

Soranatota Pradeshiya Sabha

Badulla District

1. Financial Statements

1:1 Presentation of Financial Statements

The financial statements for the year under review had been presented for audit on 19 June 2013 and the financial statements for the preceding year had been presented for audit on 20 June 2012. The Report of the Auditor General for the year under review was furnished to the Chairman of the Sabha on 05 August 2013.

1:2 Opinion

In view of the comments and observations appearing in my report I do not express an opinion on the financial statements of the Soranatota Pradeshiya Sabha for the year ended 31 December 2012 presented for audit.

1:3 Comments on Financial Statements

1:3:1 Accounting Deficiencies

- (a) The balance of the loan obtained from the Local Loans and Development Fund for the construction of the Multi-purpose building as at 31 December of the year under review amounting to Rs.8,358,593 had been shown as Rs.5,616,609 and as such the liabilities had been understated by a sum of Rs.2,741,984 in the financial statements.
- (b) A sum of Rs.790,236 receivable as at 31 December of the year under review for works had not been brought to account and as such the capital revenue and the debtors as at 31 December 2012 had been understated by that amount in the financial statements.

supply of water to the Dehilanda Village had been returned to the Uva Provincial Council without executing that work.

3. Systems and Controls

Special attention of the Sabha is drawn to the following areas of Systems and Controls.

- (a) Accounting
- (b) Budgetary Control
- (c) Revenue Administration
- (d) Contract Administration