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முகாமைத்துவக் கணக்காய்வுத் திணைக்களம்
DEPARTMENT OF MANAGEMENT AUDIT

මුදල් අමාත්‍යාංශය.

நிதி அமைச்சு

MINISTRY OF FINANCE

මහලේකම් කාර්යාලය, කොළඹ 01

செயலகம், கொழும்பு 01

The Secretariat, Colombo 01

මගේ අංකය
எனது இல
My No

DMA/CIR/20 19/

ඔබේ අංකය
உமது இல
Your No

දිනය
திகதி
Date

2019.10.01

Management Audit Circular letter No – DMA/01/2019/Letter

All Chief Internal Auditors
Internal Auditors

Improving internal audit activities

Introduce the following three formats as a guide to adhering to the instructions of the DMA / 01- 2019 Circular to strengthen the Internal Audit Units operating in all Ministries, Departments and District Secretariats, to enhance the performance and efficiency of the Internal Auditors, are.

01. Internal Audit Programme

The Internal Auditor should prepare an audit programme to clarify the audit functions of the relevant audit area when delegating audit work to its audit staff. The Internal Audit Programme will facilitate the preparation of an effective audit report and send it to the Head of the Institution. An example of an audit programme is shown in Annexure 1.

02. Agenda for the Audit and Management Committee Meeting (AMC)

The agenda of the Audit and Management Committee must be prepared with the matters mandatorily should be discussed in order to achieve the desired objectives of the Internal Audit. An example of such an agenda is shown in Annexure 2.

03. Minutes of the Audit and Management Committee Meeting (AMC)

The minute of the meeting shall be prepared so that the decisions made at the Audit and Management Committee meeting can be communicated to each of the officers and to monitor the progress at the next meeting. The sample format of a meeting minute is annexure 3.

The above models have been introduced to enable the internal auditors to work in unison, but if you need to make any adjustments according to the expertise within the organization, please inform me. .



S. A. Chandrika Kulathilake

Director General

Department of Management Audit

- Copies:
1. Secretaries to the Ministries
 2. Heads of the Departments
 3. Heads of Special Spending Units
 4. Internal Auditors of Provincial Councils
 5. Commissioners of Local Governance

(Specimen Audit programme)

Audit Programme**Ministry / Department** :-**Audit Entity** :-**Year** : 2019 **Month** : January**Audit Programme No** : 01**Audit Area** : Salaries and Wages**Audit Plan Ref** : 4.1.1**Audit Scope :**

- i. Pay Ledger
- ii. GPS Computer Programme
- iii. Salary Conversions

Audit Objectives :

- i. Review of Internal Control System on Salaries and Wages
- ii. Check whether errors or salary discrimination
- iii. Assurance of on time salary payment
- iv. Preventing surcharges on salaries and wages

Risk Rating : 1 2 3 **4** 5**Risks :**

- i. Salary Payment for persons who are not in service
- ii. Errors due to misinterpretation of salary conversions
- iii. Data entry errors

Programme Procedure

Particulars	Officer Responsible	Date
Start Date	A , B	21.01.2019
Held an opening meeting with Management (Secretary/ HoD) of audit entity	CIA	21.01.2019
Closing of Review Procedures (Evidence Collection end Date)	A, B	22.01.2019
Held an exit meeting with Management of Audit entity	A, B	22.01.2019
Working Paper File Completion	A, B	23.01.2019
Report Submission Date	A, B	24.01.2019
Report submission to Management of audit entity	CIA	28.01.2019

Review Procedures (Procedure for Collection of Audit Evidence)

SN	Audit Activity	Audit Activity Parameter (Audit Procedure)	Audit Checklist	Officer Responsible	Date	# of Hours	W/P Ref
1	Inspection of Pay Ledger	Preliminary Review of compliance for FR 453	FR 453	A & B	21.01.2019	01	
		Verify the accuracy of preliminary information		A & B	21.01.2019	01	
		Reconciliation of Pay ledger and Pay Sheet		A & B	21.01.2019	01	
2	Auditing of GPS computer programme	Basic Salary checking	GPS Audit checklist	A & B	21.01.2019	01	
		Standing orders and remittances file checking		A & B	21.01.2019	01	
		Item reference file checking		A & B	21.01.2019	01	
		Loan ledger checking		A & B	22.01.2019	01	
		Pay reconciliation checking		A & B	22.01.2019	01	
3	Auditing on Salary Conversions	Check the conversion calculation and the salary step		A	22.01.2019	01	
		Check accuracy of the arrears calculation		B	22.01.2019	01	
		Check the accuracy of W & OP Calculation		A & B	22.01.2019	01	

Audit Staff

Name	Designation	Signature	Date
Mr. A	Audit Assistant		
Mr. B	Audit Assistant		

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Chief Internal Auditor / Internal Auditor

Audit and Management Committee Meeting

Agenda

Year : Quarter : Date:

01. Inauguration and explanation of the objectives of the meeting
02. Progress review of the decisions taken at the previous AMC meeting
03. Progress review of Implementation of COPA recommendations
04. Review of matters in Quarterly Assessment Report of CIA
05. Matters arisen from the Internal Audit Examination
06. Matters arisen from General Audit Quarries/ Audit Reports of Auditor General's
07. Progress of Internal Audit Activities of Sub office or other Institutions under purview
08. Other matters if any
09. Comments and observations of representatives
 - a. Representative of National Audit Office
 - b. Chief Internal Auditor of the relevant ministry
 - c. Representative of the Department of Management Audit
 - d. Chairmen of the Committee

Letter Head

..... Minutes of the AMC meeting held on

Committee Present	Name	Designation
	Chairman (Secretary/HoD)
	Member (Chief Accountant)
	Member (DMA Representative)
	Observer (National Audit Office)
	Convener (CIA)

Other Participants	Name	Designation
	
	

Excused (E) / Absent (A)	Name	Designation
	
	

00*.01: Progress of the decisions taken at the previous AMC meeting

S/N	Subject	Decision	Officer Responsible	Number of times discussed

00*.02: Implementation of COPA recommendations

S/N	Subject	Decision	Officer Responsible	Number of times discussed

00*.03: New matters discussed at the current meeting

S/N	Subject	Decision	Officer Responsible

00*.04: Comments and observation of the representatives

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Internal Auditor

00* - Number of the quarter. If 1st meeting it should be 01, if 2nd meeting it should be 02