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சேயலாற்றுக்கை அறிக்கை  
**Performance Report**  
**2018**

කළමනාකරණ විගණන දෙපාර්තමේන්තුව  
முகாமைத்துவக் கணக்காய்வுத் திணைக்களம்  
**DEPARTMENT OF MANAGEMENT AUDIT**

මුදල් අමාත්‍යාංශය

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කොළඹ 01.

நிதி அமைச்சு

செயலகம்

கொழும்பு 01

Ministry of Finance

The Secretariat

Colombo 01.

*Prepared to be tabled in the Parliament as per Public Finance Circular No. 402*

**Department of Management Audit  
Ministry of Finance  
The Secretariat  
Colombo 01.**

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# **01. Vision, Mission, Objectives and Functions of the Department of Management Audit**

## **1.1. Introduction**

According to the cabinet decision No. 08/0200/306/012 of 25 January 2008, the Department of Management Audit was established as a Department of Treasury on 01 February 2008.

Further, this department became a department under the purview of the Presidential Secretariat from 9 June 2017 by the Gazette notification No. 2022/34 with the same scope of work. Again the Department of Management Audit became a department under the Ministry of Finance with effect from 12.05.2018 by the Gazette notification No.2070/56.

## **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. Objectives**

1. Contributing to enhance the effectiveness of Internal Audit in Public Sector.
2. Strengthening the Internal Audit through Audit and Management Committees.
3. Introducing necessary guidelines for the development of Internal Audit.
4. Strengthening the process of Management Audit in Development Projects.
5. Disclosing irregularities that have been occurred and irregularities to be occurred in future in the public sector through special investigations and introduce preventive measures and recommendations to avoid such situations and occurrences.

## **1.5. Functions of Management Audit Department**

The main function of this department is to assist Chief Accounting Officers (CAO) and Accounting Officers (AO) in executing the internal audit in respective Ministries, Departments, Special Spending Units and District secretariats. Accordingly, the following functions are been carrying out by this Department.

- 1 Performing as the Apex Body of the Public Sector in order to uplift and enhance the quality and efficiency of Internal Auditing.
- 2 Introducing the guidelines for the internal audit.
- 3 Improving knowledge and skills of internal auditors in the public sector (Skill development of Internal Auditors in Public Sector.)
- 4 Representing Audit and Management Committees with the guidance where necessary.
- 5 Participating the Committee of Public Accounts (COPA) and Preparation and Submission of Treasury Reports to the Committee.
- 6 Coordinating Internal Audit Units (IAUs) and evaluate the performance of Internal Auditors.
- 7 Monitoring of management audit of development projects under the Ministries.
- 8 Conducting Special Investigations and special audit.

## **1.6. Appreciations and Rewards of the Department**

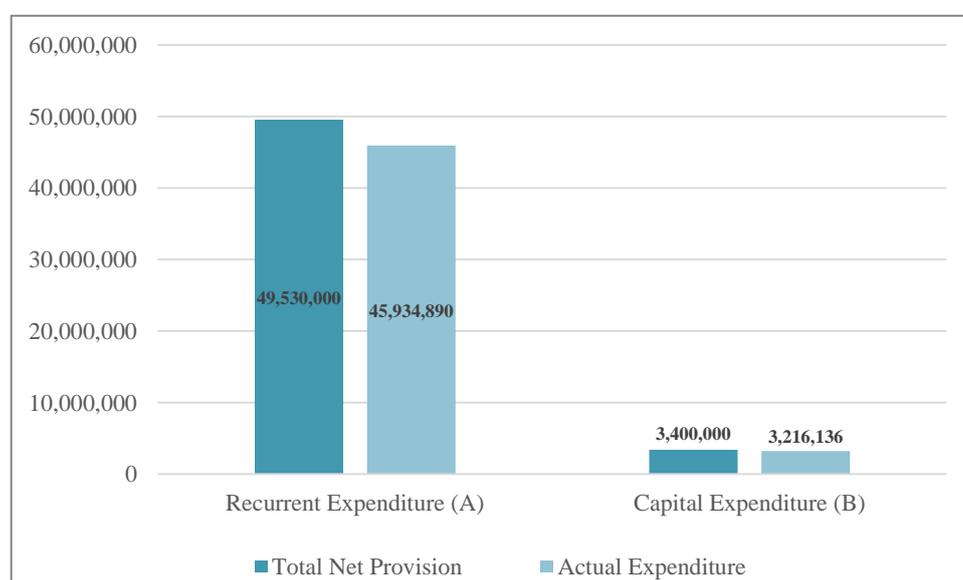
The Department of Management Audit was rewarded the Gold at National Awards Ceremony organized to recognize the state institutions with high level financial performance in 2016 by the COPA on 28.08.2018.

## 02. Financial Performance

Provisions have been made for this Department under the Head 324, Programme 01, and Project 01 by the Budget Estimates for the year 2018. The Estimate of 2017 was amended at the time of preparing the estimates for 2018.

The expenditures incurred out of the given provisions are as at 31.12.2018 follows.

Particulars of Expenditure	Annual Budgetary Allocation	Additional Allocation	Transfers as per F.R 66 & 69	Total Net Provision	Actual Expenditure	Remaining Provisions
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Recurrent Expenditure (A)	49,050,000	480,000	-	49,530,000	45,934,890	3,595,110
Personnel Emoluments	35,210,000		(210,000)	35,000,000	31,922,902	3,077,098
Other Expenses	13,840,000	480,000	210,000	14,530,000	14,011,988	518,012
Capital Expenditure (B)	3,400,000	-	-	3,400,000	3,216,136	183,864
2002 Machinery & Equipment	100,000		143,138	243,138	243,138	-
2003 Vehicle	300,000			300,000	162,157	137,843
2103 Machinery & Equipment	500,000		(143,138)	356,862	356,859	4
2401 Skills Development	2,500,000			2,500,000	2,453,983	46,017
<b>Total (A + B)</b>	<b>52,450,000</b>	<b>480,000</b>	<b>-</b>	<b>52,930,000</b>	<b>49,151,026</b>	<b>3,778,974</b>



## Advance to Public Officers 'B' Account

The details of the Advance 'B' Account of the Public Officers in this Department for the year 2018 are given below.

<b>Particulars</b>	<b>Approved Limit (Rs.)</b>	<b>Actual Expenditure (Rs.)</b>
Maximum Limit of Expenditure	4,500,000	3,659,455.40
Minimum Limit of Receipts	2,150,000	2,161,549.56
Maximum Debit Balance Limit	10,000,000	9,173,834.52

## 03. Physical Performance

### 3.1 Capacity Building of Internal Auditors

The Department of Management Audit has organized workshops to improve the subject knowledge to achieve the targeted objectives from Internal Audit and to provide updated information to Internal Auditors, Development Officers and Public Management Assistants attached to the IAUs under Ministries, District Secretariats and Departments.

The following workshops were conducted by the Department of Management Audit from 1<sup>st</sup> of January 2018 to 31<sup>st</sup> of December 2018.

Date	Workshop/ Programme	Targeted Group
07/08.03.2018	Workshop on Internal Audit for Development officers and Management Assistants attached to the IAUs	Officers attached to the Internal Audit Units in Matara, Hambantota, Galle and Monaragala District Secretariats
19/20.03.2018	Workshop on Internal Audit for Development officers and Management Assistants attached to the IAUs	Officers attached to the Internal Audit Units in Anuradhapura, Puttalam and Polonnaruwa District Secretariats
11.05.2018	Workshop on Inland Revenue Act No 24 of 2017 and Stamp duty	The Chief Internal Auditors and Internal Auditors attached to the Presidential Secretariats, Prime Minister's Office, Commissions, Ministries, Departments, District Secretariats and Provincial Councils Internal Audit Units
13.06.2018	Workshop on Current Trends and Nature of the Internal Audit	The Chief Internal Auditors and Internal Auditors attached to the Presidential Secretariats, Prime Minister's Office, Commissions, Ministries, Departments, District Secretariats and Provincial Councils Internal Audit Units

30.08.2018	Workshop on National Audit Act No 19 of 2018	The Chief Internal Auditors and Internal Auditors attached to the Presidential Secretariats, Prime Minister's Office, Commissions, Ministries, Departments, District Secretariats and Provincial Councils Internal Audit Units
15.11.2018	Workshop on CIGAS	The Chief Internal Auditors and Internal Auditors attached to the Presidential Secretariats, Prime Minister's Office, Commissions, Ministries, Departments, District Secretariats and Provincial Councils Internal Audit Units
20.12.2018	Workshop on Internal Audit for Development officers and Management Assistants attached to the IAUs	Officers attached to the Internal Audit Units in Kalutara, Gampaha, Colombo, Rathnapura District Secretariats

### **3.2 Strengthening the Internal Audit in Public Sector through Treasury Representation at Audit and Management Committees.**

According to the circular No DMA/2009(1) dated 09.06.2009, at least 04 Audit & Management Committees (AMCs) should be held in Ministries, Departments, Special Spending Units and District Secretariats yearly while 06 AMCs in Revenue Departments. As a Treasury Representative and a Committee Member, a staff officer of this department participates to the Audit and Management Committee Meetings in each Ministries, Departments, Special Spending Units and District Secretariats regularly. Staff officers of this Department participated to the Audit and Management Committees in all Ministries, District Secretariats, Special Spending Units and selected income and other departments in 2018 and the details are shown below. As a Treasury Representative and a Committee Member, the officers of this department supervised and guided the Audit and Management Committees in order to continue them effectively. They have actively participated to the AMCs for strengthening the Internal Audit Units in each Ministries and Departments and instructed to take necessary actions for specific issues raised by the Internal Audit Reports and Government Audit Queries.

The following table illustrates the details on AMCs conducted up to end of 31.12.2018, according to the provisions made under the Management Audit Circulars.

<b>No</b>	<b>Institution</b>	<b>Number</b>	<b>No. of Meetings Participated</b>
1.	Ministries	43	167
2.	District Secretariats	25	79
3.	Revenue Departments under the Ministry of Finance	04	21
4.	Other Departments	29	65
5.	Special Spending Units	10	27

### **3.3 Submission of Treasury Report to the Committee of Public Accounts (COPA) and meetings attended.**

When the government Ministries, Departments and Provincial Councils calls before the Committee of Public Accounts (COPA), the Treasury Reports are submitted in relation to each institution to the committee while representing by the Department of Management Audit.

The following table shows the attendance for COPA during the year 2018.

<b>No</b>	<b>Institution</b>	<b>No. of meetings attended</b>
1.	Ministries	05
2.	Departments	09
3.	Provincial Councils and Local Government Institutions	04
4.	District Secretariats	01
5.	Other	01
<b>Total</b>		<b>20</b>

### 3.4 Coordination of Internal Audit Units in the Public Sector and Performance Evaluation of Internal Auditors.

#### ➤ **Review the Internal Audit in Ministries – 2017/18**

With the objective of maintaining effective and efficient Internal Audit in public sector through the enhancement of performance in Internal Audit, it was started to review the Internal Audit in each ministries during the last quarter of 2017. However it was unable to complete the reviewing in 05 ministries and they were reviewed later. It was observed the following findings at the review and steps had been taken accordingly.

- Including recommendations for the enhancement of performance in Internal Audit Units, a Reviewing Report was submitted to all secretaries.
- Further improvements were sought for the followings
  - At the preparation of the Annual Audit Plan priority must be given to the activities in Annual Action Plan and conduct audit accordingly.
  - Made suggestions for further improvement of Agenda of the Audit and Management Committees by giving priorities to the actions/ activities in Annual Action Plan when preparing Annual Audit Plan.

#### ➤ **Review the Internal Audit in District Secretariats.**

A report including observations and recommendations had been submitted to the all District Secretaries and Chief Internal Auditors for stream lining Internal Audit in District Secretariats, after reviewing 24 offices in year 2018. In addition to that, another report had been submitted to the Director (District Secretariats) in this Department, stating following problems and issues.

- Problems and issues faced by the Chief Internal Auditors attached to the District Secretariats.
- Matters related to take policy decisions for the efficient functioning of Internal Audit in District Secretariats.
- Actions should be taken by the District Secretariats when organizing knowledge sharing workshops for Chief Internal Auditors by this department.

➤ **Review the Internal Audit in Ministries – 2018**

It was started to review the Internal Audit in Ministries during the final quarter of 2018 by considering the results gained at the review in Ministries 2017 in order to further expansion.

As a result of Cabinet reshuffle and subject allocations, changing of Secretaries to the Ministries and scope by several times, it was unable to complete the reviewing of Internal Audit activities in all Ministries at the end of year 2018. However the review of 07 ministries and 06 departments under respective ministries had been completed

➤ **Awareness Programmes for the Newly recruited Internal Auditors**

At the reviewing of Internal Audit activities in Ministries and District Secretariats, it was identified that the requirement of Awareness Programme for the newly appointed Chief Internal Auditors and Internal Auditors, on their basic duties and functions for smoothly carry out. Accordingly a workshop was conducted on 28 June 2018 with the participation of 22 Chief newly recruited Internal Auditors.

➤ **Coordination of the Programme Conducted by the International Monetary Fund for Strengthening of Internal Audit**

A study on procedures of Internal Audit in public sector, Sri Lanka, was conducted by the International Monetary Fund (IMF) to make recommendations for further improvements. As the apex body of Internal Audit in public sector, the Department of Management Audit provided required data and information while coordinating the Ministry of Health, Nutrition and Indigenous Medicine, Ministry of Education and the Ministry of Social Empowerment, Welfare and the Kandyan Heritage.

For the study of importance of Internal Audit findings and recommendations in the process of organizational decision making, the Department of Management Audit coordinated a special discussion with the Secretary to the Ministry of Higher Education and Highways.

## **3.5 Strengthening Management Audit in Development Projects**

### **3.5.1. Foreign Funded Development Projects**

To achieve the strategic objectives of an organization "Internal Audit" plays a significant role in project management. Accordingly, with the objective of strengthening internal audit in development projects, several steps have been taken by the Department of Management Audit.

By strengthening Internal Control in a development project, it could be achieved several benefits mainly predetermined objectives of the projects by assuring timely completion with an economical scale of the project's funds and delivering expected output to the beneficiaries.

As per the provisions in the National Audit Act and the Financial Regulations, the following actions have been taken by the Department of Management Audit for the improvement of Internal Audit in Foreign Funded Projects.

- It has been issued the 2/2016 Management Audit Circular to empower recruitment of Internal Auditors for each project.
- It has been issued a guideline on circular 1/2017 for formalization of internal audit of development projects.
- Conduct regular training programs for Project Internal Auditors to perform their duties in an effective and efficient manner.
- Provide necessary instructions and guidance in relation to the specific matters disclosed through the Internal Audit reports where necessary.
- Direct Chief Internal Auditors attached to the line Ministries for the involvement of Internal Audit activities in Foreign Funded projects less than USD 10 million.

## 3.5.2. Achievement of Targets – 2018

### 3.5.2.1 *Strengthening the Internal Control of Foreign Funded Projects*

In the process of strengthening internal control of Foreign Funded projects, issuing of a DMA circular 2/2016 was a remarkable step taken by the department of management audit. As a result, it could be recruited an Internal Auditor for each Foreign Funded Project over 10 million USD. Accordingly, 28 Internal Auditors have been recruited so far.

Apart from that, the following actions have been taken by the Department of Management Audit for the development of internal audit in Foreign Funded projects.

1. For the assurance of giving quantitative and qualitative contribution from Internal Auditors to Project Director and the Senior Management for achieving strategic objectives, the performance of Internal Auditors is reviewed at quarterly basis while conducting Special Progress Review Meetings based on issues and problems revealed for taking suitable solutions.
2. As an initial step for the formulization of Project Assets Management, a data base has been created on vehicles which are being used for Foreign Funded Projects and check and follow up whether the assets are formally transferring at the end of the Project period.
3. Update and improve the DMA/05 circular issued in relations to Foreign Financing Development Projects (final draft has been prepared).
4. Instructions and guidelines have been issued to the Chief Accounting Officers making aware of the independence of Internal Audit activities, power and authority and the independence in consultancy of Project Internal Auditors at conducting Project Internal Audit.
5. Direct Chief Internal Auditors of line ministries to conduct the internal audit in Foreign Funded projects less than USD 10 million and follow up the progress of Internal Control in each project.

### **3.5.2.2 *Project Special Investigation***

It had been completed the following special investigation by this department.

- Misuse of vehicles in the Colombo South Harbor Development Project.

## **3.6 Special Investigations and Audit**

### **3.6.1. Special Investigations**

The complaints received to the Hon. Minister of Finance and the Secretary to the Ministry are forwarded to the Department of Management Audit for investigation under the delegated authority by the Secretary to the Ministry of Finance. Then the reports on respective investigations are forwarded to the Secretary of the relevant Ministry or to the Head of the Institution for necessary actions, as per the instructions given by the Secretary to the Treasury in order to take necessary actions and avoid future irregularities.

Accordingly, the Department of Management Audit has completed 18 investigations during the reported period in 2018 while another 11 investigations are being carried out.

## Special Investigations completed as at 31 December 2018

No.	Institution	Investigation
1	The Department of Posts	The corruptions of all post offices.
2	The Department of Posts	Fraud of the postal department and the poor administration and misused of money at Anuradhapura Postal complex.
3	National Science Council	The misuse of public money
4	Lankaputhra Development Bank	The financial frauds and irregularities occurred at Hambanthota Lankaputhra Branch.
5	University of Sri Jayawardhanapura	Regarding frauds and Corruptions of the Registrar
6	Ministry of Rehabilitation	The frauds and corruptions of the Ministry of Rehabilitation and Resettlement
7	Colombo Harbor Project	Regarding the imported vehicles for the Project
8	Ceylon Fishery Harbors Corporation	Misuse of Public money
9	Department of Inland Revenue	Removal of Business Income Tax files to be paid at Regional Income Office, Kegalle
10	Sri Lanka Standards Institute	Getting vehicle allowances by the unauthorized officers
11	Department of Sri Lanka Customs	Under value of vehicles
12	Excise Department	Regarding the Chief Excise officers
13	Kotmale International Training Institute	Corruptions and frauds and misuse of public money
14	Ministry of City Planning and Water Supply	Corruptions and Irregularities
15	Railway Department	Improper payments made by the Railway Accountant
16	Sri Lanka Inland Revenue Department	Acting violating rules and regulations
17	Sri Lanka Customs	Regarding the investigation of 03kg of gold
18	Ministry of state infrastructure and Rural Development	Misuse of Treasury money without proper procurement procedures.

## Investigations have been continued up to 31 December 2018

No	Institution	Investigation
1	Department of Posts	Irregularities at Jaffna Office
2	Sri Lanka Inland Revenue Department	Regarding the Senior Assistant Commissioner of Investigation Unit
3	Private Health Regulatory Council	The Complaint of misuse of public money and delinquent taxes
4	Sri Lanka Customs	Court Case No – AR-82/2017(B)193/(17) Custom File No – CIB/INV/108/2016
5	Ministry of Health	Corruptions of Deputy Director General (non infectious diseases)
6	National Water Supply and Drainage Board	Fraudulently obtaining of Motor Vehicle Permit without completing active service
7	Ceylon Fisheries Corporation	Reporting the corruptions of Ceylon Fisheries Corporation
8	Railway Department	Nonpayment of government contribution of Government Employees property Loan
9	Department of Posts	Fraudulently unrevealing of Millions of finance frauds in Postal Department and failure to take disciplinary actions
10	The National Aquatic Resources Research and Development Agency (NARA)	Due to the current decline of NARA as the result of weaknesses of the management and administration
11	Sri Lanka Standards Institute	Recruitment of Disqualified officers violating recruiting process and giving special privileges

Even though it was unable to complete some of these investigations most of them are in the final stage of investigations.

### 3.6.2. Special Audit

#### Special Audit on Advance “B” Account for Public officers

A special audit was done on Advance “B” Account for Public officers on unsettled debt balances for a long time by the Department of Management Audit.

As an initial step for this special audit, a data base was created covering 155 Advance “B” accounts in 2017, according to the received details to the Department of Public Finance by Ministries, Departments, Special Spending Units and District Secretariats.

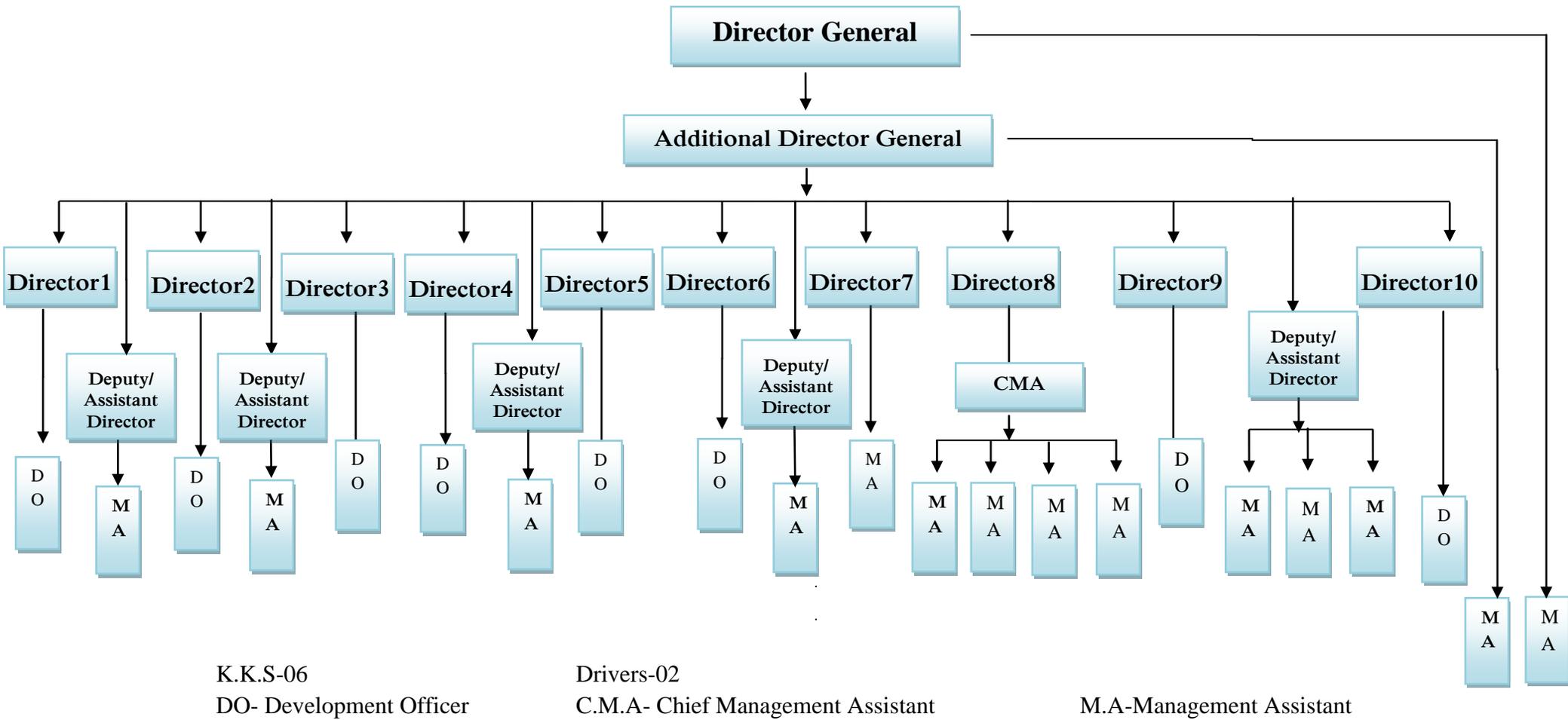
After that, letters were sent to the respective authorities by inquiring the steps had been taken to recover the outstanding balances more than three years. Having observed gathered information, all Chief Accounting Officers (CAOs) were informed to write off unsettled loan balances not exceeding Rs. 10,000/- (Rupees Ten Thousand) according to the provisions made under the Circular No.369 on or before 31.12.2018.

Following table shows the responses given by 66 institutions for the inquiry made by the department.

<b>Description</b>	<b>Amount (Rs.)</b>
Settled Loan Balances	8,565,275.59
Loan Balances under legal actions	13,231,307.34
Loan balances approved and to be approved for write off	5,649,573.10
Loan balances are being recovered at installment basis	6,962,669.04
Loan balances unrecovered due to Disciplinary actions	900,242.54

## 04. Management of Human Resources and General Administration

### 4.1 Organizational Structure of the Department as at 31.12.2018



## 4.2 Office cadre

As a result of scope expansion of this department, according to the provisions made under the National Audit Act and the recommendations of Committee of Public Accounts (COPA), 02 posts of Directors have created by suppressing 02 posts of Deputy/ Assistant Directors of this department. The approval for above cadre amendment was given by the Letter No. DMA/1160/II dated 03.08.2018 by the letter of Management Services Department.

### Cadre as at 31.12.2018

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

### 4.3 Staff Training and Skills Development in 2018

#### 4.3.1. Foreign Training Opportunities in 2018

No	Name	Post	Duration	Training	Country
1.	Mrs. M.A.K.P. Wijewantha	Director	16.01.2018 - 23.01.2018	International Programme on Management Auditing for the Public Sector International Auditors at Open University of Malaysia	Malaysia
2.	Mr. W. Wimalasena	Director	16.01.2018 - 23.01.2018	International Programme on Management Auditing for the Public Sector International Auditors at Open University of Malaysia	Malaysia
3.	Mr. H.M.S. Dharmawardane	Director	16.01.2018 - 23.01.2018	International Programme on Management Auditing for the Public Sector International Auditors at Open University of Malaysia	Malaysia
4.	Mr. W.M.D. Wijebandara	Assistant Director	16.01.2018 - 23.01.2018	International Programme on Management Auditing for the Public Sector International Auditors at Open University of Malaysia	Malaysia
5.	Mrs. B.T.N. Mali	Assistant Director	16.01.2018 - 23.01.2018	International Programme on Management Auditing for the Public Sector International Auditors at Open University of Malaysia	Malaysia
6.	Mrs. K.P.G.U. Kariyawasam	Assistant Director	16.01.2018 - 23.01.2018	International Programme on Management Auditing for the Public Sector International Auditors at Open University of Malaysia	Malaysia

7.	Mr. W.M.D. Wijebandara	Assistant Director	25.02.2018 - 04.03.2018	Workshop on Implementing Sustainable E- Government Solutions	Singapore
8.	Mrs. S.A.C. Kulathilaka	Director General	20.06.2018 - 23.06.2018	ACIIA 1 <sup>st</sup> Regional Forum for Public Sector Internal Auditors	Philippine
9.	Mrs. R. Colomboge	Director	10.07.2018 - 30.07.2018	2018 Seminar South - South Cooperation for Developing Countries	China
10.	Mrs. J.H. Fernando	Deputy Director	12.08.2018 - 19.08.2018	Programme on Planning, Implementation, Monitoring & Evaluation	Malaysia
11.	Mr. A.N. Hapugala	Director	02.09.2018 - 09.09.2018	International Programme on Management Auditing for the Public Sector Auditors	Malaysia
12.	Mr. M.R.G.A.B. Muthukude	Director	02.09.2018 - 09.09.2018	International Programme on Management Auditing for the Public Sector Auditors	Malaysia
13.	Mrs. V.I. Dilhani	Deputy Director	02.09.2018 - 09.09.2018	International Programme on Management Auditing for the Public Sector Auditors	Malaysia
14.	Mrs. S.A.C. Kulathilaka	Director General	09.09.2018 - 14.09.2018	2018 Asian Evaluation Week - Making Evaluation work at Country Level	China
15.	Mrs. G.A.G.T. Ganepola	Assistant Director	09.09.2018 - 19.09.2018	Diploma in Public Procurement and Contract Administration (Partial Fulfillment – 02 <sup>nd</sup> country visit)	Japan
16.	Mr. S.P.M.D. Wijewardane	Development officer	09.09.2018 - 27.09.2018	2018 Seminar on Paperless Trade and Cross-border E-Commerce for Asia-Pacific Countries	China
17.	Mrs. W.K.P.H.N.S. Rodrigo	Development officer	09.09.2018 - 27.09.2018	2018 Seminar on Chinese Language for officials from Developing Countries	China

18.	Mr. W. Wimalasena	Director	02.11.2018 - 15.11.2018	2018 Seminar on Trade Promotion of Asia Countries II	China
19.	Mrs. H.M.P.C. Kumarihamy	Director	26.11.2018 - 30.11.2018	Shanghai International Program for Development Evaluation Training (SHIPDET)	China

#### 4.3.2. Local Training Opportunities in 2018

No	Training / Session	Conducted by	Date	Participant's Name & Designation
1.	Basic Training for Tamil Language	Department of Official Languages	Every Tuesdays for 06 months from 16.01.2018 (03 hours)	Mr. D.T. Chandima (Public Management Assistant)
2.	Basic Training for Tamil Language	Department of Official Languages	Every Tuesdays for 06 months from 16.01.2018 (03 hours)	Mrs. M.G.N.S. Meegasmulla (Development Officer)
3.	Basic Training for Tamil Language	Department of Official Languages	Every Tuesdays for 06 months from 16.01.2018 (03 hours)	Mr. M.D.R.P. Suranga (Office Employee Service Assistant )
4.	Basic Training for Tamil Language	Department of Official Languages	Every Tuesdays for 06 months from 16.01.2018 (03 hours)	Mr. O.K.T. Thilanka (Office Employee Service Assistant )
5.	The seminar for 2 <sup>nd</sup> Efficiency Bar Examination	SDFL	07 - 06.01.2018	Mrs. W.K.P.H.N.S. Rodrigo (Development Officer)
6.	Project Management & Proposal Writing	MILODA	29 - 30.01.2018	Mrs. W.K.P.H.N.S. Rodrigo (Development Officer)
7.	Project Management & Proposal Writing	MILODA	29 - 30.01.2018	Mrs. M.D.S.S. Weerasingha (Development Officer)
8.	Project Management & Proposal Writing	MILODA	29 - 30.01.2018	Mr. J.P. Mudalige (Public Management Officer)

9.	Financial Regulations in the Public Sector	MILODA	07 - 08.02.2018	Mrs. K.A.I. Mayadunna (Chief Public Management Officer)
10.	Financial Regulations in the Public Sector	MILODA	07 - 08.02.2018	Mrs. M.A. Kusumalatha (Public Management Officer)
11.	Computerized Government Payroll System	MILODA	26 - 28.02.2018	Mrs. M.W.A. Shanthamali (Public Management Officer)
12.	Training on 1st Efficiency Bar Examination for the Public Management Assistant Services	District Secretariat, Colombo	04 - 14.09.2018	Mrs. W.A.P.D. Withanarachchi (Public Management Assistant)
13.	Public Speaking Skills	MILODA	26 - 28.09.2018	Mrs. H.M.P.C. Kumarihamy (Director)

## **05. Planned Activities for the year 2019**

### **1. Updating and Issuing of Guidelines for Internal Audit**

1. After the establishment of Department of Management Audit, seven guidelines had been issued in relation to Internal Audit. It was noticed that the timely need of amending these guidelines and it is expected to issue following amended guidelines during 2019.

(i) The amended guidelines for Circular No DMA / 2009 (1) dated 09/06/2009. (This Circular have been already issued - Circular No DMA/01-2019 dated 12.01.2019)

(ii) The Amended Internal Audit Guidelines for Circular No DMA/2010(5) for Foreign Funded Projects

2. With the objective of functioning Internal Audit in more effective manner and having a uniformity system in Internal Audit, it was intended to introduce following guidelines and check lists.

#### **❖ Issuing New Guidelines**

- i. Introducing a new guidelines for Conducting Special Investigations
- ii. Introducing a guideline for conducting Internal Audit in District Secretariats
- iii. Introducing guidelines for a System Audit, based on Computer related programmes

#### **❖ Issuing Check Lists**

- i. Check list for Vouching
- ii. Check list for Personal files audit
- iii. Check list for Government Payroll System (GPS)

## **2. Strengthening Internal Audit in Provincial Councils & Local Governments**

Although the Department of Management Audit has been actively involving for strengthening the Internal Audit in Ministries, Departments, Special Spending Units and District Secretariats currently, the department does not engage in Internal Audit of the Provincial Councils & Local Governments. But, the treasury provides allocations/ imprest for Capital and Recurrent expenditures of these institutions annually at a large amount. In addition to that, large sums of their own money are being spent by the Provincial Councils and the Local Governments for Capital and Recurrent expenditure also.

Therefore the requirement of strengthening Internal Audit in these institutions has been shown by the COPA and the instructions have been given to the respective institutions by the DMA for formulating suitable process and procedures.

With the aim of strengthening the Internal Audit in the Provincial Councils and the Local Governments during the year 2019, the following activities have been planned.

1. Preparing a data base on Internal Audit Units in the Provincial Councils and the Local Governments
2. Organizing training workshops on Internal Audit for Local Government authorities

### **3. Prepare a Follow-up system for Internal Audit Reports.**

As stated in section 40(3) of National Audit Act, copies of all reports submitted by the Internal Auditors, should be forwarded to the Department of Management Audit. Accordingly it has been planned to implement a follow-up system for reviewing observations raised in their reports in relation to respective institutions.