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செயலாற்றுகை அறிக்கை
Performance Report

2014

කළමනාකරණ විගණන දෙපාර්තමේන්තුව
முகாமைத்துவக் கணக்காய்வுத் திணைக்களம்
DEPARTMENT OF MANAGEMENT AUDIT

මුදල් අමාත්‍යාංශය,
මහලේකම් කාර්යාලය,
කොළඹ 01.

நிதி அமைச்சு,
செயலகம்,
கொழும்பு 01.

Ministry of Finance,
The Secretariat,
Colombo 01.

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01. Vision, Mission, Objectives and Functions 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 designed 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

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, Treasury Departments and Projects coming under them.
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.

2. Financial Administration

Provisions had been made for the Department under the Head 324, Program 01, and Project 01 by the Budget Estimates for the year 2014. The estimate of 2014 was amended at the time of preparing the estimates for 2015. The expenditures incurred out of the given provisions are as follows.

Particulars of Expenditure	Budgetary Estimate Allocations (Rs.)	Amended Budgetary Estimate (Rs.)	Transfers as per F.R 66 & 69 (Rs.)	Actual Expenditure (Rs.)	Remaining Provisions (Rs.)
Recurrent (A) Expenditure	26,675,000	26,300,000	-	24,645,919	1,654,081
Personnel Emoluments	17,800,000	17,500,000	1,74,307 (1,74,307)	17,111,7035	388,965
Other Expenses	8,875,000	8,800,000	65,333 (65,333)	7,534,884	1,265,116
Capital (B) Expenditure	1,600,000	1,600,000	-	1,324,583	275,417
2001 Buildings & Constructions	-	-	-	-	-
2002 Machinery & Equipment	200,000	200,000	-	197,950	2,050
2003 Vehicles	200,000	200,000	-	38,000	162,000
2102 Office Equipment	200,000	200,000	-	193,428	6,572
2103 Machinery & Equipment	500,000	500,000	-	449,800	50,200
2401 Skills Development	500,000	500,000	-	445,405	54,595
Total (A + B)	28,275,000	27,900,000	-	25,970,502	1,929,498

- No supplementary allocations for 2014

Advance 'B' Account of the Public Officers

The details of the Advance 'B' Account of the public officers of this Department for the year 2014 are given below.

Particulars	Approved Limit (Rs.)	Actual Expenditure (Rs.)
Maximum Limit of Expenditure	3,000,000	1,913,255
Minimum Limit of Receipts	1,250,000	1,675,683
Maximum Debit Balance Limit	10,000,000	7,268,597

3. Physical Performance

3.1 Capacity Building of Internal Auditors

Department of Management Audit does constantly take actions to improve professional knowledge of internal auditors who work for Ministries, Departments and District Secretariats and to provide current information on auditing for them. The following workshops were conducted during the year 2014 to achieve the said objective.

Date	Description	Participants
2014.03.17	Workshop on mitigating delays of procedures and structural inefficiency of public entities	Chief internal auditors & internal auditors of ministries, departments and district secretariats
2014.10.28	Workshop on strengthen the internal control system	Chief internal auditors & internal auditors of ministries, provincial councils, district secretariats and departments
2014.11.07	Workshop on strengthen the internal control system in Northern Province	Chief internal auditors & internal auditors in northern provincial council and district secretariats located in northern province
2014.12.30	Workshop on computerized auditing and conducting AMCs	Chief internal auditors & internal auditors of ministries, provincial councils, district secretariats and departments

3.2 Providing Guidelines for Internal Auditing

Initial drafts for internal audit guidelines on following areas has been already completed with the purpose of improving productivity and efficiency of internal audit activities in such areas.

1. Guideline on Performance Audit for evaluation of economic efficiency and productivity of various programmes implemented by Ministries and Departments.
2. Guideline 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 other Ministries as treasury representatives. Those officers have supervised and provided relevant guidance on conducting Audit and Management Committees effectively and continuously. In addition, they have actively participated to strengthen the Internal Audit Units of the Ministries and Departments under them and to take measures on special issues raised by the internal and external audit reports and queries. Further, the public management is reinforced through follow-up actions on the measures taken accordingly.

In the year 2014, staff officers of this Department have attended 208 Audit and Management Committee meetings held in 58 Ministries, 09 Audit and Management Committee meetings held in three Departments, and 16 Audit and Management Committee meetings held in public institutions such as The Parliament of Sri Lanka, The Prime Minister's Office, The Senior Ministers' Office, The Public Service Commission, The Sri Lanka Human Right Commission, and The National Education Commission as per the provisions stipulated in the circulars.

3.4 Management Auditing of the Ministry of Finance and Planning and Treasury Departments

Conducting management audit on the Ministry of Finance & Planning and Treasury Departments is considered as one of the major functions of this Department. The Management Audit Department has been carried out the above task successfully in the year 2014 as well, accordingly one management audit report for a quarter amounting to four management audit reports have been issued which would help to achieve high quality performance through 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 Management Auditing of Development Projects Implemented by Treasury Departments

Management auditing of foreign funded development projects implemented by treasury departments is also included in the functions carry out by the Department of Management Audit.

Accordingly, Small and Medium Enterprise Development Facility Project implemented by The Department of Development Finance under funds of the World Bank was audited continuously within 2014.

3.6 Special Investigations and Audit Activities

Public 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 for reporting having investigated them. The report of such investigations is 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.

Following investigations have been completed in the year 2014

No	Institution	Key Issue in the Investigation
01	Valuation Department	The issue of joining the valuers of the department illegally with valuation boards in private banks and financial institutions
02	University of Vocational Technology	The issue of obtaining government vehicle permit illegally.
03	State Mortgage and Investment Bank	The issue of irregular payments made by Assistant Manager (human resource and supply- Contract basis)
04	Sri Lanka Transport Board (Halawatha Depot)	The issue of misusing public funds by the Accountant
05	National Blood Bank	The issue of preparing fraud document for attendance
06	Development Lottery Board	The issue of unfair treatments of the present president
07	The Ministry of Water Supply and Drainage	Corruptions and irregularities
08	Department of Excise	The issue of frauds and corruptions made by the chief accountant
09	Treasury departments	The issue of raising funds for sports & welfare activities
10	Regional Development Bank	The issue of receiving commissions from building constructions, procumbent and advertising
11	Regional Development Bank	The issue of frauds & corruptions and irregularities
12	Re-awaking Project (The Ministry of Economic Affairs)	The issue of irregularities made in constructing poly-net houses

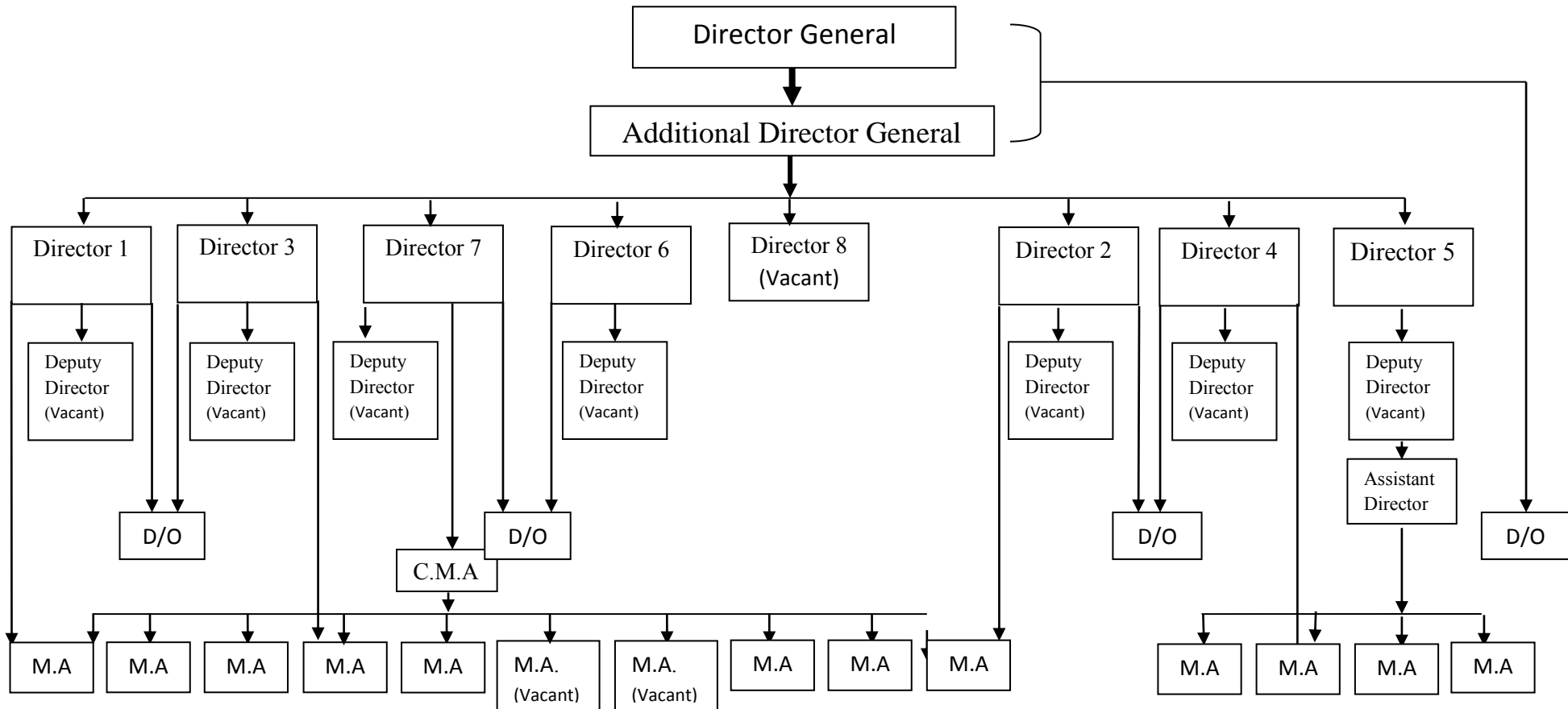
Issues that had been being investigated at the end of December 2014

01	University of Vocational Technology -Ratmalana	The issue of misusing funds
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02	Atomic Energy Authority	The issue of receiving vehicle permits in illegal manner
03	Colombo Commercial Fertilizer Company	The issue of irregularities occurred in the Colombo Commercial Fertilizer Company
04	National Lottery Board	The issue of irregularities which had been done by the General Manager
05	Sri Lanka Custom Department	The issue of unfair treating in the custom investigation against to the 3 kg Gold smuggler who work as an officer of Sri Lankan Airline

4. Management of Human Resources and General Administration

4.1 Organizational Structure of the Department



Office employ service – 4; Drivers - 5; Research Assistant - 1 (Allocated to the President Office)

D/O – Development Officer,

C.M.A. – Chief Management Assistant

M.A – Management Assistant

4.2 The staff (at 31.12.2014)

Following table illustrates the details of actual and approved cadre of this department at the end of December 2014.

Post	Cadre		
	Approved	Actual	Vacancies
Director General	01	01	-
Additional Director General	01	01	-
Director (SLAS)	01	-	01
Director (SLAcS)	05	05	-
Director (SLPS)	02	02	-
Deputy Director / Assistant Director (SLAcS)	07	01	06
Research Assistant / Development Officers	06	05	01
Public Management Assistant	14	12	02
Driver	07	05	02
Office Employ Service	04	04	-
Total	48	36	12

Officers transferred in to the Department in 2014

Name	Post
01. Ms. W.K.H. Priyantha Vithana	Public Management Assistant
02. Ms. T .D. N. D. Randeniya	Public Management Assistant
03. Mr. P. W. B. M. Wimalachandra	Public Management Assistant
04. Mrs. S. D. M. Dias	Public Management Assistant
05. Mr. L. A.M.P.K. Abayarathna	Public Management Assistant
06. Ms. Pivini Vijewardana	Public Management Assistant
07. Ms. W. D. S. K. Alagiyavanna	Development Officer
08. Ms. S. M. T. Nirasha	Development Officer
09. Mr. K. J. Kumarasinha	Driver
10. Mr. K. P. Wasantha	Driver
11. Mr. K. D. S. Senevirathna	Driver
12. Mr. A. P. Nalaka Chandana	Office Assistant

Officers transferred out of the Department in 2014

	Name	Post
01.	Ms. Champika Ranasingha	Director (SLAS)
02.	Ms. T .D. N. D. Randeniya	Public Management Assistant
03.	Mr. L. A.M.P.K. Abayarathna	Public Management Assistant
04.	Ms. A. K. S. Bodika Nandani	Public Management Assistant
05.	Ms. K. A. B. M. Gunarathna	Public Management Assistant
06.	Mr. K. D. S. Senevirathna	Driver
07.	Mr. K. G. De Silva	Driver
08.	Mr. R. N. W. Mudalige	Office Employ Service

Retired officers from the Department

	Name	Post
1.	Mr. B. D. S. Chandralal	Driver

4.3 Staff Training and Skill Development in 2014

4.3.1. Foreign Training opportunities in 2014

Name of the Officer	Designation	Country	Training Programs/Institute	Training Period
Mr. S. M. Dayarathna	Director	Italy	World Congress of Accountants	2014.11.10 - 13

4.3.2. Local Training Opportunities in 2014

Following table illustrates the details of local training opportunities which the department utilized in the year 2014.

Training Program	Training Period	Name of Participant	Designation
Training of Tamil Language	Each Tuesday from 08 Jan. 2014	Mr. H.D.P. Sarath Kumara	Driver
Rules & Regulations of Establishment Code	19-21 Feb. 2014	Ms. H.H.D.S.Gunasekara	Management Assistant
Duties and Responsibilities of Account Clerks	23. June 2014	Ms. E.M.G.L. Ekanayake Mr. W.B.M. Wimalachandra	Management Assistant
English Conversation for Professionals	Four months from 24 th July 2014	Ms. V.I. Dilhani	Assistant Director
Master of Financial Economic	1 year	Mr. A.N. Hapugala	Director
Training of Tamil Language	20 Sep. – 01 Oct	Mr. H.D.P. S, Kumara	Driver
Relevant Legal Procedures for Public Officers	26 Aug.	Ms. K.A.M.H. Kapuwaththa Ms. G.D.K. Liyanage	Development Officer Management Assistant
Investigations Under Financial Regulation 104	26 Sep 2014	Ms. G.D.K. Liyanage	Management Assistant
Training of Tamil Language	Wed & Fri from 26 Sep.	Mr. W.B.M. Wimalachandra	Management Assistant
Basic Concepts of Information Technology & Management	09 – 13 Oct.	Ms. K.R.R. Pranandu Ms. G.D.K. Liyanage	Management Assistant
Seminar on Taxation Proposals of the Budget 2015	20 Nov. 2014	Ms. K.A.M.H. Kapuwaththa Ms. G.D.K. Liyanage	Development Officer Management Assistant
Workshop Microsoft Office and Email	26 Nov. 2014	Mr. D.U.S. Wikramaarachchi Ms. M.A.K.P. Wijewantha Mr. S.M. Dayarathna Mr. A.N. Hapugala Ms. A.K. Gunasekara	A D G Directors
Diploma in English for Professionals	From 18 Dec. 2014	Mr. S.M. Dayarathna	Director