

Auditor General's Department
306/72,
Polduwa Road,
Battaramulla.

To all the officers

Issue of the reports of foreign aid project on due dates

It is hereby emphasized that carrying out audit of the accounts relating to the foreign aid projects in compliance with the Terms of Reference of the agreements entered into with those foreign agencies and forwarding the reports before the scheduled dates is an essential matter and I would like to point out that under the circumstance which may resulted in the cancellation or suspension of the aid due to the delay in for wading the reports, the Auditor General's Department may subject to criticisms and the reputation of the Department may severely tarnish.

It is pointed out that the action should be taken to engage in the audit activities as specified below in order to avoid the above situation.

1. Immediately after the completion of the audit activities of the preceding year, (Within the period from the month of July to December) field inspections should be carried out by taking into consideration the payment vouchers checking and the observations of the previous audits and the audit queries should be issued thereupon. Information should be collected for the preparation of the Management Report according to the replies given therefor.
2. Having collected the information on the quarterly performance up to December of that year, the expected progress and the actual progress of the project should be compared and the delays, if any, the reasons therefor should be established by means of audit queries.
3. The payment vouchers (up on the selected samples, if required)up to December of that year should be examined and having examined the utilization of local funds, direct reimbursement, and replenishments and having issued the audit queries relevant thereto, observations should be established.

4. In case of delays in the receipt of accounts, the Chief Accounting Officer should be informed in writing that the action should be taken to provide the accounts within the prescribed periods in terms of the conditions set out in the agreements.
5. Subsequent to the receipt of the accounts, a Management Report inclusive of the particulars referred to in the paragraphs 1,2 and 3 above should be drafted according to the relevant Circular guidelines and after the receipt of the accounts the drafted Management Report including the accounting deficiencies should be furnished to the Chief Accounting officers before 30th April.
6. After receiving the comments of the management, a credibility can be built up for the audit observations and if required, the Management Report including those comments (consensus) and with the amendments, should be issued before 20th May.
7. The draft of the final report can be issued to the Chief Accounting Officer that day itself by giving maximum period of 10 days for expressing comments and the copies of the covering letter should be sent to the Secretary to the Treasury and the Director General of the External Resources.
8. After receiving the comments, the final audit report should be furnished to the Auditor General for the approval before the 10th June.
9. Notwithstanding the delays in the receipt of accounts reports, an attempt should be made to send the reports by expediting the audit process and the evidence should be collected to establish the fact that we are not responsible for the delays.

I would like to emphasized that the Superintendent of Audit is responsible for taking action by giving priority to complete the audit activities and present the final report within the relevant period.



Gamini Wijesinghe
Auditor General