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PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA

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SRI LANKA INSTITUTE OF LOCAL  
GOVERNANCE  
ACT, No. 31 OF 1999

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[Certified on 23rd September, 1999]

*Printed on the Order of Government*

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*Sri Lanka Institute of Local Governance  
Act, No.31 of 1999*

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L.D.- O. 38/98.

AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF THE SRI LANKA  
INSTITUTE OF LOCAL GOVERNANCE 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 Sri Lanka Institute of  
Local Governance Act, No.31 of 1999 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 SRI LANKA INSTITUTE OF  
LOCAL GOVERNANCE

**2.** (1) There shall be established an Institute which shall  
be called the Sri Lanke Institute of Local Governance  
(hereinafter referred to as the “Institute”)

Establishment of  
the Sri Lanka  
Institute of Local  
Governance.

(2) The Institute shall, by the name assigned to it by  
subsection (1), be a body corporate and shall have perpetual  
succession and a common seal and may sue and be sued in  
such name.

**3.** The functions of the Institute shall be -

- (a) to provide training to the members and officers and  
servants of Provincial Councils and local authorities  
with a view to equipping them to perform their  
official duties efficiently and effectively ;
- (b) to conduct workshops and training courses on  
provincial and local government management ;
- (c) to award certificates to those who have success-  
fully completed the training courses conducted by  
the Institute ;

the Functions of  
the Institute.

- (d) to assist in the building up of a cadre of competent provincial and local government officers and personnel in the country, with a view to ensuring good governance ;
- (e) to make available to Provincial Councils and local authorities, the services of specialists in provincial and local government management ;
- (f) to assist Provincial Councils and local authorities in improving their organizational systems and management capability ;
- (g) to undertake consultancy assignments in the field of provincial and local government ;
- (h) to provide a forum for a critical appraisal of provincial and local government organizational management systems and practices ;
- (i) to assist Provincial Management Development and Training Units and local authorities in, management development and the establishment of work norms, determination of compensation systems, and generally, to improve their productivity ;
- (j) to collaborate with other organizations, in Sri Lanka or abroad having objects similar to those of the Institute ;
- (k) to sponsor and hold, conferences and seminars and to publish books and magazines, on provincial and local government ;
- (l) to provide necessary data and information to the Minister, for the purposes of formulating national policies on local government ;
- (m) to disseminate information on the functions and activities of the Institute to the relevant institutions and to the public ;

- (n) to conduct, promote and assist research into all aspects of provincial and local government.

**4.** The Institute shall have such powers as are reasonably necessary for the discharge of its functions, and in particular the power -

Powers of the  
Institute.

- (a) to acquire in any manner whatsoever, and to hold and to take or give on lease or hire, mortgage, pledge, sell or otherwise dispose of any movable or immovable property ;
- (b) to establish and maintain training centres ;
- (c) to appoint, employ, remunerate and exercise disciplinary control over, its officers and servants ;
- (d) to levy fees or charges for any service rendered by the Institute ;
- (e) to import any machinery and equipment required for the purposes of the Institute, and to receive any machinery and equipment and other assistance necessary for discharging the functions of the Institute ;
- (f) to establish work performance standards for its officers and servants, evaluate the performance of such officers and servants according to such standards and to take action thereon ;
- (g) to establish and maintain welfare and recreational facilities for its officers and servants ;
- (h) to make rules in relation to its officers and servants including their appointment, training, promotion, remuneration, disciplinary control, conduct and grant of leave to them ;
- (i) to enter into such contracts as may be necessary for the discharge of its functions ;
- (j) to make rules in respect of the general administration of the Institute ; and

- (k) to do all other things which are necessary for, or conducive or incidental to, the discharge of the functions of the Institute.

Establishment and constitution of the Governing Council.

**5.** (1) The administration and management of the affairs of the Institute shall be vested in a Governing Council (hereinafter referred to as the “Council”) consisting of the following :-

- (a) *ex - officio* members, namely -
- (i) the Secretary to the Ministry of the Minister in charge of the subject of Provincial Councils and Local Government who shall be the Chairman of the Council ;
  - (ii) the Secretary to the Ministry of the Minister in charge of the subject of Finance and Planning ;
  - (iii) the Secretary to the Ministry of the Minister in charge of the subject of Housing and Urban Development ;
  - (iv) the Secretary to the Ministry of the Minister in charge of the subject of Environment ;
  - (v) the Secretary to the Ministry of the Minister in charge of the subject of Public Administration ;
  - (vi) a representative of the Ministry of the Minister in charge of the subject of Cultural Affairs, nominated by that Minister ;
  - (vii) the Dean of a faculty of a university where the subject of Local Government is included in a course of study provided by such Faculty, and nominated by the Minister in charge of the subject of Higher Education ; and
  - (viii) the Director of the Institute appointed under section 12 who shall be the convenor of the Council ; and

- (b) the following other members namely -
- (i) a person from the private sector, or non-governmental organizations who in the opinion of the Minister has had experience in provincial or local government ;
  - (ii) a person from a professional organization, who in the opinion of the Minister has had experience in provincial or local government ;
  - (iii) a person from an Association of Local Authorities nominated by the Minister ;
  - (iv) two persons who in the opinion of the Minister have had experience in provincial or local government.

(2) A person shall be disqualified from being appointed or from continuing as a member of the Council -

- (a) if he is, or becomes, a Member of Parliament or a Member of a Provincial Council ; or
- (b) if he, directly or indirectly, holds or enjoys any right or benefit under any contract made by or on behalf of the Institute ; or
- (c) if he has financial or other interest as is likely to affect prejudicially the discharge by him of his functions as a member of the Council.

(3) Every member appointed under paragraph (b) of subsection (1) of section 5 shall, unless he vacates office earlier by death, resignation or removal, hold office for a period of three years.

(4) (a) Where a member of the Council appointed under paragraph (b) of subsection (1) of this section, dies or resigns or is removed from office, the Minister may, having regard to

the provisions of that paragraph appoint another person to be a member in place of the member who dies, resigns or is removed from office.

(b) Any Member of the Council appointed under paragraph (a) of this subsection, shall unless he earlier resigns or vacates his office by death or removal, hold office for the unexpired part of the term of office of the member whom he succeeds.

(5) Where a member of the Council appointed under paragraph (b) of subsection (1) of section 5 is, by reason of illness or other infirmity or absence from Sri Lanka, temporarily unable to perform the duties of his office, the Minister may, having regard to the provisions of that paragraph, appoint another person to act in his place.

Power of the Minister to remove from office an appointed member of the Council.

**6.** The Minister may, for reasons assigned, remove from office, any member of the Council appointed under paragraph (b) of subsection (1) of section 5.

Resignation of appointed members of the Council.

**7.** A member of the Council appointed under paragraph (b) of subsection (1) of section 5 may at any time resign his office by letter addressed to the Minister.

Eligibility for reappointment as member of the Council.

**8.** Any member of the Council appointed under paragraph (b) of subsection (1) of section 5 who vacates office, other than a member who is removed from office under section 6, shall be eligible for reappointment.

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

**9.** No act or proceeding of the Institute shall be deemed to be invalid by reasons only of the existence of any vacancy in the Council or defect in the appointment of any member of the Council.

**10.** All or any of the members of the Council may be paid such remuneration out of the Fund of the Institute as may be determined by the Minister with the concurrence of the Minister in charge of the Subject of Finance.

Remuneration of members.

**11.** (1) The meetings of the Council shall be held once at least in every month.

Meetings of the Council.

(2) The Chairman shall give at least seven day's notice in writing of every meeting of the Council to each of the members of the Council and shall specify in such notice the business to be dealt with at such meeting.

(3) The Chairman shall summon a special meeting of the Council within seven days after being requested in writing to do so by two members of the Council, notwithstanding the provisions of subsection (2).

(4) Five members shall form a quorum at any meeting of the Council.

(5) The Chairman shall preside at meetings of the Council and in the absence of the Chairman from any meeting of the Council, a member chosen by the majority of members present shall preside at such meeting.

(6) If the Chairman is by reason of illness or other infirmity or absence from Sri Lanka, temporarily unable to perform the duties of his office, the Minister may appoint another member of the Council to act in his place.

(7) Where there is an equality of votes on any matter or thing to be decided at a meeting of the Council, the Chairman at such meeting shall, in addition to his own vote, have a casting vote.

(8) Subject to the provisions set out in this section the Council shall determine the procedure in regard to its meetings and the transaction of business at such meetings.



## PART II

### APPOINTMENT OF THE DIRECTOR OF THE INSTITUTE AND OTHER OFFICERS AND SERVANTS OF THE INSTITUTE

Appointment of  
the Director of  
the Institute.

**12.** (1) The Minister shall appoint to the staff of the Institute, a Director of the Institute (hereinafter referred to as the “Director”) who shall be the Chief Executive officer of the Institute.

(2) The Director appointed under subsection (1) shall, unless he vacates office earlier by death, resignation or removal, hold office for a period of five years from the date of his appointment.

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

(4) The Minister may remove from office the Director appointed under subsection (1).

(5) The Director shall be paid such remuneration as may be determined by the Minister with the concurrence of the Minister in charge of the Subject of Finance.

(6) The Office of the Director shall become vacant upon the death, removal from office under subsection (4) or resignation by letter in that behalf addressed to the Minister, by the holder of that office.

(7) Unless removed from office under subsection (4) any person who holds office as Director shall be eligible for reappointment as Director.

(8) If any vacancy occurs in the office of the Director , the Minister may appoint a member of the Council to perform the duties of the Director until an appointment is made under subsection (1).

**13.**(1) Subject to the other provisions of this Act, the Council may -

Powers of the Council in regard to appointments to the staff of the Institute.

- (a) appoint to the staff of the Institute, such other officers and servants as may be necessary for the purposes of the Institute ;
- (b) dismiss and exercise disciplinary control over, such officers and servants ;
- (c) fix the wages or salaries or other remuneration of such officers and servants ;
- (d) determine the terms and conditions of service of such officers and servants ; and
- (e) establish and regulate provident funds and schemes for the benefit of such officers and servants and make contributions to any such fund or scheme.

(2) Rules may be made under this Act in respect of all or any of the matters referred to in subsection (1).

**14.** (1) The Council may delegate to the Director all or any of its powers relating to the appointment of other officers or servants to the staff of the Institute. The conditions of employment including remuneration of any officers and servants appointed by the Director under the powers delegated to him under this section shall be determined by him with the concurrence of the Council.

Delegation of powers of the Council to the Director in regard to appointments.

(2) Any person aggrieved by any decision made by the Director under this section may appeal therefrom in writing to the Council and the decision of the Council on such appeal shall be final.

(3) The dismissal by the Director of any officer or servant of the Institute shall not take effect unless such dismissal is approved by the Council.

Appointment of  
Public Officers to  
the staff of the  
Institute.

**15.** (1) At the request of the Council any officer in the Public Service may, with the consent of that officer and of the Secretary to the Ministry of the Minister incharge of the subject of Public Administration, be temporarily appointed to the staff of the Institute for such period as may be determined by the Council with like consent or with like consent be permanently appointed to such staff.

(2) Where any officer in the public service is temporarily appointed to the staff of the Institute the provisions of subsection (2) of section 14 of the National Transport Commission Act, No.37 of 1991, shall, *mutatis mutandis*, apply to, and in relation to, such officer.

(3) Where any officer in the public service is permanently appointed to the staff of the Institute, the provisions of subsection (3) of section 14 of the National Transport Commission Act, No.37 of 1991, shall, *mutatis mutandis*, apply to, and in relation to, such officer.

(4) Where the Institute employs any person who has entered into a contract with the Government by which he has agreed to serve the Government for a specified period, any period of service to the Institute by that person shall be regarded as service to the Government for the purpose of discharging the obligations of such contract.

### PART III FINANCE

Fund of the  
Institute.

**16.**(1) The Institute shall have its own fund ;

(2) There shall be credited to the Fund of the Institute-

(a) all such sums of money as may be voted from time to time by Parliament for the use of the Institute ;

(b) all such sums of money as are received by the Institute in the exercise and discharge of its powers and functions under this Act ; and

(c) all such sums of money as are received by the Institute as loans, grants and donations from sources within or outside Sri Lanka.

(3) All sums of money required to defray any expenditure incurred by the Institute in the exercise and discharge of its powers and functions as or are required to be paid out of the Fund by any provision of this Act shall be charged on the Fund of the Institute.

**17.** The financial year of the Institute shall be the calendar year. Financial year of Institute.

**18.** The provisions of Article 154 of the Constitution shall apply in relation to the audit of the accounts of the Institute. Audit of accounts.

#### PART IV GENERAL

**19.** All members of the Council and officers and servants of the Institute shall be deemed to be public servants within the meaning and for the purposes of the Penal Code. Members and officers and servants of the Institute deemed to be public servants.

**20.** The Institute shall be deemed to be a Scheduled Institution within the meaning of the Bribery Act and the Provisions of that Act shall be construed accordingly. The Institute deemed to be a Scheduled Institution within the meaning of the Bribery Act.

**21.** (1) No member of the Council or officer or servant of the Institute shall disclose to any person, except for the purposes of discharging of his functions under this Act or when required to do so by a court or under any law, any information acquired by him in the discharged of his functions under this Act : Prohibition on disclosure of information.

Provided, however, that no information in relation to matters which the Institute is bound to treat as confidential by any agreement with another party other than the Government shall be disclosed under the preceding provisions of this section.

(2) Any person who contravenes the provisions of subsection (1) shall be guilty of an offence under this Act.

Acquisition of immovable property under the Land Acquisition Act for the Institute.

**22.** (1) Where any immovable property is required to be acquired for the purposes of the Institute and the Minister, by Order published in the Gazette approves of the proposed acquisition, that property shall be deemed to be required for a public purpose and may accordingly be acquired under the Land Acquisition Act and be transferred to the Institute.

(2) Any sum payable for the acquisition of any immovable property under the Land Acquisition Act for the Institute shall be paid from the Fund of the Institute.

State property both movable and immovable to be made available to the Institute.

**23.**(1) Where any immovable property of the State is required for the purpose of the Institute, such purpose shall be deemed to be a purpose for which a special grant or lease of such property may be made under section 6 of the Crown Lands Ordinance and accordingly the provisions of that Ordinance shall apply to a special grant or lease of such property to the Institute.

(2) Where any movable property of the State is required for the purpose of the Institute, the Minister may, by Order published in the Gazette, transfer to and vest in the Institute the possession and use of such property :

Provided, however, that no Order affecting any movable property of the State shall be made under the preceding provisions of this section without the concurrence of the Minister having control over such property .

Power of the Minister to give special or general directions to the Council

**24.** (1) The Minister may give special or general directions in writing to the Council as to the exercise of the powers of the Institute, and the Council shall give effect to such directions .

(2) The Minister may from time to time direct the Council to furnish to him in writing such information as he may require relating to the work of the Institute.

**25.** (1) The Council may make rules in respect of all or any of the matters for which rules are authorized or required by this Act to be made.

Rules.

(2) No rule made by the Council shall have effect until it has been approved by the Minister.

**26.** (1) No suit or prosecution shall lie -

Protection for action taken under this Act or on the direction of the Council.

(a) against the Institute for any act which in good faith is done or purported to be done by the Institute under this Act ; or

(b) against any member of the Council or officer, servant or agent of the Institute for any act which in good faith is done or purported to be done by him under this Act or on the direction of the Council.

(2) Any expense incurred by such person as is referred to in subsection (1) in any suit or prosecution brought against him before any court in respect of any act which is done by him or purported to be done by him under this Act or on the direction of the Council shall, if the court holds that the act was done in good faith, be paid out of the Fund of the Institute.

**27.** No writ against person or property shall be issued against a member of the Council in any action brought against the Institute.

No writ to issue against person or property of a member of the Council.

**28.** Every person who commits an offence under this Act shall on conviction after summary trial before a Magistrate be liable to imprisonment of either description for a period not exceeding six months or to a fine not exceeding five hundred rupees or to both such fine and imprisonment.

Offences and penalties.

Sinhala text to prevail in case of inconsistency

**29.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Interpretation

**30.** In this Act, unless the context otherwise requires -

“local authority” means any Municipal Council, Urban Council, or Pradeshiya Sabha and includes any other authority created or established by or under any law to exercise, discharge and perform powers functions and duties, corresponding to, or similar to, the powers, duties and functions exercised, performed and discharged by any such Council or Sabha ;

“Provincial Council” means a Provincial Council established by Chapter XVIII A of the Constitution;

“public corporation” means any corporation, board or other body which was or is established by or under any written law, other than the Companies Act, No.17 of 1982 with funds or capital wholly or partly provided by the Government by way of grant, loan or otherwise ;

“University” means a university established under the Universities Act, No.16 of 1978.

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