

Harispattuwa Pradeshiya Sabha

Kandy 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 29 March 2012. The report of the Auditor General for the year under review was issued to the Chairman of the Sabha on 07 August 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 Harispattuwa 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 the 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 Harispattuwa 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

An income of Rs.1,821,000 had been received during the year under review under Revenue Head 5 – Public Utility Service Charges and it had been brought to account under Revenue Head 4 – Water Services.

2.3 Idle and Underutilized Physical Resources

The details of idle and underutilized assets as at end of the year under review are shown below.

Description	Idle Period
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Motor Cycle (CG 125)	Over 05 Years
Hand Tractor (74-0578)	Over 05 Years
Mercus Hand Tractor	Over 05 Years
Loel Hand Tractor (77-9291)	Over 05 Years

2.4 Operating Inefficiencies

The Sabha had given permission to excavate roads at 242 instances during the year 2012 for various activities such as obtaining water connections etc. and the applicant had agreed to reconstruct the roads in respect of 240 instances of above. But, it was observed in audit that the Sabha had not taken action to get reconstructed the said roads.

2.5 Irregular Transactions

An allowance of Rs.1,000 per person per 01 meeting is paid for participating for Housing Plans Committees of the Sabha. But, allowances amounting to Rs.14,000 had been paid to the officers' who had not attended the meetings at 14 instances during the year under review.

2.6 Internal Audit

Adequate internal audit had not been carried out within the Institution.

3. Systems and Controls

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

- (a.) Accounting
- (b.) Contract Administration