

**Padaviya Pradeshiya Sabha**

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**Anuradhapura District**  
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**1. Financial Statements**

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**1.1 Presentation of Financial Statements**

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Financial Statements for the year under review had been submitted to Audit on 08 June 2015 while Financial Statements relating to the preceding year had been submitted on 07 July 2014. The Auditor General's Report relating to the year under review was sent to the Secretary of the Sabha on 11 August 2015.

**1.2 Opinion**

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In my opinion, except for the effect of the matters described in paragraph 1.3 of this report, financial statements give a true and fair view of the financial position of the Padaviya Pradeshiya Sabha as at 31 December 2014 and its financial performance for the year then ended in accordance with Generally Accepted Accounting Principles.

**1.3 Comments on Financial Statements**

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**1.3.1 Accounting Deficiencies**

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- (a.) Action had not been taken to value and take in to accounts 19 items of Fixed Assets.
  
  - (b.) Although the Water Works Stores balance as at 31 December 2014 was Rs.216,286, that account had not been maintained in the General Ledger.
  
  - (c.) Action had not been taken to assessed and account for the Value of two vehicles belong to the Sabha.

- (d.) The value of Buildings and Assets constructed by the Sabha having spent a sum of Rs. 9,254,065 had not been included in the financial statements.
- (e.) Value of Stalls and Office Buildings belong to the Sabha and the cost incurred for construction of 07 latrines and extent of lands belongs to those had not been assessed and shown in the financial statements.

### **1.3.2 Lack of Evidence for Audit**

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Age analysis, /documents in support of revenue/ detailed schedules relating to assets/liabilities /06 items of revenue totalling Rs.33,587,227 were not submitted to audit.

## **2. Financial and Operating Review**

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### **2.1 Financial Results**

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According to the Financial Statements presented, deficit of operations of the Shaba for the year ended 31 December 2014 amounted to Rs. 1,002,672 as against the surplus of operations for the preceding year amounted to Rs.747,505.

### **2.2 Revenue Administration**

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#### **2.2.1 Rates**

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Action had not been taken to publish the developed regions in the area of authority of the Sabha and recover Rates in terms of Section 134(1) of the Pradeshiya Sabha Act No. 15 Of 1987.

#### **2.2.2 Publicity Advertisement Boards Charges**

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Although provision for recovery of License Fees for Publicity Advertisement Board Charges within the area of authority of the Sabha had been notified in the Gazette dated 20 December 2013, action had not been taken to recover charges from a large number of advertisement boards fixed in the area of authority of the Sabha during the year under review from which charges could be recovered.

#### **2.2.3 Stamp Fees**

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Action had not been taken to identify the amount of Stamp Fees due and credit to Pradeshiya Sabha Fund in terms of Section 129 (2) (b) of the Pradeshiya Sabha Act No. 15 of 1987.

#### **2.2.4 Court Fine and Stamp Fees**

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While the amount of Court Fines in arrears up to the beginning of the year under review had not been identified and accounted, Court Fines in arrears amounting to Rs. 45,533 relevant to the year under review only had been accounted.

### **3. Operational Review**

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#### **3.1 Operational Inefficiencies**

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Action in terms of Local Government Restructure Circular No. PL/07/01/53 dated 14 November 2006 had not been taken in order to establish the heritage and ownership, vest the ownership, mark the boundaries specifically and to avoid improper use with regard 18 burial grounds in extent of 90 acres in the area of authority as per Gazette Notification of the Republic of Sri Lanka dated 06 October 1995.

### **4. Systems and Controls**

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Special attention is needed in the following areas of controls.

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