

Dambulla Pradeshiya Sabha

Matale District

1. Financial Statements

1.1 Presentation of Financial Statements

While Financial Statements for the year under review as well as Financial Statements for the preceding year had not been submitted to audit, the Auditor General's Report relating to "Comments on Transactions and Operational Performance" was issued to the Chairman of the Dambulla Pradeshiya Sabha on 23 December 2014.

1.2 Comments on Transactions, Operations and Performance

1.2.1 Management Inefficiencies

Following matters are observed.

- (a) In spite of an official vehicle allocated and the fuel limit fixed for the Chairman in addition to that, fuel allowance of Rs. 10,000 for the period from June to September, 2013 a sum of Rs. 70,902 for fuel and a sum of Rs.93,000 for vehicles hired in respect of various journeys of the Chairman had been paid out of the Sabha Funds.
- (b) Action had not been taken to transfer the ownership of 08 vehicles utilized by the Sabha.
- (c) Although the Cab vehicle bearing No.53-4734 belongs to the Sabha is in unserviceable condition, action had not been taken to repair it or to take other suitable course of action.

1.2.2 Contracts Administration

Following matters are observed.

- (a) Although fixing nets to the Wilhatha Community Centre had been made having incurred an expenditure amounting to Rs. 185,492 during the year under review, at inspection of the location it was observe that the Community Center is not in use.
- (b) Vewala, Velangolla Play Ground had been geared up by Aljalaliya Cultivators Association having incurred expenditure amounting to Rs. 102,500 out of the Sabha Fund during the year under review. While the ownership of the land

belongs to the mosque had not been settled, it was observed at the inspection of the play ground that the ground was not in usable condition due growth of jungle.

- (c) Lenadora, auctioned land road stage 02 had been developed laying stone blocks by the Lenadora North Rural Development Society, incurring expenditure amounting to Rs. 500,000 on the basis of Maga Neguma during the year under review. At the inspection carried out in that connection, it was observed that the road fixed with stone blocks had sunk and stone blocks had not been fixed on a uniformed level.
- (d) Kalundewa, Paranagama, Mahawewa Road had been developed by the Perakum Bedun Ela Cultivators Association incurring expenditure amounting to Rs. 146,541 out of Sabha Funds during the year under review. At the inspection of the location it was observed ;
- that, although a sum of Rs. 14,877 had been paid for cutting side drains under item of work No.01, drains had been cut to depth less than the depth shown in the report;
 - although a sum of Rs. 46,644 had been paid for supplying gravel under item of work No.02 gravel had been spread not up to the specified standard and
 - That white pebbles of normal size had been spread .
- (e) Digampathana, Magallena Temple Road stage had been developed by the Ekamuthu Cultivators Association, incurring expenditure amounting to Rs.200,000 out of Sabha Funds during the year under review. At the inspection carried out in that connection, it was observed that drains had not been cut evenly on both sides of the road, although drains had been cut to length of 1020 meters.
- (f) A Spray Machine and a water pump had been provided to the Bedum Ela Cultivation Association at an expenditure of Rs. 30,000 on the basis of Provincial Council Members during the year 2013. Although it had been recorded according to the documents of the Sabha that 20 L Power Spray Machine (L.P.S Type) 777 was provided, at the physical inspection it was found that spray machine of C Tech Agro had been provided.
- (g) Agreements had been entered with the contractors by the Sabha, including all items of works including supply of stone blocks for Floor Tile Stones Projects on the basis of provisions received under Maga Neguma Project during the year under review. However, without making payments for those works directly to the contractors a sum of Rs. 3,861,498 to the Ethugala Holdings (Private) Company

for 11 contracts and a sum of Rs. 26,136,000 to the Araliya Engineering (Private) Company for 83 contracts had been paid during the year under review by the Sabha, deviating from the agreed conditions.

2. Operational Review

2.1 Solid Waste Management

It was observed that the garbage accumulating daily in areas of Dambulla 40th Post Reservation, Inamaluwa, Kimbissa and Sigiriya belong to the area of authority of the Sabha are collected twice a week and those garbage are improperly dumped into Digampathana Teak Reservation and that the garbage management is not implemented by using the Centre built in library land.

2.2 Budgetary Control

Following matters are observed.

- (a) The entire provision of Rs. 282,500 estimated for 04 items of expenditure through the Budget Estimates for the year under review had been saved.
- (b) Although it had been planned to earn revenue amounting to Rs. 255,000 under the Rates and Tax Revenue Head through the Budget, it had not been possible to earn any revenue.

2.3 Audit Queries not removed and not replied

Replies had not been furnished to 06 queries out of the audit queries issued to the Sabha during the year under review. Value of transactions that could be computed subject to those audit queries amounted to Rs. 26,921,021.

3. Systems and Controls

Special attention is needed in the following areas of controls.

- (a) Assets Management
- (b) Revenue Administration
- (c) Inventory Control
- (d) Budgetary Control