

SLCAP 9500



**CIVIL AVIATION AUTHORITY OF SRI LANKA**

# **Internal Audit Programme Manual**

2010 - Edition









Issued under the authority of the Director General of Civil Aviation



**CIVIL AVIATION AUTHORITY OF SRI LANKA**

**INTERNAL AUDIT SECTION**

**LIST OF GUIDANCE MATERIAL ISSUED BY INTERNAL AUDIT**

	
<b>Internal Audit Programme Manual (SLCAP 9500 )</b>	
	
	
	



**Civil Aviation Authority of Sri Lanka**

# **Internal Audit Programme Manual**

Master Copy

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### FOREWORD

The Audit Program Manual provides details and guidance to CAA Internal Audit staff about each of the transaction in administrative and financial. It guides the Internal Audit Staff and provides tools available to carry out the CAA financial and administrative functional audit. To be effective, the CAA's transaction and procedure must be fair, reasonable, transparent, and consistent. This does not, and should not, imply an unwillingness to apply the full force of financial and administrative functions. It does the right of a person to objective, even handed consideration of all the circumstances surrounding any breach or compromise, will have to be reported to the top management. It also requires CAA internal Audit Staff to make even effort to understand the positions and take it into account.

Compliance to the financial and administrative procedures and need to be applied as consistently as possible. However, CAA Internal Audit Staff must consider each case individually in order to determine an appropriate compliance or braches for remedial action. They should feel free to recommend actions that, in their professional judgment, Will appropriately serve the purpose of the CAA's compliances to procedures laid down in Financial Regulations and Staff Administrative Manual. It is essential that the CAA's compliance to other rules and procedures issued by the government time to time. A vital part of this aspect is to achieve uniformity, transparency, and consistency of CAA transaction.

Many factors must be considered in choosing an appropriate corrective action for the deviation or misunderstanding. Please note that internal audit activities will be oriented for systems and controls introduced and if not we are suggesting the required systems and controls. The weight given to the various findings must often be left to the discretion of the head of the Section. The material in this Manual will provide auditors with guidance in the proper exercise of their audits. The success of the program sent out in this Manual will depend on the good judgment and use of internal auditors.

It must be reiterated that audit action will be taken for an errors and for violations the rules and procedures. If they are detected through audit activities the findings will be issued. Remedial action should be taken against persons who make violations habitually and legal actions need to be taken against persons which resolve to repetitive violations.

H.M.C.Nimalsiri

Date 14/10/2010

Director General of Civil Aviation and  
Chief Executive Officer.





## ABBREVIATIONS



## GLOSSARY



## DEFINITIONS



## Chapter – 1

### 1.0 GENERAL

#### 1.1 Mission of the Internal Audit

To facilitate the Management of the CAASL for proper discharge of its accountability functions towards good governance through an independent appraisal function.

#### 1.2 Objectives

To review, appraise and report on:

- the soundness, adequacy and application of accounting financial and other relevant controls;
- the extent of compliance with relevant laws, rules, regulations, established policies, plans, procedures and management directives;
- the extent to which CAASL's assets and interests are properly accounted for and safeguarded from losses of all kinds;
- the application of proper authorizations within the delegated authorities given by the management;
- the reliability of accounting and other data developed within the organization and proper co-ordination between the sections; and
- the quality of performance in carrying out assigned functions;

#### 1.3 Approach

The information collected by obtaining the answers to questions relating to various aspects will not in itself be conclusive, but will provide a basis for judgment in deciding on the extent to which reliance may be placed on the activity subject to audit the questionnaire should be taken as a guide and any additions or amendments to be made in the light of the actual audit findings should be reported separately.





In finding answers to the questions, the following techniques as appropriate may be used.

- Observation;
- Interview;
- Re-performance;
- Vouching and Ratio Analysis
- Computer assisted techniques

Do not forget that the aim is not to find fault with some body, but to contribute for the improvement of quality of work with due regards to Economy, Efficiency and Effectiveness.

#### **1.4 Report**

The findings should be supported with statements, certificates, reference to files or documents, vouchers etc. and percentage or extent of checks carried out should be recorded and signed by the audit officer. Detailed information where necessary, should be given in the form of a schedule and the schedule reference should be given in the last column. Completed questionnaire will form the basis for reporting.

On completion of a set of questions relating to a particular area, a written report on the exceptional items with the comments, conclusion and recommendations should be prepared.



## Chapter - 2

### 2.0 BUDGETARY CONTROL

**Objectives:** That Budgetary preparation and control is exercised within the standards expected. Answers to questions by way of tick (✓)

Serial No.		Y e s	N o	Comments	Schedule No.
<b>2.1</b>	<b>Preparation</b>				
2.1.1	Is the Budget prepared falls in line with the Corporate Plan?				
2.1.2	Have you compared the budgeted figures and items with those for the previous year? (Major Variations to be given in a Schedule)				
2.1.3	Have you ascertained the reasons to justify the variations?				
2.1.4	Had there been a "Budget Call" to all the relevant departments?				
2.1.5	Whether the Budget has been prepared according to the Budgetary Guidelines?				
2.1.6	Are there any expenditure items of unusual nature? (i.e. Not falling in line with objectives of the Authority)				
2.1.7	Have copies of the Budget been sent to the Ministry, Department of Public Enterprises and the Auditor General at least 15 days before commencement of the financial year?				
2.1.8	Whether feasibility study has been made before incorporating in the Capital Budget for items/ projects exceeding Rs. 2.5 million?				



2.1.9	Has approval in terms of section 8(2) of the Finance Act No. 38 of 1971 been obtained at the beginning of the financial year for the total capital expenditure to be incurred?				
<b>2.2</b>	<b>Monitoring</b>				
2.2.1	Have the budgeted revenue items and expenditure items compared with the actual on monthly/ cumulative basis and submitted to the Audit Committee and to the Senior Management?				
2.2.2	Has timely action on variations been taken?				
2.2.3	Can the reasons attributed for variations (specially adverse variations) be accepted?				
	..... ..... <b>Date of review                      Signature &amp; Code</b>				



## Chapter - 3

### 3.0 REVENUE COLLECTION AND RECEIPTS

**Objective:** That all revenue and other dues to the authority are correctly assessed collected; that all such collections promptly banked and accounted.

Serial No.		Y e s	N o	Comments	Schedule No.
<b>3.1</b>	<b>Remittances &amp; Receipts</b>				
3.1.1	Which staff other than Cashiers receive remittances?				
3.1.2	Are the records of the Cashier reconciled with paying in records?				
3.1.3	Are issues of paying vouchers authorized?				
3.1.4	How often collections are banked?				
3.1.5	Who normally banks the money?				
3.1.6	Are receipts issued for all remittances?				
3.1.7	What is the method of receipting? (a) Manually written with carbon Copy? (b) Computer printed receipts? (c) Other? ( specify)				
3.1.8	Are all copies of cancelled receipts available in the receipt book?				
3.1.9	Are collections used to make payments?				



3.1.10	Who supervises the mail opening procedure?				
3.1.11	Are all remittances immediately crossed to the bank account by the mail opening officer?				
3.1.12	Are all remittances recorded immediately in the Cheques and Money Orders Register?				
3.1.13	Is the Cheques and Money Order Register totaled and agreed when remittances are handed over to the Cashier?				
3.1.14	Is there a procedure for dealing with unidentified remittances?				
<b>3.2</b>	<b>Control of Receipting Stationary</b>				
3.2.1	Are all receipting stationary controlled by section independent of the Cashiers section?				
3.2.2	Is there adequate control over the stocks and issues of manual receipt books?				
3.2.3	Is there a serial control in issuing receipt books?				
3.2.4	Are the Cheques, Money Orders, Cash and cheque books kept in the safe at the end of the day?				
3.2.5	Is safe under dual control?				
	..... <b>Date of Review    Signature &amp; Code</b>				



## Chapter - 4

### 4.0 FEES AND CHARGES.

**Objective:** That due care is taken to ensure that fees and charges are reviewed, revised periodically and related documents are secured.

Serial No.		Y e s	N o	Comments	Schedule No.
4.1	<b>General</b>				
4.1.1	Civil Aviation Authority recovers the following fees and charges on account of initial issue of Licenses, Ratings and Certificates and subsequent renewals. Private Pilot Licenses; Commercial Pilot Licenses. Airline Transport Pilot Licenses; Students Pilot Licenses; Assistance Flight Instructor Rating; Issue of Aircraft Type Rating; Airline Licenses; Charter Licenses; Flying School Licenses; Validation of Foreign Crew Licenses; Air Traffic Controllers License Rating; Validation of Foreign AME's Licenses;				
4.1.2	Certificate of Airworthiness; Certificate of Registration (Aircraft) Medical Examinations.				
4.1.3	Indicate against each of above items whether charge/fee is fixed by reference to: (a) Statutory decision? (b) A Cabinet decision? (c) Cost of the service? (d) Other (specify)?				



<p>4.1.4</p> <p>4.1.5</p> <p>4.1.6</p> <p>4.1.7</p> <p><b>4.2</b></p> <p>4.2.1</p> <p>4.2.2</p> <p>4.2.3</p> <p>4.2.4</p> <p>4.2.5</p> <p>.....</p> <p><b>Date of Review</b></p> <p><b>Signature &amp; Code</b></p>	<p>If the amount receivable is calculated in accordance with a scale of charges, has it been revised recently?</p> <p>Are any assessments checked by a second member of the staff?</p> <p>If the scale is designed to recoup the full cost or a specified proportion, are all related cost taken to consideration.</p> <p>If the portion of the cost is to be subsidized, how it is treated in the accounts?</p> <p><b>Controls</b></p> <p>Is there a serial control on licenses/ renewals to be issued?</p> <p>Are the relevant certificates or licenses printed on security paper?</p> <p>What are the controls introduced to avoid misuse of the security paper?</p> <p>Are all certificates/licenses duly signed by a competent person who has been delegated with authority?</p> <p>Are all certificates/licenses embossed with the seal of the CAASL?</p>				
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## Chapter - 5

### 5.0 COLLECTION OF EMBARKATION LEVY & PRE-PAID TRAVEL ADVICE LEVY

**Objective :** That all dues are properly recovered and duly accounted.

Answers to Questions by way of a tick ✓					
Serial No.		Y e s	N o	Comments	Schedule No.
<b>5.1</b>	<b>Embarkation Levy</b>				
5.1.1	Is each airline operating into and out of Colombo remitting to the CAA twice a month the total sum recovered during the related period?				
5.1.2	Are the remittances made before the due date?  i.e. First half of the month before 30 <sup>th</sup> of that month and  2 <sup>nd</sup> half before 15 <sup>th</sup> of the next month.				
5.1.3	Are there any "returned cheques" among cheques received on account of settlement of Embarkation tax?				
5.1.4	Are there any delays in making remittances?				
5.1.5	Is interest recovered for such delays @ bank rate + 2% for the total sum in respect of each day?				
5.1.6	Are you satisfied that the interest calculations are correct? (Please indicate the basis of test checks carried out and the percentage checked.)				



5.1.7	Are administrative sanctions imposed on those airlines failed to make remittances on time repeatedly?				
5.1.8	Is there any laid down basis to determine the bank rate applicable for the purpose of calculating interest from defaulters?				
5.1.9	Is Form CAASL-012 sent by various airlines signed by the CEO – of the airline authority or by an officer designated by him?				
5.1.10	Is a certified copy of the Passenger Manifest in respect of each flight operated out of Colombo sent along with the return?				
5.1.11	Is there a continuous flow of returns from each airline? i.e. Whether “nil” returns sent in respect of months for which no embarkation levy)				
5.1.12	Are the names of transit passengers and passengers exempted from payment of embarkation tax highlighted or specifically marked otherwise?				
5.1.13	Are there instances of obtaining bank guarantee from airlines as determined by the CAA				
5.1.14	Are such guarantees recorded and periodically checked to ensure that they are not lapsed?				
5.1.15	Is there a system of matching total number of passengers liable to pay embarkation tax and number of persons not liable for such tax with the number indicated in the passenger manifest?				

5.1.16	Are there any discrepancies observed in such an exercise and brought to the notice of the FM/Accountant?				
5.1.17	Is there a system of matching the number of flights taken off from Airport on a given date with the number of passenger manifests received from various airlines for that date?				
5.1.18	If so, are there instances of any discrepancies?				
5.1.19	Separate records maintained by the various airlines at their main office or its principal's office in Colombo relating to the number of passengers carried from Sri Lanka, details about collection and remittance of Embarkation Levy?				
5.1.20	Are these records periodically examined by officers of CAASL?				
5.1.21	Are these records destroyed or disposed of only after getting the requisite approval from the CAASL?				
5.1.22	Are there instances of surprise checks carried out by officers who are duly authorized by DG-CAASL at ticketing centers, counters or aircrafts to ensure that embarkation tax is duly collected?				
5.1.23	Are the records maintained by the airline office agreeing with the information furnished on Form CAASL 014?				



<b>5.2</b>	<b>Pre-Paid Travel Advance Levy (PTA)</b>				
5.2.1	Are remittance made monthly without interruption?				
5.2.2	Are all cheques received from the airlines/GSA endorsed Account Payee only and drawn in favour of Director General Civil Aviation?				
5.2.3	Are monthly remittances made before 15 <sup>th</sup> of the following month with particulars furnished on Form No.ATT 1				
5.2.4	Is there a continuous flow of monthly returns form each Airline/GSA?  (i.e. whether 'NIL' returns sent in respect of months for which no PTA recovered )				
5.2.5	What are the controls exercised to ensure the continuity of these returns by each Airline/GSA?				
5.2.6	Are there instances of making deductions from the remittances on account of unused tickets?				
5.2.7	If so, has approval been obtained from DG-CAA				
5.2.8	Are deductions being made on account of partially used tickets?  (such deductions are not allowed)				



5.2.9	Whether the authorized officers of the CAA have carried out any inspection with regard to the records maintained by various Airlines/GSL?  (Please attach major findings if any)				
5.2.10	Are the calculations, rate of conversion etc. shown in Form ATT-1 reliable and correct  ..... ..... <b>Date of Review</b> <b>Signature &amp; Code</b>				



## Chapter - 6

### 6.0 CASH AND BANK RECONCILIATION

**Objective:** That all bank accounts are properly authorized and reconciled on a regular basis and that receipts, payments and balances are adequately controlled.

Serial No.	Answers to questions by way of a tick ✓	Y	N	Comments	Schedule No.
<b>6.1</b>	<b>Bank Accounts</b>				
6.1.1	Obtain details of all bank accounts including collection accounts and authorized signatories.				
6.1.2	Are there instances of transferring funds between accounts?				
6.1.3	If so, whether such transfers are justifiable?				
<b>6.2</b>	<b>Cheques Control</b>				
6.2.1	Is the cheque writing person attending to any other part in the payment process?				
6.2.2	Are the cheque books kept in the safe at the end of the day?				
6.2.3	Are 'Open' cheques issued. If so, who authorizes issue of such cheques?				
6.2.4	Is there a register to record issue of such open cheques?				
6.2.5	Are the cheques issued under normal circumstances always crossed and marked 'account payee'?				
6.2.6	Is indelible ink used or carbon kept underneath in cheque writing process so as to avoid				

6.2.7	<p>any fraudulent alterations ? With regard to the dispatch of cheque</p> <p>(a) Is there a laid down procedure?</p> <p>(b) Are the cheque posted under registered cover?</p> <p>(c) Is proof of identity obtained and recorded when cheques are handed over?</p> <p>(d) Are there instances of undue delay in posting cheques ?</p> <p>(e) Are the explanations for with holding such cheques acceptable ?</p> <p>(f) Are such cheques kept secured until dispatch?</p>				
6.2.8	Is there an adequate procedure for dealing with returned cheques?				
6.2.9	Is there a register to record returned cheques?				
6.2.10	When cheques in lieu are issued, are they properly recorded in a register kept for that purpose?				
6.2.11	Whether a letter of indemnity is obtained. when original cheque issued is lost or not presented with the request for a cheque in lieu?				
<b>6.3</b>	<b>Reconciliation</b>				
6.3.1	Is the person responsible for preparation of Bank Reconciliation Statement independent of writing and dispatch of cheque ?				
6.3.2	Are the monthly reconciliation statements prepared before the 10 <sup>th</sup> of the following month?				



6.3.3.	Are there cheques un-presented for payments over a period of 6 months? If so trace the relevant payment vouchers and other connected papers to ascertain the reasons.				
6.3.4	Are there letters sent to the relevant payees informing them to furnish such cheques for re-validation?				
6.3.5	Are there deposits not credited to account for over two weeks?				
6.3.6	Are there items such as 'unidentified debits' 'unidentified credits'?				
6.3.7	<p>You are required to examine in depth regarding any items under 2.3.5 &amp; 2.3.6 above. Obtain the monthly bank reconciliation statement relating to each bank account and:</p> <p>(a) Test arithmetical accuracy.</p> <p>(b) Compare the cash book balance with the relevant amount shown in the reconciliation statement.</p> <p>(c) Follow all outstanding cheques and deposits to the bank statement of the following month and list out items not cleared and ascertain reasons for non-clearance.</p> <p>(d) Obtain a direct confirmation at the end of the year and compare with the relevant balance shown in the reconciliation statement.</p>				

6.3.8	Examine whether there are idle or excessive cash balances in Bank Accounts and prepare a statement showing the amounts and the idle period.				
<b>6.4</b>	<b>Cash in Hand</b>				
6.4.1	Who are the people authorized to handle cash in the Authority?				
6.4.2	Are limits fixed for such cash holdings?				
6.4.3	Are the daily disbursements recorded in a petty cash book/ a register designed for such payments and balanced at the end of the day?				
6.4.4	Is excessive cash balance kept at the end of the day?				
6.4.5	Had there been any surprise checks on such cash holdings?				
6.4.6	If so what was the outcome?				
6.4.7	Are there instances of paying further advances before settlement of the advances already taken ?				
6.4.8	Is there any insurance cover for cash in transit?				
6.4.9	Have you checked the cash in hand on surprise basis?				
6.4.10	Cash verification should cover all types of cash (i.e. petty cash, un paid salaries, traveling, ad hoc imp rests etc.)				





6.4.11	Are all cash advanced settled at the end of the financial year?				
6.4.12	Are there instances of keeping advances in hand over a long period (more than two weeks) without being used for the approved purpose?  ..... ..... <b>Date of review</b> <b>Signature &amp; Code</b>				



## Chapter - 7

### 7.0 VOUCHING PAYMENTS AND RECEIPTS

**Objective:** That all Payment vouchers are complete in all respects and acceptable to external audit and that all receipts are duly accounted..

Serial No.	Answers to questions by way of tick ✓	Y e s	N o	Comments	Schedule No.
<b>7.1</b>	<b>Payments-others</b>				
7.1.1	Are all payment vouchers serially numbered?				
7.1.2	Have the vouchers been entered in the Cash Book according to the serial numbers?				
7.1.3	Are the vouchers and all connected papers marked PAID with a stamp indicating the date of payment, cheque number and initials of the officers who signed the cheques?				
7.1.4	Are the relevant documents attached to the vouchers to ensure that due considerations have been received to the AASL? (i.e. Bills, invoices, goods receipt notes, technical reports, measurement sheets, stock/inventory book folio reference etc .as applicable)				
7.1.5	Are the vouchers complete in all respects? (i.e. Authorization, Approval, Certification and Payment) Are all payments classified according to the budgetary classification?				
7.1.6	Have you matched all payment entries in the Cash Book with the relevant vouchers?				



7.1.7	Are any vouchers missing? (You are required to list out all missing vouchers and take follow up action)				
7.1.8	Are there instances of making payments on uncertified vouchers?				
7.1.9	In vouching payments you are required to pay attention to following aspects and list out any findings in separate schedules. a. Payment not relating to the year of payment?  b. Payments made before receiving the relevant consideration?  c. Payments not connected to the activities of the Authority? (i.e. supply of free fuel to a vehicle of the Ministry)  d. Payments for items/works/services not provided in the Budget?  e. Payments not falling within the objectives of the Authority?  f. Capital expenditure payment charged to recurrent expenditure provisions?  g. Recurrent expenditure payments charged to capital expenditure provisions?  h. Payment of exceptional nature?				
7.1.10	Have you checked the accuracy of calculations shown in the vouchers?				

7.1.11	Have you checked the totals of the sub voucher schedules attached to the main voucher?				
7.1.12	Is a monthly statement sent before 15 <sup>th</sup> of the ensuing month to the Commissioner General of Inland Revenue with copy to Auditor General when paying VAT exceeding Rs. 25,000?				
7.1.13	Are all payments (except salaries) made by crossed cheques/ account payee?				
7.1.14	Are there instances of issuing open/cash cheques?				
7.1.15	If so, who has authorized such issues and whether such authorization could be justified?				
<b>7.2</b>	<b>Payment-ESC</b>				
7.2.1	Is the ESC payments are made in accordance to the provision in the Finance Act No 11 of 2004				
7.2.2	Verify whether the Turn over of the year of assessment is excluding the followings, a) VAT, b) Sale proceeds from the capital asserts in which an allowance for depreciation has been claimed. c) Recovery of Bad debts written off. d) Investment Income.				
7.2.3	Make sure that the total Revenue for the year of assessment is not less than Rs. 50 million.				

7.2.4	<p>Observe the date of effective of the ESC is 01.04.2005.</p> <p>Very whether the ESC payments are made on due darts of 30<sup>th</sup> June and September and 31<sup>st</sup> March and December.</p> <p>Observe whether the following Rates of calculations are applied or not.</p> <p>a)Income except from Income Tax 0.25%</p> <p>b)Board of investment 0.25%</p> <p>c) Concessionm rate of Income Tax 0.5%</p> <p>d)Normal rate for Income Tax 1%</p>				
7.2.5	<p>Make sure the revenue is included ,</p> <p>a)Bad Debts received during the year of assessment.</p> <p>b)Income derived in the course of normal business.</p>				
7.2.6	<p>Verify whether the ESC paid during the year of assessment had been setoff against the Income Tax payable for the year or carried forward for the next year.(Ref.Section 26(1) of the Inland Revenue Amendment Act No 08 of 2005).</p>				
<b>7.3</b>	<b>Payment of VAT</b>				
7.3.1	<p>Is there a Certificate issued by the IRD with name, address, registration no, date of effective and any other relevant details.</p> <p>Verify the date of effective of this Tax.(1 st August 2002)</p> <p>Verify whether the VAT calculated in accordance to the VAT ACT 2002.</p>				

7.3.2.	See whether the Input /Out put tax paid/collect from and to of the suppliers were recorded in the books of accounts correctly.				
7.3.3	Verify whether the following documents are maintained, -Tax return file (returns to be filled due dates) -Tax payable A/C -Tax Invoice (Tax Invoice shall be Issued on the request of another Tax payer)				
7.3.4	Verify the adequacy and accuracy of the documents maintained.(These records shall be kept for 5 years) Is the registration number				
7.3.5	Consisting with Tin and Code number? Is the VAT paid for , -Salary/Wages for employment, -Private transactions,(hobby activities) -The part of any taxable activities that involve VAT exemption supplies.				
7.3.6	Are the payments been made before the last date of each month of March, June, September and December?				
7.3.7	Observe the application following rates of VAT. -Standards rate-15% for normal goods & services, -Basic rate-5% for selected Essential food items -Supply or import of Electrical items -18%, -Supply and Services of Hotels, Guest, Houses,				



7.3.8	Restaurants or similar institutions other than Professional conference, Seminars and similar events. -Exports which were exported with the idea of re –exporting. -International transport of Goods or Passengers			
7.3.9	<b>NOTE; Following supplies are exempted from VAT.</b> 1.Unprocessed agricultural produce items, 2.Unprocessed horticultural produce items, 3.Unprocessed fishing products items, 4.Unprocessed timber products items, 5.bread items,(other than serving breads in a hotel/restaurants) 9.Operation of currents a/c, 10. Exchange of currency. 11.Thee issue allotments or transfer of Stock exchange items, 12.Underwriting, 13.Provision of Loans, Advances or Credit, 14.Hire purchase/Life Insurance, 15.Diplomatic missions, 16.Duty free shops items, 17.Postage stamps, 18.Public trans[ort items, 19.Payments of leases rentals which has more than 28 seats, 20.Provision of services in Sri Lanka which consumed in outside Sri Lanka, 21.Residential accommodation other than hotels and guest houses, 22.Supply of health care services and drugs other than cosmetics items,			







	<p><b>as per the Para 7.11 of the VAT Manual issued by the Inland Revenue Department.</b> (Performa invoices are not consider as tax invoices in this exercise though it consists with the relevant details)</p>			
7.3.13	<p>Is the Para 3.03 of the Manual of VAT Law applied when issuing duplicate Tax Invoices.(If loss the original a copy of that can be issuing with marking "Copy Only")</p>			
7.3.14	<p><b>Note.</b> Debit &amp; Credit notes are not considered Verify whether the VAT is collected for the services rendered to the industry in accordance to the Para 5.1 of the VAT Guide. Is the VAT return filled on or before the 20<sup>th</sup> Day of the month following the end of the taxable period? Is there been penalties paid? if so verify whether the Board approval had been taken and action taken for future possibilities.</p>			
7.3.15	<p><b>Note;</b> <b>Penalties are,</b> <b>1.Failure to file the return,</b> a).Penalty not exceeding Rs.50,000 by CGIR or Rs.25,000 and or 06 months Imprisonment by a Magistrate. <b>2.Failure to pay tax on due dates,</b> a) 10% of the amount not paid plus 2% for each subsequent months up to 100% of the tax. <b>3.Incorrect return,</b> a)Twice the amount of tax unpaid plus Rs.25,000.</p>			



7.3.16	<p><b>If the collected VAT from it's customers are keeping with out remitting to the IRD the CG can be taken the remedial action as in the Para 5.6 of the Guide to VAT manual.</b></p> <p>3)The registered persons can pay Tax on monthly basis or quartly basis on their wishes the VAT payable= out put tax(Collected from the customers)-input tax(Paid to the suppliers)</p> <p>4.) According to the Para 901 of the Guide to VAT tax persons can pay the VAT on cash basis.</p>			
7.3.17	<p><b>Disallowable from Input Tax are,</b></p> <p>a) 50% of the tax paid on motor vehicles used for business purposes including repairs, lease rentals, hires purchases, insurance and replacement of tires.</p> <p>b) purchases of goods or services which are not connected to VAT,</p> <p>c) If not valid invoices,</p> <p>d) If the rate is 5% on supplies other than the motor vehicles used for transport of materials or machine for production.</p> <p>e) If not claimed fro within 06 months,</p> <p>f) If the paid rate is 18% the excess of over 15%.</p>			



7.3.18	<p>Is there any assessment made by the Commissioner General of IRD on the following basis as pre Section 28 VAT law.(Please note whether the assessment were made after expiration of the taxable period if the return furnished on or before the due date and if assessment made and return made on due dates a further assessment can not be made)</p> <p>1.Non making returns, 2.Non payment of Tax on due date intact, 3.Non satisfactory for the return made by the registered person, 4.If written request made for alterations,</p> <p><b>7.4 Receipts</b></p> <p>Are all receipts entered in the cash book according to serial numbers and dates?</p> <p>Are all copies of cancelled receipts attached to the book copy?</p> <p>Have you followed all receipts to the cash book?</p> <p>Are all receipts classified according to the budgetary classification?</p> <p>Is double side carbon used in writing receipts?</p>				
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<b>7.5</b>	<b>Payment of VAT</b>				
7.5.1	Is there a Certificate issued by the IRD with name, address, registration no, date of effective and any other relevant details.				
7.5.2	Verify the date of effective of this Tax.(1 <sup>st</sup> August 2002)Verify whether the VAT calculated in accordance to the VAT ACT 2002.				
7.5.3	See whether the Input /Out put tax paid/collect from and to of the suppliers were recorded in the books of accounts correctly.				
	..... <b>Date of Review Signature &amp; Code</b>				



## Chapter - 8

### 8.0 PAYROLLS

**Objective:** That the payments made are correct and in accordance with approved scales and that records maintained are adequate.

Serial No.		Y e s	N o	Comments	Schedule No.
<b>8.1</b>	<b>Appointments and History Records</b>				
8.1.1	Are all the posts within the approved cadre?				
8.1.2	Are rates of pay properly authorized?				
8.1.3	Are all the appointments made according to the approved procedure?				
8.1.4	Are permanent records kept of all services of every individual?				
<b>8.2</b>	<b>Gross Pay</b>				
8.2.1	Are the grades correct?				
8.2.2	Are the current rates of monthly pay correct?				
8.2.3	Have all other allowances properly authorized and calculated?				
8.2.4	Is satisfactory record of overtime of individual's kept?				
8.2.5	How much overtime paid during the last 3 months?				
8.2.6	What percentage of normal pay for the same period?				



<b>8.3</b>	<b>Deductions</b>				
8.3.1	Are there satisfactory attendances and leave records in the personnel department?				
8.3.2	Are returns sent to Pay Branch for the payment of transport allowance, deduction of no-pay, half-pay etc. reliable?				
8.3.3	Is there a feed back from the Pay Branch regarding the recoveries intimated?				
8.3.4	Are deductions made on account of EPF & ETF correct?				
8.3.5	Had there been delays in remitting EPF/ETF contributions?				
8.3.6	Are there any surcharges imposed on account of such delays?				
<b>8.4</b>	<b>Payment of Salaries</b>				
8.4.1	Where paid in cash a) Payroll been signed with the normal signature of the employee? b) Identity established? c) Unclaimed salaries recorded in a register and credited to salaries a/c after 2 weeks. d) Proper authorization for repayment of unpaid salaries credited to salaries account? e) Payments to representatives duly authorized by a staff officer and identity are established?				
8.4.2	Where payment made to the bank, whether the employee has signed the pay abstract for acknowledgement?				



8.4.3	Are retirements, resignations, vacations of posts and deaths of officers promptly intimated to the pay section by the administration and feed back obtained?				
<b>8.5</b>	<b>Reconciliation of Variances</b>				
8.5.1	Is a comparison of total gross salaries paid with that of the previous month carried out?				
8.5.2	Are the variations investigated to justify the changes				
	..... <b>Date of Review</b> <b>Signature &amp; Code</b>				



## Chapter - 9

### 9.0 OVERTIME, HOLIDAY PAY AND TRANSPORT ALLOWANCE

**Objective :** That the expenditure is controlled and management instructions are complied with.

Serial No.		Y e s	N o	Comments	Schedule No.
<b>9.1</b>	<b>Overtime and Holiday Pay</b>				
9.1.1	Is prior approval obtained for working overtime?				
9.1.2	Are the following limits adhered to? Officer 30 hours p.m. Peon 50 hours p.m. Driver 150 hours p.m.				
9.1.3	When exceeding the above limits under special circumstances, is there an explicit prior approval obtained from the C.E.O.?				
9.1.4	Is the rate of payment correct? i.e. $\frac{(\text{Monthly salary} + 10\%)}{240} \times 1.5$ excluding other Allowances)				
9.1.5	Is prior approval from the CEO obtained by the Heads of Division for overtime work on public holidays?				
9.1.6	Are there instances of working on public holidays by Executive Officers in excess of 3 days per month?				
9.1.7	Is the rate of holiday pay claimed correct?  i.e. 1/20 of the salary for minimum of 8 hours and less than 8 hours ( up to 4 hours) proportionate basis. (Monthly salary + 10% excluding other allowances)				
9.1.8	Is overtime approved for normal duties of the officer?				



9.1.9	Are there instances of claiming overtime for work fallen into arrears due to leave taken by the officer concerned?			
	<b>9.2 Transport Allowance</b>			
9.2.1	Are officers provided with official home transport for more than 8 days, paid any transport allowance?			
9.2.2	Is there a system of monitoring information to the salaries branch regarding the officers who were provided with official home transport?			
9.2.3	(If there is no system you have to examine the running charts and prepare a list of officers who were provided with official home transport and match that information with the relevant pay records)			
9.2.4	<p>Are the rates paid correct?  i.e. Executive Grade Rs. 3000/-  Non Executive Grade Rs. 1750/-</p> <p>Are the particulars of attendance passed on a systematic basis to the Salaries Branch to determine transport allowance payable?  (Based on the above information you are required to check whether:</p> <p style="margin-left: 40px;">(a) Non-executive officers who have taken more than 8 days leave are paid the allowance; (1/2 day's work is reckoned as a day for this purpose)</p> <p style="margin-left: 40px;">(b) Deduction has been made for each day of leave taken. Similar deduction should be made on account of foreign duty leave;  - Executives – Rs. 150 p.d.  - Non-executive Rs. 87/50 p.d.;</p> <p style="margin-left: 40px;">(c) Officers on no-pay leave or officers in quarters are not paid this allowance.</p> <p>.....</p> <p><b>Date of Review</b>  <b>Signature and Code</b></p>			



## Chapter - 10

### 10.0 TRAVELING AND SUBSISTENCE (LOCAL & FOREIGN)

**Objective:** To ensure that all traveling and subsistence payments are properly authorized and are within the limits.

Serial No.		Y e s	N o	Comments	Schedule No.
<b>10.1</b>	<b>General</b>				
10.1.1	Are the journeys approved prior to commencement by Supervising Officer who is duly authorized to do so?				
10.1.2	Is the traveling done causing minimum expenditure to the Authority?				
10.1.3	Are the procedures for submitting and checking claims adequate?				
10.1.4	Is the vehicle for which car mileage claimed registered in the name of the officer concerned (check registration book)?				
10.1.5	If the vehicle used is a borrowed one, how long the vehicle had been used on that basis?				
10.1.6	Is the lending party an officer in the public service who is entitled to mileage?				
<b>10.2</b>	<b>Local Travel</b>				
10.2.1	Is the rate of mileage claimed correct depending on the category?				
	<b>Per mile</b>				
	<b>Rs.</b>				
	Own Vehicle				
	6.25				
	Borrowed vehicle				
	10.00				
	<b>Per kilometer</b>				
	<b>Rs.</b>				
	10.00				
	16.00				



10.2.2	Are the calculations correct?				
10.2.3	Is the number of miles/kilometer claimed realistic?				
10.2.4	Is the time taken for travel from one place to another place justified in relation to the distance?				
10.2.5	Is the subsistence rate claimed correct?				
10.2.6	Is there room for claiming mileage for journeys performed by official vehicles? (Cross check doubtful claims with the official running charts for a given date)				
10.2.7	Are reports furnished to justify the claims and certificate to that effect given on the body of the traveling claims?				
10.2.8	Are advances paid duly recovered from the claims?				
<b>10.3</b>	<b>Foreign Travel</b>				
10.3.1	Is the permission for leaving the island obtained from the appropriate authority?  i.e. D.G. and next senior most officer:- H.E. the President. Others :- Relevant Cabinet				
10.3.2	Minister on the recommendation of the D.G. If the outfit allowance has been paid, is the officer entitle to such payment? (a) Whether proposed destination qualifies for such payment? (b) Whether such allowance (c) obtained during the last 5 years?				





10.3.12	Is the shortest route selected so that the expenditure to be incurred would be the minimum?				
10.3.13	Has the minimum number of hours (6 hours) covered for allowances claimed for in transit period?				
10.3.14	Are the rates claimed within the following restrictions? (a) Split Rate 30 days only (b) Any period exceeding 90 days but less than 120 days 50% of the combined rate only. (c) No of days for a particular country should be reckoned from the time of landing to the time of boarding for departure from that country.				
10.3.15	Is the payment made to the officer before leaving the country accounted as a payment of traveling advance?				
10.3.16	Is the advance settled within 30 days after returning to country?				
10.3.17	Are deductions made for late submission of traveling claims?				
10.3.18	In the case of Scholarships/seminars funded by foreign agencies, only the difference between foreign agency rate and local rate of incidental expenses should be paid. For checking this requirement, have you perused the scholarship award letter?				
10.3.19	Is there a system of signing bonds to ensure that officer going abroad undertakes to serve the Authority for a given period of time?				



10.3.20	<p>Rates to be applied for the payment of allowances are given below.</p> <p><b>Group I</b> <b>Group II</b></p> <p>Split rate applicable to the country. 80% of US \$ 200 e.g. US \$ 200 US \$ 160</p> <p>Combined 70% 56% of Split rate of special rate = <math>\frac{200 \times 56}{100}</math> = <math>\frac{200 \times 70}{100}</math> = US \$ 140 US \$ 112</p> <p>.....</p> <p><b>Date of Review</b> <b>Signature and Code</b></p>				
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## Chapter - 11

### 11.0 STAFF MEDICAL SCHEME

**Objective:** That medical Scheme is properly managed and accounted. Answers to questions by way of a tick (✓)

Serial No.		Y e s	N o	Comments	Schedule No.
<b>11.1</b>	<b>Limits</b>				
11.1.1	Are there instances of exceeding the following limits? a) Outdoor expenses Rs. 5,000/- p.a b) Hospitalization expenses maximum Rs.50,000 p.a. per any one event Rs.40,000. c) Nursing Home charges Rs.18,000 p.a. -Room charges – Rs.1, 200 p.d. -Intensive Care Unit Rs.2,000 p.d. -Specialist Fees Rs.35,000 p.a. d) Government Hospitals @ Rs.300 p.d. up to a maximum of 30 days. e) Normal Child Birth Rs.15,000				
11.1.2	Are sufficient records maintained in respect of individual officers to avoid payments in excess of their entitlements?				
11.1.3	Are entries in such records authenticated by a responsible officer?				
<b>11.2</b>	<b>Certification</b>				
11.2.1	Are the bills submitted prescribed by a Specialist/MBBS Doctor/Doctor having equivalent qualification?				



11.2.2	Are the bills issued on letter heads with their seals?				
<b>11.3</b>	<b>Contribution</b> Are monthly contributions recovered regularly on the following basis? Permanent employee Rs. 50 Contract employee Rs. 100				
<b>11.4</b>	<b>Entitlement</b> Are there instances of granting benefits to parties other than the following categories of dependents declared by the member? a) Spouse who is not a member under this scheme. b) Children (including legally adopted) between 1-18 years of age. c) Parents of the member below 60 years of age.  <b>Note:</b> When husband and wife both are employees, only one person is entitled to claim benefits for dependents and other member should claim separately.				
<b>11.5</b>	<b>Other Conditions</b>				
11.5.1	Is the intimation relating to hospitalization conveyed to the Authority within 3 days?				
11.5.2	Are the reimbursements relating to purchase of milk food, tonics and creams prescribed by a recognized doctor?				
11.5.3	Are such purchases under outdoor medical expenses exceeding Rs.5000 p.a.?  ..... <b>Date of Review</b> <b>Signature &amp; Code</b>				





## Chapter - 12

### 12.0 STAFF LOANS

**Objective :** That all staff loans are properly managed and accounted for. Answers to questions by way of tick (✓)

Serial No.		Y e s	N o	Comments	Schedule No.
<b>12.1</b>	<b>General</b>				
12.1.1	Are the individual balances brought forward from the previous year and the balances carried forward from the current year to the ensuing year are correct?				
12.1.2	Is the total of monthly installments of all principal amounts as per pay abstract summary tallying with the total recoveries for the month as per individual accounts?				
12.1.3	Whether any difference observed is investigated and necessary adjustments made?				
12.1.4	Are the security documents in the hands of a responsible officer?				
12.1.5	Who has access to such documents?				
<b>12.2</b>	<b>Festival Advance (not exceeding Rs.10,000)</b>				
12.2.1	Is a surety signed by an employee for loans granted to officers who are not confirmed?				
12.2.2	Are the recoveries continued uninterrupted?				
12.2.3	Are the outstanding balances at the end of the year totaled and reconciled with the control account balance?				



12.2.4	Is there a difference between the total of individual balance and the control account balance?				
12.2.5	If so, have you checked and identified the reasons for such difference?				
<b>12.3</b>	<b>Salary Loans</b>				
12.3.1	Are all loans granted within the purposes referred to in Section 14.3.2 of SRAAPM?				
12.3.2	Are all loans adequately secured?  i e. 10 months loan to an employee with less than 10 years service two sureties and an employee with more than 10 years service one surety.				
12.3.3	Is the loan installment within the 40% limit of the consolidated salaries of the principal debtor as well as the sureties?				
12.3.4	Are all sureties confirmed in their posts?				
12.3.5	Are interest calculations and the loan installment				
12.3.6	Are the agreements entered into complete in all respects?				
12.3.7	Are these agreements and surety documents kept in safe custody of a staff officer nominated for this purpose?				
12.3.8	Are the outstanding balances at the end of the year totaled and reconciled with the Control Account balance?				



12.3.9	Is there a difference between the total of individual balances and the control account balance?			
12.3.10	If so, have you checked and identified the reasons for the difference?			
<b>12.4</b>	<b>Vehicle Loans</b>			
12.4.1	Are the amounts of loans decided on the basis of loan installments determined within 40% limit of the gross salaries?			
12.4.2	Is there evidence to support that the full amount of each loan is utilized for the approved purpose?			
12.4.3	Have the supporting documents referred to in Section 14.4.4 of the SRAAPM available in respect of each loan?			
12.4.4	Are all loans secured by two guarantors who have completed 2 years permanent service in CAASL?			
12.4.5	Are the agreements entered into complete in all respects?			
12.4.6	Are the agreements and surety documents kept in safe custody of a responsible officer nominated for this purpose?			
12.4.7	Are the vehicles bought on loans mortgaged to the CAASL?			
12.4.8	Are the recoveries commenced from the succeeding month and continued uninterrupted?			
12.4.9	Are the deductions made on the basis of recovering the loans in 120 monthly installments or before an employee reaches 60 years which ever comes first?			



	<p><b>(Note:</b> In the case three wheelers or motor cycles number of installments are 84 or before an employee reaches 60 years which ever comes first)</p>			
12.4.10	Are the outstanding balances at the end of the year totaled and reconciled with the control account balance?			
12.4.11	Is there a difference between the total of individual balances and the control account balance? If so, have you checked and identified the reasons for the difference?			
<b>12.5</b>	<b>Push Bicycle Loans</b>			
12.5.1	Is the amount paid limited to Rs. 5000/- or actual purchase price which ever is less?			
12.5.2	Is the loan guaranteed by two sureties who are in the same grade or above the applicant? Are the recoveries commenced from the succeeding month and continued uninterrupted until the full loan is settled?			
<b>12.6</b>	<b>Interest Difference on Housing Loan</b>			
12.6.1	Is the amount of loan limited to the interest rate difference between 4.2% and the rate charged by the lending institution subject to an upper limit of 20.5%?			
12.6.2	Is the loan relating to reimbursement of interest obtained only for the purposes referred to in Section 14.6.1 of the SRAAPM?			



12.6.3	<p>Are the following requirements satisfied in respect of each loan?</p> <p>a) Confirmed in service with 05 or more years of service – maximum of 5 years salary</p> <p>b) Confirmed in service with less than 5 years service – maximum Rs. 500,000/-</p> <p>c) Monthly installments should not exceed 50% of the gross earnings</p> <p>d) Should not exceed the maximum loan entitlement of the employee</p> <p>spouse employed at the CAASL?</p> <p>has he/she obtained a similar loan?</p> <p>.....</p> <p><b>Date of Review</b> <b>Signature &amp; Code</b></p>				
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## Chapter - 13

### 13.0 STAFFING LEVELS AND APPRAISALS

Serial No.		Y e s	N o	Comments	Schedule No.
<b>13.1</b>	<b>Staffing Levels</b>				
13.1.1	Are the total numbers employed in each category within the approved cadre?				
13.1.2	Is there any evidence of idle staff?				
13.1.3	When was the last appraisal carried out?				
13.1.4	Is there a major change in the activities of work load after the appraisal due to changes in systems such as computerization?				
<b>13.2</b>	<b>Staff Appraisals</b>				
13.2.1	Is there a system for appraising the efficiency of all staff members?				
13.2.2	Is a successful appraisal necessary before annual increments are paid?				
13.2.3	What action is taken where appraisal rating is unsatisfactory?				
13.2.4	Was the scheme imposed by management or was it discussed and agreed with staff and their unions?				

<b>13.3</b>	<b>Attendance</b>				
13.3.1	Are the attendance records reviewed periodically by a responsible officer?				
13.3.2	Is there any room for punching the attendance card of an absent officer by some one else?				
13.3.3	Are the attendance card removed from the security section by the Administrative Branch to assess the day's attendance of the staff? If so at what time?				
13.3.4	Do the signatures appearing on individual cards indicate a uniformed pattern of signature?				
13.3.5	Are late attendances up to 15 minutes covered in the afternoon?				
13.3.6	Are late attendances for more than 15 minutes always covered with short leave or half a days leave?				
13.3.7	Have you matched such late attendance with leave records? (Indicate the percentage or period checked)				
13.3.8	Whether number of days reckoned correctly when leave commences on a day following a Public Holiday or ends on a day preceding a Public Holiday in determining the no pay leave period?				
13.3.9	(If the employee was on duty on the day immediately before the holiday at the commencement of leave or on the day immediately following the holiday at the end of the leave period such holidays are excluded)				



<b>13.4</b>	<b>Staff Security</b>				
13.4.1	Have all officers who handle cash and/ or any other assets of CAASL furnished cash or other form of security?				
13.4.2	Are such cash deposits invested in separate Bank Accounts or Fixed Deposit accounts?				
13.4.3	Are Guarantee Boards renewed before the expiry date?				
13.4.4	Is accrued interest on security deposits ascertained and necessary adjustments made in the accounts at the end of the year?				
<b>13.5</b>	<b>Appointments and promotions</b>				
13.5.1	Are all appointments made according to the scheme of recruitment?				
13.5.2	Are there any appointments outside the approved scheme of recruitment?				
13.5.3	If so, are such appointment duly approved by the Board/Ministry? Are adequate personnel records maintained in respect of each officer?				
13.5.4	Is there adequate evidence relating to following matters in such records?				
13.5.5	<ul style="list-style-type: none"><li>- Passing the Medical test;</li><li>- Possession of required educational qualifications;</li><li>- age limit and other requirements</li></ul> such as experience and competency;				
13.5.6	<ul style="list-style-type: none"><li>- Passing efficiency Bars.</li></ul> Are these personnel records subdivided into following groups? <ul style="list-style-type: none"><li>- Personal file</li><li>- Training file</li><li>- Social and Welfare activities file</li><li>- Loan file</li></ul>				



13.5.7	Has responsibility been fixed for safe custody of these files?				
13.5.8	Is there a system of obtaining declaration of assets annually by each employee? (You are required to prepare a list of names who have not complied with this requirement)				
13.5.9	Is there Oath/affirmation taken/subscribed by the individual officer in terms of seventh schedule of the Constitution of the Democratic Socialist Republic of Sri Lanka.				
13.5.10	Are the salary steps placed on promotions correctly determined? (Salary step shall be the lowest in the new level which will provide an increase in the net base salary at least equal to that which would have resulted from granting two steps within the old level?)				
13.5.11	Have the officers passed the Efficiency Bars within the stipulated period?				
13.5.12	Had exemptions been granted by Director General?				
13.5.13	If so, are reasons for such exemptions recorded in the personal files?				
13.5.14	Are the salary steps determined correctly as provided in Section 6.6 of the Staff Rules and Administrative Procedures Manual (SRAAPM) when salary revisions are made?				



13.5.15	Are all salary increments duly approved and Increment Certificates attached to the pay sheet?				
13.5.16	Are there instances of granting more than one increment to officers and if so, is there specific approval of the DGCA/CEO in writing?				
13.5.17	Are there instances of granting more than 3 increments in a year to any officer?				
13.5.18	If so, are such payments approved by the Board of Directors, CAASL?				
13.5.19	Are all acting salaries paid with the approval of the DGCA/CEO?				
13.5.20	Is the computation of acting salary correctly done as provided in Section 6.11 of the SRAAPM?				
<b>13.6</b>	<b>Leave</b>				
13.6.1	Are leave entitlements of officers correctly determined as provided in section 7.3 of the SRAAPM?				
13.6.2	When a lady officer applies for maternity leave, is the required notice obtained with regard to the maternity leave already taken by her in earlier occasions?				
13.6.3	Is the number of days for maternity leave determined correctly in terms Section 7.7 of the SRAAPM?				
13.6.4	Are there instances of granting accident leave?				



13.6.5	If so, are such accidents inquired into or sufficient evidence obtained to ensure that the accident was not due to any fault of the officer concern?				
13.6.6	Are there instances of granting study leave?				
13.6.7	If so, are there agreements to serve the Authority for a period equivalent to 3 times the period for which study leave has been granted?				
13.6.8	Are there instances of encashment of un-availed leave in excess of 28 days?				
13.6.9	Are the computations of such payments correctly done in terms of Section 9.3.2 of SRAAPM?				
<b>13.7</b>	<b>Residential Telephones</b>				
13.7.1	Have the officers provided with residential telephones completed the requirements referred to in section 9.4 of the SRAAPM?				
13.7.2	Have the cost of call charges and rentals settled by the CAASL within the limits specified in CAASL Financial Procedure Manual?				
<b>13.8</b>	<b>Fuel Allowance</b>				
13.8.1	Have the officers provided with assigned vehicles used pool vehicles?				
13.8.2	Are the fuel allowances paid within the limits fixed by the government?				
13.8.3	Are there any additional payments on account of fuel allowance?				



13.8.4	Are such additional payments approved by DGCA/CEO?				
13.8.5	Have deductions been made on account of private travel at rates determined by the government?				
<b>13.9</b>	<b>Official Travel</b>				
13.9.1	Has the officer opted to meet his traveling expenses (subsistence and lodging within the rates given in Section 10.2.1 of the SRAAPM?				
13.9.2	If so, has the officer claimed the correct rate?				
13.9.3	Are there instances of meeting the entire cost of				
13.9.4	Travel (accommodation and Food) by the Authority?				
13.9.5	What precautions are taken to ensure that the officer does not claim traveling in cases where the Authority has met such expenditure?				
13.9.6	On what basis the supplier for such services selected?				
13.9.7	The rates charged reasonable when compared with market prices?				
	<p>.....</p> <p>.....</p> <p><b>Date                      of                      Review</b></p> <p><b>Signature &amp; Code</b></p>				



## Chapter - 14

### 14.0 VEHICLE UTILIZATION.

**Objective:** That vehicle utilization is duly authorized and vehicles are properly maintained

Serial No.		Y e s	N o	Comments	Schedule No.
14.1	<b>General</b>				
14.1.1	State whether following Records/Registers are maintained? 1. Register of Motor Vehicles 2. Register of Vehicles License 3. Register of Motor Vehicle Insurance 4. Register Fuel Orders 5. Running Charts for each vehicle 6. Motor Vehicle Log Book for each vehicle				
14.1.2	Are all requests for vehicles supported by an application designed for such purposes?				
14.1.3	Are all such applications duly approved by an officer who is delegated with such authority?				
14.1.4	Is the information such as purpose, Milo meter reading and destination recorded in the running chart before commencement of the journey and initialed by the officer using the vehicle?				
14.1.5	Is the Milo meter checked and mileage is recorded at the end of each journey and initialed by the officer who used the vehicle?				

14.1.6	Is the time taken for each trip realistic when compared with the distance traveled?				
14.1.7	Is the supply of fuel on the basis of orders?				
14.1.8	If so, who signs the fuel orders?				
14.1.9	In whose presence fuel is pumped?				
14.1.10	Is the fuel consumption checked at periodical intervals and compared with the actual?				
14.1.11	Who carries out such tests?				
14.1.12	Are all vehicles in running condition?				
14.1.13	Are all vehicles registered in the name of the Authority?				
14.1.14	Are any vehicles released to outside parties or institutions?				
14.1.15	Are there any unserviceable vehicles without being disposed of?				
14.1.16	Had there been transparency in vehicle disposals, if any?				
<b>14.2</b>	<b>Repairs and Maintenance</b>				
14.2.1	Are vehicles timely serviced?				
14.2.2	Is there a system of registering garages for repairs?				
14.2.3	Who approves the repairs?				
14.2.4	If so, is responsibility fixed and the loss due to negligence recovered?				
14.2.5	Are removed parts returned and kept separately until final disposal?				



14.2.6	Is there a system of preparing monthly performance summary for each vehicle at the end of each month?				
14.2.7	Had there been accidents?				
14.2.8	Are such accidents inquired into and responsibilities fixed?				
14.2.9	Is the replacement of tyres justifiable when compared with the mileage performed?				
14.2.10	Is the expenditure incurred on major repairs justifiable in relation to the age and type of vehicle?				
<b>14.3</b>	<b>Home Transport</b>				
14.3.1	Is there a clear record of home transport facilities provided to staff?				
14.3.2	Are the returns prepared on account of home transport facilities provided to staff referred to Salaries Branch at the end of each month?				
14.3.3	Are there instances of obtaining transport allowance by officers who have obtained home transport facilities?				
<b>14.4</b>	<b>Hire of Vehicles</b>				
14.4.1	How many vehicles are being hired on the basis of the circular No.MPD/MPRD/Veh 11.10.2002?				
14.4.2	Indicate the category referred to in the Circular under which quotations were called.				
14.4.3	Is the rate quoted for the selected category fair and reasonable when compared with the rates given in the circular referred to above?				



14.4.4	Who are the officers entitled to assign vehicles?				
14.4.5	Are there instances of hiring vehicles (other than vehicles obtained for assigning) for other purposes?				
14.4.6	Are agreements signed for various categories of vehicles hired?				
14.4.7	Is there a list of registered entities for providing vehicles on hire basis?				
14.4.8	Are the conditions of the agreements based on the conditions given in the specimen agreement shown in the circular?				
<b>14.5 Licensing and Insurance</b>					
14.5.1	Are the vehicles insured on due dates?				
14.5.2	Are the vehicles licenses obtained before the expiry date?				
14.5.3	Are there instances of levying surcharges for not obtaining the licenses on due dates?				
<p>.....</p> <p>.....</p> <p><b>Date of Review</b></p> <p><b>Signature &amp; Code</b></p>					





## Chapter - 15

### 15.0 PROCUREMENTS

**Objective :** To obtain financially the most advantages and qualitatively best services and supplies to the Authority with regard to transparency in the transactions.

		Y e s	N o	Comments	Schedule No.
<b>15.1</b>	<b>General</b>				
15.1.1	Have the tender procedure been followed in obtaining goods and services for the Authority? (You are required to list out all cases of non-compliance with the requirement)				
15.1.2	Are reasons given for all cases of deviation from tender procedure acceptable?				
<b>15.2</b>	<b>Tender Procedure</b>				
15.2.1	Are following matters taken to consideration by following the tender procedure? a) The least cost which bring maximum benefits to the Authority; b) Adherence to prescribed standards, specifications, rules and regulations; c) Maximum income in the disposal of assets or in granting of right benefits etc.; d) Equal opportunity for interested parties to compete; e) Expeditious execution of works, delivery of goods and supplies; f) Compliance with local laws and international obligations; g) Transparency and uniformity in evaluation procedure; h) Confidentiality of information				



15.2.2	<p>i) furnished by bidders; and j) Competence and capability of the contractor;</p> <p>Are you satisfied with the extent of publicity given depending on the nature and amount of the contract?</p>				
15.2.3	<p>Is sufficient time given for the submission of tenders? (Minimum 3 weeks. International tenders should be given 6-8 weeks for bid submission)</p>				
15.2.4	<p>Had there been an undue delay in evaluation of tenders? (Maximum 3 weeks)</p>				
15.2.5	<p>Had there been a delay in tender board determination? (Maximum 2 weeks)</p>				
15.2.6	<p>Had there been an opportunity for appeals? (two weeks)</p>				
15.2.7	<p>Had there been an undue delay in awarding the contract? (Maximum one week after appeal)</p>				
15.2.8	<p>Are total costs estimates prepared and approved by the following authorities? Authority - up to Rs.100 mn. Ministry - above Rs.100 mn.</p>				
15.2.9	<p>Is detailed costs estimate kept in a confidential cover in a safe place before calling for tenders?</p>				
15.2.10	<p>In determining the tenders are following limits adhered to? Director General up to Rs. 100,000</p>				
15.2.11	<p>Board of Directors up to 10 mn. Ministry Tender Board up to Rs. 20 mn.</p>				



15.2.12	<p>Are those securities and guarantees furnished cover following percentages?</p> <ul style="list-style-type: none"><li>I. Refundable Tender Deposit – up to 1% of total cost estimate *</li><li>II. Bid Bond – up to 2% of the total cost estimate *</li><li>I. Performance Bond (works) – up to 5% of the contract sum</li><li>II. Performance Bond (supplies) up to 10% of the contract sum</li><li>III. Mobilization Guarantee – 100% of the full advance payment.</li></ul> <p>*</p>				
15.2.13	<p>Note 1 : Quantum of Tender Deposit or Bid Bond should be a fixed sum not exceeding this range. Fixing an exact percentage may lead to disclosure of the total cost estimate.</p> <p>Note 2: The following are exempted from refundable tender deposits provided their earlier performances are in good books.</p> <ul style="list-style-type: none"><li>I. Approved societies</li><li>II. Public Enterprises/Corporations</li></ul>				
15.2.14	<p>State Trading Organizations of Foreign Governments (provided they have not defaulted earlier)</p> <p>Have following matters been taken to consideration before submitting tender documents to the tender board?</p> <ul style="list-style-type: none"><li>- availability of funds</li><li>- accuracy of the total cost estimate and approval of the relevant authority;</li><li>- adequate provision in the notice, if samples are required;</li></ul>				



	<ul style="list-style-type: none"><li>- completeness of the tender documents;</li><li>- availability of Plans/Designs and</li><li>- specifications and Bills of Quantities;</li><li>- Sufficient time to tender;</li><li>- adequacy of security ;</li><li>- guarantees where necessary;</li><li>- provision for domestic preference;</li><li>- supply of spares and necessary training;</li><li>- government policy and</li><li>- selection criteria is explicitly provided;</li></ul>				
15.2.15	Treasury for air transport?				
15.2.16	What is basis of supply agreed? (i.e. F.O.B., C.I.F. , E.X.W etc.)				
15.2.17	Whether the basis agreed is the most economical?				
15.2.18	Are there tender conditions to encourage the use of local materials in the case of contracts for execution of works?				
15.2.19	Has it been elaborated the procedure for rejection of local materials in such situation?				
15.2.20	Has it been specified that only Sri Lankan labour be employed?				
15.2.21	Is there any tender condition for payment of Mobilization Advance?				
15.2.22	Is the amount payable is within 20% of the total costs estimate?				
15.2.23	Do the tender conditions stipulate the stage at which Mobilization Advance is to be paid and the manner of it's recovery?				



	<p>Note: Mobilization Advance should not be calculated and paid for any item for which the executing agency is supposed to open a letter of credit.</p>				
15.2.24	Has the recovery of Mobilization Advance commenced after completion of 30% of the work and ending up with the final payment?				
15.2.25	Are there instances of payment of Mobilization Advances to Samurdhi Balakaya and Farmer Organizations without a guarantee?				
15.2.26	Are such payments limited to a maximum of Rs.200.000? Are there any defaulted recoveries?				
<b>15.3</b>	<b>Other Methods</b>				
15.3.1	Is there a system of Registration of suppliers for particular goods and services? (i.e. Stationary, Cleaning Service, Security Printing etc.)				
15.3.2	Are these registrations up dated at least once a year?				
15.3.3	Are quotations called for from the registered parties when the authority has decided to deviate from the normal tender procedure?				
15.3.4	Are quotations sent under registered post?				
15.3.5	Are the quotations opened only at the Tender Board Meeting?				
15.3.6	Are these date stamped and initialed by the members of the tender board.				



15.3.7  15.3.8  15.3.9  15.3.10	<p>Are there instances of obtaining quotations through the telephone or by visits to various suppliers? (list out such situations)</p> <p>In the absence registered suppliers, are quotations obtained by referring to “Yellow Pages” For procurement of construction works exceeding value of Rs. 5 mn.</p> <p>Are tender documents issued only to those who have registered under Institute for Construction Training and Development? (ICTAD)</p> <p>Are there instances of obtaining local and minor services through restricted tenders/quotation? (supply of meals, laundry etc.) Does total value of such supplies exceed</p> <p>..... ..... <b>Date of Review</b> <b>Signature &amp; Code</b></p>				
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## **15.4 Exceptions and Deviations**

In the audit of contract payments following exceptions and deviations to be noted:

15.4.1 The Director General can personally authorize the purchase of articles directly from the open market up to a value of Rs. 10,000, when it is uneconomical to follow normal tender procedure. This authority should be exercised for exceptional cases and not in regular basis. This authority should not be delegated.

15.4.2 A Head of a Unit may purchase direct, articles of small value up to Rs. 1500/= per day when it is uneconomical to follow tender procedure provided that the total purchases during a calendar month should not exceed Rs. 6,000. Preference to be given to Govt. Institutions.

15.4.3 Preference should be given to purchases from government institutions subject to following conditions.

- a) The reasons for the deviation from the tender procedure should be recorded in the tender minute book and should be reported to the Auditor General (Reasons could be urgent need in public interest. i.e disasters such as bomb blast, flood, accident etc.)
- b) Should not exceed the following limits. Director General: on his personal approval up to Rs. 100,000/=
- c) Tender Board of the CAASL subject to the personal approval of the Director General up to Rs. 5,000,000/=
- d) In addition to the tender minute book, all deviations should be recorded in a Register of Deviations.

15.4.4 Director General may grant general or specific approval to incur expenditure on minor urgent repair work, the postponement of which might cause further damage or loss to property up to Rs. 10,000 (i.e. a roof leak)

15.4.5 Repairs to motor vehicles could be entrusted to local accredited agent up to Rs.100,000 provided that the Director General is satisfied that the quotation is reasonable. However such repairs in excess of Rs. 100,000 need the approval of the Secretary to the appropriate Ministry. The Director General may delegate this authority as follows:

- Senior Staff Officer with a service of over 15 years as a staff officer Rs. 75,000
- Senior Staff Officer with a service of over 10 years as a staff officer Rs. 50,000
- Senior Staff Officer with a service of over 05 years as a staff officer Rs. 25,000

15.4.6 Repeat orders for procurement of goods may be authorized up to 15% of the contract value provided the necessity for additional items was not known at the times of entering into contract and that the prices of items are not in a downward trend.



## Chapter - 16

### 16.0 ACQUISITION OF COMPUTER FACILITIES.

**Audit Objectives :** To ensure that consideration is given to the objectives, benefits and cost of acquisition over its full life cycle.

		Y e s	N o	Comments	Schedule No.
<b>16.1</b>	<b>Feasibility</b>				
16.1.1	Is a feasibility study prepared for each purchase proposals?				
16.1.2	If so, whether such studies provide adequate data of the costs, benefits of the proposed purchase?				
16.1.3	If not, what is the basis for approving the projects?				
<b>16.2</b>	<b>Acquisitions</b>				
16.2.1	Have user requirements been looked into?				
16.2.2	Have tender procedure been followed?				
16.2.3	Whether future expansions and development of the Authority taken into account?				
<b>16.3</b>	<b>Implementation</b>				
16.3.1	Do the following restrictions always apply? a) Prime source documents are only handled by data control and data preparation persons, b) Data control has no duties which would violate its control function (e.g. responsibility for the completeness and accuracy of input and output) c) Operators are forbidden to correct errors in rejected				





<b>16.4</b>	<b>Operational Controls</b>				
16.4.1	<p>Do data control's responsibilities include :</p> <ul style="list-style-type: none"><li>a) only accepting authorized batch documents;</li><li>b) test checking the completeness and accuracy of source documents;</li><li>c) recording the receipt and flow of documents through the computer division;</li><li>d) logging and reporting to senior management volume of errors and returns;</li><li>e) control of job submitted by managers;</li><li>f) preparation and control of job control statements;</li><li>g) file librarianship.</li></ul>				
16.4.2	<p>Is any work processed independently of data control (e.g. on line processing) and does data control monitor or control such activity?</p>				
16.4.3	<p>In the absence of a data control section, who performs the data control function and does that person have other functions.</p> <p>(e.g. data preparation batching and controlling source data on behalf of the users)</p>				
16.4.4	<p>Who has responsibility for error correction?</p>				
16.4.5	<p>Are such corrections clearly recorded and advised to the user?</p>				
16.4.6	<p>Is the procedure for re-submitting rejected data clearly defined?</p>				



<b>16.5</b>	<b>Data Preparation</b>				
16.5.1	Is the receipt of source documents and dispatched of keyed data recorded?				
16.5.2	How is the risk of duplicating minimized?				
16.5.3	Have data entry clerks been instructed not to accept oral amendments to data?				
16.5.4	Is verification performed independently and by different operators from those who keyed the data originally?				
16.5.5	Is all data verified?				
16.5.6	If only selected data is verified, who determines which items are verified and who checks that the minimum is adhered to?				
16.5.7	How is the verified data distinguished from unverified data?				
<b>16.6</b>	<b>Operation</b>				
16.6.1	Do operators have sole access to the computer room?				
16.6.2	Are there clear and concise operating instructions for each job?				
16.6.3	Are operators instructed not to accept oral amendments to these instructions?				
16.6.4	Is there a written schedule of all jobs to be run in each shift?				
16.6.5	Do operators record that each job has been processed?				



<b>16.7</b>	<b>Logs and Journals</b>				
16.7.1	How often logs and journals are produced?				
16.7.2	Who receives them?				
16.7.3	How are they used?				
16.7.4	Is a manual log kept indicating? a) machine failure b) idle time c) re-runs				
16.7.5	Jobs with unduly short/long run times?				
<b>16.8</b>	<b>Programme Maintenance</b>				
16.8.1	Are all programme amendments authorized by a senior officer?				
16.8.2	Is a record of such amendments maintained?				
16.8.3	Are back up records taken and separately located?				
16.8.4	Are such back up records periodically checked to ensure that they are not damaged?				
16.8.5	Has a person made responsible at each terminal site for security of access to and use of the terminal?				
16.8.6	What protection is there to prevent an unauthorized user accessing the terminal?				
<b>16.9</b>	<b>Software Control</b>				
16.9.1	Is effective control exercised over the issue and use of identification codes?				



16.9.2	Are there adequate procedures for the issue and changing of passwords?				
16.9.3	Are there any access restrictions imposed on specified master files?				
<b>16.10</b>	<b>Environmental Controls</b>				
16.10.1	Are all computer equipment subject to regular maintenance?				
16.10.2	Are there safeguards against the risk of electrical failure/rain/other disaster?				
	..... ..... <b>Date of Review</b> <b>Signature &amp; Code</b>				



## Chapter - 17

### 17.0 GENERAL STORES

**Objective :** Examination of records and physical stocks to ensure that the stores functions are carried out with due regard to Economy, Efficiency and effectiveness.

Serial No.		y e s	N o	Comments	Schedule No.
<b>17.1</b>	<b>General</b>				
17.1.1	Are stock records maintained subject to review by a supervising officer?				
17.1.2	Are there mutilations/alterations of entries in the stores records?				
17.1.3	Are Stores Ledger Cards/Bin Cards initialed by a responsible officer and serially numbered to avoid unauthorized replacement/removal?				
17.1.4	Are entries relating to receipts and issues initialed by a responsible officer?				
17.1.5	Are the stores items properly stored according to their nature to avoid or minimize waste and deterioration and to facilitate handling, counting and issues?				
17.1.6	Are used, unserviceable or outdated items stored separately?				
17.1.7	Are there any controls regarding access to stores area?				
<b>17.2</b>	<b>Purchases</b>				
17.2.1	Have the purchases been made through tender procedure or competitive quotations as appropriate so that there is transparency in selecting the suppliers?				



17.2.2	Had there been any local purchases deviating from tender procedure?				
17.2.3	Have the existing stock levels and consumption rate taken into				
17.2.4	Are the reasons given for such local purchases acceptable?				
17.2.5	account before orders are placed for the supplies?				
17.2.6	Are the items delivered examined on the spot to ensure the quality and correctness of the quantity?				
<b>17.3</b>	<b>Issues</b>				
17.3.1	Are all the issues supported by requisitions duly approved by a staff officer who has been delegated with such authority?				
17.3.2	Are the issues supported by an issue order with sufficient number of copies?				
17.3.3	Are the Original and second copy sent along with the items so that the second copy is returned after acknowledgement by the recipient?				
17.3.4	Does the book copy indicate the relevant stock book/bin card reference?				
17.3.5	Are the entries in the relevant stock book/bin card agree with the quantities indicated in the book copy?				
17.3.6	Are the second copies of the issue orders returned by the recipients filed in chronological order?				

17.3.7	Are the quantities acknowledged as shown in the returned copy, tallying with the quantities shown in the book copy?				
<b>17.4</b>	<b>Returns</b>				
17.4.1	Are appropriate entries made in the stores records relating to items returned, if any?				
17.4.2	What controls are there to ensure that the items returned are the items originally issued?				
17.4.3	Are the items returned are duly approved by a responsible officer?				
<b>17.5</b>	<b>Board of Survey</b>				
17.5.1	Have the recommendations of the Board of Survey regarding obsolete, non-moving/slow moving and surplus items been implemented?				
17.5.2	Are the members appointed to the Board of Survey not connected with any stores work?				
17.5.3	<p><b>Note:</b> If a Board of Survey has not been, carried out select a representative sample of major items for physical examinations.</p> <p>In selecting the sample pay special attention to non-moving, slow moving, perishable items and items of high value by running through ledger cards/ bin cards. Report the findings.</p> <p>In respect of large number of items, ascertain the average annual consumption and determine how many months stocks are in stores.</p>				

	<p>(ie. Divide the existing stock by average consumption and report the findings).</p>				
<b>17.6</b>	<b>Management Information</b>				
17.6.1	Does the system provide for? I. Information on slow moving / obsolete items at regular intervals?				
17.6.2	Review of maximum/minimum I. and re-order levels? II. Details of stock levels held on comparative days?				
17.6.3	Is appropriate action on the management information taken?				
<b>17.7</b>	<b>Inventories</b>				
17.7.1	Is there a Central Inventory Register indicating the distribution of inventory items among various sections?				
17.7.2	Are entries tallied at the end of the year and Board of Survey carried out?				
17.7.3	Are items coded systematically so that the items could be identified easily?				
17.7.4	Is there a system of write off or cost recovery in relation to items reported loss?				
17.7.5	Are write off orders approved by a person who has such delegated authority?				
17.7.6	Are appropriate entries made in the relevant accounting records indicating the authenticity?				



17.7.7	<p>At what price the value of items reported lost/damaged recovered?</p> <ul style="list-style-type: none"> <li>- Depreciated value?</li> <li>- Historical cost?</li> <li>- Historical cost &amp; Departmental changes?</li> <li>- Replacement cost?</li> <li>-</li> </ul>			
17.7.8	Who decides the value?			
<b>17.8 Consumables</b>				
17.8.1	Is there a separate register for consumable items?			
17.8.2	Are issues to various sections supported by a requisition duly signed by the Heads of sections?			
17.8.3	In relation to the work handled by various sections are you satisfied that the items requested and the quantities issued are fair and reasonable?			
17.8.4	Have you followed a selected number of such requisitions to the records maintained by the relevant sections to ensure that the quantities issued to the sections are duly recorded and accounted?			
<b>17.9 Fixed Assets</b>				
17.9.1	Is a Fixed Assets Register maintained in respect of all fixed assets?			
17.9.2	Is sufficient information given in respect of each asset? (i.e. Cost, rate of depreciation, date of purchases, Deed No /Extent/Registration No/Manufactures No/Type/Make etc. as applicable)			
17.9.3	Does the total value of individual assets agree with the value shown in the General Ledger?			



17.9.4	Are the values shown in the Register realistic?				
17.9.5	Are there any redundant assets? Are such assets shown separately in the annual accounts?				
17.9.6	Are there any under utilized, idle or obsolete assets?				
17.9.7	Are any steps taken for disposal of such assets?				
17.9.8	Had there been any disposals?				
17.9.9	If so, what procedure had been taken for such disposals?				
17.9.10	Is the value of the balance stock at the end of the year determined and shown in the Balance Sheet?				
17.9.11	Is the method of pricing such stock based on LIFO/FIFO/Average?				
17.7.12	Had there been a change in the basis of such valuation when compared with the basis of valuation adopted for the preceding year  ..... .....				
	<p style="text-align: center;"><b>Date                      of                      Review</b> <b>Signature &amp; Code</b></p>				



## Chapter – 18

### 18.0 AIRWORTHINESS SECTION

**Objectives:** To ensure compliance status of procedures in respect of issuance of Certificate of registration of Aircrafts

Answers to questions by way of tick (√)

Serial No.		Yes	No	Comments	Schedule No.
<b>18.1</b>	<b>Initial issue</b>				
18.1.1	a) Is the application received in Form CAASL 08-003 with a covering letter?  b) Verify whether the entry made in the Incoming Mail register?				
18.1.2	Is the Inspection/Registration fees of the Aircraft collected according to the Rule FN/001/04				
18.1.3	Are the following documents are collected and filed, (i) Copy of AOC or DD(Op)'s advice (ii) Custom clearance Certificate (iii) Bill of Sale (iv) Proof of Ownership. (v) Certificate of Insurance (vi) Lease agreement (vii) Radio License (viii) Certificate of De-Registration				
18.1.4	(i) If the application is not accepted verify whether the Customer Informed. (ii) If the application accepted verify whether the request made for Nationality & Registration mark.				
18.1.5	Verify whether the Nationality & Registration mark allocated?				



18.1.6 18.1.7 18.1.8 18.1.9 18.1.10	<p>Is a copy of PIV/Receipt attached to the file</p> <p>Is the Registration certificate issued is in accordance to the format (CAA/AW012) issued. (ref. attachment)</p> <p>Is the Certificate of Registration signed by DGCA and verify whether the entry was made in the Air craft register.</p> <p>Did this registration of Aircraft has been informed to the State of Manufacture (ICAO Annex 7 requirement)</p> <p>Verify whether the Owner of the Aircraft is ; a) a citizen of Sri Lanka, b) a body of corporate;</p> <ul style="list-style-type: none"><li>- Incorporate in the Law of Sri Lanka,</li><li>-Having principle business place in Sri Lanka,</li><li>- 3/5 of the board members from Sri Lankan.</li></ul> <p>..... ..... <b>Date of review</b> <b>Signature &amp; Code</b></p>				
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Format of a Certificate to be issue to a Aircraft registration as per Annex 07

*	*	
<p>Common mark registering authority Ministry Department or Service</p> <p>Certificate of Registration</p>		
<p>1.Nationality or common mark and registration mark ..... .....</p>	<p>2. Manufacture and manufacturer's designation of aircraft ..... .....</p>	<p>3. Aircraft serial No ..... ..... .....</p>
<p>4. Name of owner.....</p> <p>5. Address of owner.....</p>		
<p>6. it is hereby certified that the above described aircraft has been duly entered on the .....in accordance with the Convention on International Civil Aviation dated 7 December 1944 and with the (+).....</p>		
<p>(Signature).....</p> <p>Date of issue.....</p> <p>(+) Insert reference to applicable regulations.</p>		



Serial No.		Y e s	N o	Comments	Schedule No.
<b>18.2</b>	<b>RENEWAL OF CERTIFICATE OF REGISTRATION OF AIRCRAFT</b>				
18.2.1	Is the application received in Form of CAASL 07-003 with covering letter and entered in the register.(Application to be submitted one month in advance)				
18.2.2	Is the renewal/Inspection fees collected according to the Rule FN/001/04				
18.2.3	Is a copy of PIV attached to the file				
18.2.4	Is any objections filed by the Owner or Operator.				
18.2.5	Is the Certificate signed by DGCA&CEO				
18.2.6	If the renewal entry entered in the Civil Aircraft register?				
<b>18.3</b>	<b>Maintenance of the Aircraft register</b>				
18.3.1	Are Certificate pre numbered.				
18.3.2	Are the certificates pre printed.				
18.3.2	If then verify the stock and issues				
18.3.3	Is the Aircraft register up dated accurately?				
18.3.4	Is the register provided one page for each Aircraft?				
18.3.5	Is the Income received for the period is tailing with number of certificates issued and the records of Finance Section.				
18.3.6	Is the register consists with all relevant details				
	..... <b>Date of review</b> <b>Signature &amp; Code</b>				



Form CAASL 08-001

the applicant

Not to be filled by

Receipt Number.....Fee Paid.....

**CIVIL AVIATION AUTHORITY OF SRI LANKA**

Application for Certificate of Airworthiness

To: The Director General of Civil Aviation Authority, Colombo

From:

(Name of Applicant)  
(Full postal address)

.....

(If applicant is not the owner of the aircraft, state name of owner)

It is desired to issue Certificate of Airworthiness No....for(type).....Aircraft 4R.....Fitted with .....engine(s).The Certificate is due to expire on the..... The Aircraft will be available for inspection at.....from the..... (date)

A cheque /Money Order/Cash is enclosed herewith, in payment of the fee.

.....  
Date

.....  
Signature of Applicant



**FORMAT OF CERTIFICATE OF AIRWORTHINEES**

*	State of Registry Issuing Authority	*
Department or Service  Certificate of Airworthiness		
1. Nationality and registration mark ..... .....	2. Manufacture and manufacturer's designation of aircraft ..... .....	3. Aircraft serial No ..... ..... .....
4. Categories.....		
5. This Certificate of Airworthiness is issued pursuant to the Convention on International Civil Aviation dated 7 December 1944 and +..... in respect of the abovementioned aircraft which is considered to be airworthy when maintained and operated in accordance with the foregoing and the pertinent operating limitations.  Date of issue..... Signature.....		
6. Aircraft type and model		





Serial No.		Y e s	N o	Comments	Schedule No.
<b>18.4</b>	<b>Validation of Maintenance Licenses.(Foreign)</b>				
18.4.1	Is there an application on Form No.? CAA-01-001 With following documents; a) a recommendation letter from AOC holder, b) Copy of the valid License.				
18.4.2	Is there a copy of PIV issued,				
18.4.3	Is the fees charged in accordance ; a) Initial (6B+C6)+VAT b) Renewal (6E+C6)+VAT				
18.4.4	Is a result sheet /File minute of the examination available in the file for initial issues? ( The examination is to be held within 07 days time of application )				
18.4.5	Is the authenticity had been checked before the examination (with the respective Licensing authority)?				
18.4.6	Is the Validation Certificate prepared in triplicate?				
18.4.7	And copy of the certificate filed.				
18.4.8	Is the Validation certificates are numbered?				
18.4.9	Is a register maintained in these purposes?				
18.4.10	Is the Income received for the period is tailing with number of certificates issued and the records of Finance Section.				



18.4.11	Verify whether the Validation Certificate sent in Registered post or handed over to the applicant with the recipient's signature.				
<b>18.5</b>	<b>Organizational Approval (First/Renewal)</b>				
18.5.1	Is there an application in the Form of CAASL 08-004 with a covering letter?				
18.5.2	Are the following documents attached with the application?  a)Respective Authority approval  b)Capability Listing  c)Scope of approval  d)List of approval holders to perform the job(for Line-station)  e)Contract agreement or letter of intent  f)Line station audit reports(if visited the station)				
18.5.3	Are the fees charged for the issuance of AMO approval as follows,  a)Initial issue Evaluation –Local Rs 50,000/- -Foreign Rs.100,000/- Approval Rs 13,800/- (VAT 15%)  b)Renewal Evaluation –Local Rs 10,000/- -Foreign Rs .20,000/- Approval Rs 13,800/- (VAT 15%)				



Serial No.		Y e s	N o	Comments	Schedule No.
	<p>c).Is inspection carried out and charged per day at the rate of Rs.10,000/- plus VAT per head? from the service requester (Foreign station only)</p> <p>(Inspection is compulsory at Initial and Renewal for Local Maintenance Organizations) If the AMO is a foreign Organization Inspection is compulsory for initial but may be after issuing the Certificate as and when necessary. Charges-Per day Rs.10,000/- ph with all inclusive expenses.)</p>				
18.5.4	Is the AMO certificates are numbered?				
18.5.5	Is a register maintained for these purposes?				

**18. AIRWORTHINESS SECTION**

**Objectives:** To ensure compliance status of procedures in respect of issuance of Organizational approvals

Answers to questions by way of tick (✓)

Serial No.		Y e s	N o	Comments	Schedule No.
18.5.6	Is the Income received for the period tilling with number of certificates issued and the records of Finance Section.				
18.5.7	Verify whether the Certificate sent in Registered post or handed over to the applicant with the recipient's signature.				
	..... <b>Date of review</b> <b>Signature &amp; Code</b>				

**18. AIRWORTHINESS SECTION**

**Objectives:** To ensure that the issuances of Work shop approval are compliance to the existing systems and Procedures.

Answers to questions by way of tick (✓)

Serial No.		Y e s	N o	Comments	Schedule No.
<b>18.6</b>	<b>Work Shops Approval</b>				
18.6.1	Is there a application in the approved format? (ENG/QA/AP/006)				
18.6.2	Are the evaluation fees charged as follows?				
18.6.3	a)Evaluation of an application for Engineering workshop capability level Rs 5,000/-with VAT  b)Grant of engineering workshop capability level approval Rs.2,500/-with VAT				
18.6.4	Is the copy of PIV issued is filled?				
18.6.5	Is an inspection carried out as and if necessary and the report filled?				
18.6.6	Is the Income received for the period is tailing with number of certificates issued and the records of Finance Section.				
18.6.7	Is a register maintained for these purposes?				
18.6.8	Verify whether the approval Certificate posted in Registered post or handed over to the applicant with the recipient's signature. ..... <b>Date of review</b> <b>Signature &amp; Code</b>				



## 18. AIRWORTHINESS SECTION

**Objectives:** To ensure that the issuances of Import and Export of Certificate of Airworthiness are compliance to the regulations adopted.

Answers to questions by way of tick (√)

Serial No.		Y e s	N o	Comments	Schedule No.
<b>18.7</b>	<b>Issuance of Export Certificate of Airworthiness</b>				
18.7.1	Is there a letter of request from Operator together with no objection letter from Owner?				
18.7.2	Are the evaluation fees charged as ; -5700Kgs or above Rs.25,000/-with VAT -below 5700Kgs Rs.5,000/- with VAT				
18.7.3	Is a fee of Rs.2, 000/- with VAT charged for issuance of Export certificate of airworthiness?				
18.7.4	Is the copy of PIV/Receipts issued is filled?				
18.7.5	Is the Income received for the period is tailing with number of certificates issued and the records of Finance Section.				
18.7.6	Is a register maintained for these purposes?				
18.7.7	Verify whether the Certificate sent posted in Registered post or handed over to the applicant with the recipient's signature.				



<b>18.8</b>	<b>Import/Export of Spare parts and engines</b>				
18.8.1	Is there any request letter with the relevant Performa invoice?				
18.8.2	Verify whether the approval is given				
	..... .....				
	<b>Date of review Signature &amp; Code</b>				

**18. AIRWORTHINESS SECTION**

**Objectives:** To ensure followings services rendered are me with the regulations adopted.

Answers to questions by way of tick (√)

Serial No.		Y e s	N o	Comments	Schedule No.
<b>18.9</b>	<b>Issuances of Logbooks</b>				
18.9.1	Are there a request for issuing a) Engine Logbook b) Airframe logbook c) Propeller logbook				
18.9.2	Is a issued copy of PIV /Receipts filled for Rs.690/- with VAT?				
18.9.3	Is a register maintained for these purposes?				
18.9.4	Is the Income received for the period is talley with number of certificates issued and the records of Finance Section?				
<b>18.9.5</b>	<b>Verify whether, at the time of rendering of following services were charged as per the approved rates and documented accordingly?</b>  a) Inspection, (Aircrafts, Workshops, Organization etc..) b) Recommendation for foreign examination, c) Evaluation of an application for amendment to an AMO Certificates, d) Effecting an amendments to aircrafts maintenance organization to increased scope, e) Issue of a certificates of cancellation of aircrafts registrations,				





	<p>f) amendments or additions to aircraft register,</p> <p>g) Issue of an noise certificates,</p> <p>h) Amendments to noise certificates</p> <p>i)De-registration of aircrafts, (verify whether the notice had been sent to Manufacturing State and other Sections)</p> <p>j)Evaluation of a maintenance Control Manual,</p> <p>k) Grant of approval for MCM,</p> <p>l) Evaluation of an amendments to MCM ,m) Evaluation of an application for</p> <p>m)approval of a Maintenance Schedule,</p> <p>n)Grant of approval for Maintenance Schedule,</p> <p>o)Evaluation of amendments to Maintenance Schedule</p> <p>p)Evaluation of a request for approval of E Training M,</p> <p>q)Grant of approval for E Training M,</p> <p>r)Evaluation of amendments to E Training M,</p> <p>s)Evaluation of an application for grant of Ferry Flight/Test Flight permit,</p> <p>t) Grant of above permits,</p> <p>u)Evaluation of an application fro grant of one- time approval for specialized maintenance activities, (Local and Foreign) verify whether the maintenance licenses current.</p> <p>v)Evaluation of an application to grant a validation to foreign licence holder for</p>								
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	<p>w)special task or maintenance local registered aircrafts,</p> <p>x)Grant of one-time approval for specialized maintenance activities,</p> <p>y)Renewal of a lapsed Licence or Certificates,</p> <p>z) Grant of no-objection letter, Grant of a Certified copies of any of the Licence, Certificates or Authorizations.</p>				
18.9.6	Is a register maintained for these purposes?				
18.9.7	Are issued copies of PIV filled?				
18.9.8	Is the Income received for the period is taller with number of certificates, approvals or authorization issued and the records of Finance Section?				
<b>18.10</b>	<b>GENERAL</b>				
18.10.1	<p>Are the following registers were introduced and maintaining properly?</p> <p>a)Attendance Register,  b)Inventory register,  c) Monthly Income register,  d) Leave register,  e)Incoming &amp; Outgoing mail register.</p>				
18.10.2	Is the Staff adherence to the approved work programme?				
18.10.3	Verify whether the CAA Manuals are updated accordingly.				



18.10.4	Are the Performance Evaluation carried out as specified?				
18.10.5	Are the Letters received were replied as and when necessary?				
18.10.6	Are the Shifting of Office Files to other Sections were recorded?				
18.10.7	Are the records of actions and / File Minutes are as per specification provided?				
18.10.8	Are the duties were given to the other staffs accordingly?				
18.10.9	Are the ICAO filed with Compliance/non Compliance to the Annexes?  ..... ..... <b>Date of review</b> <b>Signature &amp; Code</b>				