

Wariyapola Pradeshiya Sabha

Kurunegala District

1. Financial Statements

1.1. Presentation of Financial Statements

Financial Statements for the year under review had been submitted to Audit on 31 March 2015 while Financial Statements relating to the preceding year had been submitted on 31 March 2014. The Auditor General's Report relating to the year under review was sent to the Secretary of the Sabha on 23 July 2015.

1.2. Opinion

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 Wariyapola Pradeshiya Sabha as at 31 December 2014 and its financial performance for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.3. Comments on Financial Statements

1.3.1. Accounts Receivable and Payable

- (a) Value of Accounts Receivable as at 31 December 2014 was Rs. 132,655,410. Out of that, a sum of Rs. 7,308,279 as 5.5 per cent approximately was balances being brought forward over a period of more than 3 years.
- (b) Value of Accounts Payable as at 31 December 2014 was Rs. 73,089,439. Out of that, a sum of Rs. 3,242,281 as 4 per cent approximately was balances being brought forward over a period of more than 3 years.

2. Financial 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. 34,185,282 as compared with the corresponding surplus amounted to Rs. 8,381,390 in the preceding year indicating an improvement of Rs.25,803,892 in the operational result. When Capital Grants of Rs.148,422,759 and Capital Expenditure of Rs. 156,851,769 are adjusted to this operational result, financial result relevant to the year under review had become a surplus of Rs.25,756,272.

2.2. Analytical Financial Review

Following matters are observed.

- (a) Out of the total Recurrent Revenue of Rs.173,460,707 relevant to the year under review of the Sabha, a sum of Rs. 125,404,528 as 72.29 per cent approximately was consisting revenue not falling under a nature generated in the Sabha such as Court Fines, Stamp Fees and Salary Reimbursements. Similarly, the entire Capital Revenue of Rs. 148,422,759 was consisting funds provided for development activities of the area of authority through other institutions from sources such as Gama Neguma and Maga Neguma.
- (b) Out of the total Recurrent Expenditure of Rs. 139,275,425 relevant to the year under review, a sum of Rs. 52,380,418 as 37.61 per cent approximately was expenditure for Personnel Emoluments. Out of that, a sum of Rs. 46,114,932 as 88.04 per cent approximately, had been provided by the Commissioner of Local Government as salary reimbursements and that value had been accounted under Other Revenue.
- (c) Out of the Capital Expenditure of Rs. 156,851,769, a sum of Rs. 8,429,099 as 5.4 per cent only had been spent out of the Sabha Fund while balance amount of Rs.148,422,759 as 94.6 per cent approximately were development works performed out of the provisions from other sources such as Gama Neguma and Maga Neguma.

2.3. Revenue Administration

2.3.1. Court Fines and Stamp Fees

Court Fines amounting to Rs. 502,625 and Stamp Fees amounting to Rs. 58,919,836 were receivable from the Chief Secretary to the Provincial Council as at 31 December of the year under review.

3. Operating Review

3.1. Management Inefficiencies

Staff Loans balances in arrears over a number of years as at the end of the year under review had been Rs. 31,992.

3.2. Idle and Under-utilized Assets

While 05 vehicles belong to the Sabha had been withdrawn from running during a period from 2 to 4 years, steps had not been either to repair and use or to follow other suitable method.

3.3. Project Delays

It had not been possible to complete 84 Works under One Job for One Village Programme valued at Rs. 44,730,655, proposed for implementation during the year 2014 even as at 31 December 2014.

4. Systems and Control

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

- a) Assets Management
- b) Contracts Control