

**Manthai West Pradeshiya Sabha**

**Mannar District**

**1. Financial Statements**

**1.1 Presentation of Financial Statements**

The financial statements for the year 2018 had been presented for audit on 27 March 2019 and the summary report of the Auditor General on the financial statements and the detailed management report had been forwarded to the Chairman on 30 June 2019 and 31 October 2019 respectively.

**1.2 Qualified Opinion**

In my opinion, except for the effect of matters described in the basis for qualified opinion section of this report, the financial statements give a true and fair view of the financial position of the Manthai west Pradeshiya Sabha as at 31 December 2018 and its financial performance for the year then ended in accordance with Generally Accepted Accounting Principles.

**1.3 Basis for Qualified Opinion**

**(a) Presentation of Financial Statements**

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comment of the Accounting Officer</b>
As per Sub section 16(2) of the National Audit Act No. 19 of 2018, an annual performance report had not been presented with the financial statements.	Action should be taken in terms of relevant rules instructions of the circular.	Performance reports will be prepared in future.

**(b) Accounting Policies**

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comment of the Accounting Officer</b>
Accounting policies adopted in preparing the financial statements had not been disclosed by the Sabha in the financial statements.	Accounting policies should be disclosed in the financial statements.	Not reply

**(c) Lack of Necessary Documentary Evidence for Audit**

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<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comment of the Accounting Officer</b>
(i) In the use of the sabha's 44 land deed had not been available in the sabha.	Action must be taken to ensure the ownership of the land is protected by the sabha.	Action are being taken to acquire land ownership documents.
(ii) In 2009, Vehicle purchased by the Provincial Specific Development Grant for Rs. 850,000 that vehicle ownership had not been transferred to the Sabha.	Action should be taken to transfer the ownership of the vehicles to the Sabha.	Not reply

**1.4 Non-Compliance**

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**1.4.1 Non-compliance with Laws, Rules, Regulations and Management Decisions**

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<b>Reference to Laws, Rules, Regulations and Management Decisions</b>	<b>Non-compliance</b>	<b>Recommendation</b>	<b>Comments of the Accounting Officer</b>
(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka Financial Regulation 371	No action taken to settled of advance, the advance paid to officers Rs. 13,952 by the Sabha for the year review.	Should be settled the advance	This advance can not rectified
(b) Ministry of Public Administration and Management Circular No. 30/2016	Seventeen vehicles found in the sabha have not been tested for more than one year.	Fuel consumption testing should be carried out	Fuel testing will be carried out soon

**2 Financial Review**

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**2.1 Financial Results**

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According to the financial statements presented, the revenue over recurrent expenditure of the Sabha for the year ended 31 December 2018 amounted to Rs 19,084,547 as compared with

the corresponding the revenue over recurrent expenditure of the preceding year amounted to Rs 2,063,607.

## 2.2 Revenue Administration

### 2.2.1 Estimated Revenue, Billed Revenue, Collected Revenue and Arrears of Revenue

Information on the estimated revenue, billed revenue, collected revenue and arrears of revenue presented relating to the year under review and the preceding year is given below.

Source of Revenue	2018			2017		
	Estimated Revenue	Revenue Billed	Total arrears as at 31 December	Estimated Revenue	Revenue Billed	Total arrears as at 31 December
Rent	9,001,660	6,355,635	734,550	8,623,000	8,077,925	545,075
License Fees	541,500	839,230	-	597,250	710,640	113,390
Other Revenue	11,842,245	25,272,438	439,500	10,801,139	11,429,909	628,770
	<b>21,385,405</b>	<b>32,467,303</b>	<b>1,174,000</b>	<b>20,021,389</b>	<b>20,218,474</b>	<b>1,287,235</b>

### 2.2.2 Rent

Audit Observation	Recommendation	Comments of the Accounting Officer
Action had not been recover the arrears rent amount of Rs. 156,431 for more than 3 years.	Actions should be taken to recover arrears of rent	Action had been taken recover the arears.

### 2.2.3 Court Fines and Stamp Fees

#### (a) Court Fines

Audit Observation	Recommendation	Comments of the Accounting Officer
Court fines of Rs. 9,041,429 were due from the Chief Secretary of the Provincial Council and other officers as at 31 December 2018.	Action should be taken recovery of the court fine.	Action had been taken the recover the court fine

**(b) Stamp Fees**  
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<b>Audit Observation</b> -----	<b>Recommendation</b> -----	<b>Comments of the Accounting Officer</b> -----
Stamp fees of Rs. 2,276,762 were due from the Chief Secretary of the Provincial Council and other officers as at 31 December 2018.	Action should be taken recovery of the stamp fees.	Action have been taken to recovery of arrears.

**3. Operating Review**  
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**3.1 Performance**  
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The following matters were revealed with regard to duties to be fulfilled by the Sabha in terms of Section 3 of the Pradeshiya Sabha Act, such as regularization and control of matters relating to public health, common amenities and public highways, healthy environment of the public, facilities, welfare etc.,

**Sustainable Development Goals**  
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<b>Audit Observation</b> -----	<b>Recommendation</b> -----	<b>Comments of the Accounting Officer</b> -----
In terms of Secretary of Auditor General, General No 2018/61 of 23 April 2018, sustainability awareness and maritime and maritime pollution control plans had not been prepared for sustainable development while protecting the oceans and marine resources.	Action should be taken in accordance with the circular.	Relavent Plan will be prepared and implemented in future.

**3.2 Human Resources Management**  
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<b>Audit Observation</b> -----	<b>Recommendation</b> -----	<b>Comments of the Accounting Officer</b> -----
Approved cadre and actual cadre of the Sabha as at 31 December 2018 were 64 and 58 respectively and action had not been taken to fill the 06 staff vacancies.	should be filled in Vacancies	Action will be taken in future.

### 3.3 Assets Management

#### 3.3.1 Failure to confirm the Security of the Assets

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of the Accounting Officer</b>
Eight of the vehicles found in the Sabha were not found in the parking lot. As the vehicles are now open, the sabha has not taken actions to protect them.	The Sabha should take action to ensure the safety of the vehicles.	Actions will be taken to ensure the safety of the property in the future.

#### 3.3.2 Failure in carrying out Maintenance and Repairing

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of the Accounting Officer</b>
No action has been taken to repair or dispose of nine unused vehicles in the Sabha.	Actions should be taken to repair the vehicles and use the vehicles.	Actions are taken to obtain a report from the Mechanical Engineer to correct unused vehicles.

### 4. Accountability and Good Governance

#### 4.1 Budgetary Control

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of the Accounting Officer</b>
(a) Although the cost of supplies and supplies for the Sabha during the year under review was Rs. 3,925,500, the actual expenditure was Rs. 5,014,386.	When the preparation is budget, the budget should be prepared with the use of effective control mechanism.	Not Reply
(b) Budgeted expenditures of the capital assets repaired for the year under review was Rs. 4,702,500, actual expenditure was Rs. 5,967,599.	When the preparation is budget, the budget should be prepared with the use of effective control mechanism.	Not Reply