

CHAPTER XVII

FINANCE

**Control of
Parliament over
public finance**

148. Parliament shall have full control over public finance. No tax, rate or any other levy shall be imposed by any local authority or any other public authority, except by or under the authority of a law passed by Parliament or of any existing law.

Consolidated Fund

149. (1) The funds of the Republic not allocated by law to specific purposes shall form one Consolidated Fund into which shall be paid the produce of all taxes, imposts, rates and duties and all other revenues and receipts of the Republic not allocated to specific purposes.

(2) The interest on the public debt, sinking fund payments, the costs, charges and expenses incidental to the collection, management and receipt of the Consolidated Fund and such other expenditure as Parliament may determine shall be charged on the Consolidated Fund.

**Withdrawal of sums
from Consolidated
Fund**

150. (1) Save as otherwise expressly provided in paragraphs (3) and (4) of this Article, no sum shall be withdrawn from the Consolidated Fund except under the authority of a warrant under the hand of the Minister in charge of the subject of Finance.

(2) No such warrant shall be issued unless the sum has by resolution of Parliament or by any law been granted for specified public services for the financial year during which the withdrawal is to take place or is otherwise lawfully, charged on the Consolidated Fund.

(3) Where the President dissolves Parliament before the Appropriation Bill for the financial year has passed into law, he may, unless Parliament shall have already made provision, authorize the issue from the Consolidated Fund and the expenditure of such sums as he may consider necessary for the public services until the expiry of a period of three months from the date on which the new Parliament is summoned to meet.

(4) Where the President dissolves Parliament and fixes a date or dates for a General Election the President may, unless Parliament has already made provision in that behalf, authorize the issue from the Consolidated Fund and the expenditure of such sums as he may, after consultation with the Commissioner of Elections, consider necessary for such elections.

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151. (1) Notwithstanding any of the provisions of Article 149, Parliament may by law create a Contingencies Fund for the purpose of providing for urgent and unforeseen expenditure.

Contingencies Fund

(2) The Minister in charge of the subject of Finance, if satisfied –

- (a) that there is need for any such expenditure ; and
- (b) that no provision for such expenditure exists,

may, with the consent of the President, authorize provision to be made therefor by an advance from the Contingencies Fund.

(3) As soon as possible after every such advance, a Supplementary Estimate shall be presented to Parliament for the purpose of replacing the amount so advanced.

152. No Bill or motion, authorizing the disposal of, or the imposition of charges upon, the Consolidated Fund or other funds of the Republic, or the imposition of any tax or the repeal, augmentation or reduction of any tax for the time being in force shall be introduced in Parliament except by a Minister, and unless such Bill or motion has been approved either by the Cabinet of Ministers or in such manner as the Cabinet of Ministers may authorize.

**Special provisions
as to Bills affecting
public revenue**

153. ¹⁰²[(1) There shall be an Auditor-General who shall be a qualified Auditor, and subject to the approval of the Constitutional Council, be appointed by the President and shall hold office during good behaviour.]

Auditor-General

(2) The salary of the Auditor-General shall be determined by Parliament, shall be charged on the Consolidated Fund and shall not be diminished during his term of office.

(3) The office of the Auditor-General shall become vacant -

- (a) upon his death ;
- (b) on his resignation in writing addressed to the President ;
- (c) on his attaining the age of sixty years ;
- (d) on his removal by the President on account of ill health or physical or mental infirmity ; or
- (e) on his removal by the President upon an address of Parliament.

**Constitution of
the Audit Service
Commission**

¹⁰³[(4) Whenever the Auditor-General is unable to discharge functions of his office, the President may, subject to the approval of the Constitutional Council, appoint a person to act in the place of the Auditor-General.]

¹⁰⁴[**153A.**(1) There shall be an Audit Service Commission (in this Chapter referred to as “Commission”), which shall consist of the Auditor-General who shall be the Chairman of the Commission, and the following members appointed by the President on the recommendation of the Constitutional Council:-

- (a) two retired officers of the Auditor-General’s Department, who have held office as a Deputy Auditor- General or above;
- (b) a retired judge of the Supreme Court, Court of Appeal or the High Court of Sri Lanka; and
- (c) a retired Class I officer of the Sri Lanka Administrative Service.

(2) (a) A person appointed as a member of the Commission shall hold office for three years, unless he,—

- (i) earlier resigns from his office, by letter addressed to the President;
- (ii) is removed from office as hereinafter provided; or
- (iii) becomes a Member of Parliament or a member of a Provincial Council or any local authority.

(b) A person appointed as a member of the Commission shall be eligible to be appointed for a further term of office, on the recommendation of the Constitutional Council.

(3) The President may for cause assigned and with the approval of the Constitutional Council, remove from office any person appointed as a member of the Commission under paragraph (1).

(4) The Chairman and the members of the commission shall be paid such allowances as are determined by Parliament. Such allowances shall be charged on the Consolidated Fund and shall not be diminished during the term of office of the Chairman or members.

103 -Substituted by the Nineteenth Amendment to the Constitution Sec.34

104 -New Articles 153A to 153H inserted by the Nineteenth Amendment to the Constitution Sec.35

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(5) The Chairman and the members of the Commission shall be deemed to be public servants within the meaning and for the purposes of Chapter IX of the Penal Code.

(6) There shall be a Secretary to the Commission who shall be appointed by the Commission.

153B. (1) The quorum for any meeting of the Commission shall be three members of the Commission.

**Meeting of the
Commission**

(2) Parliament shall, subject to paragraph (1), provide by law for meetings of the Commission, the establishment of the Sri Lanka State Audit Service and such other matters connected with and incidental thereto.

153C. (1) The power of appointment, promotion, transfer, disciplinary control and dismissal of the members belonging to the Sri Lanka State Audit Service, shall be vested in the Commission.

**Powers and
functions of the
Commission**

(2) The Commission shall also exercise, perform and discharge the following powers, duties and functions:-

- (a) make rules pertaining to schemes of recruitment, the appointment, transfer, disciplinary control and dismissal of the members belonging to the Sri Lanka State Audit Service, subject to any policy determined by the Cabinet of Ministers pertaining to the same;
- (b) prepare annual estimates of the National Audit Office established by law; and
- (c) exercise, perform and discharge such other powers, duties and functions as may be provided for by law.

(3) The Commission shall cause the rules made under paragraph (2) to be published in the Gazette.

(4) Every such rule shall come into operation on the date of such publication or on such later date as may be specified in such rules.

(5) Every such rule shall, within three months of such publication in the Gazette be brought before Parliament for approval. Any rule which is not so approved shall be deemed to be rescinded as from the date of such disapproval, but without prejudice to anything previously done thereunder.

Influencing or attempting to influence decision of the Commission or any officer of the Sri Lanka State Audit Service, to be an offence.

153D. (1) A person who otherwise than in the course of his duty, directly or indirectly, by himself or through any other person, in any manner whatsoever, influences or attempts to influence any decision of the Commission, any member thereof or any officer of the Sri Lanka State Audit Service, shall be guilty of an offence and shall on conviction be liable to a fine not exceeding one hundred thousand rupees or to imprisonment for a term not exceeding three years or to both such fine and imprisonment.

(2) Every High Court established under Article 154P of the Constitution shall have jurisdiction to hear and determine any matter referred to in paragraph (1).

Immunity from legal proceedings.

153E. Subject to the jurisdiction conferred on the Supreme Court under Article 126 and to the powers granted to the Administrative Appeals Tribunal under Article 153g, no court or tribunal shall have the power or jurisdiction to inquire into, pronounce upon or in any manner whatsoever call in question any order or decision made by the Commission, in pursuance of any function assigned on such Commission under this Chapter or under any law.

Costs and expenses.

153F. The costs and expenses of the Commission shall be a charge on the Consolidated Fund.

Appeals to the Administrative Appeals Tribunal.

153G. Any officer of the Sri Lanka State Audit Service who is aggrieved by any order relating to the appointment, promotion or transfer of such officer or any order on a disciplinary matter or dismissal made by the Commission, in respect of such officer, may appeal therefrom to the Administrative Appeals Tribunal established under Article 59, which shall have the power to alter, vary, rescind or confirm any order or decision made by the Commission.

Commission to be answerable to Parliament.

153H. The Commission shall be responsible and answerable to Parliament in accordance with the provisions of the Standing Orders of Parliament for the discharge of its functions and shall forward to Parliament in each calendar year a report of its activities in such year.]

Duties and functions of Auditor-General

154.¹⁰⁵[(1) The Auditor-General shall audit all departments of the Government, the Office of the Secretary to the President, the Office of the Secretary to the Prime Minister, the Offices of the Cabinet of Ministers, the Judicial Services Commission,

the Constitutional Council, the Commissions referred to in the Schedule to Article 41B, the Parliamentary Commissioner for Administration, the Secretary-General of Parliament, local authorities, public corporations, business and other undertakings vested in the Government under any written law and companies registered or deemed to be registered under the Companies Act, No. 7 of 2007 in which the Government or a public corporation or local authority holds fifty per centum or more of the shares of that company including the accounts thereof.]

(2) Notwithstanding the provisions of paragraph (1) of this Article, the Minister in charge of any such ¹⁰⁶[public corporation, business or other undertaking or a company referred to in paragraph (1)] may, with the concurrence of the Minister in charge of the subject of Finance and in consultation with the Auditor-General, appoint a qualified auditor or auditors to audit the accounts of such ¹⁰⁶[public corporation, business or other undertaking or a company referred to in paragraph (1)]. Where such appointment has been made by the Minister, the Auditor-General may, in writing, inform such auditor or auditors that he proposes to utilize his or their services for the performance and discharge of the Auditor-General's duties and functions in relation to such ¹⁰⁶[public corporation, business or other undertaking or a company referred to in paragraph (1)] and thereupon such auditor or auditors shall act under the direction and control of the Auditor-General.

(3) The Auditor-General shall also perform and discharge such duties and functions as may be prescribed by Parliament by law.

(4) (a) The Auditor-General may for the purpose of the performance and discharge of his duties and functions engage the services of a qualified auditor or auditors who shall act under his direction and control.

(b) If the Auditor-General is of opinion that it is necessary to obtain assistance in the examination of any technical, professional or scientific problem relevant to the audit, he may engage the services of –

- (i) a person not being an employee of the department, body or authority the accounts of which are being audited, or

¹⁰⁶ -Substituted by the Nineteenth Amendment to the Constitution Sec.36 for the words "public corporation or business or other undertaking"

- (ii) any technical or professional or scientific institution not being an institution which has any interest in the management of the affairs of such department, body or authority.

and such person or institution shall act under his direction and control.

(5) (a) The Auditor-General or any person authorized by him shall in the performance and discharge of his duties and functions be entitled –

- (i) to have access to all books, records, returns and other documents ;
- (ii) to have access to stores and other property ; and
- (iii) to be furnished with such information and explanations as may be necessary for the performance of such duties and functions.

(b) Every qualified auditor appointed to audit the accounts of ¹⁰⁷[any public corporation, business or other undertaking or a company referred to in paragraph (1)], or any person authorized by such auditor shall be entitled to like access, information and explanations in relation to such public corporation, or business or other undertaking.

(6) The Auditor-General shall within ten months after the close of each financial year and as and when he deems it necessary report to Parliament on the performance and, discharge of his duties and functions under the Constitution.

(7) Every qualified auditor appointed under the provisions of paragraph (2) of this Article shall submit his report to the Minister and also submit a copy thereof to the Auditor-General.

(8) In this Article, “qualified auditor” means –

- (a) an individual who, being a member of the Institute of Chartered Accountants of Sri Lanka, or of any other Institute established by law, possesses a certificate to practise as an Accountant issued by the Council of such Institute ; or

107 -Substituted by the Nineteenth Amendment to the Constitution Sec.36 for the words "any public corporation or business or other undertaking"

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- (b) a firm of Accountants each of the resident partners of which, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other Institute established by law, possesses a certificate to practise as an Accountant issued by the Council of such Institute.

¹⁰⁸[(9) The provisions of sub-paragraph (a) of paragraph (8) shall apply to the Auditor-General appointed under Article 153(1).]