

**Irakkamam Pradeshiya Sabha**

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**Ampara District**  
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**1. Financial Statements**

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**1.1 Presentation of Financial Statements**

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The financial statements for the year under review had been presented to audit on 02 April 2012. The report of the Auditor General for the year under review was issued to the Chairman of the Sabha on 06 September 2012.

**1.2 Opinion**

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So far as appears from my examination and to the best of information and according to the explanations given to me, I am of opinion that the Irakkamam 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, the financial statements have been prepared in accordance with the Generally Accepted Accounting Principles and give a true and fair view of the state of affairs of the Irakkamam Pradeshiya Sabha as at 31 December 2011 and the financial results of its operations and cash flows for the year then ended.

**1.3 Comments on Financial Statements**

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**1.3.1 Accounting Deficiency**

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Provision for audit fees had not been made in the financial statements in terms of Section 172(2) of the Pradeshiya Sabha Act No. 15 of 1987.

**2. Financial and Operating Review**

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**2.1 Financial Results**

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According to the financial statements presented, the excess of recurrent expenditure over revenue of the Sabha for the year ended 31 December 2011 was Rs. 267,647

## **2.2 Financial Control**

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The following deficiencies in financial control were observed.

- (a) Action had not been taken to recover the arrears of revenue of Rs.530,210 due to the Sabha for the public market and meat stalls.
- (b) The Value Added Tax of Rs.237,998 had remained in the Deposits Account without being remitted to the Department of Inland Revenue.

## **2.3 Revenue Administration**

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### **2.3.1 Estimated Revenue, Actual Revenue and Arrears of Revenue**

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The information relating to the estimated revenue, actual revenue and the arrears of revenue in respect of the year under review, as presented by the Chairman, is shown below.

<b>Item of Revenue</b>	<b>Estimated</b>	<b>Actual</b>	<b>Accumulated Arrears as at 31 December</b>
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	<b>Rs.'000</b>	<b>Rs.'000</b>	<b>Rs.'000</b>
(i) Lease Rent	995	796	1,036
(ii) Licence Fees	120	305	-
(iii) Other Revenue	140	47	-

### **2.3.2 Court Fines and Stamp Fees**

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Court fines amounting to Rs. 82,500 and stamp fees amounting to Rs.149,916 had been due from the Chief Secretary of the Provincial Council and other authorities, as at 31 December 2011.

## **2.4 Human Resources Management**

### **Approved and Actual Cadre**

The approved and actual cadre of the Sabha as at 31 December 2011 is given below.

<b>Category of Post</b>	<b>Approved</b>	<b>Actual</b>
Executives	01	-
Subordinates	08	12
Primary	10	09
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	19	21
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## **2.5 Internal Audit**

Adequate internal audit had not been carried out at the Sabah.

## **3. Systems and Controls**

Special attention is needed in respect of the following areas of systems and controls.

- (a) Accounting
- (b) Financial Control
- (c) Revenue Administration
- (d) Assets Management
- (e) Contract Administration