

Gomarankadawela Pradeshiya Sabha

Trincomalee District

1. Financial Statements

1.1 Presentation of Financial Statements

The financial statements for the year under review had not been presented for audit up to 03 November 2011 and the financial statements relevant to years prior to it had been presented for audit on 31 March 2011.

1.2 Comments on Transactions, Operations and Performance

1.2.1 Non - Compliances

The following non – compliances with Laws, Rules, Regulations and Management Decisions were observed in audit.

Reference to Laws, Rules, etc

Non-Compliance

(a) Pradeshiya Sabha (Financial and Administrative) Rules

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| (i) | Section 161 of Chapter 07 | Monthly statements of revenue and expenditure had not been furnished to audit for the year under review. |
| ii) | Section 169 of Chapter 08 | The financial statements for the year under review had not been rendered to audit. |

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| (b) | Financial Regulation 1646 | Daily running charts of vehicles of the Sabha had not been furnished to audit during the year under review. |
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2. Financial and Operating Review

2.1 Revenue Administration

2.1.1 Estimated Revenue, Actual Revenue and Arrears of Revenue

The information with regard to the estimated revenue, actual revenue and arrears of revenue for the year under review and the preceding year, as presented by the Chairman is given below.

<u>Item of Revenue</u>	<u>Estimated</u>	<u>2010</u>		<u>Accumulated arrears as at 31 December</u>	<u>2009</u>		<u>Accumulated arrears as at 31 December</u>
		<u>Rs.</u>	<u>Rs.</u>		<u>Rs.</u>	<u>Rs.</u>	
		<u>000'</u>	<u>000'</u>		<u>000'</u>	<u>000'</u>	
Rates and Taxes	-	-	-	-	-	-	-
Lease Rent	231	231	-	249	249	-	-
Licence Fees	29	30	-	26	26	-	-
Other Revenues	605	258	600	402	467	-	-

2.1.2 Court Fines

Action had not been taken to recover / court fines amounting to Rs. 600,000 collected and remitted to the Chief Secretary / Provincial Commissioner of Revenue up to 31 December 2010 by the District Magistrate's Court under various Ordinances. Court fines receivable by the Sabha had not been computed and accounted for.

2.2 Expenditure Structure

The budgeted and actual expenditure and the variances of the Sabha for the year under review and the preceding year are given below.

<u>Item of Expenditure</u>	<u>Budgeted</u>	<u>2010</u>		<u>Budgeted</u>	<u>2009</u>	
		<u>Variance</u>	<u>Actual</u>		<u>Variance</u>	<u>Actual</u>
		<u>Rs.</u>	<u>Rs.</u>		<u>Rs.</u>	<u>Rs.</u>
	<u>000</u>	<u>000</u>	<u>000</u>	<u>000</u>	<u>000</u>	<u>000</u>
<u>Recurrent Expenditure</u>						
Personal Emoluments	5,956,930	2,601,231	3,355,699	3,429,280	3,158,427	270,853
Other	<u>6,006,000</u>	<u>11,178,806</u>	<u>(5,172,806)</u>	<u>-</u>	<u>1,466,684</u>	<u>(1,466,684)</u>
Sub Total	11,962,930	13,780,037	(1,817,107)	3,429,280	4,625,111	(1,195,831)

Capital Expenditure	-	-	-	-	-	-
Grand Total	<u>11,962,930</u>	<u>13,780,037</u>	<u>(1,817,107)</u>	<u>3,429,280</u>	<u>4,625,111</u>	<u>(1,195,831)</u>

2.3 Human Resources Management

2.3.1 Approved and Actual Cadre

Particulars of the approved and actual cadre of the Sabha as at 31 December 2010 are given below.

<u>Category of Post</u>	<u>Approved</u>	<u>Actual</u>	<u>Shortage/ Excess</u>
Staff Grade	01	-	01
Secondary Grade	06	03	03
Primary Grade	09	06	03
Total	<u>16</u>	<u>09</u>	<u>07</u>

2.4 Assets Management

2.4.1 Staff Loans Recoverable

Balances of staff loans recoverable as at 31 December 2010 totalled Rs. 651,435

3. Systems and Controls

Special attention is needed in respect of the following areas of systems and controls.

- Budgetary Control
- Accounting
- Fixed Assets
- Stores
- Staff Loans
- Collection of Revenue