

**Badalkumbura Pradeshiya Sabha**  
**Monaragala District**

**1. Financial Statements**

**1.1 Presentation of Financial Statements**

The financial statements for the year under review had been presented to audit on 17 May 2013 and the financial statements for the preceding year had been presented on 09 August 2012. The report of the Auditor General for the year was issued to the Chairman of the Sabha on 20 September 2013.

**1.2 Opinion**

In view of the comments and observations appearing in my report, I do not express an opinion on the financial statements of the Badalkumbura Pradeshiya Sabha for the year ended 31 December 2012 presented to audit.

**1.3 Comments on Financial Statements**

**1.3.1 Accounting Deficiencies**

- (a.) Action had not been taken to assess the value of land and buildings of the Sabha and brought them to account.
- (b.) Trade licence fees in arrears amounting to Rs.84,540 as at end of the year had not been brought to account.

**1.3.2 Lack of Evidence for Audit**

Assets valued at Rs.21,319,967, liabilities amounting to Rs.10,689,976 and transactions totaling Rs.41,675 could not be satisfactorily vouched in audit due to the non-submission of required information to audit.





## **2.6 Operating Inefficiencies**

The following observations are made.

- (a.) Revenue in arrears amounting to Rs.1,012,292 as at the end of the year under review had not been recovered in terms of Sections 158 and 159 of the Pradeshiya Sabha Act No.15 of 1987.
- (b.) Action had not been taken in terms of Section 172(2) of the Pradeshiya Sabha Act No.15 of 1987 to pay audit fees amounting to Rs.256,050 for the period 1990-2008 as at end of the year under review.
- (c.) The water bowser of the Sabha had been taken to a private garage for repairs prior to a number of years and it had not been returned to the Sabha after repairs even as at 31 December 2012. No evidence was made available to audit to prove that the repairs had been done.
- (d.) Stock certificates had not been obtained in terms of Financial Regulation 237(b) in respect of various purchases valued at Rs.66,995 made at 14 instances.

## **2.7 Solid Waste Management**

The lands needed for implementation of the Solid Waste Management Project had been provided by the District Land Reform Board on 14 December 2010. Although a sum of Rs.11,312 had been paid to the Central Environment Authority on 28 August 2009 to obtain an environment certificate, waste disposal had been done in an improper manner even by end of the year under review and the compost project had not been commenced.

## **3. Systems and Controls**

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

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