

## **Galigamuwa Pradeshiya Sabha**

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### **Kegalle District**

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#### **1. Financial Statements**

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##### **1.1 Presentation of Financial Statements**

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The financial statements for the year under review had been presented to audit on 28 March 2013 and the financial statements for the preceding year had been presented on 15 March 2012. The report of the Auditor General for the year was issued to the Chairman of the Sabha on 07 June 2013.

##### **1.2 Opinion**

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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 Galigamuwa Pradeshiya Sabha had maintained proper accounting records for the year ended 31 December 2012 and except for the effects on the financial statements of the matters referred to in my report, 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 Galigamuwa Pradeshiya Sabha as at 31 December 2012 and the financial results of its operations for the year then ended.

##### **1.3 Comments on Financial Statements**

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###### **1.3.1 Accounting Deficiencies**

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- (a) The balance of motor cars and carts account amounting to Rs.6,236,941 as at 31 December of the year under review included a tractor and a trailer valued at Rs.1,090,000 and Rs.260,000 respectively, owned by the Chief Secretary of the Sabaragamuwa Provincial Council. Therefore, assets had been overstated.



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

<b>Item of Revenue</b>	<b>Estimated</b>	<b>Actual</b>	<b>Cumulative Arrears as at 31 December</b>
	T u " ÷ 2 2	T u " ÷ 2 2	T u " ÷ 2 2
(i) Rates and Taxes	2,085	1,641	444
(ii) Lease Rent	442	442	-
(iii) Licence Fees	414	414	-
(iv) Other Revenue	11,574	12,296	-

### **2.2.2 Lease Rent**

The Sabha had failed to recover monthly rent of Rs.356,268 and the fines at 10% due from 02 fish stalls of the authoritative area of the Sabha as action in terms of the lease agreements had not been taken during the year 2012.

### **2.2.3 Court Fines and Stamp Fees**

Money receivable as at 31 December 2012 from the Chief Secretary of the Provincial Council and other authorities are given below.

	Rs.
(i.) Court Fines	8,261,573
(ii.) Stamp Fees	46,000

### **2.3 Transactions Not Supported by Adequate Authority**

88 Journal Entries amounting to Rs.260,353,320 made in preparation of accounts for the year under review had not been approved by the Accounting Officer and a Journal had not been maintained by the Sabha in terms of Rule No.166 of the Pradeshiya Sabha Rules-1988.

### **2.4 Operating Inefficiencies**

- (a) Deposits amounting to Rs.49,750 obtained from 07 August 2008 to 17 February 2009 in respect of damages to the roads had not been used for repairing the roads, but had retained in the deposits account.

