

# Manmunai West Pradeshiya Sabha -2015

## Batticaloa District

### 1. Financial Statements

#### 1.1 Presentation of Financial Statements

The financial statements for the year 2015 had been presented to audit on 01 April 2016 and the report of the Auditor General had been furnished to the Secretary of the Sabha on 01 September 2016.

#### 1.2 Opinion

In my opinion, the financial statements give a true and fair view of the financial position of the Manmunai West Pradeshiya Sabha as at 31 December 2015 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 Non-compliance with Laws, Rules and Regulations.

A Statement including the explanations for the variance after comparing the actual revenue and expenses with the budget for the year under review had not been prepared and rendered to audit in terms of Rules 193 of Chapter X of the Pradeshiya Sabah (Financial and Administrative) Rules of 1988.

### 2. Financial Review

#### 2.1 Financial Results

According to the financial statements presented, the excess of revenue over recurrent expenditure for the year ended 31 December 2015 amounted to Rs.8,064,362 as compared with the excess of revenue over recurrent expenditure amounting to Rs. 3,170,306 for the previous year thus indicating an improvement of Rs. 4,894,056 in the financial results.

#### 2.2. Performance in Revenue Collection

##### 2.2.1 Estimated Revenue, Actual Revenue and Cumulative Arrears

According to the information furnished by the Sabha, the details regarding the estimated revenue, actual revenue and the cumulative arrears for the year under review are given below.

Revenue Item -----	Estimated -----	Actual -----	Cumulative Arrears as at 31 December 2015 -----
	Rs.	Rs.	Rs.
Rental	2,417,247	2,629,182	90,564
Fines	2,023,825	2,071,615	259,655
Other Revenues	395,865	168,071	253,143

### **2.2.2 Rates and Taxes**

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Action had not been taken to assess and collect the Rates in terms of Section 134 of the Pradeshiya Sabha Act No. 15 of 1987 for the lands, houses and buildings constructed within the purview of the Sabha. As a result the revenue amounting to Rs. 200,000 approximately from this main source of income lost annually.

## **3. Accountability and Good Governance**

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### **3.1 Budgetary Control**

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The budget had not been utilized as an effective instrument of management control due to variance ranging from 3 percent to 97 percent were observed between the budgeted expenditure and actual expenditure.

## **4. Systems and Controls**

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Special attention is required in respect of the following items of systems and controls.

- (a) Accounting
- (b) Budgetary Control
- (c) Revenue Management