pradeshiya Sabha.
 - I. A description all revision nature of Accounting Standards.
 - II. A comparison of net assets/ equity determine as per the basis of prior used financial reporting with the net assets/ equity determine as per Sri Lanka Public Sector Standards for Local Government Authority which was migrated to Sri Lanka Public Sector Standards as at 01st of January 2020.
441. Sri Lanka Public Sector Standards for Local Government Authority shall be effected for financial statement as at 31st of December 2019 or for the period ended on such date. If Pradeshiya Sabha applied these Standard for the period ended as at 31st of December 2019, it should be disclosed such matters.
442. Pradeshiya Sabha (Finance and Administration) rules published in Gazette Extra Ordinary of Democratic Socialist Republic of Sri Lanka No. 554/5 and dated 17 April 1989 , are hereby rescind from the date of effective of these rules.
443. In implementing specified regulations and information empowered under this regulations, powers specify any rules and regulations regarding formats and account codes is vested with Commissioner of Local Government Authority.
444. Unless the context otherwise requires, in these Regulations.
 - “Productivity” means connection between actual target and service perform target
 - “Efficiency” means connection between (a) input and output or (b) input and result.
 - “Input” means resource utilized by Pradeshiya Sabha to produce an output.
 - “Output” means services rendered Pradeshiya Sabha to produce an output.
 - “Result” means the social impact could be applied reasonably
445. In the event of any inconsistency or discrepancy between the Sinhala, Tamil, and English texts of these rules, the Sinhala text should prevail.