

**Kebithigollewa Pradeshiya Sabha**

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**Anuradhapura District**  
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**1. Financial Statements**  
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**1.1 Presentation of Financial Statements**  
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Financial Statements for the year under review had been submitted to Audit on 08 April 2015 while Financial Statements relating to the preceding year had been submitted on 30 April 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, except for the effect of the matters described in paragraph 1.3 of this report, financial statements give a true and fair view of the financial position of the Kebithigollewa Pradeshiya Sabha 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**  
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**1.3.1 Accounting Deficiencies**  
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- (a) Value of the Water Bowser received during the year 2014 had not been ascertained and accounted.
  
- (b) Computers and Accessories valued at Rs. 243,304 provided to the Sabha from the Pura Neguma Project during the year under review had not been accounted.

### **1.3.2 Lack of Evidence for Audit**

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Although Debtors balance of Rs. 627,281 and Creditors balance of Rs. 978,752 had been shown in the financial statements for the year under review, age analysis were not submitted to the 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 Sabha for the year ended 31 December 2014 had been Rs.1,453,108 as compared with the corresponding operational surplus amounted to Rs. 1,323,268 in the preceding year.

### **2.2 Revenue Administration**

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#### **2.2.1 Stalls Rent**

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Although the Stalls Rent in Arrears at the end of the year under review was Rs.82,202, action in terms of Section 159(1) of the Pradeshiya Sabha Act No. 15 Of 1987 had not been taken to recover the amounts in arrears.

#### **2.2.2 Stamp Fees**

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Action in terms of Section 129(2)(b) of the Pradeshiya Sabha Act No. 15 Of 1987 had not been taken to identify the amount of Stamp Fees and credit to the Pradeshiya Sabha fund as mentioned in the second schedule.

#### **2.2.3 Court Fines**

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Action had not been Taken by the Sabha to recover Court Fines amounting to Rs.3,500,200 receivable from year 2007 to the year 2013.

## **3. Operational Review**

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

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While a tractor and a hand tractor valued at Rs.1,170,000 had remained idle without being used over period of more than 04 years, attention of the Sabha had not been made with regard the possibility to use after repairs.

### **3.2 Operational Inefficiencies**

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- (a) Action had not been taken to vest ownership of 22.5 acres of land belong to the Sabha as at 31 December 2014, in terms of the Local Government Restructure Circular No.03.
- (b) Proposals and recommendations in the Restructure of Local Government No. PL/07/01/53 dated 14 November 2006, Circular No. 09 had not been implemented with regard to 71 Burial Ground in extent of 130 acres situated within the area of authority of the Sabha.
- (c) The tractor and the trailer received to the Sabha long ago had been running without being registered in terms of Section 2(1) of the Motor Vehicles Ordinance (Chapter 203).

### **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