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முகாமைத்துவக் கணக்காய்வுத் திணைக்களம்
DEPARTMENT OF MANAGEMENT AUDIT

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நிதி, திட்டமிடல் அமைச்சு,
செயலகம், கொழும்பு 01

Ministry of Finance And Planning
The Secretariat, Colombo 01

මගේ අංකය }
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Date }

2011.11.15

Management Audit Circular No. DMA/06

To : All Secretaries to Ministries and Heads of Departments.

The Guideline on the Evaluation of Internal Control Structure

Your kind attention is drawn to the Section 133 – 2(a) 1 of the Financial Regulations of 1992 where the duty assigned to the evaluation and reporting of the internal control structure is explained.

02. Having established a proper internal control structure is an essential factor for an efficient performance in Government Ministries, Departments and Projects. The foundation to the internal control structure of the public sector is basically provided by Acts and Gazette notifications with regard to the establishment of institutions, financial regulations establishment code, project agreements, regulations and guidelines stipulated in Government circulars. It is the management of the institution which is vested with the responsibility of forming an efficient internal control structure within the said legal framework. Many instances where the quantity and quality of the products and services provided by the public sector agencies do not meet the anticipated level are revealed due to non-application of appropriate remedies having properly discerned the flaws of the internal control structure. Internal control weaknesses are revealed by the Auditor General through audit queries and the Heads of the Departments even have reply to the Committee on Public Accounts.

03. The task of assisting the Heads of Departments in establishing the efficient of internal control structure is vested on the internal audit. For this purpose, the internal audit has to carry out a proper evaluation having discerned the internal control framework which runs throughout the entire system of the organization. Even though the attention of the internal audit is drawn to certain sections of the internal control structure, it appears that a guidance in this regard is necessary due to the non-availability of a methodology to identify and evaluate it as a whole.

Accordingly, the guideline prepared for identification and evaluation of the internal control structure and a model questionnaire for evaluation of the internal control structure are hereby introduced.

04. It is expected that this guideline and the questionnaire would support to conduct the internal audit of your institution more efficiently and productively.

Wasantha Ekanayake,
Director General,
Department of Management Audit.

කාර්යාලය }
அலுவலகம் }
Office }

2484816
2484500
2484600
2484700

අධ්‍යක්ෂ ජනරාල් }
பணிப்பாளர் நாயகம் }
Director General }

(9411)2484543

ෆැක්ස් }
பெக்ஸ் }
Fax }

2449496

වෙබ් අඩවිය }
வெப் சைட் }
website }

www.treasury.gov.lk

Evaluation of the Internal Control Structure

01. Introduction to the Internal Control

The entire internal control structure of the Government sector is framed by the Financial Regulations, the Establishment Code and the regulations stipulated in Circulars which are issued in time to time. The responsibility of the management of an organization is to operate it more productively. Internal control structure is the entire administrative structure inclusive of organizational structure, functions, flow of power, responsibilities of the staff, communicative modes which is established with the aim of fulfilling aims and objectives specified to the institution. When considering the overall aim of the institution, it is something which builds it self within the institution as per the existing rules and regulations on the accurate reporting of performance of the institution, submission of financial reports with credibility and the safety of assets. When a proper internal control structure is established in an organization, the possibility of deviating from it is limited and easy to identify if any deviation. Similarly, this leads the institution towards its objectives as predetermined. Evaluation of the internal control structure for the purpose of audit requirements and reporting it to the managements is a responsibility of the internal audit.

02. Aspects of the Internal Control Frame Work

The internal frame work are five of following aspects as per the Committee of Sponsoring Organization for the Trade Way Commission (COSO)*

- (a) Control environment
- (b) Risk Assessment
- (c) Control Activities
- (d) Information and Communication
- (e) Monitoring

02. (a) Control Environment

The responsibilities of Chief Accounting Officers and Accounting Officers are clearly mentioned respectively in F.R.127 and F.R. 128. It is the responsibility of the Management to establish strong control environment to discharge that responsibilities in efficient manner. The control environment helps to build an object oriented mentality within the staff in achieving the targets of the institution and it forms the disciplinary basis of the institution. The control environment is created by the attributes such as the vision of the Management, Operation style, method of vesting power and responsibility, organization of the staff, skill development and directing the institution with a proper understanding. It is required to pay attention on the below mentioned facts related to the control environment.

2. (a) 1. Objectives and Ethics

The image (Tone at the Top) created through the object orienteers of the management and conformity with the code of ethics introduced provide an immense contribution to the internal control environment of an institution. The dignity, credibility, equity and accountability of an institution is reflected by being in conformity with the standards and ethics introduced. Accordingly, the responsibilities of the management is as follows.

- I. Acting with Good faith.
- II. Transparency in activities.
- III. Acquisition and use of accurate information when necessary.
- IV. Avoiding Conflict of interest.
- V. Avoidance from relating personal affaires with that of the institution
- VI. Meeting only public obligation.
- VII. Making sure to incur all the expenses economically, efficiently and productively to the institution.
- VIII. Making sure of the security of assets and information.

- *The review committee on “Fraudulent” financial reporting instituted in United States of America in 1985 is call as “Trade Way Commission” while the organization founded with the participation of the financial management institutions which co-operated to found the aforesaid commission is called “The Committee of Sponsoring Organization of the Trade Way Commission”*

Financial Regulations, Establishment Code, various guidelines manuals and the regulations stipulated in Financial and Public Administration Circulars issued in time to time lay the background required for a proper control environment while a strong control environment could be created through the introduction of required ethics and standards.

02.(a) 2. Competency of the Staff

The staff should possess professional skills abilities needed to fulfill the assigned duties. Attaching suitable persons to suitable places with a prior understanding of the abilities of the staff and directing the officers who are in need of training are the responsibilities of the management.

02.(a) 3. Accurate Information in required time

A methodology which enables the acquisition of information required for the management as and when necessary without much effort should be established within the control environment. For this, attention should be paid to followings.

- I. Policies of the Government, directions, alterations to these and important agreements, etc.
- II. Financial performance and financial status
- III. Communication strategies and new tendencies.
- IV. Informal activities
- V. Defects in the internal controls.

The attention of the management should be paid to examine whether the above information reported to the management is accurate and in time.

02.(a) 4. Attitudes

The attitudes of the Management towards the internal control structure which is built in traditions or in written may form affect the performance of the rest of the staff. The dedication with honesty to achieve the objectives of the institution and willingness to comply with the internal control system of the management will motivate rest of the staff to do so.

02 (a) 5. Reporting of significant deficiencies in the Internal Control system to the Management

Breakdowns lapses and weaknesses in the internal control system and possibilities to happen such situations **should be brought to the attention of the Management** or the internal auditor instantly. Creating the environment required for **this is the responsibility of the management.**

02 (b) Evaluation and Management of Risks

It is implied in F.R. 133 (1) objective - (a) (I) that the attention of the internal audit should be drawn to assess the risk in public sector. The management should identify the risks which may face internally or externally and necessity to conduct pre – assessment to identify its unhealthy consequences. Prior identification and establishment of objectives which have to be achieved at each level is essential.

Managing risks following Steps should be followed.

- I. Identification of risks.
- II. Equinity the impact the risk.
- III. Assessment of the possibility of reoccurrence of the risk.

Any institution should have a risk management plan to face risks and internal auditor has to assess its adequacy having paid attention on the matters mentioned below.

- I. Whether the institution has a system to forecast risks that can be happened?
- II. Has any assessment been done on the possibility of reoccurrence of risks having analyzed the such situations in the past?
- III. What are the prior arrangement of the organization with regard to the risks on break down of the computer system or electricity – supply.

The risk management plan has to be frequently reviewed and updated based on requirements ?

2. (c) Control Activities

The control Activities required for the public sector have been specified in the Financial Regulation and Establishments Code. For an instance, the order of control procedure which should be followed by the signatory to cheques has been laid down clearly Under the F.R. 141 (3), In addition to that activities introduced by the management in order to achieve the target of the institution also should be identified as control procedures. All the functions performed from managerial level to the lower level of the institute should be subjected to a control procedure. The control activities consist of delegation of authority , approval, certification, reconciliation performance review, protection of the assets, segregation of duties and assign duties to the officers to prevent fraud and misuse etc.

02. (c) 1. Objectives of the control activities.

- I. Performing the services or producing the goods as per the mission statement of the organization in accordance with standards, efficiently and economically.
- II. Securing the resources of the organization preventing from illegal use and utilize for the purpose more efficiently.
- III. Comply with existing administrative rules and management orders.
- IV. Maintain a financial and management information data base with confidence and provide when it is necessary.

Control objectives should be identified in order to succeed the control activities. Major goal as well as sub goals should have been identified clearly since the objective of every control activity is to reach the key objective of the organization.

02.(d) Information and Communication

Accurate information is required for the management decisions and the required data should be identified and collected to receive the management in order to make management decisions. The data base consist of internal as well as related external information. Communication of the decisions taken by the management to target unit or persons for better management.

Moreover, the feedback from the staff also should be communicated to the management. It should be assured that efficient communication with external parties and persons, clients, suppliers, and monitory also happening.

02.(D) I. Information

Files, documents, records, and information maintained by the organization are internal sources and news papers, periodicals, electronic media research reports are issued by the recognized institution are considered as external sources of information. The organization should have introduced a methodology to identify sort out as required, summarize, and analyses as well as submit information to required persons when it is necessary.

02.(D) II. Communication

Collected information should be communicated to the respective managerial level efficiently. Efficient communication means receiving required information by required person when it is necessary. Various modes such as orders, notes, policies, guidelines, emails, internal memos, staff meetings, conferences and seminars are applied for communication. Possibility to refer the particular information to the required place, or person with the significance of the same relatively, confidentiality the cost compared to the other communicative methods also should be concerned in the selection of communicative methods. The importance of effective communication should be focused in planning an internal control system. Specific communicative methods should be used for some information.

02 (e) Monitoring of Performance

The supervisory responsibility of the Chief Accounting Officer and the Accounting Officers, have been specified in the F.R. 127 (1-7) and F.R.128 (1) (a –g) respectively. It is responsibility of the top management is to setup a required base for proper supervision by formulating work plans for that purpose and delegating the responsibility to officers of each level.

All the Departments of the government should prepare performance reports as per the Public Finance Circular No. 402 and it is mentioned in the said Circular that the performance report should be completed according to the annual action plan prepared by the Department. Internal controls also should be monitored for effective and efficient internal control system.

02.(e) 1. Monitoring of performance of internal control system should be done through all staff officers as well as subordinate staff. Encouraging, the staff to report the management in respect of a decline in control structure, discontinuation of control, dual control and relinquished components in addition to the normal managerial and supervisory functions. Additionally, Chief Accounting Officer/Accounting Officer should evaluate internal control system from time to time. The timeframe of evaluation should be determined upon the changes of institutional goals and increase of risky situations. Necessary changes in internal control system should be made following the evaluation and reporting of identified shortcomings. Reporting authority must be delegated to the each managerial level as a policy. Reporting methodology in that respect also should have been introduced.

02.(e) 2. It is appropriate to follow the process given below in monitoring the control system.

- I. Identification of the major sub and projects being carried out in each division of an institution as sub project functions coming under each project and sub project.
- II. Evaluation of damages, losses, irregularities, misuse of resources or possibilities to deviate from established objectives in each project or function.
- III. Planning the monitoring of internal control system in each project or function
- IV. Reporting the results to the management and make recommendations for rectifications.

03. Responsibility of Internal Audit

The functions entrusted with Internal Auditor in respect of supervision of internal control has been briefed F.R. in 133(1). Responsibility of internal in monitoring of internal control structure is one of key functions of internal audit. Even and assignment can be given to the internal auditor to evaluate the internal controls if the top management feels that it is necessary.

Since the internal audit is continuously organization. In attention with the internal control system of the organization it is well aware of the adequacy efficiency and conformity of the internal control system. The responsibility of the internal auditor is to report insufficiency of internal controls noncompliance with controls by staff and introduce required improvements. In addition, the responsibility of the management is to rectify errors according to the indications given from time to time by external and internal audit and the responsibility of Internal Audit is to follow up the same and to be alert on introduction of new control methods.

03.1. Documentation of Internal control Structure

The Financial regulations, Establishment Code and the circulars issued by the Treasury and Ministry of Public Administration are mainly format the internal control structure of government organization. The internal Auditor by using his accomplishments in that respect should take measures to record Internal control Structure. Following sources are significant in this regard.

- I. Strategic plan , annual action plans\, procurement plan and various activities planned by the organization.
- II. Formal and Informal communication techniques applied by the organization.
- III. Interviews and discussion conducted with heads of particular divisions and the management of special projects.
- IV. Personal experiences, observations and evaluation of Internal Auditor in respect of control environment.

In addition to that gaining knowledge of Acts and regulations relevant to the organization is important as follows:-

- i. to familiarize, with objectives, scope of work and targets of the organization
- ii. to identify basis of the function and financial avenues
- iii. to familiarize with the legal limits of the organization and the nature of the responsibilities

03.2. Some steps to be followed for the documentation of internal control system.

- a) Taking down particulars through interviews and meetings.
It is appropriate to obtain copies of the document of policies, control strategies and agreements etc. For proper understanding.
- b) Following facts can be revealed by studying various documents related to the organization.
 - I. Objectives and targets of internal control methodology.
 - II. Connection with the other control systems already available and inter connection with other controls.
 - III. Environment where internal control methodology is implementing.
 - IV. The manner in which the authority and responsibilities are deligated.
 - V. The controls which have been introduced.
 - VI. The specific issues had to faced by the institution within the previous internal control systems.
 - VII. Reports on special investigations conducted on the requirement of the management.

03.3. Documentation of internal control system through flow chart

System in relation to the flow of document or information of the organization can be identified and internal control strategies connected there to can be understood properly by drawing control system of the organization in a flow chart. Following facilities can be obtained to the internal audit by drawing control system of the institution in a flow chart.

- I. Understanding the existing control system simply.
- II. The inter relationship between the divisions of the organization can be clearly indicated in flow charts.
- III. Identification of information flow and difficulties confronted thereby.
- IV. Understanding the inter connection of each control in the control system.

03.4. Organizational Charts

Internal Auditor should draw the organizational chart which reflects internal control system of the institution. This reveals information and communication network, specific responsibilities and individual relationships of the institution. An organizational chart indicates,

- i. Details in respect of main branches of the organization and the functions thereof.
- ii. Particulars of the jobs, Grade and names of the staff and their responsibilities.
- iii. Ways of reporting etc.

03.5. Questionnaire of Internal Control

Strong and weak areas of the internal control system of an institution can be identified by application of a questionnaire of internal control. A questionnaire of internal control should be formulated based on control objectives anticipated through the internal control system. A specimen questionnaire which can be applied for this purpose is attached here with as annexure 01.

Outcomes of the internal control questionnaire should be weighted from zero to four in respect of worst situation to best.

Weighting enables the internal auditor to reach a conclusion and identify controlling challenges and their strength. In addition to that, internal control structure of each division also can be evaluated successfully.

03.6. Reporting of Internal control weaknesses.

Not only the weaknesses but also the nature of weakness, consequences of it, opinion of the auditor in that respect and the measures to be taken to prevent the situation should also be mentioned here. The auditor should observe and state the way that this situation can be related to any wrong or fraudulent act.

Specimen Internal Control Questionnaire

This internal control questionnaire is based on “Yes” or “No” answers for the questions with regard to the organizational structure of the institution. Answers given by indicating “No” is related to the risky areas where errors or frauds likely to take place. A trough this is not a complete questionnaire, but it provides a model to evaluate internal control Revert F.R. also indicated as much as possible.

No	Question	Yes	No	Not relevant	Responsible officer	Out line
Policies and procedures						
01.	Has a manual inclusive of accounting policies and procedures been introduced by the institution and has it been updated					
02.	Has a code of ethics been introduced for the institution and drawn to the attention of whole staff.					
03.	Have the officers been made aware of the procedure to be followed in respect of the gifts received by the organization. (F.R.170 and DMA 103)					
04.	Does the institution possess an organization chart which demonstrate powers and responsibilities clearly. (FR 135)					
05.	Have the updated job description and duty lists of all the officers (posts) of the institution had filed.					

06.	Have a drawn flowcharts indicating work steps related to each job, indicating the standard time to be spent					
07.	Have all the bank accounts been opened with proper authority? Has authority of signing the cheques been delegated in writing					
08.	Has the bank been notified immediately in case the officers who sign the cheques are changed					
09.	Are all the bank accounts being maintained in the name of organization (F.R. 381)					
10.	Have the staff been communicated that personal needs and the affairs of the institution should not be entangled? (Establishments code (XLXIII/8 and F.R. 323)					
11.	Are all the cheques received in the name of the organization ?					
12.	Is a person who opens letters deviated from keeping accounts. (F.R. 165, 177,187)					
14.	Are all the cheques received to the organization entered up to Register of checques? Does a staff officer supervise such entries (F.R. 165 (4) GAM 83 Form)					

15.	Is that register of cheques referred to the sections of ledger, book keeping and bank reconciliation (F.R. 165, 185)					
16.	Is the register for receipts reconciled with the duplicate of the bank slip					
17.	Are the measures taken to bank the cheques with the endorsement of the Department soon after receiving endosnment (F.R. 177, 382)					
18.	Are the receipts of money are kept in safe custody until they are credited to the bank account. (F.R. 316)					
19.	Are the recorded receipts of money reconcile with the cash book monthly? (F.R. 395)					
20.	Does a responsible officer supervise that daily receipts are deposited in the bank? (F.R. 322, 324)					
21.	Are the receipts of money deposited in the bank with out making use of them?					
22.	Does other than the officer who accept the money or recording the receipt banked the money.					
23.	Are the money received use only for the given purpose? (F.R. 165,(4) 181 (3))					

24.	Is the responsibility of handling money change as month as possible among the officers (F.R. 165)					
25.	Are the receipts numbered according to order of the receipt issued for all amounts of money received. (F.R. 534,184,185)					
26.	Are the said numbered receipts accounted and recon ceiled constantly? (F.R. 168,169)					
27.	Does a person who is not engaged in functions of accounting accept statement of bank. (F.R. 542 – (1))					
28.	Does an officer prepare the bank statements other than the officer who keeps the accounts and record the receipts of money? (F.R. 395)					
29.	Does an other officer supervise the bank statements other than the officer who prepares bank statements? (F.R. 385 (6))					
30.	Are cancellation and re-issuing of cheques done with due approval (F.R. 393, 394)					
31.	Is it ensured that the officer who record the receipts in the cash book is not the cashier or the officer in charge of money. (F.R. 446)					

32.	Are the entries kept by the officer in charge of accounting supervised by a higher officer? (F.R. 541)					
33.	Does the implementing division reconciled utilization of money with the entries recorded at the account division. (F.R. 565 (1) 544)					
34.	Has the institution been structured so as to report any wrongful act being occurred (if any) to the management immediately? (F.R. 177 (1))					
35.	Are the petty cash imprests with the custody of an responsible officer? (F.R. 372, 446)					
36.	Is petty cash imprest system maintained? (F.R. 373 (4))					
37.	If more than one petty cash imprests maintained are all of them under custody of an responsible officer? (F.R. 371)					
38.	Are the officer in charge of petty cash imprest is different from officers who maintain receipts of money and keeping records? (F.R. 311. 372)					
39.	Are the limits given in respect of each petty cash imprest properly followed? (F.R. 371)					

40.	Are approved and completed vouchers use to release money from the petty cash imprest ? (F.R. 371)					
41.	Have these vouchers been numbered in order (F.R. 371)					
42.	Are the receipts of acknowledgement submitted for the payment out of petty cash (F.R. 371)					
43.	Where there is a practice to check the petty cash imprest and change the officer handle the subject with and prior notice.					
44.	Has it been prohibited to pay salaries or any other payment of staff using petty cash imprest					
Official Travelling						
45.	Are prior approval and duty leave obtained to leave out of the organization for official duties (E.C . XIV 1:1)					
46.	Is the approval given by confirming that official visit would bring benefit to the organization? (E.C. XVI. 1)					
47.	Is travelling programe presented early so as to determine more, beneficial mode of transport to the organization					

48.	Does the officer who proceed official visit submit originals of all the bills in respect of the official visit.					
49.	Does it encourage to pay an advance to relevant institution use the credit cord of the office who travel.					
50.	Make sure that before reimburse the travelling , expenses, related travel document are being properly checked (E.C. XIV 28.3)					
51.	Are travelling expenses claimed only for official visit for which obtained prior approval or duty leave? (E.C. XIV – 13)					
52.	Are claims for travelling expenses submitted within the period stipulated in the establishments code? (E.C. XIV 28.5:1) Have the provisions of Establishment code been followed in case that claims submitted after that period? E.C. XIV 28:5:1					
53.	Is it satisfied that the expenses that have not duly authorized excluded from the application of travelling expenses.					
54.	Is the person who travels made aware of establishments regulations in respect of travelling prior to the travelling?					

Release of Funds / Procurement

55.	Have the function delegated such as authority with regard to procurement, approval, certification, of payments, recording accounts and preparation of bank reconciliation etc. (F.R. 135, 395)					
56.	Has the responsibility been delegated distinctly as per F.R> 135? Has it been updated as per changing of officers? (F.R. 135 (4))					
57.	Have all the officers of the organization been made aware of the revisions with regard to the delegation of authority? (F.R. 135 (4))					
58.	Are all expenses incumbent with the appropriate limits with approval of authorizing officer ?					
59.	Are all supporting document being checked before the payment made. (F.R. 138 (4) (5) (8))					
60.	Are all the reimbursements made only by cheques. (F.R. 384 (1))					
61.	Have all the cheques already used been numbered (F.R. 384 (3))					

62.	Whether the register in respect of posting or handing over the cheques is available (F.R. 386 (1))					
63.	Does the attention of the relevant officer draw to the list of the payee when the cheques signed? (F.R 388 384 (1))					
64.	Are the approval of the relevant officers obtained for higher amount of cheques.					
65.	Have limits been prescribed for the officers who sign cheques. (F.R. 381(2))					
66.	Have the second signatories on cheques been approved? (F.R. 141 (3))					
67.	Has the power of affixing signature been assigned to appropriate officers to avoid any practical issues. (F.R. 381)					
68.	Are there any systems designed for the distribution of signed cheques without an undue delay?					
69.	Does the first Signature for the cheques being placed with the ensured of all evidences which are relevant to the payment while affirming the power, approval and certification? (F.R. 139, 140, 141)					

70.	Are the check being signed only after reconciliation of amount the reimbursement register for mathematical accuracy. (F.R. 139, 140, 141)					
71.	Does the officer in charge of signing cheques initial confirming that the register of payments is reconciled and checked with the paying abstracts? (F.R. 141(2))					
72.	Does the control tactics which have been utilized to affirm the accuracy of computerized registers of payments are carried out independently without any interference (Cigas and payroll)					
73.	Does an officer not involved in authorization and certification keep records related to payments in the cash book? (F.R. 421, 446)					
74.	Are the instructions on purchasing include in the Government Procurement Guideline are properly followed? (NPA/8)					
75.	Has it been confirmed that the procurement guidelines were followed? (National Procurement Guideline)					

76.	Is the higher management satisfied that all the requests made for purchases are fair in every way and the identity of the suppliers have been confirmed?					
77.	Has the staff been made aware of the policy decisions made regarding the goods which should not be requested for the use in the organization?					
78.	Has the organizational structure been arranged with out inter relating tasks of ordering and receiving goods in the maximum possible way? (F.R. 151 and Procurement Guidelines)					
79.	Are the request for purchases reconciled with purchases and re-reconciled monthly with the entries of the Finance Branch also?					
80.	Does it certify that all the payment cheques have been entered in the cash book and all the cancelled cheques have been thus cancelled with proper authority? (F.R. 386 (7), 391, 392)					
81.	Are the unused cheques kept with more care under the custody of responsible officer? (F.R. 390)					
82.	Are the suppliers (including the new) registered time to time? (Circular NAF(11) of the National Procurement Agency)					

83.	Have written instructions been given on the method of banning the issuing of cash cheques or getting approve for that when necessary? (F.R. 386 (6))					
84.	Written order been issued banning the signing of cheques in advance or signing of blank cheques?					
85.	Does it ensure that all the evidences for payment such as the date of voucher/cheque, object details, signature of the authorized officer, receipts and acknowledging of goods etc have been included in making payments for each procurement? (F.R. 138(8), 139 (6,7,8), 237 iii)					
86.	Does the officer in charge of signing cheques sign them having substantiated that the authority, approval and all the documents which are used as proofs are attached with the voucher? (F.R. 138 (8), 139 (6,7,8) 237)					
87.	Are the arithmetic accuracy and equity of reimbursements and other payments checked prior to the approval? (F.R. 138 (7))					

88.	Are the vote particularly debit to the correct vote. Are the accuracy in vote particularity indication in voucher and classification in expenditure register checked by a responsible officer? (F.R. 138 (1))					
89.	Is a separate file maintained to take actions for unpaid invoices?					
90.	Is there a register for payments of bills or invoices to enter the dates clarifying the steps to be taken to pay?					
91.	When an invoice of a unfamiliar or special supplier is forwarded for payments are the payments made after the confirmation of accuracy having brought it to the attention of an officer who was not involved in supplying?					
92.	Are the entries included in the register of bills or invoices to be paid as soon as the payments are made? (F.R. 139 (8))					
93.	Has purchasing requests been included in registers and given serial numbers?					
94.	When payment of advance are being made it should be entered in a register and whont the final payment is made it should be reconciled and write off. (F.R. 138 (7))					

95.	Have adequate means of control been introduced for the payments made by banks on standing orders?					
96.	Are action taken regarding the date expired cheques as per the procedures that has to be followed?					
Salaries						
97.	Is the use of official diary of the field staff checked by a staff grade officer at least once a month?					
98.	Are the attendance sheets (finger prints) of all the staff checked by a staff grade officer at least once a month? (Establishment Code VIII, F.R. 268, 269)					
99.	Are changes to monthly salaries sent from establishment or administrative division forwarded to the salary division under the signature of the officer of the said division? (Establishment Code VII)					
100.	If overtime allowances are paid having added to the salary, have the said calculations been made accurately with proper approval? (Establishment Code VIII F.R. 281)					

101.	Are loan payments of all employees forwarded to the salary division only with the approval of a senior officer? (Establishment Code XXIV, 5, 6)					
102.	Is the approval granted to issue pay sheets and cheques having checked and confirmed the accuracy of the pay abstract by the relevant staff grade officer before issuing pay sheets?					
103.	Are the particulars used to process salaries such as the particulars related to transfers and no pay leaves sent to the approval of the staff officer in charge of salary division?					
104.	Has the relevant staff officer approved the promotions and salary increment changes of the staff members? (Establishment Code VII 10)					
105.	Are all the changes to salaries made only through the personal file of the relevant officer? (Establishment Code VII)					
Security related to information systems						
106.	If salaries are remitted only to bank accounts, has the approval been granted for it having confirmed the accuracy of bank account details?					

107.	Has the entire staff signed in the pay sheets affirming that the salaries were received accurately? (F.R. 267, 269, 286)					
108.	Has the staff been made aware of the security established through the use of pass words in using computer programmers?					
109.	Have the necessary steps been taken to use authorized computer soft wares for the computers in the institution?					
110.	Do the computer operators properly close and quit the software which they have been using when they go out?					
111.	Is the harmlessness of inputs device brought from outside confirmed before inserting them to a computer?					
112.	Are the input devices where data are stored kept securely?					
113.	Are the duplicates of important data discs kept separately with safely?					
114.	Have the sensitive information been protected by pass words?					
115.	Has the staff been made aware to keep the data entered to a computer safe and secured always?					
116.	Have suitable security equipments been used to have an uninterrupted electricity supply for the computer?					

Other matters

117.	Are the activities of the staff observed from time to time without prior notice?					
118.	Have the duty covering officers been named for the whole staff?					
119.	Have the duties been segregated on a way to avoid the officers handling money and goods from misusing them?					
120.	Are the duties of officers handling public finance changed from time to time?					
121.	Can more than one person enter to computer programmes used by the institute?					
122.	Is the performance of the staff is documented from time to time?					
123.	Are monthly reconciliation has dour to avoid unusual changes related to accounts of the institute? Is it check by a staff grade officer?					
124.	Are the matters related to the misplacement of receipts or checques which are kept in numerical order reported to the higher management having checked beforehandde over.					

125.	Are all the letters received to the institution opened before a staff grade officer kept the date stamp? Is it immediately entered in a register?					
126.	Is daily attendance notes and leave reports are daily maintained(without a delay)?					
127.	Get it confirmed through cash cheques written in favors of the organization that all the payments except which is paid to the staff are done only by cheques.					