

Hambantota Municipal Council

Hambantota District

1. Financial Statements

1:1 Presentation of Financial Statements

The financial statement for the year under review had been presented for audit on 17 September 2013 and the financial statements for the year two months of November and December of the previous year had been presented on 24 January 2013. The report of the Auditor General for the year under review had been furnished to the mayor on 24 December 2013.

1:2 Opinion

In view of the comments and observation appearing in my report, I do not express an opinion on the financial statements of the Hambantota Municipal Council for the year ended 31 December 2012 presented for audit.

1:3 Comments on Financial Statements

1:3:1 Accounting Deficiencies

- (a) Assets amounting to Rs.68,002,818 and liabilities amounting to Rs.4,262,501 vested by the Hambantota Pradeshiya Sabha when the Hambantota Urban Council become a Municipal Council had not been legally acquired and accounted for.
- (b) A licence fee of 1 percent recovered from hotels and guest houses registered/ approved by the Tourist Board. The sum of Rs.77,007 receivable from the Hambantota Guest House for the year under review had not been accounted for.
- (c) The Court fines receivable as at end of the year under review was Rs.1,770,492. However, the amount accounted for was Rs.1,172,208.

- (c) Rent of Rs.69,000 was in arrears from 5 wholesale fish stalls as at end of the year. Legal action could not be taken to recover arrears of rent as agreements had not been entered into with the lessees.
- (d) According to Paragraph 5 of the Circular No. 000000000 of 27 December 2010 of the Commissioner of Local Government all rent agreements should be updated every three years. However, the Municipal Council had not acted so.

2:2:4 Court Fines and Stamp Fees

Court fines of Rs.1,172,208 and stamp fees amounting to Rs.244,516 were receivable from Chief Secretary of the Provincial Council and other authorities as at 31 December 2012.

2:3 Idle and Underutilized Physical Resources

It was revealed that 5 tractors and a motor cycle were idling for about one year by 2 October 2013. Action had not been taken either to repair and use it or to dispose of it.

2:4 Irregular Transaction

A sum of 5 V K D G E H H Q S D L G R Q 0 D \ D V I X H O D Q Q month of March and the m H P E H U V ¶ D O O R Z D Q of April to R a t h e n W k w h o h a d gone abroad from 21 March 2012 to 11 May 2012 without approved leave contravening the provisions in the Gazette Notification of the Domestic Socialist Republic of Sri Lanka No. 1413/15 of 05 October 2005.

2:5 Contract Administration

The following observations are made.

- (a) Three work valued at Rs.1,500,000 approved under the provisions of the Ministry of Ports and Highways under the Maganagama Programme during the year 2012 had not been implemented even by 24 April 2013.
- (b) Construction of first stage of the road in form of the house of Mr.Anura of the care Village had been carried out by entrusting the work to an approved society at an agreed

