

## Western Provincial Council

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1. Financial Statements

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1.1 Qualified Opinion

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In my opinion, except for the effects of the matters described in paragraph 1:2 of this report, the financial statements give a true and fair view of the financial position of the Western Provincial Council as at 31 December 2012 and its financial performance and cash flows for the year then ended in accordance with the Generally Accepted Accounting Principles.

1.2 Comments on financial statements

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1.2.1 Presentation of Financial Statements for Auditing

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(a) Provincial Council Funds Account

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The Provincial Council Funds Account for the year under review was furnished to audit on 14 March 2013.

(b) Other Accounts.

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The Position relating to presentation of other accounts of the Provincial Council as at 31 March 2013 is as follows.

As at 31 December 2012.

	<u>Total No. of Accounts</u>	<u>No. of Accounts Presented</u>	<u>No. of Accounts not Presented</u>
(i) Appreciation Account.	26	26	-
(ii) Revenue Accounts	28	28	-
(iii) Advance Accounts to Provincial Council Officers	42	42	-
(iv) Commercial Advance Accounts	02	02	-
(v) Other Advance Accounts	05	05	-
(vi) Funds Accounts	06	06	-
(vii) Statutory Accounts	09	08	01

1.2.2. Unreconciled Accounts

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Following differences were observed between the accounts submitted by each Department and the Provincial Council Funds Account (Provincial Treasury Books).

Description of the Accounts	Balance as per the Accounts of each Department	Balance as per the Provincial Council Funds Account	Difference
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	Rs.	Rs.	Rs.
Nineteen Imprest Accounts	14,939,800	619,018,718	(604,078,918)
Four General Deposit Accounts	94,159,105	87,857,399	6,301,706
Five Advance Accounts to Provincial Council Officers	168,041,726	172,041,244	(3,999,518)
Two Other Advance Accounts	4,692,401	(7,281,945)	11,974,346
Nineteen Remittance Accounts	24,005,787	(63,628,490)	87,634,277
Two Revenue Accounts.	13,367,767	12,800,576	567,191

### 1.2.3 Omissions

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According to the Revenue Collection Account, a sum of Rs.1,787,995 received for July up to December 2012 as mineral tax had not been taken into accounts as revenue.

### 1.2.4 Failure to Account Fixed Assets

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Fixed assets had not been shown in the Statement of Financial Position furnished by the Provincial Council and availability of such fixed assets had not been disclosed in the notes to the financial statement too. As per the non- current assets movement reports included in the Appropriation Accounts furnished to audit, it had been confirmed that the Provincial Council possessed fixed assets valued at Rs.1, 114,324,874.

### 1.2.5 Lack of Evidence for Audit.

#### ----- Unanswered Audit Queries

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Replies for 20 and 04 audit queries issued during the year under review and the preceding year respectively to various Ministries and Departments of the Provincial Council had not been furnished even as at 31 March 2013.

1.2.6 Non-compliance with Laws, Rules and Regulations.

Following non-compliances were observed.

Reference to Laws, Rules, Regulations etc	Non-compliance
<p>(a) Section 16 and 47 of the Employees’ Provident Fund Act No.15 of 1958 as amended by Section 3 of the Employees’ Provident Fund (Amendment)Act No.26 of 1981 and Section 9 (2) of the Employees’ Provident Fund (Amendment)Act No.1 of 1985.</p>	<p>Since the year of Commencement of the Road Passenger Transport Authority in 1995 up to the year 2012 contribution for the Employees’ Provident Fund had been calculated based on the basic salary excluding allowances. Nevertheless, a sum of Rs.22,846,597 had to be paid by both employers and employees only for the said two years representing Rs.11,242,973 for the year 2011 and Rs.11,603,624 up to the month of October 2012. In addition to the above liability the Authority is liable to a fine ranging from 5 per cent to 50 per cent in pursuance of the Employees’ Provident Fund Act No.15 of 1958.</p>
<p>(b) Education Ministry Circular No.HRD/PPM/2002/30 dated 04 December 2002 and Section 21.1 of the Quality Inputs Guideline.</p>	<p>Even though money granted for schools should have been utilized for each purpose without delay, the unused balance of the Quality Inputs Accounts of 46 schools coming under the purview of Sri Jayawardanapura Zonal Education Office as at 31 December 2012 totalled Rs.15, 751,828.That money had not been utilized even as at 18 February 2013 and the balance of Quality Inputs Accounts of 10 schools had been over Rs.500,000.</p>
<p>(c) Section 13.3 of Chapter II of the Establishments Code of the Democratic Socialist Republic of Sri Lanka.</p>	<p>An acting appointment should be made as a temporary measure only and until a substantive appointment is made, whereas the officers of the Teachers’ Service of twenty (20) schools of the Sri Jayawardanapura Zonal Education Office were covering the duty of the post of Principal for a long period of time.</p>

## 2. Income and Expenditure Management

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### 2.1 Income

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According to the financial statements presented, a summary of the budgeted and actual income and expenditure for the year under review and the previous year together with the variances is given below.

	2012			2011		
	Budgeted Rs.Mn.	Actual Rs.Mn.	Difference Rs.Mn.	Budgeted Rs.Mn.	Actual Rs.Mn.	Difference Rs.Mn.
<u>Income Relating to Items of Provincial Council.</u>						
Tax Revenue	23,046	22,156	890	19,953	21,670	(1,717)
Non-tax Revenue	2,833	3,947	(1,114)	1,855	2,847	(992)
Government Grants	12,485	9,691	2,794	12,477	11,019	1,458
Total	<u>38,364</u>	<u>35,794</u>	<u>2,570</u>	<u>34,285</u>	<u>35,536</u>	<u>(1,251)</u>

### 2.2 Expenditure.

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	2012			2011		
	Budgeted Rs.Mn.	Actual Rs.Mn.	Difference Rs.Mn.	Budgeted Rs.Mn.	Actual Rs.Mn.	Difference Rs.Mn.
<u>Expenditure</u>						
Personal Emoluments	20,931	20,486	445	19,817	19,101	716
Other	<u>11,165</u>	<u>10,872</u>	<u>293</u>	<u>11,351</u>	<u>9,515</u>	<u>1,836</u>
Recurrent	32,096	31,358	738	31,168	28,616	2,552
Capital	<u>6,268</u>	<u>5,466</u>	<u>802</u>	<u>3,577</u>	<u>3,002</u>	<u>575</u>
Total	<u>38,364</u>	<u>36,824</u>	<u>1,540</u>	<u>34,745</u>	<u>31,618</u>	<u>3,127</u>

The ratio between Recurrent and the Capital expenditure was 6:1

### 2.3 Arrears of Revenue

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The information relating to arrears of revenue as at the end of the year under review and as at the end of the nearest 2 preceding years is shown below.

	<u>As at 31 December</u>		
	2012	2011	2010
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	Rs.	Rs.	Rs.
Tax Revenue	1,138,048,276	1,426,690,111	1,897,917,733
Non Tax Revenue	394,127,295	1,248,958,145	1,086,708,932
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Total	1,532,175,571	2,675,648,256	2,984,626,665
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Following observation are made.

In terms of directive 3 of the schedule 'B' of the Private Medical Institutions Registration Act, No. 21 of 2006, fees for the registration and renewal of private medical institution should be paid to the Private Health Services Regulatory Council and the said Regulatory Council should remit 50 per cent of the fees to the relevant Provincial Council. Nevertheless, no revenue whatsoever had been received by the Western Provincial Council in relation to the years 2010,2011 and 2012.

### 3. Financial Review

#### 3.1 Financial Result

As per the financial statements presented, a deficit of Rs. 1,029,280,733 was observed for the year ended 31 December 2012 in contrast to the surplus of Rs. 3,918,439,938 for the preceding year thus indicating a deterioration of Rs. 4,947,720,671 of the financial result. Increase in the recurrent expenditure and provincial investments by Rs.2,742,207,125 and 2,463,666,745 respectively had mainly contributed to above deterioration.

#### 3.2 Analytical Financial Review.

Following observations are made.

- (a) Provision of Rs.154,589,350 made under nine Objectives of 05 Ministries and Departments had been saved as it had not been utilized.
- (b) Commitments amounting to Rs.26,664,118 had been incurred exceeding the provisions made under 48 Objects of 15 Ministries and Departments.
- (c) Subsequent to the reduction of provisions from Objectives of 05 expenditure heads, provisions had been increased again for the same Objectives in 05 instances.

3.3 Imprest Account.

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An Imprest Account in relation to the provisions of the Central Government had not been maintained by the Provincial Council. In terms of the Provincial Treasury Imprest Control Account the balances due to be settled by the Provincial Health Ministry for the year under review and the preceding year totalled Rs.454,307,191.

3.4 Unsettled General Deposits

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The balance of the Provincial Treasury General Deposit Accounts as at 31 December 2012 totalled Rs.798,800,430 and action had not been taken in terms of Financial Regulations 571 in respect of deposit balances aggregating to Rs 10,804,609 older than a period of 2years of 14 institutions.

4. Advance Accounts

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4.1 Advances to Provincial Council Officers.

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Outstanding loan balances aggregating to Rs.33,224,914 comprising Rs.27,571,152 recoverable from the officers transferred out, Rs. 2,752,403 from the deceased and retired officers, Rs,2,603,616 from the officers interdicted and who vacated the post and Rs.297,743 from the former Provincial Council members and deceased Provincial Council members could not be recovered even up to the end of the year under review.

5. Operating Review

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5.1 Performance

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5.1.1 Government Grants.

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Details on the provisions received for the Provincial Council development work proposals and the expenditure are given below.

<u>Source</u>	<u>Grant Received</u>	<u>Utilization</u>	<u>Savings/(Surplus)</u>
	Rs.	Rs.	Rs.
(i) Criteria Based Grants	180,410,000	797,355,489	(616,945,489)
(ii) Provincial Specific Development Grants	405,000,000	1,642,649,744	(1,237,649,744)
(iii) Collective Grants	86,000,000	101,041,541	(15,041,541)
(iv) Other Grants			
World Bank Assistance- Education.	126,000,000	-	126,000,000

## 5.1.2 Provincial Development Plan

Under the Provincial Development Plan for the year under review, 8829 proposals to the estimated value of Rs.5,062.46 million had been approved in respect of new works and continuing works. The progress of the work proposals as per the progress reports of the Provincial Council is given in the following table.

	New works	Continuing Works	Total Number of Work Proposals
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(a) Totally completed	8248	171	8419
(b) Completed less than 50 per cent	130	-	130
(c) Completed more than 50 per cent	132	-	132
(d) Not commenced	145	01	146
(e) Contentious/ Questionable nature	02	-	02
	<u>8657</u>	<u>172</u>	<u>8829</u>

Following observations are made.

- (a) The expenditure of capital nature which should be incurred by making provisions through annual financial statements had been incurred through the provisions made under criteria based and provincial specific development grant projects numbers of the Provincial Development Plan.
- (b) In terms of Section 7 (2) of Part II of the Waste Management Statute No.01 of 2007 of the Western Provincial Council, it had been intended to make required provisions to prevent the disposal of wastes to the environment from urban and rural areas at its maximum scale and keep the environment clean for the interest of the people and the fauna and flora of the province. Nevertheless, 500 tons of daily received wastes from Local Authorities and other external establishments had been improperly disposed to the Karadiyana land and objections had been raised by the people and other institutions with regard to the damage caused to the environment as a results of this waste disposal.
- (c) Even though 73 institutions belonging to the Western Provincial Council had been audited and reports had been furnished by the Auditor General, only the reports of 30 institutions had been reviewed by the Council Secretariat for the year 2012.

## 5.2 Management Inefficiencies.

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Following observations are made.

- (a) Investments amounting to Rs.453 million which had been deposited in a private bank by the Provincial Road Development Authority had been transferred to a bank in terms of the Government Gazette dated 28 April 2008. Nevertheless, the Authority had not entered into an agreement with the bank in this connection.
- (b) Under the Chinese loan assistance two asphalts manufacturing machines and relevant accessories required for the Provincial Road Development Projects had been made available to the Western Provincial Road Development Authority by the Ministry of Economic Development in November 2011. Such machines had been utilized for the manufacturing process after a lapse of 08 months in July 2012. The warranty period of those machines was 12 months and at the time of utilization for the manufacturing process, 08 months of the warranty period had expired.
- (c) In the substantiation of examination results for the confirmation of the service of a female officer who had been appointed to a post of Agriculture Instructor II in the “B” category with effect from 04 September 2006, it had been proved that the National Diploma in Technology (Agriculture) Certificate furnished by her was a forged one. Accordingly, service of the above officer had been terminated by the letter of Western Provincial Council Public Service Commission dated 15 August 2012. Even though the Director of the Institute of Advanced Technological Education, by his letter dated 06 September 2010, had informed that she had not completed the National Diploma in Technology (Agriculture) course, action had not been taken until the lapse of 1 ½ years from the receipt of the relevant letter and salary and allowance amounting to Rs.396,159 had been paid to her up to 31 March 2012. Further, despite the officer had been interdicted by the letter of Provincial Agriculture Director dated 16 March 2012, full salary and allowance for the month of March 2012 had been paid.

## 5.3 Operating Inefficiencies.

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Following observations are made.

- (a) Under the local authority development, in the reimbursement of salaries to the said institutions the relevant local authorities should pay salaries and allowances of the officers and members from the funds of the institutions and thereafter it should be reimbursed, whereas a sum of Rs.4, 388,965,566 had been released in 2012 in respect of the salary lists which were submitted by the local authorities before the payment of salaries.



- (b) The total rental recoverable from 46 shops situated at the ground floor of the Panadura bus stand belonging to the Road Passenger Transport Board as at 31 December 2012 amounted to Rs.3,309,855. Rental of 15 such shops had been outstanding for more than a period of one year. Further, rental from the two shops which was rented out from 01 January 2009 had not been recovered up to the month of March 2013.
- (c) A sum of Rs20,000,000 had been estimated for the purchase of uniforms for the 38<sup>th</sup> National Sports Festival conducted in 2012 and the final competitions had been held on 30 November and 01 and 02 December 2012. Following matters were revealed in this connection.
- (i) Uniforms valued at Rs.1,485,120 purchased for the final competitions had not been distributed among the sportsmen and women properly while 142 sets of sports wears and 62 pair of shoes had been distributed following the end of the festival.
- (ii) Hundred and eighty one T-shirts ,52 Bottoms and 195 pairs of shoes purchased at a cost of Rs.964,103 for the year 2012 had been kept in the stores even as at 31 January 2013.
- (iii) Since a proper documentation system had not been maintained on the receipts and issue of sports wares and shoes, remaining balance and the actual balance at the stores could not be reconciled.
- (d) In accordance with the School Health Education program ,it was confirmed that 14,243 students in 52 schools of 08 Public Health Inspector areas belonging to the Office of the Medical Officer of Health, Gampaha should be examined in 2012, whereas 7,811 students equal to 54.8 per cent alone had been examined. Further it was revealed that health condition of 4,617 students equal to 59 per cent out of the said 7,811 students was questionable. Therefore, it was confirmed that the School Health Education Program should be stream lined.
- (e) Dengue Mosquito Prevention Programs had been conducted by the Office of the Medical Officer of Health, Gampaha in 2011 and 2012 and Rs.3,720,000 andRs.3,924,643 had been incurred respectively for that purpose. Nevertheless, the number of Dengue patients had increased by 85.47 per cent in 2012 as compared with the year 2011.

- (f) Six Ophthalmoscope sets purchased at a cost of Rs.171,360 on 18 November 2009 for the requirements of the hospitals had been kept at the stores of the Office of the Regional Director of Health Services, Gampaha even by the month of April 2013 and a period of two years from the expiry of the warranty period of the said instruments had elapsed. Further, 27 items of surgical equipment purchased at accost of Rs.570,826 for the Occupational Health Units in 2010 and 2011 and other 33 items of surgical equipment purchased at a cost of Rs.742,222 in 2009,2010 and 2011 years had been kept in the stores even by January 2013 without issuing to the relevant sections.
- (g) A stock of expired and discarded drugs valued at Rs.1,199,698 from 2007 had been disposed in January 2011 at the Panadura Base Hospital and approval for the disposal of drugs valued at Rs.1,210,184 had been sought on 04 August 2011. Failure on the part of the hospital authorities to implement an appropriate program to provide excess stocks of drugs to other suitable hospitals has given rise to this situation.

#### 5.4 Uneconomic Transactions

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The Office of the Regional Director of Health Services, Gampaha had not prepared expenditure estimates required to be used as the basis for the evaluation of quotations in the selection of suitable contractor for the supply of cooked meals for residential patients and the junior staff serving in the wards of the hospitals managed by the Office of the Regional Director of Health Services, Gampaha. Further, when comparing the prices indicated in the tender determined for 9 hospitals in the Gampaha district in 2013 with the expenditure made for the month of December 2012, an increase in the expenditure amounting to Rs.750,000 was observed only for that month. Accordingly, as compared with the year 2013 an amount exceeding Rs.6,000,000 had been excessively incurred in respect of the tenders for the meals of 9 hospitals in 2012.

#### 5.5 Identified Losses and Damages

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Following observations are made.

- (a) No action whatsoever had been taken even as at 31 December 2012 in respect of the losses aggregating to Rs.10,963,043 comprising losses amounting to Rs.4,792,454 relating to 34 incidents of less than 5 years, Rs.1,544,876 relating to 42 incidents between 5 to 10 years, Rs4,625,713 relating to 65 incidents of more than 10 years which had to be recovered, written off or omitted by the Office of the Provincial Director of Health Services.

- (b) For the purpose of laying 1382.8 M.Tons of asphalt on the Mahara Nugegoda Kandaliyadda road of 3.2 K.m long , the Provincial Road Development Authority had paid a sum of Rs.18,806,080 to a private company. Nevertheless, laboratory tests revealed that the quantity of asphalt laid on the road had been less than the standard quantity. Even though the actual quantity of asphalt utilized relating to the thickness indicated as per the laboratory reports was 1063 M.Tons, according to the payment vouchers the certified and paid quantity was 1382.8 M.Tons. Accordingly, a sum of Rs.4,349,280 had been excessively paid for this purpose in respect of 319.8 M.Tons.
- (c) Quotations had been called for the supply, laying and thickening of asphalt concrete in Puttalam District and taking into consideration the number of projects assigned within the Western Province to the private company that forwarded the lowest quotations ,its quotations had been rejected by stating that further assigning of projects was impractical. Accordingly, due to the decision taken by the Tender Board to assign projects to the supplier who submitted the second lowest quotations, a financial loss of Rs.10,813,012 had incurred.
- (d) In the renewal of the ownership of the route permits since charges for 03 busses were not recovered by the Road Passenger Transport Board, a loss of Rs.180,000 had incurred.

#### 5.6 Idle and Underutilized Assets.

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Following observations are made

- (a) The computer room consisting of 15 computers of the Presbyterian Girls School had been closed down for more than a period of one year.
- (b) Out of a sum of Rs.1,555,798 received for the Quality Inputs for Payagala Bandaranayaka Vidyalaya in 2012, a sum of Rs.1,357,372 had been saved in the bank account without being utilized.

#### 5.7 Irregular Transactions

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Following observations are made.

- (a) Even though approval of the Governor had been received for the payment of incentives to the staff of the Provincial Department of Motor Traffic in respect of the recovery of outstanding permit charges for the year 2009 and the preceding years contrary to that incentives have been paid based on the outstanding charges and fines recovered up to 30 October 2012.

- (b) The office premises of the Provincial Department of Motor Traffic is housed in a building owned by the Pensions Department. Nevertheless, without entering into a proper agreement a sum of Rs.6,180,000 had been paid to the Pensions Department as the rental for the year 2012.
- (c) Without adopting Procurement Procedure and without entering into a rent agreement the Chief Secretary's Office had hired a vehicle on monthly rental basis of Rs.40,000 and a rental of Rs.1,720,000 had been paid from June 2009 up to the end of the year under review.  
Further, no evidence whatsoever had been made available to audit to confirm that the said vehicle had arrived at the office premises during the year under review.
- (d) In order to pay salaries and allowances, provisions of Rs.10,482,000 had been made to the Waste Management Authority by the annual financial statements,2012 of the Western Provincial Council. Nevertheless, due to the recruitment of employees exceeding the approved cadre from time to time a sum of Rs.33,403,566 had been incurred for the salaries and allowances. Accordingly, the overprovision for the salaries and allowances amounted to Rs.22, 921,566.
- (e) Payments for the retained leave and the bonus of the employees had been made out of the funds of the Waste Management Authority without the approval of the Governor and a sum of Rs.1,188,912 comprising Rs.508,562 and Rs.680,350 respectively had been paid for this purpose during the year under review.
- (f) Payments amounting to Rs.10,799,616 had been made in respect of the overtime and holiday pay of the employees/officers of the Road Passenger Transport Authority in the year 2012, whereas in making such payments for the employees/ officers, action had not been taken to seek approval as stipulated in the Public Administration Circular No.07/97 and 08/97 dated 03 February 1997 relevant to the said purpose and records on the duties discharged had not been furnished along with the payment vouchers.

5.8 Embark on Projects in the Lands which were not Properly Transferred.

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With the expectation of implementing the Bio Diversity Park Project called Barawa within 181 hectares of government lands belonging to 03 Divisional Secretary's Divisions in Colombo District for the achievement of objectives such as flood controlling, amelioration of living standards of the people in the locality, ensuring eco-friendly life pattern , protection of traditional knowledge and cultural heritage, promotion of carbonic farming, and attraction of foreign tourists a sum of Rs.9,164,303 had been incurred for various purposes since 2009 to 2012. With the decision taken by the Cabinet of Ministers on 29 August 2013 not to proceed with the affairs pertaining to the transfer of the relevant land aforesaid objectives could not be achieved and therefore the sum of Rs.9,164,303 incurred for this purpose had been an uneconomic expenditure.

5.9 Staff Administration

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Particulars on the approved and actual cadre of the Provincial Council as at 31 December 2012 are as follows.

(a) Provincial Council Ministries, Departments and Institutions

	<u>Approved Cadre</u>	<u>Actual Cadre</u>	<u>No.of Vacancies</u>
Senior	1,672	1,580	92
Tertiary	651	567	84
Secondary	6,186	5,704	482
Primary	<u>3,662</u>	<u>3,488</u>	<u>174</u>
Total	<u>12,171</u>	<u>11,339</u>	<u>832</u>

(b) School Staff

	<u>Approved Cadre</u>	<u>Actual Cadre</u>	<u>No. of Vacancies</u>	<u>Excess</u>
Principals	1,732	1,254	478	-
Teachers	34,374	31,189	3,185	-
Minor employees and Supporting Staff	<u>1,051</u>	<u>3,054</u>	-	<u>2,003</u>
Total	<u>37,157</u>	<u>35,497</u>	<u>3,663</u>	<u>2,003</u>

Following observations are made.

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- (i) A considerable number of retired officers who had served in various capacities including top management posts in Ministries and Departments of the Provincial Council had been re-employed on contract basis according to the approval of the Governor/ Provincial Council Cabinet of Ministers and appointment of the acting officers for the vacancies of the upper grades had been continuously carried out.
- (ii) Although a former principal of a girls' school of the Colombo Education Zone had been transferred to the Borella Divisional Education Office with effect from 12 January 2012, she had not been assigned any duty by the Borella Divisional Education Office and leave had been approved deviating from the provisions of the Establishments Code.
- (iii) Without conducting efficiency bar examinations as required by the scheme of recruitments relevant to all employees' categories of the Waste Management Authority, officers had been confirmed in their posts and annual increments had been continuously paid.

5.10 Unsuccessful Projects

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Having carried out architectural activities and its consultation activities through the Urban Development Authority and construction activities and its consultations through the State Engineering Corporation, construction of the Homagama bus stand had been completed under an expenditure estimate of Rs. 68,597,020 and it had been opened on 21 November 2012. Running activities had been commenced on 10 December 2012, whereas busses could not be entered to the bus stand even before a lapse of a week and as a result running activities had been re-attached to the former bus stand from 18 December 2012.

5.11 Supervision of the Activities of Local Authorities

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The following observations are made.

- (a) In terms of Section 4.2 of the ninth Schedule of the 13<sup>th</sup> Amendment to the Constitution of the Democratic Socialist Republic of Sri Lanka, the supervision of Local Authorities lies with the Provincial Councils. However, a proper procedure had not been adopted with regard to the supervision of Local Authorities. The matters revealed at the audit of accounts of the Local Authorities had been brought to the notice of the Heads of Local Authorities. Further, instances where the Auditor General had disclaimed the audit opinion for 04 recent years including the year under review appear below.

Year	No. of Local Authorities (Financial Statements) Audited	No. of Local Authorities(Financial Statements) where audit opinion were disclaimed
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2008	48	22
2009	48	22
2010	48	13
2011	48	20
2012	48	26

- (b) As per the information made available as at 31 December 2012, the arrears of revenue of 48 Local Authorities amounted to 6,585,240,826.
- (c) According to the Surcharge Certificates imposed by the Auditor General against the officers/other persons of 12 Local Authorities, the value of the Surcharge Certificates recoverable as at 31 December 2012 amounted to 31,248,292.
- (d) Since long delays occurred owing to the least consideration of the Local Authorities in the remittance of contributions to the Local Government Service Pension fund, an

increase in in the arrears is observed. In terms of Section 20 of the Local Government Service Act No.16 of 1974 although provisions had been provided to deduct such arrears from the grants made to the Local Authorities, necessary action had not been taken to deduct such arrears and remit money to the fund. Particulars on the contribution due to be made as at 31 October 2013 are given below.

District	No.of Local authorities	Amount to be paid as at 31 October 2013.
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		Rs.
Colombo	13	386,205,450
Gampaha	19	23,957,956
Kalutara	14	<u>64,730,056</u>
	<u>46</u>	<u>474,893,462</u>

6. Accountability and Good governance

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6.1 Corporate Plan

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Years 2011 and 2012 had not been included in the Corporate Plan prepared by the Provincial Council.

6.2 Action Plan

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An Action plan for the year under review had not been prepared for the Provincial Council.

6.3 Internal Audit

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Internal audit program of the Provincial Council had not been furnished to the Auditor General.

6.4 Audit and Management Committees

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Functions of the Audit Committees and Management Committees of the Provincial Council was at a weak level.

6.5 Tabling of Auditor General's reports

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Position of the tabling of Auditor General's reports on the financial statements of the Western Provincial Council in the past years as per Section 23 (2) of the Provincial Council Act No.42 of 1987 is given below.

<u>Year</u>	<u>Date of Issue</u>	<u>Date of Tabling</u>
2008	10.12.2009	09.02.2010
2009	26.10.2010	08.01.2013
2010	16.01.2012	22.05.2012
2011	28.02.2013	03.12.2013

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

- (a) Accounting
- (b) Revenue Management
- (c) Provincial Council Development Plan
- (d) Internal Audit
- (e) Supervision of Local Authorities
- (f) Staff.