

Bandaragama Pradeshiya Sabha

Kalutara District

1. Financial Statements

1.1 Presentation of Financial Statements

The financial statements for the year 2018 had not been presented even upto 12 October 2019 and the summary report of the Auditor General on the transaction of the Sabha for the year under review had been forwarded on 30 October 2019 and the detailed management audit report had been forwarded on 29 October 2019 to the Chairman.

2. Non-compliance

2.1 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	Amount Rs.	Non-compliance	Recommendation	Comments of the Accounting Officer
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(a) Pradeshiya Sabha Act No 15 of 1987				
(i) Section 134(1)		New identification had not been done for rates in an area declared as developed areas, by Sabha.	Action should be taken according to the Act.	Sabha approval had been sought in 2019, Action will be taken with regard in future .
(ii) Section 160		- The forbidding property as the last step of charging the arrears rates had not been done.	Action should be taken according to the Act.	Accepted, Action will be taken in proper in future .
(b) 1988 Pradeshiya Sabha (Finance and Administration Rules) Rule 218				
		All land and buildings had not been	Action should be taken according to	Correction will be taken from 2019.

examined once in each the Rules.
year.

(c) Financial Regulation
of the Democratic
Socialist Republic of
Sri Lanka

- (i) Financial Regulation 371(c) 3,813,717 Although an advance Action should be Information could not
Regulation 371(c) given for a particular taken according to be found.
work should be settled the Financial
immediately after Ragulations.
completion of the
relevant work and had
not been done .
- (ii) Financial Regulation 571(1) and (2) 17,340,446 Action had not been Action should be Action will be taken
taken according to taken according to to correct in future.
Financial Regulations the Financial
about expired Ragulations.
deposits.

3. **Revenue Administration**

3.1 **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.

From 15 February 2018 to 31 December 2018

Source of Revenue	Estimated Revenue	Revenue Billed	Revenue Collected	Total arrears as at 31 December	2017			Total arrears as at 31 December
					Estimated Revenue	Revenue Billed	Revenue Collected	
	Rs..	Rs..	Rs..	Rs.	Rs.	Rs.	Rs.	Rs.
(i) Rates and Tax	7,089,250	7,355,279	4,384,441	2,970,838	6,314,000	7,370,955	8,152,177	1,119,653
(ii) Rent	1,142,750	1,578,886	1,641,566	(62,679)	1,422,000	1,528,500	1,527,480	118,285
(iii) License Fees	236,250	532,200	532,200	-	296,000	337,650	337,650	-
(iv) Other Revenue	29,633,625	29,633,625	6,807,958	32,292,032	21,662,000	6,937,252	75,388,820	58,632,272

3.2 Performance in collection of Revenue

(a) Rate and Tax

Audit Observations	Recommendations	Comments of the Accounting Officer
Total arrears to be receivable as at 28 October 2019 was Rs.263,703.	Arrears revenue should be recovered.	Action will be taken to recover in future.

(b) Business Tax

Audit Observations	Recommendations	Comments of the Accounting Officer
02 business places had been omitted from survey in Sub Office of Adekarepaththu, and Business Tax had not been recovered from that institutions.	Action should be taken to recover Business Tax in proper.	Accepted.

3.3 Trade Licence

Audit Observations	Recommendations	Comments of the Accounting Officer
(a) Trade Licences had not been issued to 15 business institutes in the area of Sub Office of Adekarepaththu.	Action should be taken to issue Trade License.	Accepted.
(b) Trade Licences had not been obtained for 69 out of 205 business places taken into survey.	Action should be taken to issue Trade License.	Accepted.

3.4 Stall Rent

Audit Observations	Recommendations	Comments of the Accounting Officer
Although the lessee had been selected in 2015 for renting out 8 stalls in the upper floor of new trade complex which had completed the construction in 2014, a sum of RS. 915,600 of revenue had lost due to delay to renting out up to March 2019.	Revenue should be recovered in proper.	Accepted. This amount could not be recovered by now.

3.5 Communication Tower Income

Audit Observations	Recommendations	Comments of the Accounting Officer
Any Licence Fee had not to be charged from 4 communication towers in the area of Sub Office of Adekarapaththu.	License Fees should be recovered in proper.	Action will be taken to examine and recover.

3.6 Court Fines and Stamp Fees

Audit Observations	Recommendations	Comments of the Accounting Officer
The Court Fines of Rs.10,034,557 and Stamp Duty of Rs.12,574,342 was been receivable as at 31 December 2018.	Arrears should be recovered.	Action will be taken to recover.

4 Operating Review

4.1 Performance

Matters revealed with regard to fulfilling regulation and control and administration of public health, public utility services and public thoroughfares, generally with the protection and promotion of the comfort, convenience and welfare of the people and amenities by the Sabha under Section 3 of the Pradeshiya Sabha Act are shown below.

(a) By-Laws

Audit Observations	Recommendations	Comments of the Accounting Officer
Although by-laws should be imposed under Section 126 of the Pradeshiya Sabha Act in order to fulfill 16 main subjects, by-laws had been imposed only for five subject even as at 31 December 2018.	Action should be taken to impose by-laws according to Pradeshiya Sabha Act.	By-laws will be imposed in future.

(b) Action Plan

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|---|--|-------------------------------------|
| (i) Even though according to the Section 3 of State Finance Circular No -01/2014 dated 14 February 2014 the Action Plan | Action Plan should be prepared in correctly according to the Circular. | Action will be corrected in future. |
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should be prepared giving the priority base on the annual budget, Rs.50.41 million provided for the projects of capital expences and capital assets repair and maintance under physical roads had not been identified in the Annual Action Plan and implemented.

- (ii) Sabha had not a method for measuring annual performance, Even though performance should be evaluated according expected output and result of the Action Plan. Method should be prepared for measuring performance. Accepted.Method will be prepared in future.

(c) Solid Waste Management

By-laws had not been imposed for waste management and action had not been taken to impose garbage tax to minimize the garbage cost. A by-law should be imposed. Action will be taken to impose a by law and garbage tax.

(d) Sustainable Development Targets

Sabha had been awared of the Agenda on the objectives and targets of Sustainable Development 2030 in mid of the year 2018 and longterm plans had not been prepared comply to these objectives. Long term plan should be prepared. Action will be done in future.

4.2 Human Resource Management

Audit Observations -----	Recommendations -----	Comments of the Accounting Officer -----
Accounting to the actual cadre as at 06 September 2019 there were 03 vacancies in secondary level and 8 vacancias in primary level and a post of Management Assistant was in excess.	Vacancies should be filled.	Action will be taken to recruite.

4.3 Assets Management

Audit Observations	Recommendations	Comments of the Accounting Officer
(a) The land extent of 1 rood 25.14 perches which had been allocated from Kosgahawatta land auction in 2018 by Prime Land (pvt) Ltd, a fence had not been bounded and reserve as a property of Sabha.	Boundary fence should be prepared.	Relevant Institutions had been informed to prepare boundary fence.
(b) The land extent of 106 perches for allocating common amenities from the aution land of Kindelpitiya, Kendalanda had been vested to construction for Kaluganga Water Project, but the relevant deed and agreement was not submitted.	Relevant agreement and deed for vesting should be submitted.	Action should be taken to obtain deed and agreement.

4.4 Procurement

4.4.1 Procurement Plan

Audit Observations	Recommendations	Comments of the Accounting Officer
Action Plan had not been prepared according to the Section 4.2.1of National Procument Guideline.	Action should be taken according to National Procument Guildline.	Procument plan will be properly prepared in future.

4.4.2 Contract Administration

(a) A higher rate had been paid for constructions without confirming the ABC mixture ratio by quality inspection reports. Further a sum of Rs.1,885,892 had been paid for six contracts non of the method for examine the concrete mixture ratio, using for constution of drains and culverts.	Method should be prepared for measuring the ratio of concreate and ABC mixture.	Action will be taken to do properly in future.
(b) Although final payment should be made by obtaining meusurment jointly by the officer of contract society and a responsible officer of the Sabha, a sum of Rs.3,753,353 had been paid for 4 contracts without obtain measurement as such.	Action should be taken to obtain measurement jointly.	Action will be taken properly in future.

- (c) A sum Of Rs. 2,203,331 had been paid for 5 projects which had not a method to check, the raw material purchased by the contract society. Material clasification reports should be obtained with the estimates. Action will be taken properly in future.
- (d) A sum of Rs. 497,318 had been paid for the development of Dombagahawatta Road in Sri Indrasara Mawatha, Arukgoda and at the physical inspection on 25 July 2019, itt was revealed the stone come up and quality is in less. Action will be taken to construct the road according to the standard. Action will be taken properly in future.