

Manmunai West Pradeshiya Sabha

Batticaloa District

1. Financial Statements

1.1 Presentation of Financial Statements

The Financial Statements for the year 2016 had been submitted to Audit on 31 March 2017 while the Financial Statements relating to the preceding year had been submitted on 01 April 2016. Report of the Auditor General relating to the year 2016 had been furnished to the Secretary of the Sabah on 30 August 2017.

1.2 Qualified Opinion

In my opinion, except for the effect of the matters described in paragraph 1.3 of this report, the financial statements give a true and fair view of the financial position of the Manmunai West Pradeshiya Sabha as at 31 December 2016 and its financial performance for the year then ended in accordance with Generally Accepted Accounting Principles.

1.3 Comments on Financial Statements

1.3.1. Non -compliance with Laws, Rules, Regulations and Management Decisions.

A separate register had not been maintained by the Sabah to record the computers, computer accessories and software according to Treasury circular No. IAI/2002/02 dated 28 November 2002.

2 Financial Review

2.1 Financial Results

According to the Financial Statements presented, the excess of Revenue over Recurrent Expenditure for the year ended 31 December 2016 had amounted to Rs. 3,533,451 as compared with the corresponding the excess of Revenue over Recurrent Expenditure for the previous year amounted to Rs. 8,064,362.

3. Performance Review

3.1 Unutilised and Underutilised Assets

Action had not been taken either to repair and use or sell in auction the two wheel tractor and the concrete mixer machine which had not been used but parked in the Sabah premises since the year 2007.

4. Accountability and Good Governance

4.1 Unresolved Audit Paragraphs

Action had not been taken regarding non - recovery of tax on properties, which had been indicated in Audit Paragraph No. 3.2.2 in the Auditor General's Report of the Sabah for the year 2015.

5. Systems and Controls

Special attention is required in respect of the following items of systems and controls.

| Controls | Items that need special attention |
|-----------------------------|---|
| ----- | ----- |
| (a) Control of Fixed Assets | Action to be taken on the unutilized, idle assets. |
| (b) Revenue Management | Action to be taken to recover the revenue in arrears. |