

**Kahatagasdigiliya Pradeshiya Sabha**

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**Anuradhapura District**  
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**1. Financial Statements**

**1.1 Presentation of Financial Statements**

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Financial Statements for the year under review had been submitted to Audit on 26 March 2015 while Financial Statements relating to the preceding year had been submitted on 20 March 2014. The Auditor General's Report relating to the year under review was sent to the Secretary of the Sabha on 30 July 2015.

**1.2 Opinion**

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In my opinion, financial statements give a true and fair view of the financial position of the Kahatagasdigiliya Pradeshiya Sabha as at 31 December 2014 and its financial performance for the year then ended in accordance with Generally Accepted Accounting Principles.

**1.3 Comments on Financial Statements**

**1.3.1 Lack of Evidence for Audit**

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Documents to confirm ownership/age analysis with regard to 04 items of accounts totaling Rs. 114,127,607 were not submitted to audit.

## **2. Financial and Operating Review**

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### **2.1 Financial Results**

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According to the Financial Statements presented, operational surplus of the Sabah for the year ended 31 December 2014 had been Rs. 410,808 as compared with the corresponding operational surplus amounted to Rs. 1,316,114 in the preceding year.

### **2.2 Revenue Administration**

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#### **2.2.1 Stamp Fees Revenue**

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Stamp Fees Revenue Amounting to Rs. 3,498,750 receivable relevant to the years 2012, 2013, and 2014 in terms of provisions in the Pradeshiya Sabha Act No. 15 of 1987 had not been credited to the Sabha Fund.

#### **2.2.2 Telecommunication Transmission Tower Charges**

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Although Telephone/Telecommunication Tower Charges should be recovered according to the height, in terms of Extra Ordinary Gazette No. 1597/8 dated 17 April 2009 of the Republic of Sri Lanka, charges had not been recovered accordingly for 05 transmissions towers.

## **3. Operational Review**

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### **3.1 Operational Inefficiencies**

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A Register of Fixed asset had not been maintained with regard to Computer Machines, Accessories and Software in the possession of the Sabha, in terms of Treasury Circular No. IAI /2002/02 dated 28 November 2002.

### **3.2 Idle and Under-utilized Assets**

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The Machine for converting Rice to Flour valued at Rs.541,000 belongs to the Sabha had been kept idle without being used for any purpose throughout a period of more than 05 years.

### **4. Systems and Controls**

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Special attention of is needed in the following areas of controls.

- (a.) Accounting
- (b.) Revenue Administration
- (c.) Assets Management