

Badulla Pradeshiya Sabha

Badulla 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 to audit on 28 March 2012. The Report of the Auditor General for the year under review was furnished to the Chairman of the Sabha on 27 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 Badulla 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 Badulla Pradeshiya Sabha as at 31 December 2012 and the financial results of its operations and the cash flows for the year then ended.

2. Financial and Operating Review

2:1 Financial Results

According to the financial statements presented, the excess of revenue over recurrent expenditure of the Sabha for the year ended 31 December 2012 amounted to Rs.678,400 as compared with the corresponding excess of revenue over recurrent expenditure amounting to Rs.561,289 for the preceding year.

2:2 Revenue Administration

2:2:1 Estimated Revenue, Actual Revenue and Arrears of Revenue

Information on the estimated revenue, the actual revenue and the arrears of revenue for the year under review presented by the Chairman is given below.

Source of Revenue	Estimated Revenue	Actual	Cumulative Arrears as at 31 December
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	5 V ¶	5 V ¶	5 V ¶
(i) Rates and Taxes	3,442	2,840	1,372
(ii) Lease Rents	2,312	2,016	180
(iii) Licence Fees	710	252	--
(iv) Other Revenue	31,406	14,556	172

2:2:2 Courts Fines

Courts fines amounting to Rs.2,500,000 remained receivable as at 31 December 2012 from the Chief Secretary of the Provincial Council and other authorities.

2:3 Irregular Transactions

- (a) The Sabha had spent a sum of Rs.190,950 in 08 instances for the purchased of 134 roofing sheets of 28 gauge and 10 feet long. Matters such as the non-issue of letters calling for quotations to the suppliers, lack of evidence for the receipt of quotations by registered post or deposing in the tender box and non-stamping of the date stamp on the quotations were observed in this connection.
- (b) The Sabha had spent a sum of Rs.242,334 from the Sabha Fund for 2,111 litres of diesel issued to the Chairman during the period January to December 2012, exceeding the monthly limit of 222 litres of diesel approved for a Chairman in terms of the letter No. 12/A/15/1 dated 11 November 2009 of the Commissioner of Local Government.
- (c) A sum of Rs.3,065,357 had been paid from the Sabha Fund in the year 2012 as the salaries and allowances of 25 employees recruited and appointed on the

