

Mathale Municipal Council
Mathale District

1 Financial Statements

a) Presentation of Financial Statements

Financial Statements for the year 2017, had been presented to audit on 29 March 2018 and the Auditor General's Report on the financial statement had been sent to the Municipal Commissioner on 27 August 2018.

b) Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 1.3 of this report, the financial statements gave a true and fair view of the financial position of Mathale Municipality Council as at 31 December 2017 and its financial performance for the year then ended in accordance with generally accepted accounting principles.

c) Comments on Financial Statements

1.3.1 Accounting Deficiencies

The following accounting deficiencies were observed.

- a) Creditors and capital expenditure had been overstated by the balance of Rs. 2,301,118 remained from the years 2014 and 2015 relating to contract creditors of 10 contracts which had not been implemented and files could not be identified.
- b) A total sum of Rs. 1,319,530 relating to the cost of 7 computers, expenditure relevant to install the computer network and expenditure for internal telephone system had not been capitalized.
- c) A sum of Rs. 7,051,264 relating to the expenditure of contracts fully filled under the Council Funds during the year under review had been taken in to accounts under the recurrent expenditure.
- d) According to the staff loan register the loan balance of Rs. 557,818 which should be sent to the Department of Local Government of Central Province as at the end of the year under review had been shown in the financial statements as Rs. 1,366,962. Hence the sundry creditors had been overstated by Rs. 809,144.
- e) Although the revenue of rest house rent receivable for the year under review was Rs. 593,141, it had been taken in to accounts as Rs. 741,426 thus a sum of Rs. 148,285 had been overstated.
- f) The contribution payable to the Department of Pension at the end of the year amounting to Rs. 15,234,435 had been shown in the financial statements as Rs. 14,618,675. Hence Creditors had been understated by Rs. 615,760.

- g) Value of 10 vehicles which were not physical existence and the value of garbage carts had been taken in to the motor vehicles and carts account. As a result balance of the said account had been overstated by Rs. 2,875,508.
- h) Interest on investments for the 4 quarter relating to the fixed deposit invested in the Bank of Ceylon in the year 2017 had been understated by Rs. 209,232 in the financial statements.
- i) Contract aid relating to the year under review amounting to Rs. 6,986,965 had been shown in the financial statements as Rs. 5,332,520. Hence contract aid had been understated by Rs. 1,654,445.

1.3.2 Unreconciled Accounts

Difference were observed between the balances of 06 accounts items aggregating Rs. 92,595,357 shown in the financial statements and relevant subsidiary registers and records and the total of differences observed was Rs. 27,346,416.

1.3.3 Accounts Receivable and payable

a) Accounts Receivable

The total of 13 receivable accounts items as at the end of the year under review was Rs. 80,698,337 and out of that ,according to the age analysis presented for 8 account balances , a balance of Rs. 1,676,367 which had not settled more than a period of 3 years had included in it.

d) Accounts Payable

The total of 3 Payable accounts items as at the end of the year under review was Rs. 113,534,099 and according to the age analysis presented, a balance of Rs. 82,655,707 which had not settled more than a period of 3 years had included in it.

1.3.4 Lack of Written Evidence for Audit

Five items of accounts aggregating Rs. 9,681,993 could not be satisfactorily verified due to non-availability of necessary information.

1.3.5 Non Compliances

Non- compliances with Laws Rules Regulations and Management Decisions

Instances of non-compliance with laws rules regulations and management decisions are given below

Reference to Laws, Rules, Regulations
and management decisions

Non - Compliance

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- a) Section 1 of part III of the by law published in the Special Gazette No. 541/17 dated 20 January 1989
- b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka
- (i) Financial Regulation 104 (3) and (4)
- (ii) Financial Regulation 571
- (iii) Financial Regulation 1645 (a) and 1646
- c) Public Administration Circulars
- (i) Section 3.1 of the Circular No. 30/2016 dated 29 December 2016
- (ii) Circular No. 33/2017 dated 07 December 2017
- There were no updated registers in connection with lands, buildings and other fixed assets belonged to the Council.
- The preliminary report had been presented after 8 months and 13 days of which the accident had taken place relating to the accident of the excavator met with an accident on 4 November 2016. The machine had been repaired at Rs. 222,525 and the amount of Rs. 110,525 which had not reimbursed by the insurance cover had been incurred from the Council Fund .A full report had not been submitted even up to 30 June 2018.
- The motor vehicle which had met with an accident on 29 May 2017 had been referred to the agency and repaired at Rs. 2,135,620. The amount of Rs. 283,237 which had not reimbursed by the insurance cover had been incurred from the Council Fund. However a full report after necessary inquiries had not been submitted even up to 30 June 2018.
- A sum of Rs. 675,000 relating to 4 balances remained in deposits account which should be settled and taken to the revenue had not been taken in to the revenue.
- Running charts of 8 vehicles which were in running condition and belonged to the Council had not been furnished to audit.
- Fuel consumption of 25 vehicles had not been tested
- Future programmes, amended programmes and work done reports had not been furnished by 3 Development Officers who were attached to field work of the Contract Section and 2 Development

Officers who were attached to the Secretariat Division. Hence the accuracy of the field work they had done could not be confirmed.

d) Other Circulars

Circular of the Chief Secretary of Central Province No.3/91 dated 26 March 1991

Future programmes had not been prepared and got approved before 25 of the previous month by Executive officers attached to the Contract Section of the Municipal Council and Field Officers who should present future programmes.

1.3.6 Transactions not Supported by an Adequate Authority

The following observations are made

- a) Although over time allowances of Rs. 210,844 had been paid for foremen who had deployed in field work attached to the Contract Section , there were no an approval, Council Decision or any other special approval.
- b) In a ground of recovering processing fees as per the first order of Schedule V of the Special Gazette of the Urban Development Authority No.1597/8 dated 17 April 2009, in addition to the said fees and without being complied with any regular law and based on the Council Decision No. 8:1:13 dated 27 January 2010 a fee named Planning Technical fee on the basis of square feet of the building was being charged for building approvals without supplying any service for the said fees. Further a sum of Rs. 950,108 and 465,016 had been charged in the year 2016 and up to 30 September 2017 respectively.

2. Financial Review

2.1 Financial Results

According to the financial statements presented, the revenue of the Municipal Council for the year ended 31 December 2017 in excess of the recurrent expenditure was Rs.63,175,930 whilst the corresponding revenue in excess of recurrent expenditure of the previous year was Rs.47,092,890.

2.2 Revenue Administration

2.2.1 Estimated Revenue, Bill amount of Revenue, collected revenue and Outstanding Revenue

Details relating to the estimated revenue bill amount of revenue, collected revenue and outstanding revenue presented for the year under review and the previous year are given below.

Source of Income	Estimated Revenue	Bill amount of Revenue	Collected Revenue	Total outstanding as at 31 December	Estimated Revenue	bill amount of Revenue	Collected Revenue	Total outstanding as at 31 December
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Rate and Taxes	36,150,000	36,221,114	24,756,470	23,836,699	36,150,100	36,202,989	24,165,081	23,718,426
Rent	18,671,000	19,110,584	16,528,021	4,167,134	25,522,000	17,386,895	14,399,804	3,088,592
Licenses Fees	8,033,000	10,647,215	10,089,290	14,000	6,233,000	10,672,158	10,594,038	77,000
Other Revenue	45,483,600	60,732,943	15,311,825	52,993,783	47,045,900	62,283,361	24,621,451	43,321,278

2.2.2 Performance of Collecting Revenue

The following observations are made

- a) According to the calculations made by the accounts section of the Municipal Council, a sum of Rs. 18,860,263 including sum of Rs. 4,170,527 receivable as at the end of the year under review with delay charges of 10 per cent should be recovered as at the end of the year under review from 14 lessees of trade stalls of the super market complex which had been leased out in the year 2009 through a tender procedure.
- b) Actions had not been taken to recover or to take any other suitable step relating to the outstanding balance of water charges amounting to Rs. 4,802,812 receivable as at the instance of transferring water supply system which had been conducted by the Municipal Council to the Water Resources Board in the year 2001.

2.2.3 Rates

The following observations are made

- a) The outstanding balance of rate tax as at 31 of the year under review was Rs. 23,836,699.
- b) An age analysis of the above mentioned balance could not be obtained due to the fact that registers of rate revenue had not been maintained by the Council and according to the computer programme introduced by the Council there were no methodology for recognition of payments relating to the coming year.
- c) Rate bills had been prepared as mentioned as “The owner” for properties of which the owner could not be identified and people did not live in residents in the assessment carried out by the Department of Valuation, and actions had not been taken to identify owners and to take further steps. Hence out of 8 divisions subject to the sample test the outstanding balance of rates from 364 units as at 30 June 2017 was Rs. 1,251,067.
- d) Actions had not been taken to recover the outstanding balance of Rs.54 ,956 relating to 8 properties of which the owner could not be find in the division 11and the outstanding balance of Rs. 186,213 relating to 17 properties in the division 10 and 11 which had been closed and brought forward from the year 2011.

- e) In a ground of actions not being taken for 34 buildings in the division 9 which had been constructed without obtaining permission of the Council, those buildings had got legalized giving rate numbers as well. However the outstanding balance which should be recovered from those buildings as at 30 May 2017 was Rs.70, 049.

2.2.4 Rent Revenue

The following observations are made

- a) The outstanding stall rent as at 31 December of the year under review was Rs. 4,167,133 and actions had not been taken as per the agreements for long outstanding revenue.
- b) Stalls of market complex of Gongawela and Ambagahamula had been sealed and outstanding balances of Rs. 204,745 remained over a period of 1 to 3 years from 4 stalls and a balance of Rs. 207,892 remained over a period more than 3 years from 7 stalls had not been recovered.
- c) An outstanding balance of Rs.101, 696 remained over a long period from 3 stalls of the super market complex and a balance of Rs. 261,373 from 3 stalls at Dharmapala Mawatha could not be recovered.
- d) Although an outstanding balance of Rs. 6,120 had not been recovered from the owner of lottery stall situated near by a private cafeteria of the main street, permission had been given to conduct 2 lottery stalls in the year 2017. Further, a balance of Rs. 69,410 had remained outstanding from 9 lottery stalls as at the end of the year under review.
- e) A sum of Rs. 25,336 which should be recovered from 17 telephone booths conducted by the Telecom in the jurisdiction of the Mathale Municipal Council and receivable before the year 2014 had not been recovered.
- f) A sum of Rs. 307,281 receivable since the year 2007 from 04 individuals as toilet tax had not been recovered.

2.2.5 Court fines and Stamp Fees

The receivable amount of Court Fines and Stamp Fees from the chief secretary to the provincial council and other officers as at 31 December of the year under review was Rs.322,800 and Rs.48,042,960 respectively.

2.2.6 Surcharge

A sum of Rs.96, 851 should be recovered as at 31 December of the year under review relating to the surcharges enacted by me against to responsible persons as per the terms of the Municipal Council Act (Chapter 252).

3. Operating review

3.1 Performance

The following observations are made in respect of duties which should be fulfilled by the Council as per the Section 4 of the Municipal Council Act relating to formulate and administrate public health, common utility services and common roads, people's cordiality, convenience and welfare.

a) Non - Achieving of Expected Production Level

Although a sum of Rs. 5,038,749 had been incurred for 3 activities under the Council Fund and various provisions, instances of non-achieving of expected production level are given below.

Activity	Estimate/ provision	Value of the amount full filled	Observations
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	Rs.	Rs.	
(i) Removing old clinical center at Molandapitiya and Construction of new building for clinical center in the same place.	2,368,905	2,219,729	Clinical center could not be conducted because it had not been completed the constructions as possible as to use even up to the end of the year under review. Various difficulties had arisen due to selecting a temporary place for conducting clinic which covered almost 900 families.
Council Funds and aid of Council members			
(ii) Construction of a building for Maternal Clinic and Day Care Center near by Community Hall Dola Road. Council Funds	2,104,648	1,959,447	(i) Even though period almost 2 years had left for commencing constructions, work had not been completed as possible as to use. (ii) There were no sufficient space to store drugs, documents and thriposha because the clinic had to be conducted in another place.
(iii) Renovation of sanitary system of the Mathale Municipal Council Provincial Council and Ministry of Local	4,307, 237	859,573	(i) It had been decided on 23 June 2015 to repair the inactive sewage system at Higgolla which had been constructed in the year 2007 incurring sum of Rs. 1,500,000 under the German Grant

Government
Provision

.However it had been decided to take consultancy service in a delay of 8 months.

(ii) A report of technical evaluation committee was not made available for selecting quotations forwarded by institutes of consultancy services and there were no evidence to prove whether the estimates provided by the institute had been taken in to consideration.

(iii) Out of the total cost estimate only 10 per cent had been completed even up to 8 July 2018.

b) Non- Achieving of Expected Benefits

Although a sum of Rs. 971,530 had been incurred to install a computer network for computer software developed under the capacity development programme, the expected target had not been achieved due to the fact that sufficient internet facilities for the network installed had not been obtained.

c) Intercepted Activities

The contract of modernization of vehicle yard belonged to the Council had been commenced in previous years a sum of Rs. 4,058,881 had been incurred thereon. However the contract had been intercepted after completing almost 29 per cent of the total estimate thus the half completed building had remained idle.

d) Delays in fulfilling Activities

Renovation activities of the super market complex for which the provision of Rs. 2,500,000 had been made in the budget and 5 projects at the estimated cost of Rs.125,500,000 which had been planned to implement during the year as per the action plan had not been implemented.

e) Solid Waste Management

The following observations are made

- (i) Although manufacturing of compost in the compost yard Higgolla which had been constructed under the Pilisaru Project Aid in the year 2015 incurring a sum of Rs. 9, 343, 47 had been commenced from July 2016, manufacturing had been withheld since 15 June 2018.

- (ii) Degradable garbage collected daily by the Municipal Council 4 Tons approximately had been heaped in the open area near by the yard as to pave the way for environment issues without piling properly in compost bins. Actions had been taken by the Council violating conditions 2.3, 2.4, 2.5, 2.7 and 2.8 of the License No. CEA-B-01132 (RO) dated 15 July 2015 given by the Central Environment Authority to the Municipal for the project for manufacturing compost.
- (iii) A sum of Rs. 3,515,919 had to be paid as legal charges as at the end of the year under review for the case filed against to the Council and Central Environment Authority due to the protest of the people living in the area in connection with the Wariyapola Private Land in which the garbage disposed. As a solution to the said problem a land had been purchased in the year 2010 incurring a sum of Rs. 2,000,000 for disposing garbage and a sum of Rs. 400,000 had been incurred for initial feasibility studies of sanitary garbage ground filling and planning. However the Council had failed to commence a proper methodology for disposing garbage to said land even up to the end of the year under review.

f) Environmental Issues

Although it had aware of that the sewage system was inactive since the year 2015, sewage which had been removed by the Gully busser had been disposed to the said inactive place as at 12 January 2018. Attention of the Council had not been paid for the damage occurred to the environment.

g) Sustainable Development Goals

The Council had not aware of the 2030 Agenda of the Sustainable Development Goals properly. Hence long term plans for improving livelihood and health of the general public of the jurisdiction of the Council through global indicators relating to the said goals had not been prepared even up to 30 June 2018.

3.2 Management inefficiencies

The following observations are made

- a) Provision of Rs. 915,007 received for the construction of the vehicle yard of the Council in the year 2016 had been shown in the deposit register without being settled.
- b) Actions had not been taken by the Council to settle 3 balances amounting to Rs. 181,310 which had been brought forward over a number of years.
- c) Any entry had not been included in the visitor's attendance register of the Thamagawa Holiday Resort belonged to the Municipal Council after 20 June 2016. A sum of Rs. 14,661 charged in 7 instances for supplying of rooms of the resort had not been paid to the Municipal Council by the caretaker. Further there were no proper procedure to obtain the approval of a responsible officer for application of reserving resort in advance.

In addition, the income expected to be recovered from the Thamagawa Holiday Resort annually had not been estimated and taking the expenses incurred on water, electricity, salaries of employees, and overtime annually in to consideration, the resort which was being maintained as a profit oriented business had become to a loss to the Municipal Council.

3.3 Human Resources Management

The post of Municipal Commissioner of the Council had remained vacant more than a period of 1 year and 114 vacancies had remained in other approved posts.

3.4 Operating inefficiencies

The following observations are made

- a)
 - (i) A faddy field located in “Pipe Lane” of the division 11 of the jurisdiction of the Municipal Council had been filled without a proper approval and allotted land had been given to people. However actions had not been taken as per the Sections 20, 21, 22 of the Urban Development Authority Act No.41 of 1978 in connection with the said allotment.

(ii) In the field examination carried out on 9 September 2017 it was revealed that 80 houses approximately had been constructed in that land without the approval of the Council and in the rate assessment carried out in the year 2011, rates was being recovered those unauthorized 41 residents.
- b) A sum of Rs.281, 633 and Rs. 641,152 had been recovered by the Council in 13 and 22 instances respectively in the year 2016 and up to 30 September 2017 as fees for regularization of unauthorized constructions and actions had been taken only based the information received from complaints and other sources regarding those unauthorized buildings. However a proper methodology had not been followed in this regard.
- c) An optimal effective service could not be obtained from maternal and children clinical centers conducted by the Council due to the deficiencies such as insufficient building facilities, insufficient stores facilities to store drugs as protected healthy, insufficient space to keep health publications, no shelters for beneficiaries in the instance of getting treatments and insufficient sanitary facilities. Even the provision of Rs. 200,000 made for repairs and maintenance of capital assets of Health Division had not been utilized for recovering those deficiencies.
- d) A sum of Rs.4,295,086 had been incurred under the financial provision of the Urban Development Authority as at June 2016 for renovation of the building of which the stores of the Department of Railways 4680 square feet in extent and agreed to transfer on leasing to construct a public market . The building had remained as uncompleted

unsafe building as at 09 October 2017 without fixing doors and without separating stalls in upstairs. Further it had not been entered in to a proper lease agreement with the Department of Railways in connection with the use of the building even up to 30 July 2018.

3.5 Assets Management

3.5.1 Nandimithra Ekanayaka International Hockey Play Ground

The following observations are made

- a) It had been decided in the meeting of ministers of the Central Provincial Council on 11 September 2002 to transfer the above mentioned play ground to the Municipal Council and the matter had been informed by the letter of the Secretary to the Chief Ministry Central Province dated 11 November 2002. Although 15 years had left since then, administration and maintenance activities of the playground had only been done by the Municipal Council without taking actions to transfer the playground.
- b) According to the Financial Regulations 128 (1) (e), Accounting officers are responsible for making adequate and proper arrangements for the safe custody and preservation of assets belonging to the Government or is in its custody. Nevertheless attention had not been paid by the Council to make necessary repairs of the old artificial plain which was not suitable for playing more than 15 years approximately or to get attention of the relevant authorities and to use the international hockey playground for sports competition use effectively.

3.5.2 Idle/Underutilized Assets

Actions had not been taken to auction 3 vehicles valued at Rs. 2,132,676 which had been proposed to auction in the year under review and the preceding year.

3.6 Irregular Transactions

A sum of Rs. 91,065 had been paid in the year under review as overtime allowances to a Forman of the Council mentioning that supervision activities had been carried out in weekends and public holidays for which all employees working under his direction were on leave and work relating to the duties of Technical Officers such as preparing estimates and measuring had been done by him.

3.7 Apparent Irregularities

Actions had not been taken according to the Financial Regulations 103,104,104 (4) and 10 in connection with 18 equipment which had been given by the Council for the construction of the project for development of market complex of Gongawela Railway stores but had not been

handed over to the stores again and 2 misplaced machinery and equipment and value at Rs. 71,925.

3.8 Procurement

3.8.1 Procurement Plan

According to the Government Procurement Guideline 4.2.1 a master procurement plan, a detailed procurement plan including civil works and goods and other services and as per the 4.2.3 of the Government Procurement Guideline a procurement timetable had not been prepared.

3.8.2 Supplies and Services

The following observations are made

- a) The following observations were made in connection with installing new internal telephone system
 - (i) An estimate of Rs. 789,498 had been submitted by the Telecom on the request of the Municipal Commissioner for installing new internal telephone system due to the deficiencies and errors of the system installed in the Council. As per the Council Decision No. 8.1.3 dated April 2016 quotations had been called without preparing proper specifications from 4 other institutes which was supplying telephone services.
 - (ii) Internal telephone system had got installed at Rs. 338,000 from the private institute selected without comparing the prices and quality of the service granted by the Telecom and without calling quotation again based on the quotations submitted by an institute.
 - (iii) A sum of Rs. 8,183 had been over paid for the period from July 2017 to April 2018 for a service which was not obtained due to paying monthly charges of Rs. 1,169 even up to the end of the year under review for services of the old internal telephone system installed by the Telecom.

- b) The following observations were made in connection with leasing out second and third floors of the super market complex.
 - (i) According to the Government Procurement Guideline 5.6, a paper notice in three languages had been published on 22 February 2013 without mentioning specific details including all details and specifications as possible as to bidders to submit competitive quotations on a fair basis in calling quotations. Hence no any buyer had submit quotations and the sum of Rs. 153,530 incurred for the notice had become to fruitless.
 - (ii) Bids had been called again on 22 December 2014 and 9 February 2015 based on the total amount of square feet of 2 stairs without an any initial base or any plan

for separation of stalls as per the Special General Council Decision dated 02 December 2014 and without considering the minimum monthly rental submitted by the Department of Valuation for 20 stalls on a clear base of the condition of the building.

(iii) Stalls of the 2 stairs could not be separated and leased out even up to June 2018 due to selecting 37 buyers comparing bids using erroneous evaluation criteria and unclear specifications as at May 2015.

(iv) Rent income of Rs.5,850,000 which could be recovered for the period of the year 2016 to December 2017 had lost to the Council due to the actions not being taken regarding the further work on the basis of estimated rent.

c) The following observations were made in connection with purchasing made during the year under review

(i) Purchasing of Rs. 205,050 had been made in 5 instances without formats for calling tenders including all conditions as per the Section 4 of Part V of the Standard By Law published in the Special Gazette No.541/17 dated 20 January 1989.

(ii) There were instances of day stamp not being applied on envelopes received tenders as per the Section 7(a) of Part V of the Standard By Law and instances of submitting quotations without envelopes. Further a register had not been maintained for tenders received. Hence actions had not been taken as per the Section 8 (a) and (d) of part V of the By Law when opening tenders.

(iii) In the spot test carried out on 31 October 2017 in connection with 3 institutes which had been submitted quotations without sealed out of 4 institutes registered for purchasing necessary building materials for the Contract Section in the year 2017, it was observed that there was an only one business institute instead of 3 and there was a retail stall in the address of one institute. Therefore purchasing of Rs. 178, 72 had been made during the period from January to July 2017 from one institute based on fraud prices without transparency.

3.8.3 Contract Administration

----- Maintaining Roads Using Pre-mix -----

The following observations are made

a) A maintenance requirement had not been arisen in 9 roads for which provisions of Rs. 1,009,666 had been estimated for maintenance during the year 2016 because the requirement of maintenance using premix had not been identified in a proper field investigation. Hence the funds allocated had been saved.

- b) There were major variances between the estimated amount of material in 6 roads repaired during the year 2017 due to preparing estimates without following a proper methodology and variances in a range of 55 per cent to 79 per cent were remained between the estimated and utilized amount of material relating to 6 roads repaired during the year under review.
- c) In the maintenance of roads during the years 2016 and 2017 beetle had been used for the places where the roller should be used for compressing premix. As a result, there were instances of pre-mix filling had descended lower than the road level and pits had arisen and removing pre - mix in a short time. In the spot examination carried out on 13 July 2017, it was observed that there were such deficiencies in 3 roads in the estimated value of Rs. 313,153.

4. Accountability and Good Governess

4.1 Budgetary Control

The following observations are made

- a) The variance between the estimated income and actual income relating to 6 revenue items had remained in a range of 20 per cent to 106 per cent.
- b) Any expense had not been incurred from provision of Rs.5, 573,630 made for 20 expenditure items.
- c) Variations between the net provision and the actual expenditure relating to 44 expenditure items had remained in a range of 50 per cent to 99 per cent.
- d) A sum of Rs.206, 624 had been incurred exceeding the provision limit in 10 expenditure heads.

4.2 Internal Audit

Only one officer had been attached to the internal audit section of the Municipal council and audit activities had not been carried out as per the internal audit plan due to lack of sufficient staff.

4.3 Audit and Management Committee

According to the the letter of the Commissioner of Local Government No CPC/CLG/1/9/1/4 dated 08 August 2014 and the letter of the Cheif Secratary Central province No.CPC/CMC/1/6 dated 01 August 2014, audit and management commitees should be held in 4 instances per year. However only one committee had been held during the year under review.

5. Systems and Controls

Defficiencies observed in the course of audit were brought to the notice of the Council from time to time and Special attention is needed in respect of the following areas of control.

<u>System</u>	<u>Deficiency</u>
a) Staff Management	There were vacancies of the staff
b) Assets	(i) Assets being remained idle (ii) Surveys not being conduced (iii) Safe custody not being confirmed (iv) Actions not being taken to transfer assets and settle the ownership
c) Budgetary Control	(i) Provisions not being utilized (ii) Revenue targets not being achieved.