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சனாதிபதி அலுவலகம்
PRESIDENTIAL SECRETARIAT



Circular No: PS/SP/Circular/02/2020
January 13, 2020

**To; All Secretaries of Ministries,
All Secretaries of State Ministries
All Chief Secretaries
All Secretaries to Governors
All Heads of Departments
All Heads of Statutory Organizations**

Appointment of Boards of Directors and Public Expenditure Management in Ministries, Departments, Government Agencies, Statutory Bodies, State Corporations, State Owned Banks and Insurance Companies, Fully or Majority Owned State Owned Companies and all connected Subsidiary Companies

His Excellency the President has directed me to instruct all Secretaries, being Chief Accounting Officers of entities/ institutions referred to above, to ensure that the undernoted instructions are strictly followed;

1. Acceptance of resignations of Chairmen and other Board Members and/or Directors nominated by the Secretary to the Treasury, to any entity /institution referred to above, who held office prior to the formation of the new Government, is completed.
2. In the process of making related fresh appointments, refrain from appointing any Working Directors. In the event any Working Directors have been already appointed, you are requested to take necessary corrective measures in that regard.
3. Ensure that new Chairmen and members of the Boards of Directors work within the relevant institutional setup along with respective CEOs, General Managers, Director Generals and other Members of the Senior Management and facilitate to discharge of the mandate of their respective entity /institution.
4. Inform that a Chairman of any such entity /institution could only draw an allowance of Rs. 100,000/- per month, be entitled to use only one official vehicle and a fuel allowance equivalent to 150 liters per month or monthly allowance and other facilities specified by the Treasury whichever is less. Also inform that the other Board Members could only draw an allowance of Rs. 25,000/- per month, regardless of the number of Board Meetings held within a month. Further, inform that Board Members are not entitled to use official vehicles, other than for the purpose of attending a Board Meeting, being an assigned duty. Any deviation for these conditions requires a special approval of this office with the recommendation of the Secretary to the Treasury.

5. Pursue Chairmen and Board Members to assess the suitability of their respective CEOs, CFOs and other members of the Senior Management, and take appropriate management decisions in consultation with relevant authorities and where necessary after having referred to this Office.
6. Inform all related entities/institutions to streamline their respective workflow and take measures to avoid duplication of work, operation of multiple divisions, units and project affairs whereby work overlaps and where there is excess staff to take early measures to reduce and consolidate the staff strength by redeploying the excess to where there is a shortage of staff, after having done a needs assessment so that all staff would be given an opportunity to contribute productively while discharging their duties and responsibilities.
7. Inform all revenue collecting agencies to maintain a structured Front Desk arrangement with a designated officer responsible to ensure that all communiques etc. received are centrally collected and suitably referred to the relevant division/ unit so as to minimize personal contact between the public and staff that could lead to delays and malpractices. More importantly, inform all revenue collecting agencies to take early measures to merge their operational divisions and setup a Single Service Delivery Unit with strong management supervision, to improve productivity through coordination and consolidation.
8. Implementation of these measures is very important in the context of Government's decision to ensure that the tax system is simplified and made tax payer friendly. There is greater concentration placed on larger tax payers who contribute to over 80 percent of Government revenue and move away from the permit system that is being used as a regulatory tool, to complement a simplified tax system. You are also requested to take early measures to move away from imposing multiple fees and charges on services rendered by related entities/institutions.
9. Draw particular attention and be mindful when it comes to expenditure on Advertising, Marketing and Promotional budgets, expenditure on fuel, electricity, communication, travel, use of vehicles and less priority procurement such as office furniture, equipment, building and office facilities. Work towards settling in centralized office spaces that would in turn reduce related expenditure in the entire public sector.
10. Work with all entities and institutions under your purview, while ensuring that the respective Budgets and spending programs are reassessed to be able to identify priorities in the context of Government's development initiative to provide an efficient service delivery to the public, at least cost. It is desirable that all of you target to realize a 25 percent saving from your approved Budget, in the backdrop of the overall benefits that flow from the recently announced tax reductions and simplifications introduced to related systems and procedures.

His Excellency the President is of the view that the quality of the outcome of most public sector expenditure could certainly be improved, the quantity could be condensed through prudent coordination and that periodic expenditure reviews must be done through a cost – benefit analysis in terms of ultimate results. Furthermore, His Excellency the President has also instructed me to communicate to all public officers that maximum benefits of public expenditure should necessarily accrue to the people, in particular to the poor, the vulnerable and the low income segment, by way of employment, livelihood openings and affordable cost-of-living.

In this context, His Excellency desires that all public sector organizations take immediate steps to simplify their systems and procedures to ensure that the public service delivery mechanism would become more efficient and people friendly.

You are requested to strictly follow these instructions and create maximum awareness of the noted facts among all officers working under your purview. I also wish to draw your attention to the circular No. PS/SP/SB/Circular/06/2019 issued on 19th December 2019, on Investment and Project Financing activities and also to the Circular No. PS/GPA/Circular/01/2020 issued on 13th January 2020, on IT related programs that are required to be managed under the purview of the Information and Communication Technology Agency (ICTA).

Mr. Rohana Abeyrathna, Additional Secretary - Presidential Secretariat is the officer in charge of Administration and Personnel Management and he has been designated to assist you regarding any clarification that you may require to ensure expeditious implementation of the instructions contained herein.

I solicit your cooperation and leadership to transform the Public Sector to regain its due place, in the backdrop of the several initiatives that His Excellency the President has so far taken to create - A Public Sector committed to zero tolerance of waste, irregularities and corruption.

I also request you to appraise Hon. Ministers and Provincial Governors in this regard.



P.B. Jayasundera
Secretary to the President

Cc:
Secretary to the Prime Minister
Secretary to the Cabinet of Ministers
Secretary to the Treasury
Auditor General