

# **ACTION PLAN 2016**

*DEPARTMENT OF MANAGEMENT AUDIT*

## **OUR VISION**

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

## **OUR MISSION**

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

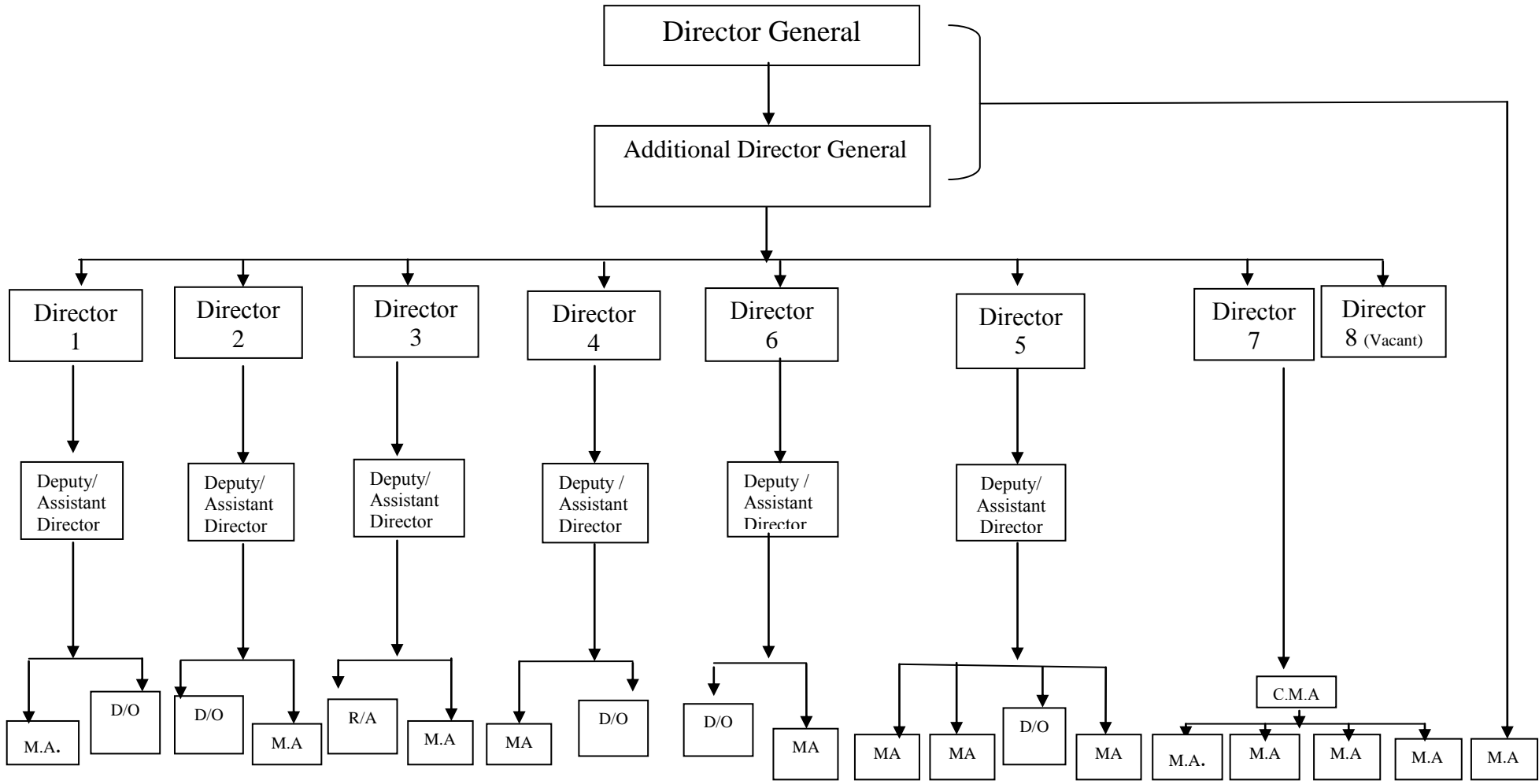
## **Major Functions**

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 and update the Internal Audit Manual
4. Improve the internal audit skills of public sector internal auditors.
5. Convening the Audit and Management Committee of the Ministry of Finance & Planning.
6. 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.

## Human Resource - 2016

	<b>Position</b>	<b>Approved carder</b>	<b>Existing carder</b>
1	Director General	01	01
2	Additional Director General	01	01
3	Directors	08	06
4	Deputy Directors/Assistant Directors	07	01
6	Research Assistant/ Development Officers	06	06
7	Management Assistants	14	14
8	Drivers	07	04
9	Office Assistants	04	03
	<b>Total Cadre</b>	<b>48</b>	<b>35</b>

## DEPARTMENT OF MANAGEMENT AUDIT Organization Structure



O.E.S. – 3,    Driver -4,

**Department of Management Audit  
Action Plan - 2016**

<b>Program</b>	<b>Activity</b>	<b>Q<sub>1</sub></b>	<b>Q<sub>2</sub></b>	<b>Q<sub>3</sub></b>	<b>Q<sub>4</sub></b>	<b>Target/Output</b>	<b>Responsible for Implementation</b>
Enhance the Effectiveness of Internal Audit of the Public Sector	<ul style="list-style-type: none"> <li>Conduct Training and Human Resource Development Program for Internal Auditors.</li> </ul>	---	---	---	---	---	Director - 01
Perform Management Audit Functions of The Ministry of Finance and Related Entities	<ul style="list-style-type: none"> <li>Prepare Audit Plans</li> <li>Conducting Regular Audits on Relevant Departments and Reporting</li> <li>Mobilize The Audit &amp; Management Committee of The Ministry of Finance &amp; Planning</li> </ul>	---	---	---	---	Audit Plan for Each Entity Quarterly Audit Reports 4 AMCs for the Ministry & Treasury Departments and 4 Meetings for Revenue Departments	All Directors  ADG & All Directors
Strengthens the Internal Audit Through AMCs	<ul style="list-style-type: none"> <li>Participating AMCs of Other Ministries as Treasury Representative.</li> <li>Monitor &amp; Supervise AMCs of Other Ministries</li> </ul>	---	---	---	---	4 Meetings Per-annum in Each Ministry Monitoring Report and Feedback Reports	Director 1,2,3,4,5  Director 2
Strengthen the Process of Management Audit in the Development Projects	<ul style="list-style-type: none"> <li>Conducting Periodic Audit on SME Development Project Coming Under the Department of Development Finance</li> <li>Monitor the Audit of Foreign Funded Projects of Other Ministries</li> </ul>	---	---	---	---	2 Audit Reports By-annual Monitoring Reports	Director 6  Director - 06
Special Investigations	<ul style="list-style-type: none"> <li>Coordinating Special Investigations</li> <li>Conducting Special Investigations (If Any)</li> </ul>	---	---	---	---	Summary Report Investigation Reports	Director - 03 All Directors

Assist Other IAUs	<ul style="list-style-type: none"> <li>• Supervision of the IAUs of Revenue Departments, Coming Under the Purview of the MoF <ul style="list-style-type: none"> <li>○ Review Internal Audit Plans</li> <li>○ Coordinating IAUs</li> </ul> </li> <li>• Monitor the Audit of Human Resource Management of Other Ministries <ul style="list-style-type: none"> <li>○ Establishment of HRM Audit Monitoring Framework</li> <li>○ Collecting HRM Audit Plans</li> <li>○ Collecting Information on Performance of HRM Audits as per the Plan</li> <li>○ Reviewing the Database</li> </ul> </li> </ul>	---	---	---	---	4 Action Plans	ADG & Director 1,2,3,4
Assist good governance by participating COPA	<ul style="list-style-type: none"> <li>• Participate COPA &amp; highlight special matters for each ministry and department.</li> <li>• Preparation and submission of Treasury Reports to the COPA</li> </ul>	---	---	---	---	Emphasize special matters.  Treasury Reports	All staff officers  Director 02
General Administration	<ul style="list-style-type: none"> <li>• Preparation of Action Plan 2017</li> <li>• Preparation of Annual Performance Report 2015</li> <li>• Controlling Resource Utilization</li> <li>• Maintaining the Premises, Vehicle and Other Equipment</li> </ul>	---	---	---	---	Action Plan For 2017 Performance Report -2015 Running the Department Within the Allocation Maintaining the Satisfactory Level of Performance	ADG & Director - 07

Financial Administration	• Executing the Procurement Plan	---	---	---	---	Purchase Required Items in Time Maintaining Productive And Confident Staff	Director 05
	• Human Resource Management	---	---	---	---		
	• Preparation of Annual Estimates			--	---		
	• Preparation of Monthly Summaries, Appropriation Accounts, Advance Accounts Etc.	---	---	---	---		

## Departments and Institutions to be Audited

Head	Name of the Department
102	Ministry of Finance & Planning
238	Department of Fiscal Policy
240	Department of National Budget
241	Department of Public Enterprises
243	Department of Development Finance
244	Department of Trade and Investment Policy
245	Department of Public Finance
249	Department of Treasury Operations
250	Department of State Accounts
323	Department of Legal Affairs
324	Department of Management Audit
296	Department of Import and Export Control
280	Department of Project Management and Monitoring
	Department of Information Technology Management
	Insurance Board of Sri Lanka
	Academy of Financial Studies

## Scheduled dates of submitting Management Audit Reports

Report	Scheduled Date
Preliminary Assessment Report 2016	31 <sup>st</sup> January 2016
4 <sup>th</sup> Quarter report 2015	28 <sup>th</sup> February 2016
1 <sup>st</sup> Quarter report 2016	30 <sup>th</sup> April 2016
2 <sup>nd</sup> Quarter report 2016	31 <sup>st</sup> July 2016
3 <sup>rd</sup> Quarter report 2016	31 <sup>st</sup> October 2016
4 <sup>th</sup> Quarter report 2016	28 <sup>th</sup> February 2017
Reports on special assignments	Within the given time frame



## Allocation of Man Power Resources for Management Audit - 2016

	<b>Officer in Charge</b>	<b>Departments/Institutions to Audit and Supervision</b>	<b>Ministries to Support for Internal Audit</b>	<b>Other Work Assigned</b>	<b>Assistance</b>
1	Mrs. S.A.C. Kulathilaka (Director General)	-	<ul style="list-style-type: none"> <li>• Ministry of Finance &amp; Planning</li> </ul>	<ul style="list-style-type: none"> <li>• Responsible for the overall function of the DMA</li> </ul>	Entire staff
2	Mrs G.G.Pabasara (Addl. Director General)	-	-	<ul style="list-style-type: none"> <li>• Prepare the Annual Audit Plan of the MoF</li> <li>• Convene the Audit &amp; Management Committee of the MoF</li> <li>• Special Investigations</li> </ul>	DO
3	Mr. R.R.K. Nugapitiya. ( Director-01)	Supervising Department <ul style="list-style-type: none"> <li>• Department of Excise</li> </ul> Departments for Internal Audit <ol style="list-style-type: none"> <li>1. Dept. of National Budget</li> <li>2. Dept. of Treasury Operations</li> <li>3. Dep. of Fiscal Policy</li> </ol>	<ul style="list-style-type: none"> <li>• Ministry of Public Administration and Management</li> <li>• Ministry of Defense</li> <li>• Ministry of Provincial Councils and Local Government</li> <li>• Ministry of Education</li> <li>• Ministry of Foreign Affairs</li> <li>• Ministry of Justice</li> <li>• Ministry of National Co-existence Dialogue and Official Languages</li> <li>• Ministry of Internal Affairs, Wayamba Development and Cultural Affairs</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct the Training and Human Resource Program for Internal Auditors</li> <li>• Conduct the Special Investigations</li> </ul>	DO & MA

	<b>Officer in Charge</b>	<b>Departments/Institutions to Audit and Supervision</b>	<b>Ministries to Support for Internal Audit</b>	<b>Other Work Assigned</b>	<b>Assistance</b>
			<ul style="list-style-type: none"> <li>• Ministry of Law and Order and Southern Development</li> <li>• Sri Lanka Parliament</li> <li>• Office of the Leader of the House of Parliament</li> </ul>		
4	Mrs. M.A.K.P. Wijewantha ( Director-02 )	Departments for Internal Audit 1. Dept. of Public Enterprises Dept. Management Service 2. Insurance Board of Sri Lanka  Supervising Department 1. Dept. of Valuation 2 .Dept. of Customs	<ul style="list-style-type: none"> <li>• Ministry of Buddha Sasana</li> <li>• Ministry of Power &amp; Renewable Energy</li> <li>• Ministry of Housing &amp; Construction</li> <li>• Ministry of Parliamentary Reforms and Mass Media</li> <li>• Ministry of Disaster Management</li> <li>• Ministry of Industry and Commerce</li> <li>• Ministry of Fisheries and Aquatic Resources Development</li> <li>• Ministry of Telecommunication and Digital Infrastructure</li> <li>• Ministry of Women and Child Affairs</li> <li>• Ministry of Public Enterprise Development</li> <li>• Ministry of National Policies and Economic Affaires</li> <li>• Public Service Commission</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor and supervise the continuous functioning of AMCs of all ministries</li> <li>• Conduct Special Investigations</li> <li>• Submission of Treasury Reports to the COPA</li> </ul>	DO & MA

	<b>Officer in Charge</b>	<b>Departments/Institutions to Audit and Supervision</b>	<b>Ministries to Support for Internal Audit</b>	<b>Other Work Assigned</b>	<b>Assistance</b>
5	Mr. S.M. Dayarathna ( Director-03)	Departments for Internal Audit 1. Ministry of Finance 2. Dept. of State Accounts 3. Dept. of Information Technology	<ul style="list-style-type: none"> <li>• Ministry of Mahaweli Development and Environment</li> <li>• Ministry of Urban Development and Water Supply</li> <li>• Ministry of Megapolis and Western Development</li> <li>• Ministry of Foreign Employment</li> <li>• Ministry of Petroleum Resources Development</li> <li>• Ministry of Development Strategies and International Trade</li> <li>• Ministry of National Integration and Reconciliation</li> <li>• Ministry of Transport and Civil Aviation</li> <li>• Ministry of Home Affairs</li> <li>• Presidential Secretariat</li> <li>• Prime Minister's Office</li> <li>• Human Rights Commission</li> </ul>	Coordinating special investigations assigned to the department  Conducting Special Investigations	DO & MA

	<b>Officer in Charge</b>	<b>Departments/Institutions to Audit and Supervision</b>	<b>Ministries to Support for Internal Audit</b>	<b>Other Work Assigned</b>	<b>Assistance</b>
6	Mr.A.N.Hapugala (Director-04)	Departments for Internal Audit 1. Dept. of Management Audit 2. Tax Apeal Commission. 3. Acadamy of Financial Studies Supervising Department 1 Inland Revenue Department	<ul style="list-style-type: none"> <li>• Ministry of Agriculture</li> <li>• Ministry of Lands</li> <li>• Ministry of Tourism Development and Christian Religious Affairs</li> <li>• Ministry of Irrigation &amp; Water Resources Management</li> <li>• Ministry of Primary Industries</li> <li>• Ministry of Social Empowerment and Welfare</li> <li>• Ministry of Higher Education &amp; Highways</li> <li>• Ministry of Post, Postal Services &amp; Muslim Religious Affairs</li> <li>• Ministry of Sports</li> <li>• Ministry of Sustainable Development &amp; Wildlife</li> <li>• Ministry of Special Assignment</li> <li>• National Education Commission</li> </ul>	Promote performance auditing in the public sector. 1. Special Assigment – Ex: Prepared / Updated Data base in Goverment Vehicales Issuing the Internal Audit Guidelines on Performance auditing  4. Special Investigations	DO & MA
7	Mr. S.K. Kusala kumaran (Director-05)	Departments for Internal Audit 1. Dept. of Public Finance 2. Dept. of Legal Affaires	<ul style="list-style-type: none"> <li>• Ministry of Rural Economic Affairs</li> <li>• Ministry of Ports and Shipping</li> <li>• Ministry of Plantation Industries</li> </ul>	1. Financial Administration of the DMA 2. Special Investigations	3 MAs  DO & MA

	<b>Officer in Charge</b>	<b>Departments/Institutions to Audit and Supervision</b>	<b>Ministries to Support for Internal Audit</b>	<b>Other Work Assigned</b>	<b>Assistance</b>
			<ul style="list-style-type: none"> <li>• Ministry of Hill Country New Villages, Infrastructure and Community Development</li> <li>• Ministry of Prison Reforms and Rehabilitation, Resettlement and Hindu Religious Affairs</li> <li>• Ministry of Health, Nutrition and Indigenous Medicine</li> <li>• Ministry of Labour and Trade Union Relations</li> <li>• Ministry of Skill Development and Vocational Training</li> <li>• Ministry of Science, Technology and Research</li> <li>• Department of Election</li> </ul>		
8	Mr. D.G.G,S. Dayanath ( Director-06)	Departments for Internal Audit 1. Dept. of Trade and Investment Policy 2. Dept. of Development Finance	-	1. Monitor the Internal Audit of Foreign Funded Projects of Other Ministries 2. Special Investigations 3. Preparing strategic plan of the Department.	DO & MA
9	Mrs. R.B..Gankewala	-	-	Administrative functions	CMA & 3 MAs

### Internal Audit plan for the year 2016 for Department of Management Audit

Serial No	Area	Planned Activities Under Each Area	Annual Allocation	Identified Auditable Area	Planned Internal Audit Activity & Objective of the Audit	Risk Rating	Q 1	Q 2	Q 3	Q 4	IA Resource to be Used
01	Enhance the effectiveness of Internal Audit of the Public Sector	Improve the internal audit skills of public sector internal auditors	Rs.28.27 million	Conducted training programs, workshops	Evaluate the training methods and program to see whether all identified areas of training have been covered.  Evaluation of trainees feedbacks  To ensure enhancement of skill & capacity of internal auditors.	3	✓		✓		One Assistant Director , One Management Assistant
		Issue new Internal Audit Guidelines		Formulated internal audit guidelines	Asses the needs, content and area of issuing guideline, and ensure the achievements of set targets.	5	✓			✓	

Serial No	Area	Planned Activities Under Each Area	Annual Allocation	Identified Auditable Area	Planned Internal Audit Activity & Objective of the Audit	Risk Rating	Q 1	Q 2	Q 3	Q 4	IA Resource to be Used
		Promote & execute internal auditing in Computerized Information Systems (CIS) environment in public sector.		Conducted Workshops, meeting held & letters, reports issued in relation to this.	Evaluate the need identification for CIS  Evaluate training method, trainees' feedback.	4			✓		
		Promote performance auditing and provide necessary guidance to conduct performance audit in public sector		conducted Workshops, meeting held & letters, reports issued in relation to performance auditing.	Evaluate the workshops & meetings held  Evaluate trainees feedback	4			✓	✓	

Serial No	Area	Planned Activities Under Each Area	Annual Allocation	Identified Auditable Area	Planned Internal Audit Activity & Objective of the Audit	Risk Rating	Q 1	Q 2	Q 3	Q 4	IA Resource to be Used
02	Strengthening Internal Audit through Audit and Management Committees (AMC)	Convene the Audit & Management Committee of the Ministry of Finance & Planning		Minutes of AMC at MOF	Review the procedure of reporting audit findings to the ST  Review the progress of implementing the actions taken by the AMC To ensure the effective operation of the committee.	3		✓		✓	One Assistant Director, One Management Assistant
		Monitor & Supervise AMCs of other ministries		Minutes of AMC of other ministries	Review the minutes of AMC of each ministry & department and see whether they have taken immediate actions for identified problems to ensure smooth functioning of its operations	3	✓		✓		
		Represent Treasury in AMCs		Report of Treasury Representatives	Review the active participation of AMC  Review the procedure follow to take immediate and corrective actions for issues arising in each Ministry or Department	4		✓		✓	



Serial No	Area	Planned Activities Under Each Area	Annual Allocation	Identified Auditable Area	Planned Internal Audit Activity & Objective of the Audit	Risk Rating	Q 1	Q 2	Q 3	Q 4	IA Resource to be Used
03	Perform Management Audit functions of the Ministry of Finance and Planning and Treasury Departments	Prepare Audit Plans, execution & reporting on management Auditing of MOF, Treasury Departments, AFS and IBSL		Quarterly audit reports	Review the procedure following to conduct performance audit in each Department and ensure that the audit program has been develop to add value to departmental operations.  Review whether they have covered the areas of guidelines in each quarter in preparation of audit reports.	4		✓		✓	One Assistant Director, One Management Assistant
04	Strengthen the process of Management Audit in the Development Projects	Performing Management audit of Projects coming under the MoF and Treasury Departments  Monitor the audit of foreign funded projects of other ministries		Quarterly audit reports	Review the procedure of preparing audit reports  Review gathered information regarding loan documents, banks and PMU.  Review the procedure followed to prepare audit report & review suggestions for improvements	4		✓	✓		One Assistant Director, One Management Assistant
				Audit report	To achieve project objectives effectively & efficiently.	4		✓	✓		

Serial No	Area	Planned Activities Under Each Area	Annual Allocation	Identified Auditable Area	Planned Internal Audit Activity & Objective of the Audit	Risk Rating	Q 1	Q 2	Q 3	Q 4	IA Resource to be Used
05	Special Investigations	Conduct special investigations  Provide guidance and introduce preventive measures to minimize/curb the weaknesses		Investigation report and audit findings.	Review the procedure on preparing investigation reports  Review the timelines in reporting and executing directions given by the ST, to ensure the investigations are carried out without any delays.  To ensure the actual causes have been found out through investigations.	4	✓		✓		One Assistant Director, One Management Assistant
06	Assist other IAUs	Supervision of the IAUs of the entities coming under the purview of the MoF		Internal audit plan & quarterly audit reports	Analyze internal audit plan and internal audit reports and audit quires	3	✓				One Assistant Director, One Management Assistant
		Supervision of revenue departments		Internal audit plan & quarterly audit reports	Analyze internal audit plan and internal audit reports and audit quires	3			✓		One Assistant Director, One Management Assistant

Serial No	Area	Planned Activities Under Each Area	Annual Allocation	Identified Auditable Area	Planned Internal Audit Activity & Objective of the Audit	Risk Rating	Q 1	Q 2	Q 3	Q 4	IA Resource to be Used
		Review Internal Audit Plans of IAUs		Internal audit plan	Review the procedure of preparing audit plans  Review the practicability of implementing each plan  Review the progress & updating of preparation of audit plans.	3	✓				
		Monitor the audit of human resource management of other ministries		Audit report on Human Resource Management.	Review the audit report & recommendation made to each Ministry & Department to ensure better human resource management in government sector.	3		✓		✓	
		Monitor special audits conducted by IAUs relating to cash management		Audit report prepared on Cash Management	Review the audit report & recommendation made to each Ministry & Department to establish effective cash management in government sector.	3	✓		✓		

Serial No	Area	Planned Activities Under Each Area	Annual Allocation	Identified Auditable Area	Planned Internal Audit Activity & Objective of the Audit	Risk Rating	Q 1	Q 2	Q 3	Q 4	IA Resource to be Used
07	General Administration	Preparation of action plan		Action plan	Review the timeline of preparation of action plan	2	✓				
		Preparation of annual performance Report		Annual performance report.	Review the timeline of submission of the report and procedure of preparing report. To ensure the report is consisted with all required information.	2		✓			One Management Assistant
		Facilitate staff training programs		Staff training records.	Review need identification  Evaluate training methods  Evaluate trainer's feedback. To ensure the knowledge & skill enhancement of the staff	2		✓		✓	
08	Financial Administration	Manage the "Sansada" Circles.		Minutes of the meetings.  Circulars, instructions issued on this	Review the progress of plan work and make suggestions for improvements  To ensure the planned objectives have been achieved.	2	✓		✓		

Serial No	Area	Planned Activities Under Each Area	Annual Allocation	Identified Auditable Area	Planned Internal Audit Activity & Objective of the Audit	Risk Rating	Q 1	Q 2	Q 3	Q 4	IA Resource to be Used
		Preparation of 02 annual estimates		Annual estimate and need identification	Review the procedure of preparation of budget to ensure the preparation of realistic budget.	3			✓		One Assistant Director, One Management Assistant
		Preparation of monthly summaries. Appropriation Account, Advance Account etc.		Cigas program Appropriation account Advance account	Review the procedure, accuracy and timelines preparation of accounts.	2	✓	✓	✓	✓	