

Maha Oya Pradeshiya Sabha

Ampara District

1. Financial Statements

1:1 Presentation of Financial Statements

The financial statements for the year under review had been presented to audit on 21 November 2012 and the financial statements for the preceding year had been presented on 02 June 2011. The report of the Auditor General was furnished to the Chairman of the Sabha on 21 February 2013.

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 Maha Oya 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 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 Maha Oya Pradeshiya Sabha as at 31 December 2011 and the financial results of its operation and cash flows for the year then ended.

1:3 Comments on Financial Statements

1:3:1 Accounting Deficiencies

- (a) While preparing the income and expenditure account for the year 2011, the income and expenditure had been accounted less in the accounts by Rs.222,265 and Rs.37,327 respectively.

- (b) Revenue from stamp fees of Rs. 62,950 for the year under review had not been shown as revenue for the year in the accounts.
- (c) The court fines for the year under review was Rs.206,666. However, a sum of Rs.156,395 had been included in the financial statements. As a result, the court fines had been understated by Rs.50,271.

1:3:2 Lack of Evidence for audit

(a) Unreplied Audit Queries

Replies had not been furnished for 3 audit queries by 11 April 2013. The computable transactions subjected to those queries were valued at Rs.847,492.

(b) Non-rendition of Information to Audit

Transactions totalling Rs.7,617,230 could not be satisfactorily vouched in audit due to non rendition of necessary information for audit.

2. Financial and Operating Review

2:1 Financial Results

According to the financial statements presented, the revenue exceeding the recurrent expenditure of the Sabha for the year ended 31 December 2011 was Rs.350,477 as against the recurrent expenditure exceeding the revenue of the preceding year amounting to Rs.66,737.

2:2 Revenue Administration

2:2:1 Estimated Revenue, Actual Revenue and Arrears of Revenue

The information relating to the estimated revenue, actual revenue and arrears of revenue for the year under review, as presented by the Chairman, appear below.

Item of Revenue	Estimated	Actual	Accumulated Arrears as at 31 December
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	Rs.	Rs.	Rs.
i. Rates and Taxes	10,000	4,500	--
ii. Lease Rent	2,445,100	2,147,904	--
iii. Licence Fees	287,000	293,670	--
iv. Service Fees	1,250,000	1,422,791	--
v. Warrant Charges and Fines	153,000	156,396	--
vi. Other Revenue	39,000	235,616	727,919

2:2:2 Court Fines and Stamp Fines

The amount due from the Chief Secretary of the Provincial Council and other authorities as at 31 December 2011 appear below.

	Rs.
(i) Court fines	161,583
(ii) Stamp fees	62,950

3. Systems and Controls

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

- (a) Accounting
- (b) Revenue Administration
- (c) Assets Management