

Talawa Pradeshiya Sabha

Anuradhapura District

1. Financial Statements

1.1 Presentation of Financial Statements

Financial Statements for the year under review had been submitted to Audit on 01 April 2015 while Financial Statements relating to the preceding year had been submitted on 22 April 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

In my opinion, financial statements give a true and fair view of the financial position of the Talawa 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

1.3.1 Non-reconciled Accounts

A difference of Rs.1,032,590 was shown between the value of Rates in Arrears shown in the financial statements and the balance shown in the relevant schedule.

1.3.2 Lack of Evidence for Audit

The documents to confirm ownership/ detailed schedules relevant to 03 items of assets and liabilities totalling Rs.69,415,340 were not submitted to audit.

2. Financial and Operating Review

2.1 Financial Results

According to the Financial Statements presented, operational surplus of the Sabah for the year ended 31 December 2014 had been Rs. 9,424,473 as compared with the corresponding operational surplus amounted to Rs.9,495,523 in the preceding year.

2.2 Revenue Administration

2.2.1 Rates

Action had not been taken to identify newly developed areas in the area of authority of the Sabha and to recover Rates in term of Section 134(1) of the Pradeshiya Sabha Act No. 15 of 1987.

2.2.2 Arrears of Revenue

Action had not been taken to prepare an age analysis relating to Arrears of Revenue totaling Rs.15,161,550 as 31 December of the year under review.

3. Operational Review

3.1 Management Inefficiencies

- (a) Action had not been taken to remit Value added Tax amounting to Rs. 29,100 collected during the year under review to the Commissioner General of Inland Revenue.
- (b) Accounts Receivable totalling Rs. 975,110 relevant to 04 items sold more than a period 05 years and Accounts Payable totalling Rs. 98,490 relevant to 02 items were being brought forward without being settled.
- (c) A separate Register had not been maintained with regard to computer accessories and software in terms of Treasury Circular No. IAI//2002/02 dated 28 November2002.

3.2 Idle Assets

Four vehicles valued at Rs. 3,564,197 and a building belong to the Sabha had remained idle without being utilized for any purpose for more than 04 years.

4. Systems and Controls

Special attention is needed in the following areas of controls.

- (a.) Accounting
- (b.) Revenue Administration
- (c.) Assets Management
- (d.) Debtors and Creditors Control