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செயலாற்றுகை அறிக்கை
Performance Report

2013

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முகாமைத்துவக் கணக்காய்வுத் திணைக்களம்
DEPARTMENT OF MANAGEMENT AUDIT

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කොළඹ 01.

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Ministry of Finance and Planning
The Secretariat
Colombo 01.

Financial and Physical Performance of the Department of Management Audit for the year 2013 is presented by this as per the instructions given in the Public Finance Circular No.402.

Performance Report - 2013

Department of Management Audit

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01. Vision, Mission, Objectives and Functions and Responsibilities of the Department

Vision

To be the most outstanding and value adding Management Audit partner for the best performance and accountability of public service.

Mission

To provide an independent objective assurance and consulting services design to add value and improve accountability of public services through Management Audit.

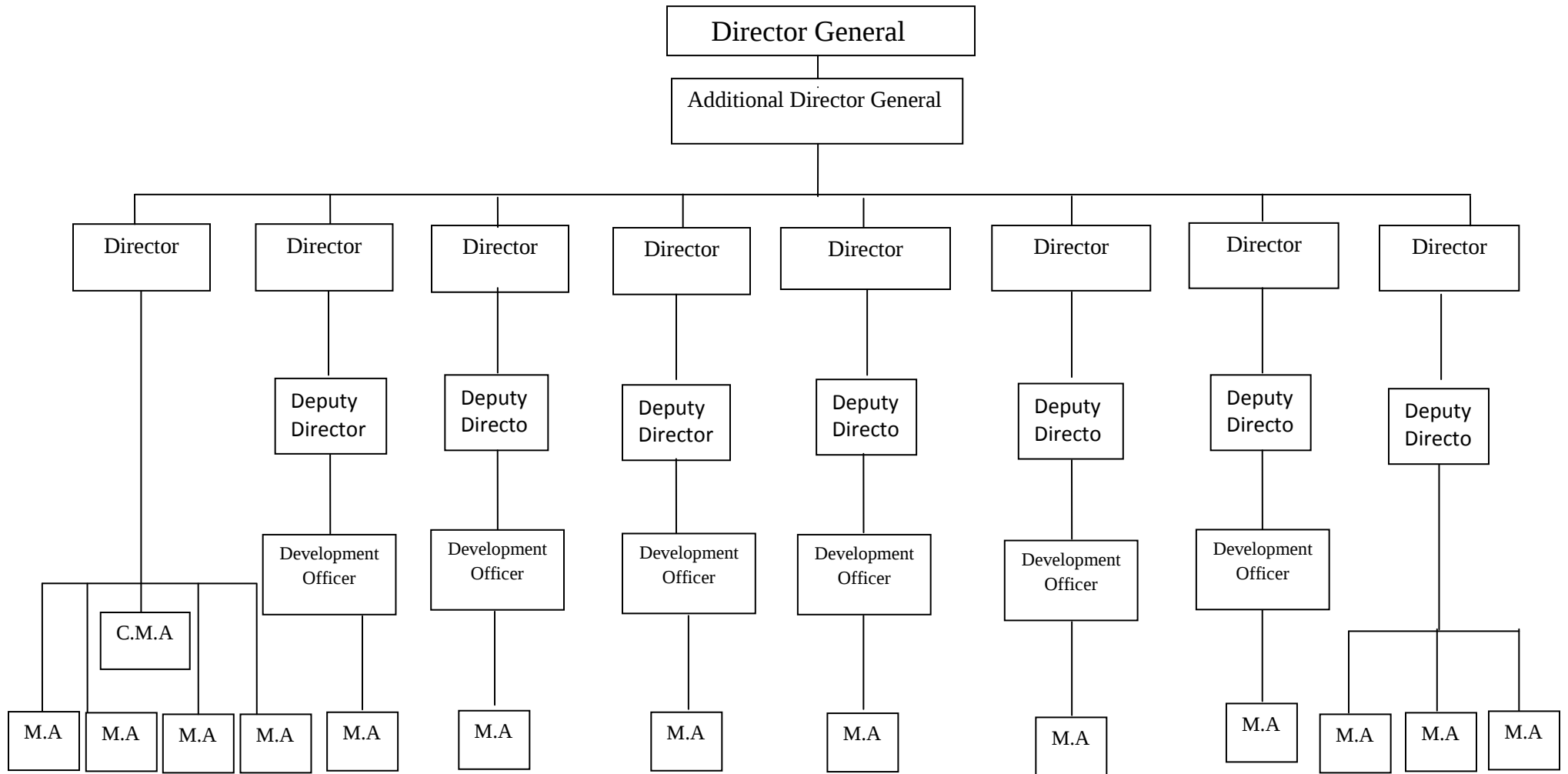
Objectives

1. Contributing to enhance the productivity of internal auditing of the public sector.
2. Strengthening internal auditing through Audit and Management Committees.
3. Introducing guidelines required to improve management auditing.
4. Assisting the top management by performing the management audit activities of the Ministry of Finance and Planning and Treasury Departments.
5. Strengthening the management audit process of the development projects.
6. Disclosure of irregularities that take place and might take place in Public Sector through special investigations and introduction of preventive measures and recommendations to avoid such situations and occurrences.

Functions and Responsibilities

1. Perform as the apex body of the public sector Internal Auditing to uplift the quality and efficiency of public sector Internal Auditing.
2. Conduct Management Audit of the Ministry of Finance & Planning (MOFP). Treasury Departments and projects coming under the MOFP.
3. Introduce guidelines for Internal Auditing.
4. Coordinate and guide the Internal Audit Units.
5. Improve the Internal Audit skills of public sector Internal Auditors.
6. Convening the Audit and Management Committee of the Ministry of Finance & Planning and represent & guide the Audit and Management Committees of other Ministries.
7. Evaluate the adequacy of risk assessment procedures adapted by the public sector.
8. Conduct special investigations.

1.1 Organizational Structure of the Department



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2. Financial Administration

Provisions had been made for this Department under the Head 324, Programme 01, Project 01 by the Budget Estimates for the year 2013. The expenditure incurred out of the provisions is given below.

Particulars of Expenditure	Budgetary Estimate Allocations	Supplementary Allocations (Rs.)	Transfers as per F.R 66 & 69 (Rs.)	Actual Expenditure (Rs.)	Remaining Provisions (Rs.)
Recurrent (A) Expenditure	25,710,000	-		22,075,529	3,634,471
Personnel Emoluments	17,300,000	-	-	14,717,682	2,582,318
Other Expenses	8,410,000	-	654,030 (654,030)	7,357,847	1,052,153
Capital (B) Expenditure	1,600,000	-	-	1,326,091	273,909
2001 Buildings & Constructions	-	-	-	-	-
2002 Machinery & Equipment	200,000	-	-	189,280	10,720
2003 Vehicles	100,000	-	-	-	100,000
2102 Office Equipment	200,000	-	-	158,298	41,702
2103 Machinery & Equipment	600,000	-	-	576,400	23,600
2401 Skills Development	500,000	-	-	402,113	97,887
Total (A + B)	27,310,000	-	-	23,401,620	3,908,380

Advance 'B' Account of the Public Officers

The details of the Advance 'B' Account of the Public Officers of this Department for the year 2013 are given below.

Particulars	Approved Limit (Rs.)	Actual Expenditure (Rs.)
Maximum Limit of Expenditure	2,000,000	1,486,993
Minimum Limit of Receipts	1,200,000	1,350,713
Maximum Debit Balance Limit	11,000,000	7,371,542

3. Physical Performance

3.1 Enhancing the Productivity of Internal Audit Functions of the Public Sector

3.1.1 Capacity Building of Internal Auditors

Department of Management Audit constantly takes necessary action to improve the professional knowledge of the Chief Internal Auditors/Internal Auditors serving in Ministries, Departments and District Secretariats and to provide them with up-to- date information. The following Workshops were conducted by the Department during the year 2013 to achieve the said objective.

- A training workshop on Performance Audit and Management of Internal Audit Committees for the Chief Internal Auditors of the Ministries/ Departments and District Secretariats was conducted in the ‘Randora’ Auditorium of the Ministry of Finance and Planning on 18.03.2013.
- A training workshop to enhance the performance of the Chief Internal Auditors serving in District Secretariats was held in the ‘Randora’ Auditorium of the Ministry of Finance and Planning on 27th September 2013.
- Staff Officers of this Department took part as resource persons in the training programme on the compilation of the “Annual Internal Audit Plan” organized by the Ministry of Public Administration and Home Affairs for the Chief Internal Auditors serving in District Secretariats.

3.2 Provision of Guidelines for Internal Auditing

The necessity of issuing guidelines on internal auditing has been identified the Department in order to accomplish the audit activities of the under mentioned fields more efficiently and productively.

1. Guidelines on Performance Audit for evaluation of economic efficiency and productivity of various programmes implemented by Ministries and Departments.
2. Guidelines on conducting special investigations in Ministries and Departments.

The relevant guidelines have already been drafted having discussed with the internal auditors with practical knowledge on the subject areas and other bodies who have the expertise in the subject. It has been planned to issue the Guideline in the next year having further sorted out the draft.

3.3 Strengthening Internal Audit Functions of the Public Sector through the Treasury Representation in Audit and Management Committees

The staff officers of this Department participate in the Audit and Management Committees established in all the Ministries of the Government as Treasury representatives. The said officers have supervised and provided the relevant guidance on conducting Audit and Management Committees effectively and continuously. They have basically contributed to strengthen the Internal Audit Units of the Ministries and the Institutions under them and give necessary instructions with respect to the measures to be taken having discussed the matters pointed out by Internal Audit Reports and Audit Queries of the Government and to reinforce the administrative affairs of the Public Sector through reviewing the actions taken accordingly.

In the year 2013, the staff officers of this Department have attended 193 Audit and Management Committee meetings held in 55 Ministries, and 24 meetings held in the Government Institutions such as the Parliament of Sri Lanka, Presidential Secretariat, Prime Minister's Office, Senior Ministers' Office, Public Service Commission, Department of Elections, Department of Railway, Department of Motor Vehicles as per the provisions stipulated in the circulars.

3.4 Management Audit Functions of the Ministry of Finance and Planning and Treasury Departments

Management auditing of the Ministry of Finance and the under mentioned Treasury Departments which is considered as one of the major functions. The Management Audit Department has been carried out the above task successfully in this year as well, accordingly one management audit report for a quarter amounting to four management audit reports have been issued which would help to achieved high quality performance though improved effective internal control system in the each institutions.

01. Department of National Budget
02. Department of National Planning
03. Department of Fiscal Policy
04. Department of Public Finance
05. Department of State Accounts
06. Department of External Resources
07. Department of Treasury Operations
08. Department of Public Enterprises
09. Department of Management Services
10. Department of Management Audit
11. Department of Trade and Investment Policy
12. Department of Legal Affairs
13. Department of Project Management and Monitoring
14. Department of Development Finance
15. Department of Import and Export Control

3.5 Internal Auditing of the Development Projects Implemented by Various Departments of the Ministry of Finance and Planning

Internal auditing of the development projects implemented by the various Departments of the Ministry of Finance and Planning under foreign funds is also included in the functions carried out by the Department of Management Audit.

Accordingly, internal auditing of the following project implemented by the Department of Development Finance under the funds of the World Bank is carried out by the Department.

Small and Medium Enterprise Development Facility Project (SMEDeF)

Internal Auditing of this project was carried out in the year 2013 also. The internal audit report is due to be issued subsequent to the signing of relevant agreements as changes were made to the scope of the project in the year 2013.

3.6 Special Investigations and Audit Activities

The complaints made to His Excellency the President as the Honorable Minister of Finance and Planning and to the Secretary to the Treasury are forwarded to the Department of Management Audit by order of the Secretary to the Treasury for reporting having investigated them. The reports of the investigations handled are submitted to the Secretary of the relevant Ministry or to the Head of the relevant institution for necessary actions, as per the instructions of the Secretary to the Treasury and its objective is to prevent repetition of deficiencies and irregularities revealed through the investigations.

Investigations completed by the Department of Management Audit in the year 2013

Investigations were conducted and reported regarding the following complaints forwarded by the Secretary of the Ministry of Finance and Planning to this Department in the year 2013.

No	Institution	Investigation
01	National Lotteries Board	Irregularities which are being taken place in the National Lotteries Board
02	National Lotteries Board	Purchasing of sarees for female employees
03	Lanka Fishing Corporation	Irregularities taking place in the Corporation
04	Ministry of Local government	Anomalies in the local government road project implemented under World Bank Funds
05	Agricultural and Agrarian Insurance Board	Misuse of official vehicles.
06	National Lotteries Board	Conduct of the some officers of the National Lotteries Board
07	State Mortgage And Investment Bank	Corruptions of the state mortgage and Investment Bank.
08	Deyata Kirula 2013	Related to the Deyata Kirula Exhibition 2013
09	Sri Lanka Social Security Board	Monetary misappropriation
10	Agricultural and Agrarian Insurance Board	Irregularities taking place in Agricultural and Agrarian Insurance Board
11	Public Service Pension Fund	Irregularities of the Officers of the Public Service Pension Fund
12	Department of Archeology	Misappropriation of the indemnity of vehicle accident Insurance
13	Sri Lanka Social Security Board	On waste of money
14	National Lotteries Board	On the awarding of tenders
15	Lanka Puthra Development Bank	Irregularities taken place in Lanka Puthra Development Bank
16	National Lotteries Board	On calling for tenders to purchase 60 motor vehicles for winners of the lottery draws
17	Department of Inland Revenue	Awarding of security services tender

Special Investigation performed by Department of Management Audit in 2013.

No	Name of the Audit Query	Progress
01	Monitoring audit activities of Deyata Kirula	Supervision of the audit with respect to the projects implemented under Deyata Kirula programme was carried out by this Department with the assistance of the internal auditors serving in the District Secretariats of Kurunegala, Kegalle & Puttalam Districts where Deyata Kirula programme of the year 2013 was held. This was supportive to recognize audit deficiencies and to take necessary actions for rectification.
02	Payment of Pensions	A special audit was carried out taking the Divisional Secretariat Thimbirigasyaya as a sample with the view of identifying and remedying the defects of internal control systems with respect to the irregularities occurred recently related to the payment of pensions.
03	Verification of assets on Samurdhi Authority	Assets verification was conducted with the participation of around 200 officers serving in island wide Samurdhi Offices and District Secretariats as a preparatory action to the establishment of Divinaguma Department. The practical training and guidance were rendered through the active participation of the Department Officers for the above audit.
04	E-Friends Project	A special audit was conducted on the operations of the project implemented under the funds of the Japan International Cooperation Agency (JICA). Necessary assistance of the Department of Management Audit was rendered as per the instructions of the Secretary to the Treasury to solve the issues arisen in the project. The audit was conducted in collaboration with all the Public and Private Banks related to this project and the copies of the said report have been submitted to the Auditor General & Department of External Resources.

4. Management of Human Resources and General Administration

4.1 Staff

The approved cadre of this Department which functions under the purview of the Director General of Management Audit is 48 and the details of the staff relevant to the year 2013 are given below.

Post	Cadre		
	Approved	Actual	Vacancies
Director General	01	01	-
Additional Director General	01	01	-
Director (SLAcS/ SLPS/SLAS)	08	08	-
Deputy Director (SLAcS) } Assistant Director (SLAcS) }	07	01	06
Research Assistant	06	02	04
Public Management Assistant	14	11	03
Driver	07	05	02
Office Assistant	04	04	-
Total	48	33	15

Officers transferred in to the Department in 2013

Name	Post
01. Mr. A.N. Hapugala	Director
02. Ms. Champika Ranasinghe	Director
03. Mrs. K.A.H.M. Kapuwatta	Development Officer
04. Mrs. M.D.S.S. Weerasinghe	Development Officer
05. Mrs. A.K.S. Bodika Nandani	Public Management Assistant
06. Mrs. D.G. Edirisooriya	Public Management Assistant

	Name	Post
07.	Mr. M.W. Lakshman Kumara	Public Management Assistant
08.	Mrs. M.W.A.S. Shanthamali	Public Management Assistant
09.	Mrs. W.P. Kalyani Gunarathne	Public Management Assistant
10.	Mrs. H.D.L.M. Shriyanthi	Public Management Assistant
11.	Mr. K.G. De Silva	Driver
12.	Mr. H.D.P. Sarath Kumara	Driver
13.	Mt. H.R.N.S. Nandasena	Office Assistant
14.	Mr. R.N.W. Mudalige	Office Assistant

Officers transferred out of the Department in 2013

	Name	Post
01.	Mr. H.C.D.L.Silva	Director
02.	Mrs. W.K.P.H.N. Rodrigo	Research Assistant
03.	Mrs. Anuruddhika Weeraratne	Public Management Assistant
04.	Mr. H.A. Rajakaruna	Public Management Assistant
05.	Mrs. D.G.Edirisooriya	Public Management Assistant (From 02-01-2013 to 28-06-2013)
06.	Mr. M.W. Lakshman Kumara	Public Management Assistant (From 08-01-2013 to 10-01-2013)
07.	Mrs. H.D.L.M. Shriyanthi	Public Management Assistant (From 17-09-2013 to 31-12-2013)
08.	Mr. S.A.S.Suranja	Office Assistant
09.	Mr. D.K.Jayarathne	Driver

4.2 Staff Training

Officers were participated in local and foreign training programmes in the year 2013 with the intension of enhancing the professional skills of the staff for the Human Resource development of the Department.

4.2.1 Local Training in 2013

The officers of the Department have participated in local training programmes in the year 2013 as given below.

Name of the Officer	Post	Training Programme/Institute	Training Period
Mrs. K.R.R. Fernando Mrs. G.D.K. Liyanage	P.M.A	Workshop on Delivery and instructions on CIGAS. Department of State Accounts	10.01.2013
Mr. R.R.K. Nugapitiya Mrs. M.A.K.P. Wijewantha Mr. S.M. Dayarathne Mr. S.K. Kusalakumaran Ms. A.K. Gunasekara Ms. V.I. Dilhani	Director Director Director Director D. Director Assistant Director	Sri Lanka Public Sector Accounting Standards Association of Public Financial Accountants (APFA)	30.10.2013
All the officers of the Department		Performance Enhancement Training. Department of Management Audit	15.02.2013 05.03.2013
Mrs. S.A. Chandrika Kulathilake Ms. V.I .Dilhani	Director General Assistant Director	Capacity Building Training Programme-(ITMIS Project) Miloda	28.02.2013 01.03.2013
Mrs. G.D.K. Liyanage	P.M.A	Advance Computer Training Public Service Training Institute	25.03.2013 28.03.2013
Mr. S.M. Dayarathne	Director	Microsoft Office-2010 Institute of Chartered Accountants of Sri Lanka	27.03.2013 28.03.2013
Mr.R.R.K. Nugapitiya Mrs.M.A.K.P. Wijewantha Mr.S.M. Dayarathne Ms.V.I.Dilhani	Director Director Director Assistant Director	How to Minimize Audit Queries and Improve Public Accountability Association of Public Financial Accountants (APFA)	05.04.2013

Name of the Officer	Post	Training Programme/Institute	Training Period
Mr. R.R.K. Nugapitiya Mrs. M.A.K.P. Wijewantha Mr. S.M. Dayarathne Mr. S.K. Kusalakumaran Mr. A.N. Hapugala Ms. V.I. Dilhani	Director Director Director Director Director Assistant Director	Sri Lanka Public Sector Accounting Standards Association of Public Financial Accountants (APFA)	10.06.2013 11.06.2013
Mrs. M.W.A.S. Shanthamali	P.M.A	Government Auditing activities Sri Lanka Institute of Development Administration	13.06.2013 14.06.2013
Ms. K.A.B.M. Gunaratne	P.M.A	Office Management and Office Systems Skill Development Fund Limited	25.06.2013 26.06.2013
Mrs. G.D.K. Liyanage Mrs. H.K.C. Priyadarshani Mrs. M.W.A.S. Shanthamali Mrs. A, Weeraratne Mrs. E.M.G.L. Ekanayake Ms. K..A.B.M. Gunaratne Mrs. K.A.H.M. Kapuwatta	P.M.A P.M.A P.M.A P.M.A P.M.A P.M.A Development Officer	Tamil Language-Level Two Ministry of Finance and Planning	23.07.2013
Mrs. K.R.R. Fernando	P.M.A	Payroll System Association of Public Financial Accountants (APFA)	03.09.2013 07.09.2013
Mr. S.M. Dayarathne	Director	Conference 2013 Authentic Reports Association of Accounting Technicians of Sri Lanka	09.09.2013 10.09.2013
Mt. H.R.N.S. Nandasena	Office Assistant	Performance Enhancement in Office Assistance Service Sri Lanka Institute of Development Administration	04.11.2013 06.11.2013
Mrs. E.M.G.L.Ekanayake	P.M.A	Three Day-Induction Training Workshop Skill Development Fund Limited	25.11.2013 27.11.2013
Officers of the Department		Performance Enhancement (Residential) Training Workshop Sarvodaya Training Centre- Trincomalee	21.12.2013 23.12.2013

4.2.2 Foreign Training

Officers have participated in foreign training programmes and missions in the year 2013 as follows.

Name of the officer	Post	Training Programme	Country	Training Period
Ms, A.K. Gunasekara	Deputy Director	MF Macroeconomic Seminar for Asia	Japan	25.02.2013 01.03.2013
Ms. V.I. Dilhani	Assistant Director	e-Governance and Change Management	Singapore	15.07.2013 19.07.2013
Mrs. S.A.Chandrika Kulathilaka	Director General	e-Governance and Change Management	Singapore	04.10.2013 08.10.2013
Mr. D.U.S.Wickramaarachchi	Additional Director General	e-Governance and Change Management	Singapore	25.10.2013 29.10.2013
Mrs. S.A.Chandrika Kulathilaka	Director General	30 th Anniversary Session of Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting	Geneva-Switzerland	06.11.2013 08.11.2013
Mr. D.U.S.Wickramaarachchi	Additional Director General	Seminar on Island Economy for Development Countries	China	06.11.2013 26.11.2013
Mr. A.N.Hapugala	Director	30 th Anniversary Session of Intergovernmental Working Group of Experts on International Standards of Accounting & Reporting	Geneva-Switzerland	06.11.2013 08.11.2013

4.2.3. Performance Enhancement Programmes

Following programmes were organized in the year 2013 for the performance enhancement of the entire staff of the Department.

- **A series of performance enhancement programmes were held in the auditorium of the Ministry of Finance and Planning from 12.03.2012 to 23.03.2012 with the view of giving a formal training on internal audit circulars of the Department to the entire staff. Lectures were delivered by the staff officials of the Department covering seven Audit circulars issued by the Department.**
- The residential Performance Enhancement Training Programme which was organized with the aim of obtaining an optimal efficient and productive service and improving the mutual rapport between the officers through knowledge, skills and attitude development of the officers serving in the Department of Management Audit was held on 21st, 22nd, and 23rd December 2013 in Sarvodaya Training Centre, Trincomalee