



# **ACTION PLAN 2019**

**DEPARTMENT OF MANAGEMENT AUDIT**

**Ministry of Finance and Mass Media**

**The Secretariat**

**Colombo 01**

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# **1. INTRODUCTION**

## **1.1 Establishment**

The Department of Management Audit was established in 01.02.2008 as a Treasury Department under the cabinet decision No 08/0200/306/012 in order to strengthen the internal audit of the treasury disbursements in government agencies specially Ministries and Departments.

## **1.2 Vision**

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

## **1.3 Mission**

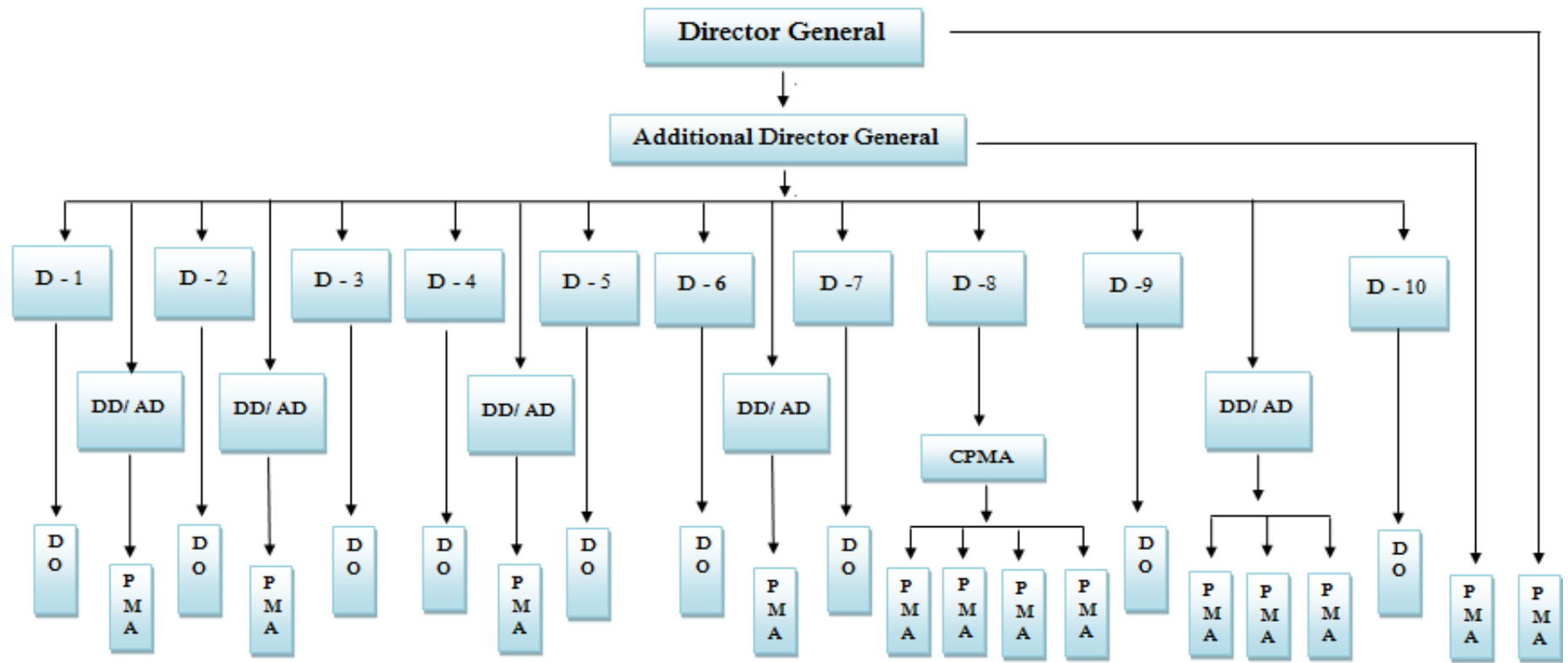
Providing assistance and guidance to achieve the expected outcomes of public sector organizations through strengthening of internal control as a Treasury Department.

## **1.4 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 Introduce circulars and guidelines with periodical updating.
- 3 Coordinate and Guide Internal Audit Units in public sector organizations.
- 4 Capacity Development of Internal Auditors in the public sector organizations.
- 5 Represent and Guide the Audit and Management Committees.
- 6 Monitor and Guide the Internal Audit of Foreign Funded Development Projects under Ministries.
- 7 Conduct Special Investigations and Special Audits.
- 8 Participate to the Committee on Public Accounts and Prepare and Submit the Treasury Report to the COPA.
- 9 Taking actions under the relevant provisions of National Audit Act
- 10 Evaluation of performance of Chief Internal Auditors and Internal Auditors.

## 2. ADMINISTRATION

### 2.1 Organizational Structure



OES - 06

Drivers - 02

D - 1 - Director (Human Resource Development)  
 D - 2 - Director (Investigation & Circulars)  
 D - 3 - Director (AMC Coordination)  
 D - 4 - Director (Internal Audit Report Review)  
 D - 5 - Director (Performance Review)

D - 6 - Director (Provincial Council  
 Coordination)  
 D - 7 - Director (District Secretariat)  
 D - 8 - Director (Administration)

D - 9 - Director (Project Management - Foreign Fund)  
 D - 10 - Director (Project Management - Local Fund)

## 2.2 Cadre as at 31.12.2018

Post	Cadre		
	Approved	Actual	Vacant
<b>Director General</b>	01	01	-
<b>Additional Director General</b>	01	01	-
<b>Director (SLAS)</b>	01	01	-
<b>Director (SLAcS)</b>	07	07	-
<b>Director (SLPS)</b>	02	02	-
<b>Deputy/ Assistant Director (SLAcS)</b>	05	04	01
<b>Development Officer</b>	09	08	01
<b>Public Management Assistant</b>	14	14	-
<b>Driver</b>	07	02	05
<b>Office Assistant</b>	06	05	01
<b>Total</b>	<b>53</b>	<b>45</b>	<b>08</b>

### 3. ACTION PLAN 2019

NO	Objective	Strategy	Activities	KPI	January to December 2019 (Cumulative)				Officer Responsible
					1Q	2Q	3Q	4Q	
1	To suggest improvements in Existing Internal Audit Process removing gaps	Studying the existing internal audit process	1.1. Supervise the activities of the DMA	On time completion	✓	✓	✓	✓	ADG
			1.2. Monitor the implementation of existing internal audit circulars	No. of circulars	✓	✓	✓	✓	
2	To develop capacity in internal audit staff	Carrying out Training programmes	2.1. Conduct Training Programmes for the DMA Staff	No. of training programs			✓		Director (Human Resource Development)
			2.2. Conduct Training Programme for the Staff of Internal Auditors and other staff	No. of training programs	✓	✓	✓	✓	
			2.3. Conduct Training Programmes for the Chief Internal Auditors and Internal Auditors	No. of training programs	✓	✓	✓	✓	

3	To regularize the internal audit process	Guidelines and Circular Development	3.1. Revise Existing Circulars					<b>Director (Special Investigation &amp; Circulars)</b> <b>AD (System Audit)</b> <b>AD (Special Audit)</b>	
			3.1.1. DMA -01	1. Amended Circular 2. On time completion	✓				
			3.2. Issuing New Guidelines & Check lists						
			3.2.1. Guideline to internal auditors of District Secretariats	1. New Circular 2. New Guideline 3. Check list 4. On time completion	✓				
			3.2.2. System Auditing				✓		
			3.2.3. Vouching Check list			✓			
			3.2.4. GPS Audit Check list				✓		
			3.2.5. Personal file Audit Check list				✓		
			3.2.6. Guideline to conduct Investigation						✓

4	To ensure smooth operation of AMCs	Coordinating AMCs operation	4.1. Appoint DMA representatives to AMCs	No. of Institutes	✓	✓	✓	✓	<b>Director (AMC) &amp; AD (COPA)</b>
			4.2. Coordinate gathering of CIA's quarterly assessment reports	No. of Reports	✓	✓	✓	✓	
			4.3. Supervise and monitor internal auditor's database	Database	✓	✓	✓	✓	
			4.4. Prepare and submit quarterly summary reports to the DG	No. of summary reports	✓	✓	✓	✓	
5	Strengthening public sector accountability through COPA activities	Preparation of Treasury Reports using information of other treasury Departments and respective organization to the COPA	5.1. Collection of all information from other Departments for preparation and submission to Treasury Report to the COPA	No. of Treasury Reports submission to the COPA	✓	✓	✓	✓	
			5.2. Preparation and submission of Treasury Report to the COPA	No. of Monitoring and Reviewing Reports	✓	✓	✓	✓	
			5.3. Prepare and submit COPA summary after attending COPA meetings as assigned Department	No. of report submitted	✓	✓	✓	✓	
			5.4. Coordination with Parliament regarding COPA matters	No. of issued letters	✓	✓	✓	✓	



6	To contribute to find out irregularities in public sector	Special Audits and Investigations	6.1. Conducting National Level Special Audits assigned by the Director General	No. of Special Audits assigned and completed	✓	✓	✓	✓	<b>Director (Special Investigation &amp; Circulars)</b>
			6.2. Conducting Special Investigations assigned by relevant Authorities	No. of Special Investigations assigned and completed	✓	✓	✓	✓	
7	Strengthening public sector accountability through internal audit activities	Participate AMC meetings	7.1 Representing AMC Meetings as a member of the Department	No. of AMC meetings	✓	✓	✓	✓	<b>ADG, All Ds &amp; Ads (Except Director - Development Project &amp; Director - Administration)</b>
			7.2 Preparation of AMC meeting Reports	No. of AMC Reports	✓	✓	✓	✓	
		Participate COPA activities	7.1 Attend to the Committee on Public Accounts (COPA) as a facilitator by representing the Department	No. of COPA meetings	✓	✓	✓	✓	
			7.2 Reporting to CAO/AO where necessary	No. of Reports	✓	✓	✓	✓	
			7.3 Facilitate COPA Director to send the report to COPA	No. of Reports	✓	✓	✓	✓	

8	To monitor the performance of internal Audit Units	Conduct periodic assessment on performance monitoring of Internal Audit Units of Ministries/ Departments/ District Secretariats	8.1. Conduct performance review meetings	No. of Meeting		✓	✓	✓	<b>Director (Performance Monitoring Unit of IAUs)</b>
			8.2. Give instructions & recommendation to the issues arisen	No. of feedbacks given			✓	✓	
			8.3. Introduce a benchmark system to evaluate internal audit performance	Drafted benchmark system				✓	
9	To Coordinate Treasury Departments and other institutions on matters identified during AMC's	The matters identified during AMC's by DMA representatives are forwarded to the relevant treasury departments and other relevant organizations	9.1. Study the matters	No. of matters finalized	✓	✓	✓	✓	<b>Director (Coordination &amp; reviewing of internal audit report)</b>
			9.2. Forward to the Finance Ministry AMC or to the relevant institutions	No. of matters finalized	✓	✓	✓	✓	
10	To Gather internal audit reports according to National audit Act	Collect internal audit reports from different audit entities	10.1. Collect internal audit reports through email and distribute to relevant AMC representatives	No. of reports distributed	✓	✓	✓	✓	
			10.2. Collect important audit observations on above from the relevant AMC representative	No. of observations received	✓	✓	✓	✓	
			10.3. Submit a report to DG on summary observations	No. of report submitted	✓	✓	✓	✓	

11	To Strengthen the Internal Audit activities of Foreign Funded Projects under Ministries	Reviewing project Audit Plans	11.1. Collect annual Audit Plans by Foreign Funded Projects under each Ministry	No. of Internal Audit Plans collected	✓				<b>Director (Development Projects)</b>
			11.2. Evaluate Audit Plans	No of Audit Plans evaluated	✓				
			11.3. Send feed back to the relevant Projects Internal Auditors clarifying issues if any	No. of Observations made	✓				
		Amend Existing Circulars DMA 2010/5 and 1/2017	11.4. Review relevant circular amendments and update accordingly existing DMA-5	No. of Circular amendments	✓	✓	✓		
			11.5. Conduct meetings with expertise in relevant fields and adding improvements to the existing DMA-5	No. of meetings held		✓			
			11.6. Issue finalized circular	Amended Circular			✓	✓	
		Monitoring Internal Audit Process reviewing audit reports issued by Project Internal Auditors at quarterly basis according to the DMA 1/2017 Circular	11.7. Collect Quarterly Audit Reports in each project issued by Project Internal Auditors	No. of Audit Reports collected	✓	✓	✓	✓	
			11.8. Evaluate them and make aware about observations and special issues if available while taking follow up actions	i. No. of Audit Reports evaluated ii. No. of observations made	✓	✓	✓	✓	

12	To Update Project Information database	Updating existing data base on Foreign Funded Projects	12.1. Collect projects details on ongoing and initialized projects through ERD, DPMM, and Budget Estimate	No. of project information collected	✓	✓		✓	<b>Director (Development Projects)</b>
			12.2. Update the database	Updated database		✓	✓	✓	
13	Capacity Development of project Internal Auditors	Conduct a training workshop on the preparation of Audit Plan	13.1. Collect Action Plans for each project, review them, prepare course outline and make pre-arrangement for the workshop	No of Action Plans collected and reviewed	✓				
				Course outline developed	✓				
			13.2. Conduct the workshop	No. of Participants	✓				
		Conduct Project Internal Auditors' Performance Review Meetings	13.3. Make pre-arrangements for the review meetings	No. of Project's Internal Auditors invited/ attended			✓	✓	
			13.4. Conduct the review meetings	No. of review meetings conducted			✓	✓	
				No. of review reports prepared			✓	✓	

14	Project's Vehicle Management	Update existing data base on available vehicles Foreign Funded Projects	14.1. Review related source documents and update the database	No. of review source documents/ updated database	✓	✓	✓	✓	<b>Director (Development Projects)</b>
		Check vehicle handing over process after the completion of project period and identify problems and issues if available	14.2. Review related source documents and update the database	No. of review source documents/ updated database	✓	✓	✓	✓	
		Make recommendations for rectifying issues identified where necessary	14.3. Making recommendations/ rectifying issues	No. of recommendation made/ No. of issues rectified	✓	✓	✓	✓	
15	To regularize and strengthen the Internal Audit Units of Local Government Authorities	preparation of a data base on Internal Audit Units of Local Government Authorities	15.1. Collect information on internal audit units of Local Government Authorities	No. of Local Government Authorities provided information	✓				<b>Director (Provincial Council Coordination)</b>
			15.2. Compile to make a data base	Completed data base	✓				
		Arranging training programs on internal audit specialized to local government authorities	15.3 Study relevant legislations	No. of legislation		✓			
			15.4. Arrange an idea exchange workshop for local authorities in a selected provincial council	Identified audit areas			✓		
			15.5. Arrange training workshops in different provincial councils	No. of trainings				✓	

16	To strengthen the internal audit units of provincial councils	Preparation of a data base on internal audit units of Provincial councils	16.1. Collect information on internal audit units of provincial councils	No of provincial councils provided information	✓	✓	✓	✓	<b>Director (Provincial Council Coordination)</b>
			16.2. Compile to make a data base	Completed data base	✓	✓	✓	✓	
		Participating as a observer to Provincial AMCs	16.3 Issuing a letter instructing AMC holding guidance	No. of AMCs held		✓	✓		
17	To Coordinate and supervise internal audit activities in District Secretariats and Divisional Secretariats.	Review of existing internal audit activity & suggest improvement	17.1. Review internal audit activities	No. of review conducted	✓	✓	✓	✓	<b>Director (District Secretariat Coordination)</b>
			17.2. Take necessary actions for important audit observations arisen during AMC's in District Secretariats	No. of Quarterly reports	✓	✓	✓	✓	
			17.3. Supervise & Monitor the Internal Auditors database of all District Secretariats	Comprehensive Database	✓	✓	✓	✓	
			17.4. Gather of CIAs quarterly assessment reports	No. Assessment Reports	✓	✓	✓	✓	
			17.5. Update & maintain DMA database for assign Ministries, Departments, DS Office.	Updated database	✓	✓	✓	✓	

18	To achieve the Vision of the Department	Making the Action Plan	18.1. Collect Draft outline of performance from the different divisions	Draft documents	✓				<b>Director (Admin)</b>
			18.2. Compile them to get the approval of DG	Draft Action Plan	✓				
			18.3. Make any amendments	No. of Amendments	✓				
			18.4. Finalize the Action Plan and getting final approval of DG	Approved Action Plan	✓				
			18.5. Send copies to Internal Audit Unit and National Audit Office	Covering letter	✓				
19	To achieve the Mission of the Department	Assigning duties	19.1. Make Draft duty assignment & get approval of DG	Draft documents	✓				
			19.2. Compile any amendments & get final approval of DG	No. of Amendments	✓				
			19.3. Distribution	Approved duty lists	✓				

20	To check the achievement in 2018	Make the Performance Report	20.1. Collect Draft outline of performance from the different divisions	No. of Draft outlines	✓	✓			<b>Director (Admin)</b>
			20.2. Compile them to get the approval of DG	Draft Performance Report	✓	✓			
			20.3. Make any amendments	No. of Amendments	✓	✓			
			20.4. Finalize the Performance Report and getting final approval of DG	Approved Performance Report	✓	✓			
			20.5. Send copies to Parliament and National Audit Office	Covering letter	✓	✓			
21	To manage Human Resource of the Department	Personal Management	21.1. Activities related to Establishment code and pubad circulars such as leave, salary increments, performance appraisal	On time completion	✓	✓	✓	✓	<b>Director (Admin)</b>
		Local and foreign training of office staff	21.2. Applying for training and sending the officers for them as required	No. of trainings	✓	✓	✓	✓	
22	To manage office resources	Management of Vehicles	22.1. Maintaining vehicle log books	No. of log entries	✓	✓	✓	✓	<b>Director (Admin)</b>
			22.2. Fuel Management	Fuel cost	✓	✓	✓	✓	
			22.3. Vehicle repairs management	No. of repairs	✓	✓	✓	✓	
		Distribution of other resources	22.4. Procurement of Capital Items ,stationeries, and hand over to Accounts division	No. of procurements	✓	✓	✓	✓	



23	Financial Management	Maintaining sound Financial Management within the Department, managing available provisions, while adhering to regulations and reporting requirements.	23.1. Daily Cash Management	Monthly Allocation and Monthly Expenditure Reports	✓	✓	✓	✓	<b>Assistant Director (Finance)</b>
			23.2. Stores Management/ Inventory Management	On time availability of required machines, equipment and others	✓	✓	✓	✓	
				Availability of correct and accurate Reports on time	✓	✓	✓	✓	
			23.3.Preparation of Monthly Accounts Summaries	Monthly Accounts Summaries	✓	✓	✓	✓	
			23.4. Preparation of Annual Estimates	Annual Estimates			✓		
			23.5.Preparation of Financial Statement	Financial Statement	✓				
			23.6.Preparation of Advance B Account	Advance B Account	✓				

## 4. FINANCIAL MANAGEMENT

### 4.1 Procurement Plan 2019

Procurement Plan for the period of January to April Year - 2019

Name of the Department - Department of Management Audit

Department/ Line Agency/ Ministry	Type of Procurement (Goods, Works, Equipment & Service etc	Estimate Cost (Rs.Mn)	Source of Financing/Name of the Donor	Procurement method(ICB,NCB and National Shopping etc)	Level of Authority(C APC,MPC,D PC,PPC etc)	Priority Status U=Urgent, P=Priority ,N=Norma l	Current status of Procurement Preparedness activities	scheduled date of commenc ement	scheduled date of completion	Remark
Department	<b>Works</b>									
of										
Management	<b>Goods</b>									
Audit	stationery and Office Requisites	0.20	Cf(11)	shopping/Direct	DPC	N		January	April	
	<u>Purchase of Capital item</u>	0.12	Cf(11)	Shopping/Direct	DPC	N		January	April	
	I.Furniture and office equipment (0.02)									
	11. Plant Machinery and equipment (0.1)									
	<b>Related Services</b>									
	<u>Training</u>							January	April	
	1. Staff Training	0.50	Cf(11)		DPC	N				
	<b>consultant Services</b>									

## 4.2 Imprest Plan for 2019

### Imprest requirement plan for the Vote on account 2019

#### Department of Management Audit

	Expenditure items (with Expenditure Codes)	Imprest Requirement for the approved expenditure plans				
		Rs. '000				
		Jan.	Feb.	March	April	Grand Total
I	Salaries and allowance (1001 and 1003 )	3,225	3,225	3,225	3,225	12,900
	Other Allowances paid with salary(Except object code 1003)	791	791	791	507	2,880
II	Overtime and Holiday pay (1002)	25	25	25	25	100
III	All other Recurrent Expenditure	302.5	462.5	477.5	287.5	1,530
	<b>Total Recurrent</b>	<b>4,343.5</b>	<b>4,503.5</b>	<b>4,518.5</b>	<b>4,044.5</b>	<b>17,410</b>
IV	Reimbursable Foreign Aid	0	0	0	0	0
V	Other all Capital Expenses	50	190	380	100	720
VI	Public Officers Advance Account	250	250	250	250	1,000
	<b>Grand Total</b>	<b>4,643.5</b>	<b>4,943.5</b>	<b>5,148.5</b>	<b>4,394.5</b>	<b>19,130</b>