

**Bandaragama Pradeshiya Sabha**  
**Kaluthara District**

-----

**1. Transactions Report**

-----

The Auditor General's report on transactions, operations and performance had been the year ended 31 December 2019 and the detailed management report had been forwarded to the Chairman on 08 February 2021 and 18 February 2021 respectively.

**2. Non - compliance**

-----

**Non – compliance with Laws, Rules, Regulations and Management Decisions**

-----

<b>Reference to Laws, Rules, Regulations and Management Decisions</b>	<b>Value</b>	<b>Non compliance</b>	<b>Recommendation</b>	<b>Comments of the Accounting Officer</b>
-----	-----	-----	-----	-----
	<b>Rs.</b>			
(a) <b>Pradeshiya Sabha Act No. 15 of 1987</b>				
(i) Section 134(i)	-	Identification of new rates only had been made for immovable properties declared within the area, as developed areas.	Action should be taken according to the Pradeshiya Sabha Act.	A letter had been sent to the office of the Commissioner of Local government for adopting resolution of the general council meeting regarding developed areas.
(ii) Section 154	1,522,191	One percent tax based on the assessment report of the institution which sold 04 lands in 2019 had not been recovered.	Should not according to the Pradeshiya Sabha Act.	Title deed are issued after paying all the instalments one percent tax will be recovered therefore If there are differences, it will be recovered from

- (iii) Section 160 - The lost resort of issuing distraining orders had not been done for recovery of arrears of rates and taxes. Should not act according to the Pradeshiya Sabha Act. the institution. Paragraph accepted.
- (b) Circular of the Commissioner of Local government No. 1988/22 of 17 May 1988 Action had not been taken to assess rates of properties every 05 years. Should act in terms of the circular. Through it was planned to assess in 2020 it could not be done due to COVID will be completed in future.
- (c) 1988 Pradeshiya Sabha (Financial Administration) Rule 2018 All land and buildings had not been verified at least once a year. Should act according to the Pradeshiya Sabha rule. Will be rectified in future.

### 3. Financial Review

#### 3.1 Revenue Administration

##### 3.1.1 Estimated Revenue, Revenue billed, Revenue collected and the Arrears of Revenue

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

Source of Revenue	2019				2018			
	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.
(i) Rates and Taxes	5,965,000	7,432,006	7,961,950	763,470	5,119,625	5,385,655	4,358,182	1,303,224
(ii) Rentals	2,224,000	3,855,391	3,741,038	148,043	2,372,125	1,578,887	1,506,539	72,348
(iii) Licence Fees	401,000	410,000	410,000	-	236,250	532,200	532,200	-
(iv) Other Revenue	93,649,000	-	46,653,125	46,995,875	46,064,375	-	30,832,444	15,231,931
	<b>102,239,000</b>	<b>11,697,397</b>	<b>58,766,113</b>	<b>47,907,388</b>	<b>53,792,375</b>	<b>7,496,742</b>	<b>37,229,365</b>	<b>16,607,503</b>

### 3.1.2 Stamp Fees

<b>Audit observation</b>	<b>Recommendation</b>	<b>Comments of the Accounting Officer</b>
The stamp fees receivable as at 31 December 2019 amounted to Rs. 36,666,700	Action should be taken to recover receivables.	The amount indicated as receivable as per information furnished to the Provincial Department of Revenue is Rs. 131,047,610.

## 4. Operating Review

### 4.1 Performance

The following matters were observed 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.,

#### (a) Bye -laws

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of the Accounting Officer</b>
Although bye-laws were required to be enacted for 16 man functions as per Section 126 of the Pradeshiya Sabha act, bye-laws only had been prepared for 04 functions only as at 31 December 2019.	Action should be taken to enact bye-laws	Draft bye-laws for Ayurvedi centre had been referred to the minister in charge of the subject.

#### (b) Action Plan

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of the Accounting Officer</b>
(i) Action plan had not been prepared on the priority basis budget according to Section 3(b) of the Public Finance Circular No. 01/2014 of 14 February 2014. The provision of Rs. 7.8 million for physical planning highways, land and buildings had not been identified in the action plan for implementation.	Action should be taken to prepare action plan as per circular and provision included accordingly.	Action is being taken to act according to the circular.

(c) **Solid waste material management**

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of the Accounting Officer</b>
(i) The cost incurred on solid waste material management in 2019 amounted to Rs. 21,793,371 garbage tax had not been levied to reduce the cost. Further, bye-laws had not been under for garbage management.	Action should be taken to reduce garbage cost. Bye-laws should be enacted.	Garbage tax, pale of animal food and recycling and done to reduce the expenditure.

(c) **Sustainable Development Target**

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of the Accounting Officer</b>
A Sustainable development plan and been prepared in 2019 with regard to objectives and targets of Satiable development and it had been planned to active 15 objectives. However, which had not been taken according to the sustainable development objectives while preparing the budget of the Sabha.	Provision should be made in the budget on the basis of Sustainable development objectives.	Although the Sustainable development objectives had not been included in the plan, the Sustainable development objectives had also been committed as per functions of the Act.

4.2 **Human Resources Management**

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of the Accounting Officer</b>
There 05 vacancies of secondary level and 10 vacancies of primary level by 31 December 2019 and an excess in the post of Technical officer and an excess in the post of Management Assistant.	Action should be taken to fill essential vacancies.	Action is being taken to fill vacancies.

**4.3 Management inefficiencies**

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of the Accounting Officer</b>
<p><b>(a) Lease of weekend fair</b></p> <p>Monthly watered electricity bills should be paid by the less according the Section 07 of the agreement. However, water charges of Rs. 162,911 and electricity charges of Rs. 10,167 of the weekend fair for the period August to December 2019 had been paid from the funds of the Sabha.</p>	<p>The lessee should make payment according to the agreement.</p>	<p>Action with be taken to prepare and estimate and recover it from the deposit of the lessee</p>
<p><b>(b) Vehicle Utilization</b></p> <p>Five out of 06 motor cycles had been handed over to employees of the Sabha. The Sabha never issues fuel for them. But, all repairs, services, revenue licences and insurance and obtained by using the funds of the Sabha. Further, these motorcycles in their private custody after the duty hours.</p>	<p>Motorcycles of the Sabha should be safely parked in the Sabha.</p>	<p>The employees had been instructed to park them in the Sabha.</p>
<p><b>(c) Multi uilpurpose bding Constructed Raigam Katalawala Kanda Pahala Meegahawaththa.</b></p> <p>Although this two storied building had been constructed 06 years ago, water supply had not been made as there was no buildings on the top of the roof, the rain water from the upper floor had spoilt the place and the roofing soaked in rain water. faced the risk of dilapidation. The Sabha was not in possession of the key of the building. As such, it could not be opened and premises of the</p>	<p>Necessary facilities should be given to the assets 07 the Sabha and made use of</p>	<p>This building is now being used Work not completed and handed over to the Sabha.</p>

building was covered with shrubs. repairs for Rs. 289,190 had been done since 2019. But, remained unused for about 06 years.

**(d) Misplacement of library books**

-----  
 The Sabha had decided to write-off value of 438 books amounting to Rs. 76,785 misplaced at the Grama Pradeepa library which had been detected at the board of survey 2018. However, proper investigations had not been carried out and the person responsible had not been identified. Also there was no registers inventory for the books of the library.

Investigations should be done and person responsible should be identified. An register of inventory should be maintained.

An investigational been done in this regard. Action will be taken to maintain a register of inventory.

**4.4 Operating Inefficiencies**

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of the Accounting Officer</b>
-----	-----	-----
(a) Ad-hoc imprests should be settled immediately after the relevant work as over. However, settlement of advances had been delayed on 14 occasions. The unsettled advances as at 01 January 2019 amounted to Rs. 4,094,661.	Advances should be settled according to the circular.	Advances of 2019 had been settled. Schedules of unsettled advance of previous year are being searched.
(b) There were 17 instances where advances had been granted to officers before settlement of their previous advances.	Advances should not be granted again before settlement.	Repairs to each vehicles in done by obtaining advances. As such, advances had been granted before settling the previous advances.

**4.5 Non confirmation of safely of Assets**

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of the Accounting Officer</b>
(a) Although 25 crematoriums had been identified within the area of the Sabha, safety fences had not been constructed to identify and purvey them and to acquire the crematoriums.	Crematoriums should be surveyed, boundaries identified, fences constructed and acquired.	Action is being taken to survey and acquire crematoriums.
(b) Twenty five land (04 acres, 03 roads and 30 perches) of the Sabha remained idle	Action should be taken to utilize the land of the Sabha.	Action to being taken to plant trees