

**Pasbage Korale Pradeshiya Sabha**

**Kandy District**

**1. Financial Statements**

**1.1 Presentation of Financial Statements**

The financial statements for the year under review had been presented to audit on 27 March 2013 and the financial statements for the preceding year had been presented on 30 March 2012. The report of the Auditor General for the year under review was issued to the Chairman of the Sabha on 05 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 Pasbage Korale 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 Pasbage Korale Pradeshiya Sabha as at 31 December 2012 and the financial results of its operations for the year then ended.

**1.3 Comments on Financial Statements**

**1.3.1 Accounting Deficiencies**

Although a store room had been constructed at an expense of Rs.1,307,788, the value of it had not been capitalized.

**1.3.2 Lack of Evidence for Audit**

Transactions totaling Rs.112,931,937 could not be satisfactorily vouched in audit due to the non-submission of required information to audit.



### **2.2.3 Environment Licence Fees**

Environmental Protection Licence had not been issued to 11 institutions within the area of authority of the Sabha and therefore, the Sabha had deprived of an income Rs.44,000 for the year under review.

### **2.2.4 Transmission Tower Charges**

Six transmission towers had been constructed within the area of authority of the Sabha without obtaining development licence. As the provisions of Urban Development Authority Act are not applicable to the area of the Sabha, a fixed charge can be recovered at the 6 D E K D 11 on G.L.V.F. without obtaining approval for towers. But, the Sabha had not paid attention on this matter.

### **2.2.5 Rates and taxes**

Rates in arrears as at 31 December of the year under review amounted to Rs.268,211 and this included a sum of Rs.121,081 outstanding from 106 rate payers for over one year.

### **2.2.6 Water Charges**

Water charges outstanding as at 31 December of the year under review amounted to rs.1,728,220 and this included charges amounting to Rs.102,983 due from 21 consumers for over 05 years.

## **2.3 Internal Audit**

An adequate internal audit had not been carried out within the Institution.

## **3. Systems and Controls**

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

- (a.) Accounting
- (b.) Internal Control
- (c.) Revenue Administration
- (d.) Assets Management