

**Redeemaliyadda Pradeshiya Sabha
Badulla District**

1. Financial Statements

1.1 Presentation of Financial Statements

The financial statements for the year 2018 had been presented for audit on 18 April 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 May 2019 and 31 May 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 Redeemaliyadda 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) Accounting Deficiencies

Audit Observation	Recommendation	Comments of the Accounting Officer
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(i) Suppling of 7 Machineris services instead accrued income Rs 597,420 had not been accounted 31 December in the year under review.	Should be correctly brought to account.	Officers had been given instructed to rectify short coming.
(ii) Saba members allowance to be reimbursed Rs 600,000 had not been accounted 31 December in the year under review,	Should be correctly brought to account.	Officers had been given instructed to rectify short coming.

Lack of Necessary Documentary Evidence for Audit

Audit Observation	Recommendation	Comments of the Accounting Officer
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Three Assets items of aggregating Rs.77,539,502 its Deed, plane, Transfer Order, Stocks Verification Report and Time Analysis could not	Evidence to confirm the balances shown in the financial statements should be furnished.	Officers had been given instructed to recognize ,assess, and acquire Saba owned Assets

be satisfactorily Verified in audit due to non-rendition of necessary information.

1.4 Non compliance

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

Instances of non-compliance with laws, rules, regulations and management decisions appear below.

Reference to Laws, Rules, Regulations and Management Decisions	Non-compliance	Recommendation	Comments of the Accounting Officer
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(a) Pradesh Saba Act No.15 of 1987			
(i) Sections 47, 49(a)	13 building had been built. without permission from Saba in the year under reviewed.	Saba approval should be obtained for the building. Construction.	Officers had been noticed to take necessary Action.
(ii) Section 159(1)	Deficit of income Rs.3,398,317 had not been recovered.	Deficit of income should be recovered.	To recover deficit income officers had been given instructed
(111) Section 217	Used and belong to Saba, all Land and building particulars Register had not been maintained.	Building Assets Register should be maintained.	Officers had been given instructed.

2. Financial Review

2.1 Financial Results

According to the financial statements presented, the excess of revenue over recurrent expenditure of the Sabha for the year ended 31 December 2018 amounted to Rs.3,822,307 as compared with

the excess of revenue over recurrent expenditure of the preceding year amounting to Rs.5,096,771.

2.2 Revenue Administration

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

Information relating to the estimated revenue, revenue billed, revenue collected and the arrears of revenue furnished for the year under review and the previous year appear below.

Source of Revenue	2018				2017			
	Estimated Revenue	Revenue Billed	Revenue Collected	Total arrears as at 31 December	Estimated Revenue	Revenue Billed	Revenue Collected	Total arrears as at 31 December
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Rates and Taxes	1,000	1,000	576	424	450	450	-	450
Rent	1,515,000	1,515,000	832,807	682,193	206,065	206,065	73,697	132,368
Business tax	350,000	350,000	350,000	--	3,000	3,000	-	--
Other Revenue	38,737,711	3,873,711	1,158,011	2,715,700	666,975	666,975	455,875	211,100
Total	5,739,711	5,739,711	2,341,394	3,398,317	876,040	876,490	529,572	343,918

2.2.2 Performance in collection of Revenue

Audit Observation	Recommendation	Comments of the Accounting Officer
(i) The billing revenue for the year under reviewed amounted Rs. 5,739,711 of total revenue and end of the year Arrears of Rs.3,398,317 had not been recovered by 59 per cent on total billing income.	Recovery of arrears of revenue should be intensified.	The appropriate program will be implemented to achieve expected level.
(ii) During from 5 year to accrued capital aid Rs.4,577,685, Trade,Stall Rent Rs.420,782 and amounts prompt recoverable.Action will be taken. gregated Rs.4,998,467 had not been recovered.	Accounts should be correctly and accrued	Officers had been given prepared after conforming

2 2 3 Court Fines and Stamp Fees

(a) Court Fine

Audit Observation

Court fines deficit to be recovered 31 December in the year under reviewed as amounting Rs 1,897,708 had not been recovered.

Recommendation

Court fine should be recovered.

Comments of the Accounting Officer

Revenue officers had been given instructed made program to collect deficit revenue.

(b) Stamp duty

Audit Observation

Stamp duty deficit to be recovered 31 December in the year under review As amounting Rs.1,804,613 had not been recovered.

Recommendation

Deficit Stamp duty should be recovered.

Comments of the Accounting Officer

revenue Officer had been given instructed made program to collect deficit revenue.

3. Operating Review

3.1 Performance

The following matters were revealed with regard to duties to be fulfilled by the Sabha in terms of Section 3 of the Pradesh Saba 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.,

(a) Bye-Laws

Audit Observation

(a) Although, according to 126 of section of Pradeshiya Sabha Act, 30 of major facts should be imposed, instended 06 major facts of by-laws had not been imposed.

Recommendation

All major facts of by-laws should be imposed.

Comments of the Accounting Officer

Vehicle parking by -laws were furnish the Local Government commissioner.

(b) Action plan

Action plan had not been prepared in the year under review.

Action plan should be prepared.

Action is being given instructed to officers prepare the. Action plan

(c) Sustainable Development Targets**Audit Observation****Recommendation****Comments of the Accounting Officer**

Although, regarding United Nation's agenda 2030 sustainable development objective were recognized by Saba but objective and target had not been performed

Programmers to achieve sustainable development objectives and targets should be planned and implemented.

Action is being taken to give instruction to the officers..

3.2 Human Resources Management

Audit Observation**Recommendation****Comments of the Accounting Officer**

(a) There were one designation And one surplus of cadre As at 31 December of the Year under review.

Officers cadre should be approved.

Action is being noticed to local Government Commissioner

(b) there were 02 designation and 06 vacancies 31 December in the year under reviewed.

Vacancies should be filled.

06 of vacancies were informed to the commissioner of Local Government.

3.3 Procurement

Audit Observation**Recommendation****Comments of the Accounting Officer**

Procurement had not been prepared during the year under-review.

An annual procurement plan should be prepared according to annual budget.

Officers had been given instructed..

3.4 Management Inefficient

----- Audit Observation -----	----- Recommendation -----	----- Comments of the Accounting Officer -----
(a) According to number of 04 Condition of Ardaulpatha fair tender agreement was not active of 31 December in the year under reviewed amounting Rs.833,746 had not been recovered.	deficit of fair should be recovered.	Legal action had been taken,
(b) Charring forward from 5 year accord expenditure creditors Rs. 136,494 construction creditors Rs. 9,799,856 and other reditors Rs.3,104,365 Its aggregate amounts Rs.13,040,715 had not been paid.	payment account balance should be redeemed.	Officers are being given Instructed to settle the balances.

4. Accountability and Good Governance

4.1 Implementation of Audit and Management Committee

----- Audit Observation -----	----- Recommendation -----	----- Comments of the Accounting Officer -----
Although an Audit and Management Committee had been as per provisions in the Management Audit Circular No.DMA/2009 of 09 June 2009, only three meeting had been held even by end of the year under review.	Action should be taken according to the circular.	It was participated Audit and Management Committee meetings from this year..