

How Department of Management Audit Contributes in Creating values in Public Sector Organizations ?

Introduction

Public sector organizations can be benefited from the value addition done through its continuous internal audit process rather than focusing on its historical focus (compliance focus) on value preservation to encompass activities related to value creation (a performance focus). This can be achieved through bringing a systematic discipline approach to evaluate and improve the organization's operation and effectiveness of risk management.

Therefore the role of internal auditor has also been changed accordingly and it must be ready to take more on advisory role in supporting to achieve organizational objectives in the means of providing better public service to the country.

With the objective of providing active support to reach public sector organizations to the desired level, it is decided to make a close supervision by the General Treasury on each government organization.

Audit and Management Committees

According to the section 38 and 39 of the National Audit Act No.19 of 2018 and Financial Regulation (FR) 127, each Secretary to the Ministry as the Chief Accounting Officer (CAO) is responsible for the financial management and accountable to the Committee on Public Accounts (COPA)/ Committee on Public Enterprises (COPE) with regard to the Ministry, Departments, and other institutions under its purview. For the purpose of giving support for the CAOs to perform their duty effectively, it has been instructed to set up Audit and Management Committees (AMCs) as a management tool in each institution and to hold at least a meeting per quarter covering 4 meetings for a year.

Section 41 of the national audit act stated that, AMC should review all the audit and management aspects of the auditee entity to ensure that its resources, are used economically and efficiently for the purpose of achieving the predetermined objectives of such entity as a whole or in respect of any specific project or program undertaken by giving priority to the resource available in Sri Lanka.

Therefore AMC plays a vital role in monitoring the organization's operation, focus on improving organizational performance, internal control system, risk management and effective communication between internal and external auditors is carried out through an AMC ensure sound financial discipline in the public sector. At the same time AMCs can be known as a tool for close monitoring of COPA and COPE recommendations.

With the objective of further strengthening the support provided by the general treasury, its representative who plays an advisory role, participate as a member to AMCs.

Capacity Building

To adopt to the changing environment of internal audit, continuous professional development (CPD) is a must. It provides updated knowledge, developed skills, attitudes and competencies. Being the apex body to the public sector internal audit, General Treasury continuously involve this activity.

Review of Internal Audit Units.

periodic reviewing process of public sector internal audit units gives an opportunity to introduce the best practices to be followed by each internal audit units and sharing experience with internal auditors in order to bring public sector internal audit activities into unitary level.

Internal Audit of Provincial Councils

Provincial internal audit departments and internal audit units have been established under each Provincial Councils with the effect of 13th amendment to the Constitution to ensure the sound internal audit function. According to the COPA direction, General Treasury has been given an opportunity to play a supportive role to ensure sound internal audit system and thereby contributing to improve the performance of Provincial Councils.

Committee on Public Accounts

When summing public sector organizations to the COPA, General Treasury prepares and submits a report to the committee containing the information pertaining to the activities of the institutions including ministries, departments, district secretariats, provincial council and local authorities, enable them to comparatively analyze the facts when reviewing those institutions.

In addition, necessary guidance is provided to establish a sound internal audit system through streamline AMC operations, monitoring foreign funded projects, introduce other control systems etc... in order to create a value for internal audit to ensure public sector performance.