

**Passara Pradeshiya Sabha
Badulla District**

1. Financial Statements

1.1 Presentation of Financial Statements

The financial statements for the year under review had been presented for audit on 04 September 2012 and the financial statements for the preceding year had been presented on 21 March 2011. The report of the Auditor General for the year under review was issued to the Chairman of the Sabha on 27 September 2012..

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 Passara 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 issued to the Chairman, 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 Passara Pradeshiya Sabha as at 31 December 2011 and the financial results of its operations and cash flows for the year then ended.

1.3 Comments on Financial Statements

1.3.1 Lack of Evidence for Audit

Balances of accounts totaling Rs. 13,333,442 could not be satisfactorily vouched in audit due to non - submission of required information to audit.

2. Financial and Operating Review

2.1 Financial Control

- (a) Action had not been taken in terms of Financial Regulations 189 and 486 of the Democratic Socialist Republic of Sri Lanka in respect of 03 dishonoured cheques valued at Rs.75,712 existing since 1996 and 2004.
- (b) Advances amounting to Rs. 64,496 given in 02 instances prior to year 2006 had not been settled in terms of Financial regulation 371.

2.2 Revenue Administration

2.2.1 Estimated Revenue , Actual Revenue and Arrears of Revenue

The information regarding the estimated revenue , actual revenue and the arrears of revenue for the year under review as presented for the Chairman are shown below.

Item of Revenue	Estimated	Actual	Cumulative Arrears as at 31 December
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	Rs.'000	Rs.'000	Rs.'000
(I) Rates and Taxes	2,855	2,406	1,608
(II) Lease Rent	9,407	9,504	901
(III) Other Revenue	5,223	1,447	5,773

2.2.2 Court Fines and Stamp Fees

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

	Rs.
(1) Court Fines	5,057,794
(II) Stamp Fees	5,327,195

2.2.3 Stall Rent

The revenue deprived of by the Sabha from November 2005 to 31 December 2011 due to no – recovery of shop[rent according to the assessments carried out in year 2005 amounted to Rs. 1,491,100.

2.3 Idle and Underutilized Assets

Action had not been taken to dispose of 02 vehicles owned by the Sabha that remained idle since 2008 and 2009.

2.4 Transactions Not Supported by Adequate Authority

A sum of Rs. 46,500 had been spent out of the funds of the Sabha for providing tent sheets to voluntary organizations without obtaining prior approval of the Minister in terms of Section 132 of the Pradeshiya Sabha Act No. 15 of 1987.

2.5 Operating Inefficiencies

- (a) Contributions amounting to Rs. 46,872 payable to Employees' Provident Fund on behalf of 05 employees who had served on daily paid leases had not been paid in terms of the provision of the Employees' Provident Fund Act No. 15 of 1958.
- (b) Contributions amounting to Rs. 7,031 payable to the Employees' Trust Fund for On behalf of 05 employees who had served on daily paid basis had not been paid in terms of provisions of the Employees' Trust Fund Act No. 46 of 1980.