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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

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My No

} DMA/SYS.AUD/Check List/01

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Your No

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திகதி

Date

} 2019.11.26

Chief Internal Auditors /
Internal Auditors

Auditing of Advance to Public Officers 'B' Account

The Auditor General's queries, Internal Audit Reports and Audit paragraphs referred to the Committee on Public Accounts indicate that there are many issues relating to the Public Officers Advance 'B' Account in Ministries, Departments, District Secretariats and Special Spending Units. Therefore, the Chief Internal Auditors / Internal Auditors should give priority to the audit on Public Officers Advance 'B' Accounts since Chief Accounting Officers, Accounting Officers and Loan Guarantors inconvenienced due to that issue.

2. Annexure 1 and 2 checklists are issued by this Department with the facilitating the conduct of the above audit activities while evaluating with internal control system and it is expected your cooperation to settle issues in Public Officers 'B' Account.

3. Your cooperation is highly appreciated to minimize the losses to the Government and the inconvenience faced by Chief Accounting Officers / Accounting Officers and the Guarantors, due to long term unsettled loan balances.

4. You are allowed to examine any special matters not mentioned in our checklists and you are kindly requested to inform us to update our checklist.


S.A. Chandrika Kulathilake,
Director General

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Audit Checklist relating to Advance to Public Officers ' B ' Account

Entity Name:	Audit Year :
Date examined:	
Name of the Auditor:	

S / N	Description	✓ / ✗	Remarks
1.	Is the opening balance of the Public Officers Advance 'B' Account compared with the Treasury books?		
2.	Does the balance shown in the 506 report on the advance 'B' account match the sum of the individual balances?		
3.	Examine the Internal Control System of Advance to Public Officers and Recovery of loan.		
3.1.	Does it maintain a separate credit file for each borrower?		
3.2.	Does it accept loan applications under normal conditions of lending? Is accepted applications are prioritized?		
3.3.	Do payment approved, after completing all the information according to Establishment Code, credit file will be sent to the Accounts branch for payments?		
3.4.	Whether the cheque for loan is received along with the loan file from the Accounts section are handed over to the borrower in writing as per XXIV of the Establishments Code?		
3.5.	Is the form in which the promise of repayment of the loan is finalized and included in the loan file as per Appendix XXIII of the Establishments Code?		
3.6.	Check whether the eligibility according to the section 3.17 of Chapter XXIV of the Establishments Code.		
3.6.1.	Is the guarantor under the control of the principal borrower? Or not?		
3.6.2.	Check the limit of the deduction on the guarantor's salary.		
3.6.3.	If the guarantor retires before the loan is paid, whether there is a procedure to present another guarantor?		
3.6.4.	Has another guarantor been submitted within a month of the termination of the guarantor's service?		
3.6.5.	Where a new guarantor is liable for default, such matters should be covered by Chapter XXIV 3.17.5 of the Establishments Code., 3.17.6. And 3.17.7. Have acted accordingly?		
3.6.6.	Whether it is used form in appendix 22 of the Establishments Code for new guarantee bond when cancelling the old guarantee bond?		



3.7.	Whether it has made formal arrangements to recover premiums when an officer going to abroad on leave without pay for any purpose other than employment?		
3.8.	Are the loan balances fully recovered from the officers who have gone abroad without pay for foreign employment or any other purpose?		
3.9.	Are the loans fully recovered before the approval of the foreign leave of the officers who go abroad for foreign employment without pay		
3.10.	Whether an affidavit of which he/she will be confirmed in the service has been attached to the loan file when loans are granted to officer who has not confirmed his service		
3.11.	Check whether special conditions of which loans should be given are met		
3.12.	Is deduction from salary in terms of section 3.5 of Chapter XXIV of the Establishments Code? Or do you charge less premiums at the will of the officer?		
3.13.	When an officer's pension gratuity is not sufficient to recover the loan, will the monthly pension and allowances be deducted until the loan is settled? (Section 4.2.5 of Chapter XXIV of the Establishments Code)		
3.14.	Have the arrears loan balances of the deceased officers been recovered from the death gratuity?		
3.15.	When the death gratuity is insufficient to recover the debt, does seek advice from the Attorney General on recovering the balance from the heirs?		
3.16.	Has it taken action to recover from the guarantors when they are unable to recover the loans from the principal borrower?		
3.17.	Have legal advice been sought when the money owed to the government cannot be recovered from the principal debtor, guarantor or heirs?		
3.18.	When an officer is permanently discharged to a state corporation or a statutory board, whether all the debts are recovered before release?		
4.	Does lending and installment charges to Advance 'B' Account in the monthly account summary compare with the collections in the CC 10 register? (This should be done before sending the summary of accounts to the Treasury.)		
5.	Is the monthly balance of the Advance 'B' Account being compared monthly with the Treasury books? (FR 427 (2))		
6.	Do proper records are put in the Debtors' / Creditors' Register, when settle the debtor / creditor balances?		
7.	Whether loan recovered and accounted from the pension gratuity by the Department of Pensions are identified and adjusted in the books of the institution immediately?		
8.	Whether loan balances which belongs to officers who have been transferred out have been settled by account summaries were verified and recorded properly?		

9.	If the loan balances of the officers who have transferred out are not settled through the account summaries within the given time period, will it be debited to the respective Heads and informed to them?		
10.	Whether loan balances of the officers who have transferred in are settled through account summaries properly?		
11.	Whether the loan balances of officers who have been transferred to the Provincial Councils or Local Authorities are properly informed to settle by cheque?		
12.	Whether the loan balances of the officers who have been transferred from a Provincial Council or a Local Government Institution have taken over and settled it by cheque?		
13.	Have action been taken to expedite investigations of suspended officers and recover loans?		
14.	Have any necessary corrections been made in respect of incorrect debits and credits balances to the Advance 'B' Account?		
15.	Check the amounts of the monthly control account with the following files or documents		
	I Lending - With Vouchers		
	II Transferred in Balance - Transfer / Balance Notice		
	III Transferred out - with the Treasury print out		
	IV Settlement by cash - with PIV		
	V Recoveries of Retired Officials - Treasury print out		
	VI Debt write off - Approval Letters		
16.	Is the amounts included in the monthly control account cross- checked with the monthly account summary?		
17.	Closing balances of the control account are reconciled with the schedules of the individual balances?		

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Signature



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Date

CC 10 Register audit checklist

Name of the Organization :

Date of Inspection :

Name of the Auditor :

S/N	Particulars	Employee Number										Remarks
1	Check whether new CC 10 register opened at the beginning of every two years											
2	Check whether following details are entered in to the CC 10 register in accordance with Pay sheet order											
	2.1. Name of the employee											
	2.2. Designation											
	2.3. NIC number											
3	Is the loan balance as at 31st December of the previous year equal to the current year's balance? (Check the individual balance).											
4	Has the Accountant/Officer in charge of Pay Unit certified the accuracy of the above balance? (Must be certified with Short Signature)											
5	When certifying vouchers, which of the following is noted in the relevant columns of the CC 10 register?											
	- New loan amounts are entered in column 5											
	- Date in column 16											
	- Voucher number in column 17											
	- Details of instalments in column 18 & 19											
6	When issuing new loan, relevant entries were put in CC 10 register, Whether it is noted in payment voucher											
7	Has the Accountant/Officer in charge of Pay Unit verified the mathematical accuracy of the new loan? (Must be certified with Short Signature)											
8	Check whether instalments of loans recoverable and interest due are entered relevant month's column at the first week of each month											
9	Check whether total of each column of CC 10 register carry forward to the relevant column of next page at end of each quarter.											
10	Check whether deducted amounts from payroll of each employee are recorded in CC 10 register accurately											
11	Check whether Accountant/Officer in charge of Pay Unit for pay unit is initials for the accuracy of balances in CC 10 register at the end of each quarter.											
12	Check whether remittances and direct settlements received from P.I.V. are entered where necessary											

13	If an officer is transferred out, the details of institution and name should be entered in to the schedule of FR 506 (D) report.																		
14	If an officer is retired, it should be recorded in CC 10 Register and name should be entered in the relevant schedule of the FR 506 (D) report																		
15	Check whether total recoveries of installments for three months and enter total in column 11 and agree cross casts																		
16	Check whether total interest for three months and enter total in column 12 and agree cross casts																		
17	Check whether total amounts entered in column 6 is cross casts																		
18	Check whether carried forward balances in column 7 in each quarter are reconcile with GPS loan ledger balances																		
19	Check whether carried forward balances in each quarter column 4 are cross casts with previous quarter balances (column 7)																		
20	If an officer is interdicted or Vacated of Post relevant details should be recorded in CC 10 Register and names should be transferred to the relevant schedule of FR 506 (D) report.																		
21	If more than one CC 10 Registers are used summery of all the registers should be maintained in the first page of the first register.																		
22	Check whether necessary notes are entered for non-recovering loans																		
23	Cross check the amounts entered in monthly control account with the total of each month of the CC 10 register																		
24	If there is any computer program to maintain individual loan balance, control account and FR 506 (D) report, reconcile the balances with CC 10 register																		

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Signature

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Date

