

**Meegahakiwula 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 up to 08 May 2012 and the financial Statements for the preceding year had been presented on 02 November 2011.

1.2 Comments on Transactions, Operations and Performance

1.2.1 Unreplied Audit Queries

Replies to 15 audit queries had not been furnished even by 31 March 2012 and an age analysis of unreplied audit queries is shown below.

3 months to 1 year	08
1 year to 02 years	07

	15
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2. Financial and Operating Review

2.1 Bank Accounts

Bank reconciliation statements had not been prepared since January 2011 in respect of the current account owned by the Sabha in terms of requirements of Financial Regulation 395(d) of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka.

2.2 Revenue Administration

Estimated Revenue, Actual Revenue and Arrears of Revenue

The information on estimated revenue, actual revenue and arrears of revenue relating to the year under review had not been submitted by the Chairman.

2.3 Idle Resources

The building constructed for the Dolomite Production Project at an expense of Rs. 533,100 under the provisions of the decentralized budget for the year 2002 had remained idle from 2003 to 2009, as the Project had been abandoned without being Commenced.

2.4 Irregular Transactions

The Sabha had been dissolved on 06 January 2011. But, a sum of Rs. 10,000 and Rs. 17,648 respectively had been paid to the Chairman out of the funds of the Sabha as an allowance for January 2011 and a part of the telephone and fuel allowances.

2.5 Operating Inefficiencies

(a) The equipment valued at Rs.380,550 purchased under the Criteria Based Investment Programme of r 2008 and given to the Jathika Saviya Gama Neguma Operations Office, Meegahakiwula had not been handed over to the Sabha after closing down the project office on completion of the project.

(b) The Army had informed the Sabha from time to time to take over the Cab owner by the Sabha that had been handed over to the Army for operational

duties. Nevertheless, action had not been taken by the Sabha even as at 31 December of the year under review, to take over the Cab and either to repair and make use of it or to dispose of it in a suitable manner.

- (c) A tractor which had not been in use since 13 June 2008 due to an accident had not been repaired and used for waste transport.
- (d) A tractor owned by the Sabha had been hired to various parties at various charges per day since May 2011 and no documentary evidence was available to confirm that the tractor was hired in a proper manner at any instance.
- (e) An expenditure of Rs. 39,044 had been incurred out of the Sabha's Fund for 479 litres of diesel for the cab owned by the Sabha, in excess of the limit indicated in the provisions of the Circular No. CLG/1/pa.Sabha-Vehicles dated 05 May 2005 of the Commissioner of Local Government, Uva Province.