

Appropriation Head – 258 – District Secretariat, Kandy

-----  
Report of the Auditor General - 2011  
-----

1. Key Functions of the District Secretariat

- 
- (a) District Administration
  - (b) Statutory Functions
  - (c) Strengthening Internal Control System
  - (d) Religious and Virtuous Improvement
  - (e) Employees Welfare
  - (f) Co-ordination and Friendly Administration
  - (g) Development Programmes and Gama Neguma
  - (h) Non-governmental Organizations and Community Participation
  - (i) Media Co-ordination
  - (j) Attitude Building of Administration and Training
  - (k) Use of Information Technology

1.2 Divisional Secretariats under District Secretariat

- 
- |                      |                        |
|----------------------|------------------------|
| (a) Gangawata Korale | ((h) Minipe            |
| (b) Pathahewaheta    | (i) Kundasale          |
| (c) Delthota         | (j) Doluwa             |
| (d) Udapalatha       | (k) Ganga Ihala Korale |
| (e) Udadumbara       | (l) Yatinuwara         |
| (f) Pathadumbara     | (m) Udunuwara          |
| (g) Panwila          | (n) Harispaththuwa     |
| (h) Hatharaliyadda   | (o) Akurana            |
| (i) Pujapitiya       | (p) Medadumbara        |
| (j) Tumpane          | (q) Pasbage Korale     |

### 1.3 Scope of Audit

-----

Audit of the appropriation account comprising the financial statements, reconciliation statements, books and records and other records of the District Secretariat Kandy for the year ended 31 December 2011 was carried out in terms of Article 154(1) of the constitution of the Democratic Socialist Republic of Sri Lanka. The management report for the year under review had been issued to the District Secretary on 15 October 2011. Audit observations comments and findings on the accounts and reconciliation statements are based on a review of financial statements and substantive tests of samples of transactions presented to audit. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitation of staff, other resources and time available to me.

### 1.4 Responsibility of the Chief Accounting Officer and the Accounting Officer for Accounts and Reconciliation Statements

-----

The Chief Accounting Officer and the Accounting Officer is responsible for maintaining, preparation and fair presentation of the Appropriation Account and Reconciliation Statements in accordance with Articles 148,149,150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other Statuary Provisions and Public Financial and Administrative, Regulations. This responsibility includes designing implementing and maintaining internal control relevant to the preparation and fair presentation of accounts and reconciliation statements that are free from material misstatements whether due to fraud or error.

2. Accounts

2:1 Appropriation Account

(a) Total Provision and Expenditure

The total net provision made for the District Secretariat was Rs.685,006,100. Of this, a sum of Rs.674,938,437 had been utilized by the end of the year under review. Accordingly, the net savings was Rs.10,067,663 and it was 1.5% of the total net provision. Details appear below.

Expenditure	Estimated Provision	Net Provision	Savings as at 31 December 2011	Savings, as a Percentage of Total Net Provision
	Rs.	Rs.	Rs.	%
Recurrent	606,050,000	615,806,100	32,324	0.0
Capital	69,200,000	69,200,000	10,035,339	1.5
<b>Total</b>	<b>675,250,000</b>	<b>685,006,100</b>	<b>10,067,663</b>	<b>1.5</b>

(b) Utilization of Provision granted by other Ministries and Departments

The District Secretariat had obtained a provision of Rs.4,276,050,990 for various purposes from 22 Ministries and 17 Departments made up of Rs.140,407,986 and Rs.1,702,987,004 respectively. Of this, a sum of Rs.1,834,164,097 and a sum of Rs.1,591,839,198 aggregating Rs.3,426,003,295 had been utilized by the Secretariat. Accordingly, 20% of the provision aggregating Rs.850,047,695 remained unspent.

2:2 Advances to Public Officers Account

-----  
Limits Authorised by the Parliament  
-----

The limits authorised by the Parliament and the actual values with regard to Item No.-25801 - Advances to Public Officers Account appear below.

Expenditure		Receipts		Debit Balance	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
-----	-----	-----	-----	-----	-----
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
54,950,000	53,971,675	37,000,000	61,046,038	250,000,000	191,038,288

2:3 General Deposit Account

-----  
The balance of the General Deposit Account No. 6003-/0000/-00/0034/0000/000 of the District Secretariat as at 31 December 2011 aggregated to Rs.195,747,962.

2:4 Audit Observations on the Accounts and Reconciliation Statements

-----  
According to the Financial Reports and Books as at 31 December 2011, it was observed that except for the general observations appearing at (a) to (e) and other major audit findings appearing in Paragraph 2.4 and 2.14 below, the Appropriation Account and the Reconciliation Statements of the District Secretariat, Kandy had been satisfactorily prepared.

(a) Non-maintenance of Registers and Books

-----  
Certain Divisional Secretariats under the District Secretariat had not, been maintained the following registers and books.

Type of Register -----	Related Regulation -----	Divisional Secretariat -----
Register of Fixed Assets	Treasury Circular No. 842 of 19 December 1978	Pathadumbara, Thumpane, Udunuwara, Yatinuwara and Medadumbara
Register of Fixed Assets relating to Computers	Treasury Circular No. IAI/2002 of 28 November 2002.	- do -

(b) Corporate Plan  
-----

The District Secretariat should prepare a Corporate Plan at least for the 3 ensuing years commencing from the year 2010, as per letter of the Director General of Public Finance No. PF/R/2/2/3/5(4) dated 10 March 2010 referred to all Secretaries of Ministries, Chief Secretaries of Provincial Councils, Heads of Departments, District Secretaries and the Heads of Local Authorities. However, such a plan had not been prepared even by 31 December 2011.

(c) Annual Action Plan  
-----

Although an Action Plan had been prepared for 2010 and for the ensuing years in compliance with Corporate Plan prepared in terms of the letter of the Director General of Public Finance referred to at (b) above, the action plan for the year under review had not been prepared even as at 31 December 2011.

(d) Annual Performance Report  
-----

The Annual Performance Report to be prepared by the District Secretariat within 150 days of the closure of the financial year should be tabled in Parliament with a copy to the Auditor General, in terms of Public Finance Circulars No. 402 and 402(i) dated 12 September 2002 and 20 February 2004 referred to in the letter of the Director General of Public Finance No. PF/R/2/2/3/5(4) dated 10 March 2010. However, the performance report for the year under review had not been tabled in Parliament even as at 5 July 2012.

(e) Annual Procurement Plan  
-----

The Annual Procurement Plan had not been prepared even as at 31 December 2011 as required by the National Budget Circular No. 128 dated 24 March 2006.

(f) General Deposit Account  
-----

Action had not been taken in terms of Financial Regulation. 571 with regard to deposits of Rs.8,372,461 exceeding 2 years.

(g) Reconciliation Statement of the Advances to Public Officers' Account  
-----

The following observations are made.

(a) According to the reconciliation statement of the Item No. 25801 - Advances to Public Officers' Account as at 31 December 2011, arrears of recoveries as at that date was Rs.4,087,550. The follow up action taken with regard to the recovery of those balances had been at a weak level.

(b) The District Secretariat had paid loans amounting to Rs.958,287 without following the procedures to be adopted while paying loans.

2:5 Assets Management  
-----

(a) Idle and Underutilized Assets  
-----

It was observed at audit test checks that certain assets remained idle or underutilized as analyzed below.

(i) A tractor and a stock of agricultural equipment obtained by the Ududumbura Divisional Secretariat from the Ministry of Policy Planning in 1993 remained idle without being used.

- (ii) The building 1505 sq.ft. in extent where the Registrar's Office functions belonging to the Ududumbara Divisional Secretariat had been closed without being used for any purpose. This was in a dilapidated position as a result of being closed for a long time.
- (iii) A motor car remained parked at the office premises without performance at the Ganga Ihala Korale Divisional Secretariat from 12 May 2010 to 29 November 2011, the date of inspection.

(b) Conduct of Board of Survey  
-----

According to the annual board of survey report of the Udunuwara Divisional Secretariat for the year 2010, shortages of 31 items had been shown. Action had not been taken in terms of Financial Regulations 757(2) in this regard.

(c) Assets given to External Parties  
-----

The government quarters of the Additional District Secretary situated at No. 71, Yatinuwara Veediya, Kandy belonging to the District Secretariat, Kandy had been released for the use of Police Task Force of the Sri Lanka Army from 01 January 2003 for a period of 6 months. The quarters had not been handed over even by August 2012.

(d) Unsettled Liabilities  
-----

The unsettled liabilities of the District Secretariat less than 01 year as at 31 December 2011 amounted to Rs.1,095,325.

2:6 Non – compliances

(a) Non-compliance with Laws, Rules, Regulations etc.

Instances of non-compliance with laws, rules and regulations observed at audit test checks are analyzed and shown below.

Reference to Laws, Rules, Regulations	Value	Non-compliance
-----	-----	-----
	Rs.	
(i) Financial Regulations		
-----		
F.R. 369(c)	38,125	Collections of a “c” class Department should be paid to the District Secretary. However, the collections of Rs.38,215 and Rs.500 of the Kundasale and Medadumbara Divisional Secretariats during the year had been used for various payments without being paid to the District Secretariat.
F.R. 371(2)	52,500	Ad hoc imprests should be settled immediately after the completion of the work concerned. However, the advance of Rs.52,500 obtained by an officer of the Thumpane Divisional Secretariat twice on 10 February 2011 for the Divi Neguma Programme had not been settled even as at 07 December 2011, the date of audit.
F.R. 880, Pubic Administration Circular No. 1/99 dated 09 April 1999 and Section 2(b) and (c) of the Securities Ordinance		All officers dealing with cash, stamps, properties and stores should furnish security. However, 206 officers and employees of 09 Divisional Secretariats had not been done so.



F.R. 751	4,118,648	All goods received should be entered in the register of goods. However, stores items purchased by 5 Divisional Secretariats by spending Rs.4,118,648 and distributed had not been entered in the stock books.
F.R. 751(2)	--	Separate registers should be maintained for all electrical fittings and equipment of government buildings. However, the Divisional Secretariats of Pathadumbara, Thumpane, Udunuwara and Yatinuwara had not been so acted.
F.R. 1646	--	Daily running charts relating to travel and monthly performance summaries should be furnished for audit before 15 <sup>th</sup> of the following month. However, the daily running charts of vehicles belonging to 4 Divisional Secretariats had not been furnished for audit.
(ii) Public Administration Circulars		
-----		
Circular No. 41/91 dated 10 October 1990	--	Consumption of fuel should be tested every six months and the fuel consumed should be balanced and the daily running charts should be maintained accordingly. However, these tests had not been carried out with regard to 14 vehicles of 8 Divisional Secretariats.
Circulars No. 26/92 dated 19 August 1992, No. 26/92(i) dated 03 August 1994 and No. 01/2002 dated 25 February 2002		Government emblem and name of the Institution should be stencilled on government vehicles. However, these requirements had not been fulfilled with regard to 4 vehicles belonging to the Divisional Secretariats Pasbage Korale and Hatharaliyadda.

Circular No. 06/2008 dated 06 February 2008	515,194	Cost of living allowances had been overpaid to 10 pensioners by the Divisional Secretariats Kundasale and Deltota.
Letter of the Secretary to the Ministry of Public Administration No. HA/DA/12/27 dated 12 June 2009	--	It has been instructed that the District Secretaries should compulsorily occupy government quarters allocated for them. However, evidence had not been furnished to audit to show that the Divisional Secretaries of Panwila, Yatinuwara and Pasbage Korale were in occupation of their newly constructed quarters.
(iii) Others		
----- Circular of the Secretary to the Ministry of Economic Development No. 1/2011 dated 02 August 2011	3,435,000	The Udapalatha Divisional Secretariat had spent the provision meant for development activities alone such as minor irrigation, maternity clinics, school toilets and pre schools referred to in paragraph 2 of the circular for matters other than those, such as construction of the Bio Diversity Complex Building at Ambuluwawa, construction of culverts, bridges and access roads and for obtaining equipment. Instead of implementing the project for the development information facilities of the rural population by the decentralized provision during 2008 to 2011, 24 projects valued at Rs.15,692,320 had been utilized for the building and access road to the Ambuluwawa Bio Diversity Unit, construction of bridges and for purchasing equipment. A provision of Rs.2,000,000 had been allocated under the decentralized provision in 2010 and 2011 for constructing the bridge close to the library of the Sinhapitiya Division, Udapalatha

			<p>This had been utilized to construct a bridge to the library of the Ambuluwawa Bio diversity Unit. However, the need for such a bridge to that place was not observed. There were steps too to reach the library.</p>
2 <sup>nd</sup> revised order of Part I of the Gazette Extra-ordinary No. 1629/17 dated 26 November 2009	9,200		<p>While issuing permits for transport of animals, a sum of Rs.50 per animal should be charged and credited to the state revenue as required by the Animal Act, No. 29 of 1958. However, the Divisional Secretariats at Panwila and Pasbage Korale had not recovered fees for permits issued for the year 2010/11 and credited it to the state revenue.</p>
Nutritional Allowance Circular of Commissioner General of Samurdhi No. 21 dated 31 July 2006	181,000		<p>Nutritional allowances of Rs.500 should be given for pregnant and breast feeding mothers of poor families for 20 months. However 5 Divisional Secretariats had not properly informed this through Samurdhi Officers. As a result very few group of mothers had been selected and the allowance concerned had not been given for 20 months. As a result, stamp for Rs.831,500 had been cancelled.</p>
Circular No. 2011/01 of the Secretary to the Ministry of Child Development and Women Empowerment	1,270,651		<p>The programme for supplying a glass of fresh milk for pre school children should have been initiated by Development Officer. But, this programme had not been properly made aware of, in 48 Grama Sewa divisions in 04 Divisional Secretariats during 2011. As a result, the progress was very low and nearly 46% of the provision allocated remained unspent.</p>

Management Services Circular No. 28 of 10 April 2006 and the letter of the Secretary to the Ministry of Public Administration No. HA/ADD/SEC/17/General of 24 January 2011.	200,116	The prior approval of the Ministry of Public Administration is needed for recruitments on casual or substitute basis. However, the Divisional Secretary, Pasbage Korale had recruited substitute labourer from 13 August 2010 and continued to pay salaries even by 11 December 2011, the date of audit.
---	---------	--

2:7 Weaknesses in Implementing Projects

The particulars of delays in projects and lack of progress in projects revealed at audit test checks appear below.

(a) Projects abandoned without commencing

Delays were observed in completion of the following projects by the District Secretariat.

Divisional Secretariat	Project	Estimated Cost	Due Date of Commencement	Reason for Non - Commencement
Medadumbara	Laying pipeline at the lower portion of Dunhinna Farm Road	Rs. 50,000	--	Not implemented due to inadequacy of funds
Yatinuwara	Developing the by road of the Gannoruwa Kendakaduwa Kadawaradeniya Road	50,000	12 December 2011	Lack of time to implement the revised project
	Concreting the Kahawattugoda Pettah Road	50,000	20 November 2011	Lack of time as the project proposal had been received at the end of the year.

	Concreting the Inner Suriyagoda Road	40,000	15 November 2011	Lack of time due to revision of the project proposal.
	Constructing the Gorakadeniya Community Centre	25,000	28 December 2011	Lack of time to implement the proposal.
Thumpane	Uduwa Elotrawatta Agricultural Road	200,000	15 December 2011	The contractual society was inoperative.
	Agricultural Road extending from Kandanhena to Ajantha Bakery	300,000	15 December 2011	- do -
	Siyambalawatta Agricultural Road	300,000	15 December 2011	- do -
	Elamalpotha, Dullewa Udadeniya Agricultural Road	100,000	15 December 2011	- do -
	Agricultural Road from Tennewela Arambewela Ela Amuna to Ali Amuna	300,000	06 December 2011	- do -
	Construction of a side of the culvert at Uduwa Udadeniya	30,000	--	The Society's refusal to implement the project due to lack of metal and sand.
District Secretary	Official residence of the Pujapitiya Divisional Secretary	2,000,000	--	Using the provision for another project as the land was under dispute.

(b) Projects Abandoned without Completion

The following projects had been commenced and abandoned without being completed.

Divisional Secretariat	Project	Estimated Cost	Date of Commencement	Expenditure as at 31 December 2011	Reason for Abandoning
-----	-----	-----	-----	-----	-----
		Rs.		Rs.	
Thumpane	Developing the Eastern Kinigama Thunpela Canal	350,000	28.10.2011	78,639	Continuation work.
	Access Road to the estate quarters of Bolagala Colony	100,000	21.10.2011	32,859	- do -

(c) Delays in Completion of Projects

Delays were observed in completion of the following project.

Project	Estimated Cost	Date of Commencement of work	Due Date of Completion of work	Expenditure as at 31 December 2011	Reason
-----	-----	-----	-----	-----	-----
	Rs.			Rs.	
Construction of the new building for the Pathadumbara Divisional Secretariat	7,343,000	22.07.2011	10.12.2011	2,508,575	Scarcity of raw materials in the market

(d) Projects without Progress although Funds had been Released

-----  
 The following observations are made.

- (i) A distress aid of Rs.50,000 had been paid to a resident of the Udadumbara Divisional Secretariat Area to rebuild his destroyed house. On the spot inspection revealed that the house had not been rebuilt and the amount paid as aid had not been recovered.
- (ii) Hatharaliyadda Welibandiyagoda Dambagolla Road had been concreted under the Jathika Saviya Gama Neguma Development Scheme 2011 with a provision of Rs.100,000. At an inspection of the road on 3 spots it was observed that the thickness of the concrete slab was about 1” instead of the estimated 4” resulting in an overpayment of Rs.87,750 for 3 cubes of concrete. Meanwhile, the sum of Rs.100,000 spent had become fruitless as the road concerned had been constructed without adhering to the standards. The supervision carried out by officers for this work was weak.

2:8 Deficiencies in Operating Bank Accounts

-----  
 Balances to be Adjusted  
 -----

Information revealed according to the analysis regarding adjustments shown in the bank reconciliation statements prepared by the District Secretariat for December 2011 appears below.

Details of Adjustments	Age Analysis	
	Over 6 months and less than 1 year	Total
-----	-----	-----
	Rs.	Rs.
(i) Cheques issued but not presented for payments	35,128	35,128
(ii) Unidentified credits	89,273	89,273
		-----
		124,401
		=====

## 2:9 Transactions of a Contentious Nature

-----

Certain transactions of the District Secretariat were of contentious nature. Details of certain such transactions revealed at test checks appear below.

- (a) A toiled had been constructed at a total estimated cost of Rs.671,103 on 6 August 2010 on a direct labour basis for the staff of the Divisional Secretariat, Pathahewaheta. The Technical Officer alone had prepared the estimate, supervised, supplied materials and labour and certified bills for payment. It was observed that the work done and goods supplied and fixtures were of very poor quality.
- (b) During the year 2004, the Udapalatha Divisional Secretariat had purchased 400 plastic chairs for Rs.196,400 by utilizing the decentralized funds. However, those chairs had not been distributed among the beneficiaries concerned although about 7 years had elapsed as at 5 November 2011, the date of audit.
- (c) Reform to minor irrigation affected by rain was a special project of the 2011 Gama Neguma Programme. The Udadumbara Madimihia canal and the Ellenpalla irrigation canal constructed under this were subjected to physical verification and it was observed that it had not been affected by rain. The work completed had continued from the spot where it had been stopped earlier.

## 2:10 Irregular Transactions

-----

Certain transactions of the District Secretariat were not regular. Certain such instances observed appear below.



(a) Deviation from Procurement Guidelines  
-----

- (i) Accordingly to Section 6.2.2 of the Procurement Guidelines at least 7 days should be granted for furnishing competitive bids. However, a period less than that had been allowed to call for quotations relating to banners and food materials for Rs.1,226,720 by 4 Divisional Secretariats in 2011.
- (ii) According to paragraph 2.14.1 of the Procurement Guidelines, Manual quotations should be called for, from a minimum of 5 institutions to adopt to market prices. However, without act accordingly, 9 Divisional Secretariats had purchased stores material for Rs.2,134,607.

(b) Others  
-----

The Government building at No. 77, Pallewela, Gampola belonging to the Udapalatha Divisional Secretariat had been given on a monthly rent of Rs.25,000 to the Small Plantations Enterprises Development Programme from 2010 without entering into a proper agreement. It had been given to a private institution without been credited the income of Rs.500,000 obtained from it up to November 2011 to the state revenue.

2:11 Transactions of a Fraudulent Nature  
-----

Details of transactions of fraudulent nature observed at audit test checks appear below.

- (a) Decentralize provision amounting to Rs.576,000 had been received by the Udapalatha Divisional Secretariat in 2010 to construct the upper portion of Ambuluwawa. A physical verification carried out in this connection revealed that the construction concerned had not been carried out and the observation room of the Ambuluwawa Bio Diversity Unit had been constructed by utilizing the said provision.

- (b) A motor cycle belonging to the Udadumbara Divisional Secretariat had been given to the Social Development Officer for official duties on 30 May 2007. The officer had used the motor bicycle upto 17 November 2011. However, revenue licence and insurance certificate had not been obtained after 2005. Daily running charts to confirm the duties performed had not been furnished for audit.
  
- (c) The Divisional Secretary, Pasbage Korale had carried out the concreting of Warakawa Post Office road and concreting the Meewatta Polwatta road on a provision of Rs.100,000 each under the Jathika Saviya Gama Neguma Programme for 2011. Meanwhile, a sum of Rs.28,178 had been paid at the rate of Rs.14,089 each for work not done.

## 2:12 Loses and Damages

-----

Observations regarding losses and damages revealed at audit test checks appear below.

- (a) The vehicle used by the Divisional Secretary, Hataraliyadda had met with an accident on 10 December 2010 and had been repaired by spending Rs.146,524. An inquiry had not been held and a complete report obtained in terms of Financial Regulation 104(4) with regard to this accident.
  
- (b) The motor vehicle used by the Doluwa Divisional Secretary had met with an accident on 03 October 2010 during an unofficial travel and had been repaired by spending Rs.715,853. An inquiry had not been held and a complete report obtained in terms of Financial Regulation 104(4) with regard to this accident.
  
- (c) According to Financial Regulation 104(4), an inquiry should be held and a complete report obtained within 3 months of the accident. However, such action had not been taken with regard to 3 vehicles belonging to 3 Divisional Secretariats.

2:13 Uneconomic Transactions

-----

Details of uneconomic transactions entered into revealed at test checks appear below.

- (a) Provision had been made under the Jathika Saviya Gama Neguma Programmes 2010 and 2011 for concreting the Delgolla Bibila Road belonging to the Udapalatha Divisional Secretariat. The amount spent was Rs.482,927. The users of this road had been restricted to 4.
- (b) Finger print machines should be used without taking into consideration the cadre of the institution in terms of the Public Administration Circular No. 09/2009 dated 16 April 2009. However, the Pujapitiya Divisional Secretariat had installed a finger print machine by spending Rs.64,500 in 2009. However, printouts of the arrival and departure of officers could not be obtained from it from the date of installation of the machine. Due to this reason, the officers responsible had neglected to follow the provisions in the circular and the expenditure in this connection had become fruitless.

2:14 Human Resource Management

-----

Approved Cadre and Actual Cadre

-----

The position of cadre as at 31 December 2011 is shown below.

Category of Employee	Approved Cadre	Actual Cadre	Number of Vacancies
-----	-----	-----	-----
(i) Senior Level	01	01	--
(ii) Tertiary Level	66	62	04
(iii) Secondary Level	1,874	1,602	262
(iv) Primary Level	227	202	25
(v) Others (Casual/ Temporary/ Contract Basis)	--	14	--
	-----	-----	-----
Total	2,168	1,881	291
	=====	=====	=====

The following observations are made.

- (i) Action had not been taken to fill 291 vacancies as at end of the year under review.
- (ii) Officers of the islandwide services who had served at an office for 5 years should be immediately transferred in terms of the Public Administration Circular No. 18/2011 dated 22 August 2011. However, 104 officers of 6 Divisional Secretariats continued to serve exceeding that period.
- (iii) The post of Administrative Officer of the Doluwa Divisional Secretariat had fallen vacant for about 3 years from 2009. Action had not been taken to fill the vacancy. Acting salary amounting to Rs.104,616 had been paid from the year 2009 to November 2011 for the acting duties carried out.
- (iv) An officer had not been appointed to cover up the duties of the post of shroff at the Panwila Divisional Secretariat. The officers in charge of subjects had not adopted a procedure to issue receipts for cash collected.

2:15 Internal Control

-----

Implementation of Audit and Management Committees

-----

A representative of the Auditor General had not been included in the Audit and Management Committees' established in accordance with paragraphs 05 and 06 of the Management Audit Circular No. DMA/2009(i) of 09 June 2009. Although the first meeting had been held on 13 August 2012, its progress had not been reported to audit till the date of audit, that is, 12 September 2012.