

Manmunai South Eruvil Pattu Pradeshiya Sabha

Batticaloa District

1. Financial Statements

1.1 Presentation of Financial Statements

The financial statements for the year under review had been presented to audit on 06 May 2013 and the financial statements for the preceding year had been presented on 05 June 2012. The report of the Auditor General for the year was issued to the Chairman of the Sabha on 20 June 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 Manmunai South Eruvil Pattu 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 Manmunai South Eruvil Pattu Pradeshiya Sabha as at 31 December 2012 and the financial results of its operations and cash flows for the year then ended.

1.3 Comments on Financial Statements

1.3.1 Accounting Deficiencies

- (a) Provision for audit fees in terms of Section 172(2) of the Pradeshiya Sabha Act, No. 15 of 1987 had not been made in the financial statements.
- (b) A replacement reserve for fixed assets had not been made in the financial statements.
- (c) The value of goods received as donations during the year under review had not been brought to the financial statements.
- (d) Stocks valued at Rs. 48,216 had been brought to the financial statements on book value and not on physically verified value.
- (e) The building valued at Rs.14,813,592 had not been brought to the financial statements

3 Systems and Controls

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

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