

Department of Provincial Audit

1. History and Background

The Eastern Provincial Audit Department was established in the year 2007 after formation of the EPC and now it is located in Trincomalee. The Department scheduled under the Chief Secretary Secretariat was headed by the Comptroller and Chief Auditor.

With a view to strengthening the Department and to carry out audit of EPC Departments located outside the Trincomalee District effectively and within the target date, Regional Audit Office was established in 1998 in Kalmunai to attend audits of all EPC institution in Batticaloa, Kalmunai & Ampara. This office is headed by a Deputy Chief Auditor.

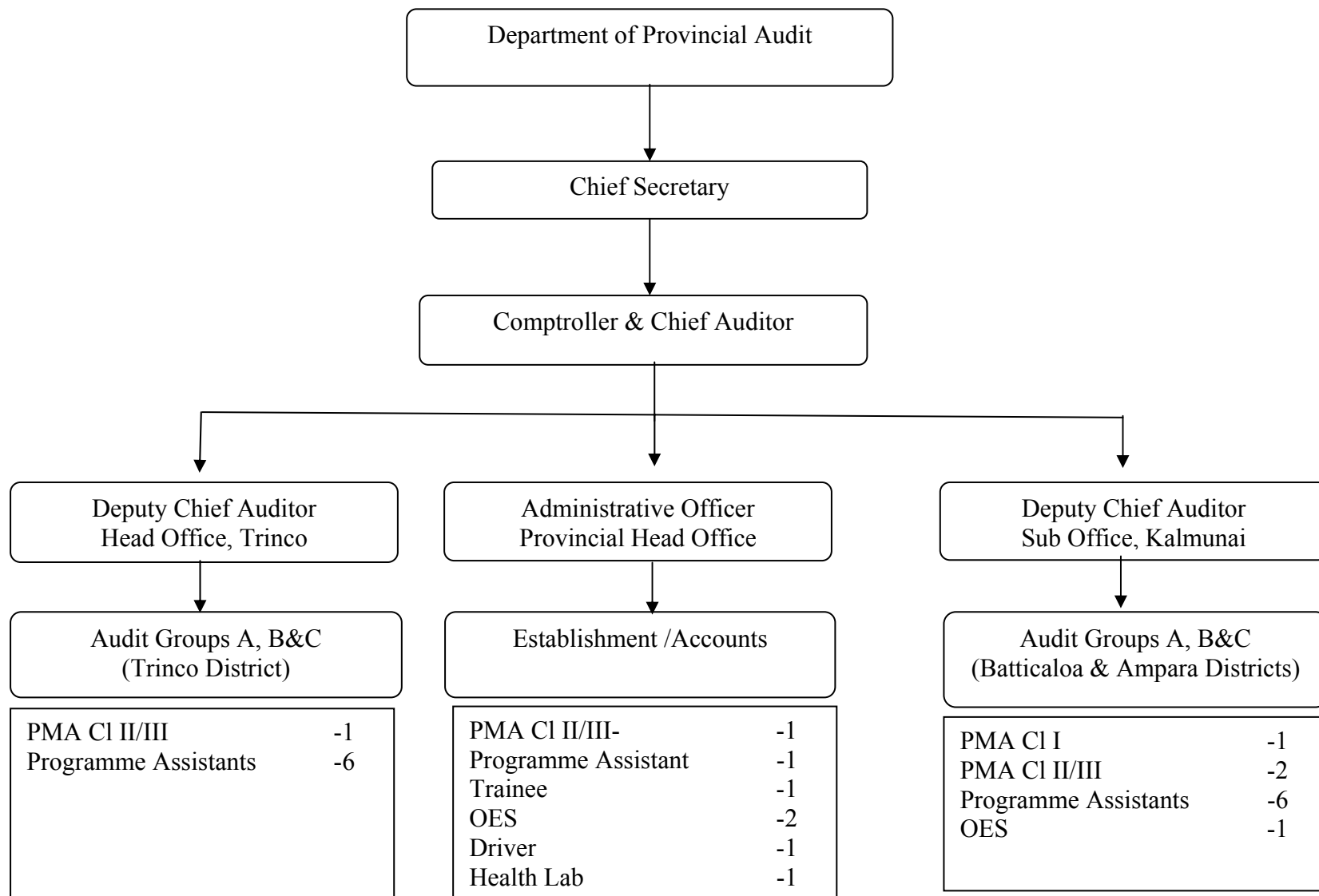
1. a. Mission

Review of Accountability of all arms of the EPC, ensuring probity and propriety for efficiency, effectiveness and economy in financial management as a whole

2. Human Resource

Categories of Staff	Cadre Position	Cadre Requirement	Approved Care	Cadre Vacancies
1. Chief Internal Auditor	1	1	1	0
2. Deputy Chief Auditor	2	2	1	1
	(1-contract)			
	(1-Act.)			
3. Administrative Officer	1(contract)	1	0	0
4. Management Assistant	5	11	4	6
5. Programme Assistant	12	13	13	1
6. Data Entry Operator	0	1	0	1
7. Driver	1	1	1	0
8. Watcher	0	1	0	1
9. OES	3	3	2	0
10. Health Labourer	1	1	0	0
Total	26	35	22	10

3. Management Arrangement Chart



04. General Administration

4.1. Appointments

The following two officers were appointed to the under mentioned posts during the year under review.

No	Name	Post	Date of Appointment
01	Mr.P.Thambirajah, Rtd. Suptd. of Audit	Deputy Chief Auditor	01.09.2007
02	Miss.T.Vijayanjini	Trainee	25.04.2007

4.2. Transfers

Incoming Officers

The following officers were transferred out from other Departments to the Provincial Audit Department during the year 2007.

No	Name	Post	Transferred out from	Date
01	Mr.K.Mayurakirinathan	Accountant SLAcS Grade-I	Ministry of Health EPC	19.02.2007
02	Mr.S.Sriskantharajah	Accountant SLAcS Grade-I	Provincial Treasury EPC	01.09.2007
03	Mr.T.H.Osman	OES-III	Department of Industries - EPC	09.07.2007
04	Mr.T.Thiyagarajah	OES-I	Regional Commissioner's Office Ampara	03.10.2007

4.3 Out Going Officers

The under mentioned Officers were transferred out from the Provincial Audit Department during the year 2007

No	Name of the Officer	Post	Transferred to	Date of Transfer
01	Mr.K.Mayurakirinathan	Deputy Chief Secretary	Provincial Treasury	31.08.2007
02	Mr.E.Shanmugathan	MA-I	Motor Traffic Department	16.03.2007
03	Mr.M.U.M.Safeek	P.A.	Planning Department	07.09.2007

5. Management Organizational Resource

5.1. Land & Building

Institution	Available Land	Building						
		Square Occupied sq.ft.	Own Building Sf.ft./No.	Rent Building sq.ft./Nos.	Additional Space sq.ft.	No.of other Quarters	No.of other Quarters	Store Space
Provincial Audit Department	7250 Sq.ft.	4400 Sq.ft.	2550 Sq.ft.	-	-	-	-	-

5.2. Vehicle

Institution	Car	Pick-up	Jeep	Three Wheeler	Lorry	Bicycle	Heavy Vehicle	other
Provincial Audit Department	1 (condemned) Action taken for Disposal of the vehicle.	1	-	-	-	-	-	-

5.3. Furniture

Institution	Table		Chairs		Almyrah		Others	
	Available	requirements	Available	requirements	Available	requirements	Available	requirements
Provincial Audit Department	16+3*	-	25+5 #	-	6 (steel)	-	3 (Cabinet Steel)	

* Computer Table

Computer Chair

5.4. Equipment & Machinery

Institution	Computer	Photocopier	Printer/Roneo	Typewriter	Telephone	Fax	Generator	Any other
Provincial Audit Department	3	1	2	2	2	1	-	1 Water Dispenser

06. Financial Performance

- Capital

Source of Fund	Amount Allocated	Amount Released	Amount Spent	Indicator Percentage on released funds
CBG	251,000	250,000	243,856	97%

- Recurrent Expenditure

	Amount Allocated	Amount Released	Amount Spent	Indicator Percentage on released funds
1. Personal Emoluments	11,698,000	5,300,000	5,832,432	100%
2. Other Expenditure	1,144,000	1,040,000	1,000,114	99%

07. Human Resources Development

7.1. Special Training given on capacity strengthening.

S.No	Name and Service	Field / Subject Areas	Duration
1	Mr.T.Namithas P.A.	Computer Training on CIGAS	Jan. 31 st –Feb. 06 th
2	Mr.S.Prasath P.A.	Certificate course in Productivity and Quality improvement	April 27 th ,28 th & 29 th
3	Mr.V.Chandrabawan-P.A.	Introduction Training for Programme Assistants.	June 04 th – 08 th
	Mr.M.U.M.Safeek- P.A.		
	Mr.S.Prasath- P.A.		
4	Mr.S.Sasitharan- P.A.	Introduction Training for Programme Assistants.	June 18 th -22 nd
	Mr.V.Pradeepan- P.A.		
	Mr.V.Premachandran-P.A.		
5	Mr.P.Sivalingam-OES	Training on Office Administration.	July 11 th
6	Mr. S.Sasitharan- P.A	Training Programme of Basic Accounts to Programme Assistants(Finance)	Aug. 20 th -22 nd & 29 th -31 st
	Mr.r.Shrieswaran- P.A		
	Mr. V.Premachandran-P.A.		
7	Mr.V.Chandrabawan-P.A.	Training Programme of Basic Accounts-Phase I&II	Oct. 10 th -12 th & 17 th -19 th
	Mr.T.Namithas P.A.		
8	Mr.V.Chandrabawan-P.A.	Computer Training on Pay Roll	Oct. 24 th -28 th

7.2 Motivation given to Staff

Every step has been taken to strengthen the audit skill of the staff attached to this Department. They were commended for their good performance after due evaluation and appraisal.

7.3. Innovative actions Introduced / Experience gained.

- (a).Submission on Annual Status Report to Hon. Governor and the Chief Secretary with information of the performance of Provincial Audit during the year of report and the position of Audit Queries and Reports issued as at the end of the year of report.
- (b).Detected weakness in the system of internal control, accounting systems and procedures and pointed out such defects to Heads of Department through queries and reports.

08. Achievement

8.1. Focal Activities

Continuous audit, of various accounts.

8.1.1. Accounts Involved

1. Appropriation Accounts.
2. Advance to Public officers' Accounts.
3. Bank Reconciliation.
4. Deposit Accounts.
5. Imprest Accounts.
6. Revenue Accounts.
7. Surcharge Accounts.
8. Advance Accounts.
9. Final Accounts Audit.

8.1.2. Audit Function in Brief

1. Taking-Over of paid and receipts vouchers
2. Examination of paid vouchers with connected documents
3. Examination of Receipts vouchers with connected documents
4. Examination of the Accounts mentioned in para 4.1.1 above
5. Submitting of periodical and special reports as and when requested or necessity has arisen

8.1.2. Major Areas of Audit Function

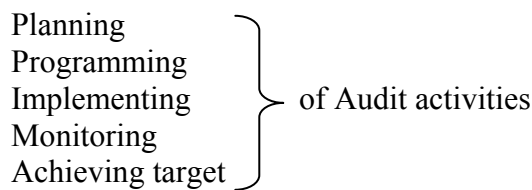
- i. Inventory Control
- ii. Stores Control
- iii. Utilization of resources/ Idle & under utilization of Labour ,Material and Equipments
- ix. Non Compliance with laws, Rules Regulation, Etc,
- x. Delays in projects
- xi. Utilization of fund granted for Provincial Development activities by NGOs.

- iv. Efficiency /Economic/Effectiveness
- v. Un reconciled Control Accounts
- vi. Major variations against budget
- vii. Extravagant Expenses
- viii. Misappropriation of Fund
 - Misuse of fund
 - Fraud / Losses Malpractices
 - All type of defects/ Lapse/ irregularities.
- xii. Field Inspection which necessary to evaluate the satisfactory completion of Buildings / Programms etc.
- xiii. Accounting deficiencies.
 - Inappropriate disclosure
 - Omission in the Accounts
- xiv. Misuse of powers / function
- xv. Deviation from the objective of Auditee Institution.

8.1.3. Auditee Institutions to be audited.

- Chief Secretary’s Secretariat
- Ministry of agriculture live stock Inland fisheries and lands
- Ministry of Education Cultural Affairs and Sports.
- Ministry of Health and Indigenous Medicine
- Ministry of Local Government, Co-operative and Industries.
- Ministry of Rehabilitation. Both Head Office and Sub Offices of all Ministries, Departments and Sub Offices in all three districts in EPC including Pradeshaiya Sabhas, Urban Council and Municipal Council’s in the EPC.

8.2. Tasks



In order to review of accountability of all arms of the EPC, ensuring probity and propriety for efficiency, effectiveness and economy in financial management as whole-detection / prevention of all type of losses, frauds, maladministration, lapses, defects/ irregularities and also functions as an aid to management and part and partial of the internal control of EPC.

8.3. Target

Carry – out continuous and periodical audit of accounts, records, documents and paid & receipts vouchers etc. of the EPC and submits the periodical and special reports during the course of the year and even after th end of the year before March, April of the ensuring year.

Submit an Administration Report Comprising of highlights of performances arisen from audit findings and detections.

Reports furnished on the Investigation carried-out on the request of secretary to Hon-Governor, Secretaries to Ministries and Head of Department.

Status Report classifying the audit observations made and the reply to audit findings and present position

8.4. Achievement

8.4.1. Audit Queries and Special Reports issued and remaining un-settled audit queries were followed up.

Outstanding Audit Queries

The position of outstanding audit queries was discussed at each an every Progress Review Meeting had with the Audit Management Committee held during the year under review. It was however observed that many Ministries and Departments did not possess a correct and complete position of outstanding queries at any time. The schedule of Audit Queries raised, settled and outstanding as at 31.12.2007 in summary is as follows:-

At the Audit Management Committee Meeting held, special discussions were had with the top management and number of queries was settled.

(i) Audit Queries Raised up to 31-12-2007: Head Office, Trincomalee

Ministries & Departments	Outstanding as on 31.12.2006	Queries raised during 2007		Queries settled & Dropped	unsettled as on 31.12.2007
		No. of issues	No .of Audit Paras		
Chief Secretary's Cluster	01	-	-	-	01
M/Agriculture, Lands & Irrigation	17	10	13	05	22
M/Education, CA& Sports	22	03	03	05	20
M/Health	52	16	55	15	53
M/PPA, LG & Co-op	39	06	53	05	40
M/RR, SW & Buildings	07	01	01	03	05
Total	138	36	125	33	141

(ii) Regional Audit Office: Kalmunai

Regions	Outstanding as on 31.12.2006	Queries raised during 2007	Settled	Queries remaining unsettled as on 31.12.2007
Kalmunai	131	66	103	94

9. Constraints and Issues for the development of the sector and institution.

1. Development of the officers' English language skill.
2. Provide training facilities in CIGAS and Pay Roll systems.
3. Provide training in the field of accounts, administration and the auditing.
4. Promote the computer literacy among all staff of the Departments.
5. Provide facilities to awareness of all arms of the EPC activities among the office Staff

9.1 Strength and Weakness

9.1.1 Problems and Constraints

The major problem faced by this department is in adequate staff. Total approved and present living cadre are 22 and 26 respectively Required minimum cadre is 35. Individual applications under FR.71 had already been recommended by the Chief Secretary and forwarded to the Department of Management Service, Colombo for approval to the required minimum cadre.

Necessity for competent Senior Audit Staff.

Emphasize the necessity for Audit Staff with adequate knowledge and experience in financial management in particular for auditing functions. A proper, regular, system of training in the field of financial and auditing is needed.

Bad effect of Audit Staff from transferable service.

Considering the importance of independence to staff engaged in audit, it is aptly felt to have a separate non-transferable staff for Internal Audit Service. This is because, the staff being transferred to this department are incompetent in auditing function on the one hand, and when they are given on-the-job training, they are transferred to other departments on usual course on the other, leaving this department in the lurch. The staff engaged now on direct audit services belong to the PPMA Services which impairs their independence. This situation necessitates creation of Provincial Audit Service to nurture and upkeep qualitative audit staff for independent efficient service.