

Bandarawela 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 06 June 2013 and the financial statements for the preceding year had been presented for audit on 05 June 2012. The Report of the Auditor General for the year under review was furnished to the Chairman of the Sabha on 07 August 2013.

1:2 Opinion

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

1:3 Comments on Financial Statements

1:3:1 Accounting Deficiencies

- (a) According to the schedules received by the Sabha, the stamp duty on the transfer of lands receivable for the period from January to November 2012 amounting to Rs.7,752,355 and the Courts fines receivable for the period January to October 2012 amounting to Rs.3,189,424 had not been brought to account as revenue debtors as at 31 December of the year under review and as such the revenue for the year under review and the revenue debtors as at the end of the year under review had been understated in the financial statements by Rs.10,941,779.
- (b) Stamp duty on the transfer of lands in respect of the preceding year amounting to Rs.5,978,425 received in the year under review had been brought to account as revenue for the year under review and as such the revenue for the year under review had been overstated in the financial statements by that amount.
- (c) Courts fines in respect of the preceding year amounting to Rs.994,250 received in the year under review had been brought to account as revenue for the year under

Source of Revenue	Estimated Revenue	Actual	Cumulative Arrears as at 31 December
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	5V¶	5V¶	5V¶
(i) Rates and Taxes	189	295	288
(ii) Lease Rents	19	29	--
(iii) Licence Fees	150	130	--
(iv) Other Revenue	14,563	30,047	12,984

2:2:2 Water Rates

The billing for the water rates to the consumers receiving water supply from the Galwaduwatta Water Supply Scheme had been stopped from the year 2011. A sum of Rs.36,995 receivable as at 01 January 2011 from 09 consumers had also not been recovered.

2:2:3 Courts Fines and Stamp Fees

The Courts fines and stamp fees receivable as at 31 December 2012 had not been computed and brought to account.

2:3 Operating Inefficiencies

The following observations are made.

- (a) Loans amounting to Rs.45,663 recoverable from 05 employees of the Sabha who had been transferred out or retired had not been recovered in terms of provisions in Section 4.6 of Chapter XXIV of the Establishments Code.
- (b) The reimbursement of a sum of Rs.212,599 out of the pension gratuity of Rs.482,522 paid from the Sabha Fund to an officer of the Sabha who had retired on 16 November 2009 had not been obtained from the Department of Pensions even by June 2013.

