

Deraniyagala Pradeshiya Sabha

Kegalle District

1. Financial Statements

1.1 Presentation of Financial Statements

The Financial Statements for the year under review had been presented to audit on 30 March 2012 and the financial statements for the preceding year had been presented on 14 March 2011. The report of the Auditor General for the year under review was issued to the Chairman of the Sabha on 15 June 2012.

1.2 Opinion

So far as appears from my examination and to the best of information and according to the explanations given to me, I am of opinion that the Deraniyagala Pradeshiya Sabha had maintained proper accounting records for the year ended 31 December 2011 and except for the effects on the financial statements of the matters referred in my report issued to the Chairman, the financial statements have been prepared in accordance with Generally Accepted Accounting Principles and give a true and fair view of the state of affairs of the Deraniyagala Pradeshiya Sabha as at 31 December 2011 and the financial results of its operations for the year then ended.

2. Financial and Operating 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 2011 amounted to Rs.5,163,703 as compared with the excess of revenue over recurrent expenditure amounting to Rs.2,495,926 for the preceding year.

2.2 Revenue Administration

2.2.1 Estimated Revenue, Actual and Arrears of Revenue

Information on the estimated revenue, actual revenue and arrears of revenue in respect of the year under review, as presented by the Chairman is given below.

Item of Revenue	Estimated	Actual	Accumulated arrears as at 31 December
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	Rs '000	Rs '000	Rs '000
(i) Rates and Taxes	2,445	2,672	1,077
(ii) Lease Rent	2,327	3,007	(675)
(iii) License Fees	627	570	465
(iv) Other Revenue	790	1,875	(5)

2.2.2 Court Fines and Stamp Fees

Court Fines recovered by a Magistrate Court up to 31 December 2011 under various Ordinances and sent to the Chief Secretary and the Stamp Fees due from the Registrar General had not been computed and brought to accounts.

2.3 Operating Inefficiencies

Although a survey on business enterprises should be carried out and the business enterprises identified, action had not been taken to carry out a survey on business entities situated within the area and beyond the Deraniyagala Town Limits and to recover all the revenue.