

Ruwanwella 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 30 March 2012 and the financial statements for the preceding year had been presented on 08 June 2011. The report of the Auditor General for the year under review was issued to the Chairman of the Sabha on 04 July 2012.

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 Ruwanwella 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 Ruwanwella 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.5,656,642 as against the excess of recurrent expenditure over revenue amounting to Rs.228,487 for the preceding year.

2.2 Financial Control

Action had not been taken in terms of the requirements of the Financial Regulation 396(d) of the Democratic Socialist Republic of Sri Lanka in respect of 34 lapsed cheques valued at Rs.173,985 which had been issued but not presented for payment.

2.3 Revenue Administration

2.3.1 Estimated Revenue, Actual Revenue and Arrears of Revenue

Information on the estimated revenue, actual revenue and 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	1,913	2,993	1,474
(ii) Lease Rent	18,504	8,034	822
(iii) License Fees	343	357	80
(iv) Other Revenue	35,443	32,124	19,346

2.2.2 Court Fines and Stamp Fees

Money receivable as at 31 December 2011 from the Chief Secretary of the Provincial Council and other authorities are given below.

	Rs.
(i.) Court Fines	235,315
(ii.) Stamp Fees	312,218

2.4 Non-moving Current Assets

Assets remained non-moving over one year as at 31 December 2011 amounted to Rs.4,049,050.

2.5 Operating Inefficiencies

- (a.) Out of the outstanding General Market rent recovered by the Revenue Supervisor who had been interdicted with effect from 10 April 2006 a sum of Rs.229,791 had not been recovered by the Sabha.
- (b.) Action had not been taken in terms of Stamp Tax Circular No.02 dated 15 May 2006 of the Commissioner General of Inland Revenue to recover Stamp Tax from 13 business enterprises.

2.6 Internal Audit

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