



PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA

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INSTITUTE OF POLICY STUDIES  
OF SRI LANKA  
ACT, No. 53 OF 1988

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L.D.—O.52/86

AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF THE INSTITUTE OF POLICY STUDIES ; AND FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows:—

1. This Act may be cited as the Institute of Policy Studies of Sri Lanka Act, No. 53 of 1988 and shall come into operation on such date as the Minister may appoint by Order published in the *Gazette*.

Short title  
and date of  
operation.

## PART I

### ESTABLISHMENT OF THE INSTITUTE OF POLICY STUDIES

2. There shall be established in accordance with the provisions of this Act an Institute which shall be called the Institute of Policy Studies of Sri Lanka (hereinafter referred to as "the Institute").

Establish-  
ment of the  
Institute  
of Policy  
Studies  
of Sri  
Lanka.

3. The Institute shall, by the name assigned to it by section 2, be a body corporate having perpetual succession and a common seal and may sue and be sued in such name.

Institute  
to be a  
body  
corporate.

4. The seal of the Institute—

Seal  
of the  
Institute.

(a) shall be in the custody of the Executive Director of the Institute ;

(b) shall be of such design as shall be approved by the Board and may be altered in such manner as may be determined by the Board ; and

(c) shall not be affixed to any document except with the sanction of the Board or in accordance with such rules as may be determined by the Board.

5. The aims and objects of the Institute shall be to engage in, and to encourage, foster and facilitate socio-economic research and in particular—

Aims and  
objects  
of the  
Institute.

(a) to initiate, promote and conduct studies in relation to national development plans and policies ;

- (b) to establish and maintain liaison with Government institutions, universities and research institutions concerned with development studies and to provide, for this purpose, a forum for the discussion and evaluation of research work and studies ;
- (c) to undertake and conduct socio-economic research requested by Government, Government institutions or by any international institution ;
- (d) to arrange for the conduct of socio-economic research by research institutions or individuals, either locally or abroad ;
- (e) to conduct joint studies, seminars or symposia with foreign research institutions and research institutions in Sri Lanka ;
- (f) to disseminate the results of policy research and to take steps to maximise their impact on the formulation and evaluation of public policy ;
- (g) to establish a repository for economic and social research information and other related materials ;
- (h) to establish and maintain relations with research institutions in Sri Lanka or abroad with objects similar to the objects of the Institute and to facilitate co-operation and collaboration with such institutions.

**Powers  
of the  
Institute.**

6. The Institute shall have such powers as may be necessary for the attainment of its aims and objects and in particular, shall have the power to do the following :—

- (a) to make rules in respect of the management of the affairs of the Institute ;
- (b) to accept and receive grants, donations, gifts, bequests, both movable and immovable, from domestic and foreign sources, and to apply them to the promotion of its aims and objects ;
- (c) to acquire and hold property, movable or immovable, which may become vested in it by virtue of any purchase, grant, gift, testamentary disposition or otherwise and subject to the rules of the Institute, to sell, assign, exchange or otherwise dispose of the same ;
- (d) to enter into such contracts as are deemed necessary **for the attainment of its aims and objects ;**

- (e) to appoint, employ, remunerate and exercise disciplinary control over such officers, servants or agents as are necessary or useful for the attainment of the aims and objects of the Institute ;
- (f) to enter into agreements for co-operation with educational and other institutions, whether in Sri Lanka or abroad, having objects wholly or partly similar to those of the Institute, for the exchange of personnel, advisory services, research, the training of personnel or generally, for such purposes as may be conducive to their common objects ; and
- (g) to open and maintain current, savings or deposit accounts in any bank or banks ;
- (h) to invest its funds in such securities as may be approved by the Board ;
- (i) to establish provident funds or pension schemes for the benefit of officers and servants of the Institute and to make contributions to any such fund or scheme ;
- (j) to borrow such sums of money as may be necessary for the discharge of its functions ;
- (k) to erect, equip and maintain libraries ;
- (l) to take such action as may be necessary to advance the skills of its officers and servants ;
- (m) to issue publications ;
- (n) to undertake all such activities in the opinion of the Institute are necessary to facilitate the attainment of its objects and the discharge of its functions.

## PART II

### ORGANISATION AND MANAGEMENT OF THE INSTITUTE

7. The administration and management of the affairs of the Institute shall be vested in a Board of Governors consisting of the following members :—

The Board  
of  
Governors  
of the  
Institute.

- (a) the Chairman of the Board appointed under section 9 ;
- (b) the Secretary to the Ministry of the Minister in charge of the subject of planning ;
- (c) the Governor of the Central Bank of Sri Lanka ;

(d) the Director of National Planning ; and

(e) three members drawn from the academic and research community of Sri Lanka to be appointed by the President in consultation with the Minister in charge of the subject of planning (hereinafter referred to as "appointed members") of whom two shall be from the discipline of economics and the other from a discipline within the social sciences other than economics.

Term of  
office.

8. (1) An appointed member shall hold office for a period of three years and shall be eligible for re-appointment.

(2) A person shall be disqualified from being appointed or continuing as a member of the Board if he is—

(a) adjudged by a competent court to be of unsound mind ; or

(b) declared by a competent court to be insolvent.

(3) A vacancy occurring in the Board as a result of an appointed member vacating office by death, resignation or removal shall be filled by the President in consultation with the Minister in charge of the subject of planning having regard to the provisions of section 7 (e) and the member so appointed shall hold office for the unexpired period of the term of office of his predecessor.

(4) Where an appointed member is by reason of illness, infirmity or absence from Sri Lanka for a period of not less than three months, temporarily unable to perform his duties, the President may in consultation with the Minister in charge of the subject of planning appoint another person to act in his place.

(5) Any member of the Board may, at any time, resign his office by letter addressed to the President.

Chairman  
of the  
Board.

9. (1) The Chairman of the Board shall be appointed by the President in consultation with the Minister in charge of the subject of planning.

(2) The Chairman may at any time resign from the office of Chairman by a letter addressed to the President.



(3) If the Chairman is by reason of illness or absence from Sri Lanka, temporarily unable to perform the duties of his office, the President may in consultation with the Minister in charge of the subject of planning appoint another member of the Board to act in his place.

(4) Subject to the provisions of subsections (2) and (3) the term of office of the Chairman shall be three years.

10. (1) The Chairman shall preside at the meetings of the Board. In the absence of the Chairman, a member chosen by the members of the Board present at any meeting shall preside at such meeting.

Proceedings  
of the  
Board.

(2) The Chairman or the member presiding at any meeting shall not be entitled to vote, except in the case of an equality of votes.

(3) The Board may, delegate to the Chairman any power, duty or function conferred or imposed on or assigned to the Institute by the Act.

(4) The Board shall meet at least once in every period of six calendar months.

(5) The quorum for a meeting shall be four members, inclusive of the Chairman.

(6) Subject to the provisions of this Act, the Board shall make rules regulating the procedure in regard to its meetings and the transactions of business of such meetings including honoraria and reimbursement of expenses, for attendance at meetings, payable to its members.

11. The Board shall have the power to act notwithstanding any vacancy in its membership and any act or proceeding of the Board shall not be or deemed to be invalid by reason only of any such vacancy or any defect in the appointment of a member.

Acts or  
proceedings  
of the  
Board  
deemed  
not to be  
invalid  
by reason  
of any  
vacancy  
or  
defect  
in the  
appointment  
of a  
member.

Research  
Advisory  
Committees.

12. (1) The Board may appoint a Research Advisory Committee to advise the Board, on the programme of policy studies, to be undertaken with the support and assistance of the Institute.

(2) Such Committee shall consist of persons in the field of research relevant to development studies drawn from Government, academic or research communities in Sri Lanka or abroad.

Functions  
and  
responsibilities  
of the  
Committee.

13. Subject to the provisions of the Act and the rules of the Institute, the functions and responsibilities of the Committee shall be to advise the Board on the—

- (a) general direction and emphasis of the Institute's research programme ;
- (b) selection, design and methodology of research ;
- (c) evaluation, dissemination and publication of research findings ; and
- (d) such other matters on which its advice is sought.

### PART III

#### FUNCTIONS AND RESPONSIBILITIES OF THE EXECUTIVE DIRECTOR

The  
appointment  
of the  
Director.

14. (1) The Minister in charge of the subject of planning shall, on the advice of the Board, appoint the Executive Director of the Institute, (hereinafter referred to as "the Director") who shall also be a member of the research staff of the Institute. The Director shall be a full-time officer of the Institute and shall receive such remuneration and other benefits as may be determined by the Board.

(2) The Director shall be responsible to the Board. He shall attend the meetings of the Board in an advisory capacity but shall not be entitled to vote at such meetings.

(3) The Director shall exercise, discharge and perform any such powers, functions and duties as may be delegated to him by the Board.

Opportunity  
for non-staff  
members to  
contract with  
the Institute.

15. (1) The Institute shall be entitled to enter into contracts with researchers and professionals not being members of the Board or of the staff of the Institute to carry out specialised studies or research.

(2) Every person with whom the Institute has entered into a contract under subsection (1) shall be deemed to be a Research Associate and shall be paid such fees as may be determined by the Board.

PART IV

FINANCE

16. (1) The Institute shall have its own Fund. The Fund of the Institute.
- (2) There shall be put into the Fund of the Institute—
- (a) all such sums of money as may be received by the Institute in the exercise, performance and discharge of its powers, duties and functions ;
- (b) all such sums of money as may be received by the Institute by way of fees, grants, donations, gifts, bequests from any source whatsoever, whether domestic or foreign ; and
- (c) all sums of money borrowed by the Institute.
- (3) There shall be paid out of the Fund, all such sums of money as may be required to defray any expenditure incurred by the Institute in the exercise, performance and discharge of its powers, duties and functions.
17. The Financial year of the Institute shall be the calendar year. Financial year.
18. (1) The Board shall cause proper books of accounts to be kept of the income and expenditure, assets and liabilities and all other transactions of the Institute. Audit of accounts.
- (2) The Board shall cause its books to be balanced as on the thirty-first day of December in each year and shall before the thirty-first day of March next, cause to be prepared an income and expenditure account and a balance sheet containing a summary of the assets and liabilities of the Institute made upto the first-mentioned date.
- (3) The income and expenditure account and the balance sheet shall be signed by the Chairman of the Board and the Director of the Institute.
- (4) The Board may employ the services of any qualified auditor (hereinafter referred to as "auditor") for the purpose of auditing the accounts of the Institute.
- (5) For the purpose of meeting the expenses incurred by any auditor in the audit of accounts of the Institute, such auditor shall be paid by the Institute such remuneration as the Board may determine.



(6) The auditor shall inspect the accounts, the finances, the management of the finances and the property of the Institute. The auditor shall as far as possible, and as far as it is necessary, examine—

- (a) whether the organization, systems, procedures, books, records and other documents have been properly and adequately designed from the point of view of the presentation of information to enable continuous evaluation of the activities of the Institute, and whether such systems, procedures, books, records and other documents are in effective operation ;
- (b) whether the financial conduct of the Institute has been in accordance with the law, rules and regulations relevant to the Institute and whether there has been fairness in the financial administration of the Institute ;
- (c) whether there has been economy and efficiency in the commitment of funds and utilization of such funds ;
- (d) whether system of keeping moneys and the safeguarding of property are satisfactory ;
- (e) whether the accounts audited have been so designed as to present a true and fair view of the affairs of the Institute in respect of the period under consideration, due regard being paid to principles of accountancy, financing and valuation ; and
- (f) any such other matter as he may deem necessary.

(7) The auditor shall determine the nature and extent of the audit that shall be carried out in any particular period and may dispense with any particular aspect.

(8) The auditor shall have—

- (a) the right of access to any books, records, documents and any type of information which is directly or indirectly related to the activities of the Institute ;
- (b) the right to call for such information, documents, explanation reports or other material at any time as in his opinion is necessary for the purposes of the audit ;
- (c) the right to summon any person for examination and for the production of any document, where such examination or production is considered necessary for the purposes of the audit.

(9) The Institute or any person of the Institute shall comply with any request made by the auditor in the exercise of the above-mentioned process.

(10) The accounts of the Institute for each financial year shall be submitted to the auditor for audit within four months after the close of that year along with any report on the accounts which the auditor may require to be submitted in the manner specified by him. Any person who contravenes or fails to comply with the preceding provisions of this subsection shall be guilty of an offence under this Act and shall on conviction after a summary trial before a Magistrate, be liable to a fine not exceeding one thousand rupees.

(11) The auditor shall submit a report to the Chairman of the Institute within eight months after the close of the financial year, to which the report relates dealing with the results of the audit including a report on the accounts examined in the year. Copies of such report shall be forwarded by him where—

(a) the Minister is the Minister in charge of the subject of finance, to that Minister ; or

(b) the Minister is not the Minister in charge of the subject of finance, to both the Minister, and the Minister in charge of the subject of finance.

(12) For the purposes of this section the expression “qualified auditor” means—

(a) an individual who being a member of the Institute of Chartered Accountants of Sri Lanka possesses a certificate to practice as an Accountant issued by the council of that Institute ; or

(b) a firm of Chartered Accountants each of the partners of which being a member of that Institute, possess a certificate to practice as an Accountant issued by the Council of that Institute.

19. (1) The Institute shall be exempt from the payment of any rates imposed by any local authority.

Exemption  
from  
taxes.

(2) The Minister may in consultation with the Minister in charge of the subject of finance waive any charges leviable on an import licence for goods imported by the Institute.

(3) From and after the inclusion of the Institute under paragraph (c) of subsection (2) of section 31 of the Inland Revenue Act, No. 28 of 1979, a person shall, subject to the other provisions of that Act, be entitled to the relief specified in that section in respect of donations made by him, in money, to the Institute.

(4) From and after the inclusion of the Institute under sections 8 and 42 respectively of the Inland Revenue Act, No. 28 of 1979, the profits and income of the Institute shall be exempt from income tax and the Institute shall be exempt from the payment of wealth tax.

(5) From and after the inclusion of the Institute under section 9 of the Inland Revenue Act, No. 28 of 1979, the emoluments of every officer and servant of the Institute shall be exempt from income tax.

## PART V

### GENERAL

Appointment  
of  
officers  
and  
servants.

20. (1) The Board may appoint such officers, servants and consultants as may be necessary for the administration and management of the affairs of the Institute and shall determine the remuneration payable to, and the conditions of service of the officers, servants and consultants so appointed.

(2) At the request of the Board, any officer in the public service may, with the consent of that officer and the Secretary to the Ministry of the Minister in charge of the subject of public administration, be temporarily appointed to the staff of the Institute for such period as may be determined by the Board with like consent or with like consent be permanently appointed to such staff.

(3) Where any officer of the public service is temporarily appointed to the staff of the Institute the provisions of subsection (2) of section 13 of the Transport Board Law, No. 19 of 1978, shall, *mutatis mutandis*, apply to and in relation to him.

(4) Where any officer in the public service is permanently appointed to the staff of the Institute, the provisions of subsection (3) of section 13 of the Transport Board Law, No. 19 of 1978, shall, *mutatis mutandis*, apply to and in relation to him.

(5) At the request of the Board, any officer or servant of a Higher Educational Institution established under the Universities Act, No. 16 of 1978 may, with the consent of such officer or servant and the principal executive officer of that Higher Educational Institution be temporarily appointed to the staff of the Institute for such period as may be determined by the Board with like consent or be permanently appointed to such staff, on such conditions including those relating to pension and provident fund rights, as may be agreed upon by the Board and such principal executive officer.

21. The Board shall at the end of each financial year, submit to the President, through the Minister, a published report of the activities of the Institute for that year.

Report  
of the  
Institute.