

Thirappane Pradeshiya Sabha

Anuradhapura District

1. Financial Statements

1.1 Presentation of Financial Statements

Financial Statements for the year under review had been submitted to Audit on 21 April 2015 while Financial Statements relating to the preceding year had been submitted on 19 May 2014. The Auditor General's Report relating to the year under review was sent to the Secretary of the Sabha on 12 August 2015.

1.2 Opinion

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 Thirappane 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 Accounting Deficiencies

(a) Stamp Fees Charges in arrears amounting to Rs. 400,000 received during the year under review relevant to the year 2011 had been shown as revenue for the year under review without being credited to the Accumulated Fund. Due to that revenue for the year had been overstated to that extent.

- (b) Courts Fines Revenue totalling Rs. 945,330 relevant to the year under review had been shown as Rs. 759,570 in the Revenue and Expenditure Account. Due to that revenue for the year had been understated a sum of Rs. 185,760.
- (c) Court Fines in arrears amounting to Rs. 224,719 had not been shown under Revenue Debtors in the Balance Sheet.

1.3.2 Receivable and Payable Accounts

Receivable Accounts amounting to Rs. 673,031 relevant to 04 items of accounts brought forward during a period of more than 03 years and Payable Accounts totalling Rs.846,891 relevant to 06 items of Accounts were being brought forward without being settled.

1.3.3 Lack of Evidence for Audit

Documents to confirm ownership / detailed schedules relevant to 06 Items of accounts totalling Rs. 32,778,692 were not submitted to audit.

2. Financial and Operating Review

2.1 Financial Results

According to the Financial Statements presented, operational surplus of the Sabha for the year ended 31 December 2014 had been Rs.336,098 as against the operational deficit amounted to Rs. 2,322,226 in the preceding year.

2.2 Revenue Administration

2.2.1 Rates

Action had not been taken to identify the developed regions and recover Rates in terms of Section 134(i) of the Pradeshiya Sabha Act No.15 of 1987.

2.2.2 Arrears of Stalls Rent

While Stalls Rent in arrears to be recovered as at 31 December of the year under review amounted to Rs. 454,764, in that there was balance of Rs. 254,350 remained unrecovered continuously.

2.2.3 Arrears of Garbage Tax

Action had not been taken to recover Garbage Tax in arrears amounting to Rs.203,260 shown continuously in the accounts.

2.2.4 Telephone Tower Charges

While 09 Transmission Towers had been erected in the area of authority of the Sabha, action in terms of provisions in the Special Gazette Notification No. 1597/8 dated 17 April 2009 of the Republic of Sri Lanka had not been taken to recover annual Trade License Fees.

4. Systems and Controls

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

- (a.) Accounting
- (b.) Revenue Administration
- (c.) Assets Management
- (d.) Debtors and Creditors Control