

Hambantota Pradeshiya Sabha

Hambantota District

1. Financial Statements

1.1 Presentation of Financial Statement

Although the financial statements for the year under review should have presented for audit as at 31 March 2013, it had not been presented upto 29 October 2013. The financial statement for the previous too had not been furnished.

1.2 Comments on Transactions, Operations and Performance

1.2.1 Lake of Evidence for Audit

Replies for 30 audit queries issued upto 18 July 2013 had not been furnished upto 10 September 2013. The value of transactions subjected to those queries was Rs.52,775,071.

2. Financial and Operating Review.

2.1 Revenue Administration

2.1.1 General Tax

The lessee who obtained the new Mayurapura Week End Fair onlease for the year 2011 had not paid the lease rent of Rs.43,759 for the period 07 February 2011 to 28 February 2011.

- (b) The file pertaining to unauthorized constructions carried out during the year 2012 had not been furnished to audit. According to the public complaints, there were 04 unauthorized constructions by 15 March 2013 on 03 instances , the Urban Development Authority had informed the Sabha in writing about the places where unauthorized constructions had been carried out. Action had not been taken in terms of provisions in Section 52 of the Pradeshiya Sabha Act. No. 15 of 1987 with regard to these unauthorized constructions.

2.6 Solid Waste Material Management

The Director of the Pilisaru Project of the Central Environmental Authority had given Rs.512,639 in 2011 and Rs.304,320 in 2013 to the Pradeshiya Sabha for the Solid Waste Material Management Project. An agreement had been entered into with a farmers' association on 16 October 2012 and a sum of Rs.740,000 had been paid to the said farmers' association on 29 April 2013 for the work completed by the said farmers' association which had been certified by the technical officer.

According to the agreement entered into with the chairman of the Central Environmental Authority by the Chairman/Secretary of the Pradeshiya Sabha, the entire work should have been completed as at 29 February 2012. However, an extension of time till 30 August 2013 had been granted. It was observed at a physical verification carried out on 25 June 2013 that the construction work had been stopped and the said premises had been covered with shrubs.

2.7 Performance

The Sabha had not prepared a Corporate Plan and an Action Plan and an adequate internal audit had not been carried out.

3. Systems and Controls

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

- (a) Accounting
- (b) Revenue Administration
- (c) Assets Management