

Rambukkana 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 28 March 2013 and the financial statements for the preceding year had been presented on 03 April 2012. The report of the Auditor General for the year was issued to the Chairman of the Sabha on 28 June 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 Rambukkana 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 Rambukkana Pradeshiya Sabha as at 31 December 2012 and the financial results of its operations for the year then ended.

1.3 Comments on Financial Statements

1.3.1 Accounting Deficiencies

- (a) Although the balance payable to the Local Loans and Development Fund as at 31 December of the year under review amounted to Rs.36,339,320, it had been shown less by Rs.12,866,796 in the account as Rs.23,472,524.

- (b) A sum of Rs.649,526 payable to the Local Government Pension Fund as at 31 December of the year under review had been omitted in the accounts.

1.3.2 Unreconciled Control Accounts

The total of the balances relating to 07 items of accounts was Rs.42,490,682 as per control accounts and the total of the balances of accounts as per subsidiary registers/ records was Rs.41,091,204 indicating a difference of Rs.1,399,478.

1.3.3 Lack of Evidence for Audit

Transactions totalling Rs.230,595,753 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.3,021,408 as compared with the excess of revenue over recurrent expenditure amounting to Rs.25,463,656 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
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Rs.25,883 and Rs.32,027 had been paid in excess of the amount agreed for the item of laying concrete itself.

- (c) The community contribution of 20% should be included in the estimated value in entering into agreements with the construction contractors. However, agreements had been entered into at Rs.6,894,992 excluding the community contribution of 20% in respect of 31 constructions under Divineguma-2011, the estimated value of which was Rs.8,618,740.

3. Systems and Controls

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

- (a) Accounting
- (b) Revenue Administration
- (c) Assets Management
- (d) Control over Contracts