

Mahiyangana Pradeshiya Sabha
Badulla District

1. Financial Statements

1.1 Presentation of Financial Statements

The financial statements for the year under review had not been presented to audit even as at 24 September 2012 and the financial statements for the preceding year had been presented on 14 December 2011. The audit report on the performance of the year under review was issued to the Chairman of the Sabha on 24 September 2012.

1.2 Comments on Transactions, Operations and Performance

1.2.1 Lack of Evidence for Audit

Replies to 03 audit queries had not been furnished even by 31 May 2012.

2. Financial and Operating Review

2.1 Revenue Administration

2.1.1 Estimated Revenue, Actual Revenue and Arrears of Revenue

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

Item of Revenue -----	Estimated -----	Actual -----	Accumulated Arrears as at 31 December -----
	Rs'000	Rs'000	Rs'000
Rates and Taxes	5,386	1,791	3,595
Lease Rent	6,891	6,777	118
License Fees	2,111	2,111	-

2.1.2 Court Fines and Stamp Fess

Money recovered as at 31 December 2011 from the Chief Secretary of the Provincial Council and other authorities are given below.

	Rs.
(I) Court Fines	Not Computed
(II) Stamp Fees	1,581,835

2.1.3 Stall Rent

- (a) A loss of Rs. 7,578,000 had occurred to the Sabha Fund during the period 01 July 2009 to 31 December 2011 due to recovery of monthly stall rent less than the rent assessed in respect of 81 stall owned by the Sabha.
- (b) Two leasees who had taken on lease 02 stall owned by the stall had sub-leased those stalls to other parties, Contrary to provisions in Section 7 of the Circular No. 1980/46 Dated 31 December 1980 of the Commissioner of Local Government.

2.1.4 Other Revenue

The total income of the Holiday Resort administered by the Sabha was Rs. 152,750 and the expenditure was Rs. 948,149 for the year under review and as such, a financial loss of Rs. 795,399 had been caused to the Sabah's Fund.

2.2 Idle and Underutilized Assets

A Cab taken by the Army for operational duties had been taken over by the Sabha on 11 October 2011. But, this cab had not been repaired as needed and made use of even by June 2012.

2.3 Transactions Not Supported by Adequate Authority

- (a) A Sum of Rs. 55,690 had been spent out of the Sabah's Fund to donate materials to voluntary organizations in 02 instances, without obtaining the

approval of the Minister, contrary to Section 132(K) of the Pradeshieya Sabha Act No. 15 of 1987.

- (b) The Secretary of the Sabha had given appointments to 19 minor employees in excess of the approved cadre, without obtaining the prior written approval of the Commissioner of Local Government, according to the powers vested with by the Public Service Commission of the Uva Provincial Council to recruit minor employees. A sum of Rs. 1,427,120 had been paid to these employees from 01 January 2011 to 31 May 2011.

2.4 Irregular Transactions

A sum of Rs.26,178 had been overpaid as additional remuneration to an officer acting in a post of the Sabha in 02 instances for acting in the post Contrary to provisions in Section 12:5:2 of Chapter VII of the Establishments Code of the Republic of Sri Lanka.