

Dehiowita Pradeshiya Sabha

Kegalle District

1. Financial Statements

1.1 Presentation of Financial Statements

The financial statements for the year under review had been presented to audit on 04 April 2012 and the financial statements for the preceding year had been presented on 31 March 2011. The report of the Auditor General for the year under review was issued to the Chairman of the Sabha on 15 June 2012.

1.2 Opinion

So far as appears from my examination and according to the explanation given to me, I am of opinion that the Dehiowita Pradeshiya Sabha had maintained proper accounting records for the year ended 31 December 2011 and except for the effects on the financial statements of the matters referred to in my report issued to the Chairman, the financial statements have been prepared in accordance with Generally Accepted Accounting Principles and give a true and fair view of the state of affairs of the Dehiowita Pradeshiya Sabha as at 31 December 2011 and the financial results of its operations for the year then ended.

2. Financial and Operating Review

2.1 Financial Results

According to the financial statements presented, the excess of revenue over recurrent expenditure of the Sabha for the year ended 31 December 2011 amounted to Rs.5,378,816 as compared with the excess of revenue over recurrent expenditure amounting to Rs.8,866,868 for the preceding year.

2.2 Financial Control

There were long delays in the preparation of the bank reconciliation of 02 bank accounts.

2.3 Revenue Administration

2.3.1 Estimated Revenue, Actual Revenue and Arrears of Revenue

Information on the estimated revenue, actual revenue and the arrears of revenue in respect of the year under review as presented by the Chairman is given below.

Item of Revenue	Estimated	Actual	Accumulated arrears as at 31 December
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	Rs '000	Rs '000	Rs '000
(i) Rates and Taxes	3,242	2,234	1,008
(ii) Lease Rent	7,083	4,179	2,904
(iii) Licence Fees	840	771	69
(iv) Other Revenue	31,488	21,500	9,938

2.3.2 Court Fines

Court Fines receivable as at 31 December 2011 from the Chief Secretary of the Provincial Council and other authorities amounted to Rs.2,451,336.

2.4 Employees Loans Receivable

The total of the employees' loan balances recoverable as at 31 December 2011 amounted to Rs.3,924,905 and the balances of accounts outstanding for over 01 year amounted to Rs.3,847,955.

2.5 Operating inefficiencies

Although a sum of Rs.48,695 had been paid on payment voucher No.468 dated 30 May 2011 for purchase of electrical equipment, the respective goods had not been received at the stores up to 15 October 2011.

2.6 Contract Administration

In the construction of the access road for the Maniyangama, Veheragala Tourist Location at an expense of Rs.491,380 it was observed that the retaining wall of both sides of the steps had been constructed by using 6”x9” Cabook stones in between the 1:2:4 concrete mixture.

2.7 Internal Audit

An adequate internal audit had not been carried out in the institution.