

Manmunai Pradeshiya Sabha

Batticaloa district

1. Financial Statements

1.1 Presentation of Financial Statements

The Financial Statements for the year 2016 had been submitted to Audit on 30 March 2017 while the Financial Statements relating to the preceding year had been submitted on 19 April 2016. Report of the Auditor General relating to the year 2016 had been furnished to the Secretary of the Sabah on 30 August 2017.

1.2 Qualified Opinion

In my opinion, except for the effect of the matters described in paragraph 1.3 of this report, the financial statements give a true and fair view of the financial position of the Manmunai Pradeshiya Sabha as at 31 December 2016 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

Pension contribution amounting to Rs. 507,544 Payable to the Department of Pensions in respect of the employees of the Sabah had not been brought to accounts.

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 2016 had amounted to Rs. 6,923,090 as compared with the corresponding the excess of Revenue over Recurrent Expenditure for the previous year amounted to Rs. 13,456,670.

3. Operating Review

3.1 Management Inefficiencies

A play car track had been constructed in the children park during the year 2015 at a cost of Rs. 891,194 and 04 play cars had been purchased at a cost of Rs. 126,250. However, the cars

had not been utilised till today as these cars went out of order within one month of the purchase. Therefore, a sum of Rs. 1,017,444 spent on this activity had become fruitless

4. Accountability and Good Governance

4.1 Unresolved Audit Paragraphs

Reference is given below regarding the unresolved audit paragraphs containing the irregularities and deficiencies indicated in the Auditor General's Reports relating to the Sabah.

Reference to the Report		Item included
Year	No. of Paragraph	
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2015	2.2.2 (b)	Action not taken to write off the value of the assets from the books which had been destroyed during the year 1990.
2015	2.2.3 (a)	Action not taken to recover the dues receivable from the electricity consumers over the last five years .
2015	2.2.3 (b)	Action not taken to settle the dues payable to the Ceylon Electricity Board over the last five years .
2015	2.2.5 (I)	Security had not been obtained from the employees who had to pay security.
2015	4.1 (b)	Action not taken to transfer the ownership of 03 vehicles that had been donated to the Sabah.
2015	4.2 (b)	Action not taken to utilize the physical training equipment that remained unutilized.

5. Systems and Controls

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

Controls	Items that need special attention
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(a) Revenue Management	Taking action to recover the revenue in arrears.
(b) Accounting	Accounting for the receivables and payables