

Mawanella 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 07 March 2013 and the financial statements for the preceding year had been presented on 05 March 2012. The report of the Auditor General for the year was issued to the Chairman of the Sabha on 14 May 2013.

1.2 Opinion

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 Mawanella Pradeshiya Sabha had maintained proper accounting records for the year ended 31 December 2012 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 Generally Accepted Accounting Principles and give a true and fair view of the state of affairs of the Mawanella Pradeshiya Sabha as at 31 December 2012 and the financial results of its operations and cash flows for the year then ended.

1.3 Comments on Financial Statements

1.3.1 Accounting Deficiencies

Value of 06 lands and buildings included in the Register of Fixed Assets had not been computed and brought to account.

1.3.2 Unreconciled Control Accounts

The total of the balances relating to 06 items of accounts was Rs.239,156,851 as per relevant control accounts and the total of the balances of accounts as per subsidiary registers was Rs.235,539,714 indicating a difference of Rs.3,617,137.

1.3.3 Lack of Evidence for Audit

Transactions totalling Rs.11,254,610 relating to furniture and fittings could not be satisfactorily vouched in audit due to the non-submission of required information to audit.

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 2012 amounted to Rs.9,169,593 as compared with the excess of revenue over recurrent expenditure amounting to Rs.15,391,546 for the preceding year.

2.2 Revenue Administration

2.2.1 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	Cumulative Arrears as at 31 December
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	₹	₹	₹
(i) Rates and Taxes	11,860	12,719	15,297
(ii) Lease Rent	19,452	15,813	1,535
(iii) Licence Fees	1,855	769	134
(iv) Other Revenue	186,131	44,819	32,785

2.2.2 Lease Rent

Agreements had not been entered into in respect of leasing out 09 fish stalls and meat stalls during the year 2012.

2.2.3 Trade Licence Fees

Income from trade licence fees relating to the year under review had not been billed and only the income of Rs.217,802 received had been brought to account.

2.2.4 Hoarding Charges

According to a survey report, charges amounting to Rs.216,640 are receivable in respect of 11 hoardings erected within the area of authority of the Sabha along Colombo- Kandy Road. However, the Revenue Inspectors had not taken action in this regard.

2.2.5 Court Fines and Stamp Fees

Money receivable as at 31 December 2012 from the Chief Secretary of the Provincial Council and other authorities are given below.

	Rs.
(i.) Court Fines	816,750
(ii.) Stamp Fees	30,300,931

