

Ambanganga Korale Pradeshiya Sabha
Mathale District

1 Financial Statements

1.1 Presentation of The Financial Statements

The financial statements of the year 2018 had been presented to the audit on the 29 March 2019 and the summary report of the Auditor General and the descriptive management report regarding the financial statements had been presented to the Chairman on 31 May 2019.

1.2 The Qualified Opinion

I am in an opinion that, except the effect on the financial statements of the matters referred under the section of the basis for a qualified opinion in this report, the financial statements had been prepared in accordance with generally accepted accounting principles and give a true and fair view of the state of affairs of the Ambanganga Korale Pradeshiya Sabha as at 31 December 2018 and financial results of its operations for the year then ended.

1.3 The basis for a Qualified opinion

1.3.1 Accounting deficiencies

Audit observation -----	Recommendation -----	Accounting Officer's Commentary -----
(a) Even though it had been spent an amount of Rs. 464,577 for developing the water project of Sirangahawatte it had been accounted as Rs.396, 000.	It should be accounted accurately.	While I agree with the audit query, actions will be taken to correct when preparing the accounts as at 31.12.2019.
(b) While the tyre, tube and battery worth of Rs.136, 947 had been accounted under the machinery and equipments, the noncurrent assets had been overstated by that amount.	It should be accounted accurately.	While I agree with the audit query, actions will be taken to correct when preparing the accounts as at 31 December 2019.

1.3.2 Lack of written evidence required for the audit

 Non submission of the information

Audit observation	Recommendation	Accounting Officer's Commentary
----- 13 accounting subject worth of Rs.3, 530,691 had not been vouched satisfactorily in audit due to non submission of the audit evidence to the audit.	----- It should be presented all the evidence which verify the balances in the accounts.	----- While I agree with the matters that pointed out by the audit query and it couldn't be presented evidence to the audit because the information can't find out from the office regarding these 13 accounting subjects.

1.4 Non-compliance

 1.4.1 Non-compliance with laws,rules, regulations and management decisions

References To laws,rules ,regulations and management decisions	Non-compliance	Recommendation	Accounting Officer's Commentary
----- Pradeshiya Sabha (financial and administration) Rules no 217 of 1988	----- The schedule about all the buildings and lands had not been maintained.	----- It should be prepared and maintained a schedule in respect to the rules.	----- I agree.

2. Financial Review

 2.1 Financial Results

 According to the presented financial statements, excess of income over recurrent expenditure for the year ending 31 December 2018 amounted to Rs.803, 539 as compared with the corresponding excess of revenue over recurrent expenditure for the preceding year amounted to Rs. 2,541,806.

2.2 Revenue Administration

2.2.1 Estimated Revenue, Billed amount of Revenue, collected Revenue and outstanding Revenue

Details of Estimated Revenue, Billed Revenue, collected Revenue and Arrears of Revenue for the year under review and for the previous year are as follows.

Source of revenue	2018				2017			
	Estimated Revenue	billed revenue	Revenue collected	Total arrears as of December 31 st	Estimated Revenue	Billed amount of revenue	Revenue collected	Total arrears as of December 31 st
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Rates Taxes	101,000	12,005	10,258	50,638	-	-	-	-
Rent	147,000	96,600	105,030	16,160	13,000	96,600	90,655	24,590
Licences fees	335,100	294,016	294,016	-	36,000	298,600	298,600	-
Other Revenue	4,926,732	3,276,844	3,276,844	-	471,600	-	2,128,520	-
Total	5,509,832	3,679,465	3,686,148	66,798	520,600	395,200	2,517,775	24,590

2.2.2 Acreage taxes

Audit observation

While it had remained an arrears amount of Rs. 50,638 as at 31 December of the year under review, it had comprised with the value of Rs. 30,720 that should be received from 61 persons.

Recommendation

Arrears balances should be collected.

Accounting Officer's Commentary

I agree.

2.2.3 Water Charges

Audit observation

While the arrears water charges for the 08 water projects which launch by the Sabha as at 31 December of the year under review was amounting to Rs. 423,363, and it had been included with the balance of Rs.18,355 which had to be received from 15 customers over 05 years.

Recommendation

Arrears balances remained further more should be collected.

Accounting Officer's Commentary

It had been collected an amount of Rs.23,578 from the arrears of Rs.423,363 which had remained to received as at 31 December 2018.

2. 2. 4 Court fines and stamp fees

Audit observation

Recommendation

Accounting Officer's
Commentary

An amount of Rs. 159,750 of court fines and an amount of Rs. 1,554,150 of stamp fees had been remained to receive as at 31 December of the year under review.

It should be collected the arrears stamp fees and court fines.

While the arrears court fines of the year under review was amounting to Rs. 151,750 and currently, an amount of Rs. 99,750 had been collected thereof. Arrears stamp fees of the year under review was amounting to Rs.1, 457,900.

3 Operational review

3.1 Performance

(a) Delays in performing tasks

Audit observation

Recommendation

Accounting Officer's
Commentary

The project of developing road from ‘Pussalla Wasama Rajamale’ to ‘Uda Aswadda’ that had been approved an amount of Rs. 100,000 under the programme of local government road development in the year 2018 had been omitted without implementing.

The development activities should be took in place properly.

It is accepted that the project had not been completed because the project had not been carried out until the end of the year 2018.

(b) Sustainable Development Goals

Audit observation

Recommendation

Accounting Officer's
Commentary

While the Pradeshiya Sabha had not adequately aware about agenda 2030 regarding Sustainable development

Actions should be taken to achieve sustainable development objectives and targets by identifying

I agree.

objectives and long term plans had not been made in this regard in the year under review.

them.

3.2 Human Resource Management

Audit observation

While it had remained vacancies of 02 positions of the pre-school teacher and 04 positions of development officers from a considerable time period and it had been vacant 06 position of the primary level.

Recommendation

The designation that had vacant should be filled.

Accounting Officer's Commentary

Interviews had been completed by calling applications for recruitment to the designation of institute vacancies.

3.2 Operational inefficiencies

Audit observation

Actions had not been taken to test the Suitability of drinking water which had provided by the 08 water projects that maintained by the sabha.

Recommendation

It should be tested the suitability of the drinking water.

Accounting Officer's Commentary

Agreed.

3.4 Assets Management

3.4.1 Not Certifying The Protection Of The Assets

Audit observation

- (a) For 11 lands which had not been made fence and specific borders had not been measured and made plan.
- (b) While the revenue license for a hand tractor and a Mahendra cab which owned to

Recommendation

- Actions should be taken to protect the properties by conducting survey and making fence borders.
- The other activities should been done by getting a copy of registration

Accounting Officer's Commentary

- Actions had made for survey the lands of the sabha by the State Surveyor Department.
- While I agree with the audit query and the actions had made to get the copies of

the sabha had not been attained and the original certificates had misplaced, and the annually insurance had not been obtained.

certificates.

registration certificates.

3.4.2 Assets had not been transferred

Audit observation	Recommendation	Accounting Officer's Commentary
<p>The motor bicycle which had been given to the sabha by the central provincial council in the year 2007 had not been transferred to the name of the sabha.</p>	<p>the ownership should be transferred.</p>	<p>application had been sent to the cheif secretary of the central provincial council for aggregating the ownership of motor bicycle beared the no.CPTX-6009 which given to the sabha in the year 2007 and</p>

3.4.3 Idle and Underutilized Assets

Audit observation	Recommendation	Accounting Officer's Commentary
<p>(a) 05 items of vehicles and machinery had been allowed to destroy without taking for utilize.</p>	<p>Assets that to be disposed should be disposed.</p>	<p>actions had made for getting assessing value by valuation department to sale the machinery and equipments at the common auction.</p>
<p>(b) While a tipper and a dump truck which had under running condition had been underutilized a mahendra cab had been removed from running due to mechanical error.</p>	<p>While the vehicles of the sabha should utilized efficiently and the vehicles that should to be repaired should be utilized after repairing.</p>	<p>Although the truck and the tipper are not utilizing mostly due to lack of drivers those are utilizing in the necessary times. Actions will be taken to repair the Mahendra cab which had inactive.</p>

3.5 Procurement

Procurement Plan

Audit observation

Recommendation

Accounting Officer's
Commentary

A procurement plan had not been prepared according to the 4.2.1 of the procurement guidelines.

The procurements plan should be updated.

Agree with the audit query and this mistake had been occurred due lack of trained officer to prepare the procurement plan.

4. Accountability and Good Governance

Audit and Management Committee

Audit observation

Recommendation

Accounting Officer's
Commentary

It had been held only one audit and management committee meeting in the year under review,

The audit and management committee meetings should be hold according to the relevant circular.

I agree.