

**Koralai Pattu Pradeshiya Sabha**  
**Batticaloa District**

**1. Financial Statements**

**1.1 Presentation of Financial Statements**

The financial statements for the year under review had been presented on 07 April 2011 and the financial statements for the preceding year had been presented for audit on 23 March 2010.

**1.2 Opinion**

So far as appears from my examination and to the best of my information and according to the explanations given to me, I am of opinion that the Koralai Pattu Pradeshiya Sabha had maintained proper accounting records for the year ended 31 December 2010 and except for the effects on the financial statements of the matters referred to in paragraph 1.3 of this report, the financial statements have been prepared in accordance with the Generally Accepted Accounting Principles give a true and fair view of the state of affairs of the Koralai Pattu Pradeshiya Sabha as at 31 December 2010 and the financial results of its operation and cash flows for the year then end

**2. Financial and Operating review**

**2.1 Financial Results**

According to the financial statements presented, the revenue exceeding the recurrent expenditure of the Pradeshiya Sabha for the year ended 31 December 2010 amounted to Rs,1,953,148 as compared with the revenue exceeding the recurrent expenditure of the preceding year amounting to Rs2,356,988.

**2.2 Revenue Administration**

**2.2.1 Estimated Revenue, Actual Revenue and Arrears of Revenue**

The position with regard to the estimated revenue, actual revenue and arrears of revenue for the year under review and the preceding year, as presented by the Chairman is given below.

Item of Revenue	2010			2009		
	<u>Estimated</u>	<u>Actual</u>	<u>Accumulated Arrears as at 31 December</u>	<u>Estimated</u>	<u>Actual</u>	<u>Accumulated Arrears as at 31 December</u>
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
(i) Rates and Taxes	110	110	--	205	205	--
(ii) Lease						

Rent	1,862	1,686	1,139	1,241	1,230	1,060
(iii) Licence Fees	2,600	2,600	43	742	731	43
(iv) Other Revenues	3910	3910	-	2,173	2,173	--

### **2.3 Expenditure Structure**

The estimated and actual expenditure and the variances of the Sabha for the year under review and the preceding year are given below.

<b><u>Item of Expenditure</u></b>	<b><u>2010</u></b>			<b><u>2009</u></b>		
	<b><u>Estimated</u></b>	<b><u>Actual</u></b>	<b><u>Variance</u></b>	<b><u>Estimated</u></b>	<b><u>Actual</u></b>	<b><u>Variance</u></b>
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Recurrent Expenditure						
Personal Emoluments	16,271	13,209	3,062	14,435	11,503	2,932
Other	<u>270</u>	<u>2,730</u>	<u>(2,460)</u>	<u>1,723</u>	<u>2,347</u>	<u>(624)</u>
<b>Sub- total</b>	16,541	15,939	602	16,158	13,850	2,308
Capital Expenditure	<u>22,420</u>	<u>55,116</u>	<u>(32,696)</u>	<u>6,050</u>	<u>33,704</u>	<u>(27,654)</u>
<b>Grand total</b>	<u>38,961</u>	<u>71,055</u>	<u>(32,094)</u>	<u>22,208</u>	<u>47,554</u>	<u>(25,346)</u>
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### **2.4 Human Resources Management**

#### **Approved and Actual Cadre**

Particulars of the approved and the actual cadre of the Sabha are given below.

<b><u>Category of Posts</u></b>	<b><u>As at 31December 2010</u></b>	
	<b><u>Approved</u></b>	<b><u>Actual</u></b>
Staff Grades	01	01
Secondary Grades	13	13
Primary Grades	31	31
Others (Casual/ Temporary)	--	--

### **2.5. Assets Management.**

#### **2.5.1. Idle and Underutilized Physical Resources**

It was observed at audit test checks that a motor vehicle valued at Rs 200,000 had remained idle or underutilized for over 04 years.

#### **2.5.2. Staff Loans Recoverable**

Balances of staff loans recoverable as at 31 December 2010 aggregated Rs. 35,320 and these balances remained outstanding for over 3 years.

**2.5.3. Assets not verified**

The value of assets computed on book balances and not supported by physical verifications / board of survey reports as at 31 December 2010 amounted to Rs 114,418,775.

**2.6 Internal Audit**

An adequate internal audit had not been carried out at the Sabha.

**3. Systems and Controls**

Special attention is needed in respect of the following areas of systems and controls.

- (a) Internal Audit
- (b) Revenue Administration