

## **HISTORY OF THE AUDITOR GENERAL'S DEPARTMENT**

This Department established in the year 1799 and titled Auditor General's Department at present, completes 217 years this year (2016).

The Auditor General's Department is the Supreme Audit Institution mandated to conduct the audit of the Public Sector in Sri Lanka. The word Audit is derived from Latin "Audire" which means to hear. In the olden days, the accuracy of the transactions or the accountability had been determined by orally questioning the officers in charge of transactions relating to money and goods and accounting thereof.

The accountability concept is nothing new or unfamiliar to Sri Lanka. There is enough historical evidence in support that the Sri Lankans who are the heirs to a proud history of several centuries long, had actually practiced accountability and audit. The search for the audit practices that prevailed in Sri Lanka should appropriately be done under the following two major environs.

- (a) Auditing in the ancient Sri Lanka
- (b) Auditing in the modern Sri Lanka

### **Auditing in the Ancient Sri Lanka**

During the period Sri Lanka, a country with a proud history built-up over 2,500 years, and governed by kings, had maintained a system of financial control comprising collection of revenue, utilization, accounting for and examination. The modern examination process called examination of transactions, examination of accounts or audit had been in existence in the past. The following evidence support such position.

King Mihindu IV is considered the last Great King of the Kings who ruled Sri Lanka during the Anuradhapura period. The following matters are engraved in the Mihintale stone inscriptions made on his instructions during the Tenth Century A.D. (1015 – 1031 AD)

- (i) Payments to employees of Aranyaya
- (ii) Need for accounting
- (iii) Maintenance of Registers of Revenue and Expenditure
- (iv) Preparation of Monthly and Annual Accounts
- (v) Security of Accounting Records
- (vi) Read out Accounting Statements in the presence of Maha Sangha
- (vii) Mete out punishment to suit deficiencies revealed.

Lines 54 to 58 of the Inscription support the above

54 Kam-tan-samangin pasak vana seyin a-kala tuvak pas-pot-hi liyaviya yutu maha-pa-vatat  
isa  
55 labanuvanat isa kam-navamat isa davas-pata viyavu tuvak pas-pot-hi liyava kam-tan-sa-  
56 -mangin atvatu karay san-otamana-vun sanin patavay mundu-karanduyehi taba mas mas  
pata me  
57 atvatu pala ek atvatu kot havuruduyehi dolos atvatuyen havurudu avasanhi lekam  
58 karay sang-manda janva nimaviya yutu me sirit ikut kamiyan ge-dand gena meheyin  
hariya yutu.

11 Whatever is spent daily on the maintenance of the Maha-pa on revenue collections and on the renovation of works shall be entered in the register. (From the particulars contained therein) a statement of accounts shall be made with the concurrence of (those at the respective) places of business, and such entries as are found false shall be expunged from the account. The sheets of accounts shall (then) be placed in a casket under lock (and key). Every month the sheets of accounts (so deposited) shall be made public and a (fresh) statement of accounts be prepared from them. From the twelve statements of accounts (so made) during the year, there shall be compiled a balance sheet at the end of (each) year, which shall be read out in the midst of the community of monks and be (thus finally) disposed of. The employees who infringe these rules shall be made to pay ge-dand fines and be dismissed from the service. (Epigraphia Zeylanica Volume I – Don Martino de Zilwa Wickramasinghe Revision 1904-1912)

Lines 25 to 30 of the Mihintale Inscription provide evidence that procedures similar to those used by the present day Auditors for obtaining audit evidence existed even in the ancient days.

“ 25 hot-meheya no tibiya yutu hariya yutu kamiyan lekam karanavu dayak gena  
hariya yutu mundu-kara-  
26 -ndu kem-tan kamiyan hasin has-kot dage kamiyan pasakin da-gehi tibiya yutu  
me veheri yut  
27 kamiyan-keren veherat kamin anoba-giya kenekun-mut tana siti kamiyan-keren  
vat ona ta-  
28 -na isa sal ganna tane isa perevaru hambu-bat sahana tana isa tun janaku-keren no  
unuva pa-  
29 -saka sitiya yutu At-veher dage pilibad kavari vatakud pirul no diya yutu kamiyan  
vikinij  
30 no gata yutu meheya bad minisun kamiyan tumanat mehe no gata yutu anoba  
meheyat no diya yutu”

“Caskets furnished with locks shall be deposited in the relic house in the presence of the officials of the relic house with the seal of the officials at the place of business duly stamped on them. Apart from the case of any one of the official of this vihara going not on vihara service, there shall (always) be in attendance not less than three persons from amongst those employed at (each of the following places, namely) the pay-office, the place where raw rice is received and at the place, where in the afternoon boiled rice and gruel are accepted (by monks).

Nothing whatever belonging to the relic-house at At-vehera shall be lent out or be purchased if offered for sale by the officials”

**(b) Auditing in Modern Sri Lanka**

The modern Auditing period of Sri Lanka commenced in the year 1799, that is, soon after the annexation of Sri Lanka, then Ceylon by the British Empire. Three years after the annexation of the maritime regions of Ceylon from the Dutch by the British in the year 1796, Mr.Cecil Smith, a British citizen, had been appointed as the Auditor General. He was appointed as the Accountant General and Auditor General on 24 January 1799. A

part of a letter written on 27 October 1798 by Sir Fredrick North Esqr., the then Governor of Ceylon which shows information on Mr.Cecil Smith's arrival in Ceylon, arrangements made to establish an office and his salary is reproduced below.

- ii. The Presidency of Fort St. George has, on my application, sent Mr.Cecil Smith to arrange my office of audit and accounts, to the exertions of that gentlemen through but lately arrived is owing to whatever degrees of regularity now exist in this Government and which I trust will shortly be brought to a more perfect and unchangeable form. Considered as I am of the obligations which this Government has to him and of the great advantage which it may expect from his stay, I could wish to increase his salary to Five Hundred Pagodas per mensum, which is by no means a lavish remuneration for the exercise of the two most laborious and disagreeable offices under Government. I have given him for the present, as Deputy Lientenant Young of the Honorable Company's Service who is master of the troops in the Island for the execution of which duly I have made"

Thus Mr.Cecil Smith became the first Auditor General of Ceylon. Since then the following two officers held the post of Accountant General and Auditor General.

Sequence	Name	Date of Appointment
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02	Mr.Thomas Frazer	September 1799
03	Mr.Robert Boyd	29 September 1802

Any specific information on their functions is not available, but it can be surmised that they performed two functions, that is, the accounting affairs of the General Treasury as the Accountant General and the audit of Government Accounts as the Auditor General. This may have included the audit of the Treasury Accounts as well. Even though in the present context that such practice is not conducive to an independent and effective audit, it had not been a problem in the Colonial Era.

Since the divesting of the accounting function from the Auditor General in the year 1806, a separate office for the Auditor General had been established and the designation had been changed to Civil Auditor General. Thereafter, the following officers had held the post of Civil Auditor General.

Sequence	Name	Date of Appointment
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04	Mr.Samuel Tolfrey	01 October 1806
05	Sir R.Plaskett	14 June 1809
06	Mr.A.Bartolacci	30 January 1811
07	Mr.John d'Oyly	01 September 1814
08	Mr.E.Tolfrey	1816
09	Hon.Mr.J.W.Carrington	01 December 1817
10	Hon. Mr.H.A.Morshall	1823

In addition to the Civil Auditor General, a Military Auditor General also had been in service in the year 1815. Lientenant T.W.Throne had functioned as the Military Auditor General during that year. Three Clerks had served under the Civil Auditor General and six Clerks had served under the Military Auditor General. Mr.E.Tolfrey had functioned as the Civil Auditor General and the Military Auditor General in the year 1816 and the civilian staff comprised three Clerks and the military staff comprised six Clerks and an Interpreter.

That position continued to exist until the British decided subsequently to expand the scope of audit. Accordingly, in the year 1841, it had been amalgamated with a part of the Treasury and the designation had been changed to the Auditor General, Accountant General and Controller of Revenue. Thus the Audit Office had been brought under one Executive Officer of the Government who held three important designations of the Government. Accordingly, the following officers had held the post of Auditor General, Accountant General and Controller of Revenue.

Sequence	Name	Date of Appointment
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11	Mr.H.Wright	01 February 1841
12	Hon.Mr.Charles J.MacCarthy	28 May 1847
13	Hon.Mr.W.C.Gibson	01 October 1851
14	Hon.Mr.R.T.Pennefeather	24 June 1861
15	Hon.Mr.R.J.Callander	02 January 1866
16	Hon.Mr.John Douglas C.M.G.	10 March 1870
17	Mr.C.A.D.Barklay	16 June 1876
18	Hon.Mr.W.H.Ravenscroft C.M.G.	23 May 1877
19	Hon.Mr.G.T.M.O'brien C.M.G	18 October 1890
20	Hon.Mr.J.A.Swettenham C.M.G	31 July 1891
21	Hon.Mr.W.T.Taylor C.M.G	10 June 1895
22	Hon. Mr.F.R.Ellis C.M.G	01 March 1902

By virtue of the High Executive position held by the Auditor General as the Controller of Revenue, he was entitled to a seat in the Executive Committee of the Government of this country controlled by the British Governors. Even though this process raised the Auditor General to a highly distinguished rank, in the present day context it amounts to the loss of independence of the Auditor General.

The Audit Office functioned under this arrangement over a period of 66 years and in the year 1907 the Audit Office was divested from the Treasury. The then Acting Colonial Secretary had proclaimed the far-reaching decision as follows.

ii. The Hon. Governor is pleased and agreed to make Order, with the approval of the State Secretary to the Colonies, that the offices of the Auditor General, the Accountant and the Controller of Revenue should not be under the administration of one officer with effect from March 1907 and should hereinafter be administered separately by two officers as shown below.

- (a) Government Revenue Controller
- (b) Colonial Auditor

The functions of the Accountant will be executed by the Treasury. The designation of the Head of the Audit Office had been changed as the “Colonial Auditor”.

(Handbook on “State Audit” – Auditor General’s Department)

The following officers had held the post of Colonial Auditor during this period.

Sequence	Name	Date of Appointment
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23	Mr. Bernard Senior I.S.O	01 March 1907
24	Mr. D.S. MacGregor	08 April 1909
25	Hon. Mr. W.W. Woods C.M.G.	27 May 1914
26	Mr. F.G. Morley	01 March 1922

27

Mr.O.E.Goonetilleke

25 June 1931

Mr.O.E.Goonetilleke was appointed Auditor General with effect from 07 July 1931.

During this period the Audit Department functioned as a separate Department of the Government.

The designation was changed again, from the ‘Colonial Auditor’ to the “Auditor General with the introduction of the Donoughmore Constitution in the year 1931. This designation remains in force at present. Up to this time (1931) the Head of the Audit Department had been British Citizens. Mr.O.E.Goonetilleke (later Sir Oliver Goonetilleke, K.B.E.,C.M.G) was the last Colonial Auditor and the first Auditor General under the new reforms and the first Sri Lankan (then Ceylonese) to hold the post.

These officers who held different designations such as the Accountant and Auditor General, Colonial Auditor, were responsible to the Administrators of the country on behalf of the British Government. Nevertheless, with the introduction of the Donoughmore Constitution in the year 1931, the Auditor General was, for the first time, made responsible to the Legislature of this country instead of being responsible to the British Government. Then onwards the following officers had held the post of Auditor General.

Sequence	Name	Date of Appointment
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28	Mr.E.Allen Smith, C.B.E	16 February 1946
29	Mr.L.A.Weerasinghe	02 March 1953
30	Mr.D.S.de Silva	14 September 1963
31	Mr.B.L.W.Fernando	21 February 1964
32	Mr.D.R.Settinayaka	15 August 1969
33	Mr.P.M.W.Wijayasuriya	10 November 1971



The Donoughmore Constitution which came into force in the year 1931 had, to a certain extent, dealt with the functions of audit general terms and the Soulbury Constitution which came into force in the year 1947, also had dealt with the functions and powers of audit in general terms.

Even these two Constitutions mandated the Auditor General to audit the accounts of Government Departments. Provision had not been made for the Auditor General to audit the accounts of Local Authorities and the Public Corporations and any business or other undertakings vested under any written law in the Government.

Since the coming into force of the Constitution of the Democratic Socialist Republic of Sri Lanka on 07 September 1978 and after Mr.P.M.W.Wijayasuriya, the following officers held the post of Auditor General up to date (2016).

Sequence	Name	Date of Appointment
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34	Mr.W.Gamini Epa	02 May 1983
35	Mr.S.M.Sabry	26 January 1993
36	Mr.S.C.Mayadunne	13 August 2000
37	Mr.P.A.Pemathilaka	23 October 2006
38	Mr.S.Swarnajothi	03 January 2008
39	Mr.H.A.S.Samaraweera	15 August 2011
40	Mr.H.M.Gamini Wijesinghe	17 November 2015

### Name of the Department

The Department was known by different names in English up to the end of the 1960s decade. According to the evidence available the names used from the 1930s decade are –

Department of the Auditor General	1930s Decade
Audit Department	1940s Decade
Audit Office	1950s and 1960 s Decades
Auditor General's Department	1971 onwards

The first Sinhala Name “ගනන් පරීක්ෂණ කාර්යාලය” introduced in the late 1960s decade had been changed to “විගණකාධිපති දෙපාර්තමේන්තුව” in the year 1971.