

Appropriation Head 317 – North Central Provincial Council – 2010

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1. Mission and Key Functions

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Mission

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To accomplish the functions and duties introduced by the 13<sup>th</sup> Amendment to the Constitution of the Democratic Socialist Republic of Sri Lanka and the Provincial Council Act No.42 of 1978.

Key Functions

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- (a) To enforce police powers to maintain peace among public within the Province without interfering with activities of the Central Government relating to law and order.
- (b) To prepare and implement economic plans relevant to the Province, to provide facilities to unspecified schools and to maintain public health services.
- (c) To administer and supervise local government institutions.
- (d) To plan and implement agriculture, industrial, commercial, trade enterprises and revenue projects without interfering with the activities of state, institutions and corporation.
- (e) To improve infrastructure facilities including roads and agricultural, agrarian service activities and improvement of infrastructure facilities, maintenance and rehabilitation of minor irrigation within the province.

2. Annual Action Plan

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An Annual Action Plan had not been prepared by the North Central Provincial Council at the commencement of the financial year.

3. Accounts

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3:1 Presentation of Accounts

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The accounts prepared by the North Central Provincial Council and the position of presentation of accounts for audit are shown below.

Name of the Account	Account Number	Presentation of accounts for audit as at 30 April 2011
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Appropriation Account	317	Presented

3:2 Total provision and Expenditure

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The total net provision made for the North Central Provincial Council amounted to Rs..10,830,350,000, and out of that a sum of Rs,10,681,444,683 had been utilized by end of the year under review. Accordingly, the savings amounted to Rs.148,905,317 and it was 1.4 percent of the total net provision. Details appear below.

Nature of Expenditure	Total Annual Estimated Provision	Net Provision	Expenditure	Savings As as at 31 December	Savings as a percentage of total net provision
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	Rs.	Rs.	Rs.		Rs.
Recurrent	7,300,000,000	7,300,000,000	7,300,000,000	Nil	--
Capital	2,609,850,000	3,530,350,000	3,381,444,683	148,905,317	4.2
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Total	9,909,850,000	10,830,350,000	10,681,444,683	148,905,317	1.4
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3:3 Audit and Scope of Audit

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The appropriation account including the financial records, reconciliation statements, books, registers and other records of the North Central Provincial Council for the year ended 31 December 2010 were audited in pursuance of provisions of Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The management

audit report for the year under review was issued to the Deputy Chief Secretary (Finance) on 13 May 2011. The audit observations, comments and findings on the accounts, and the reconciliation statements were based on review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and the extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

3:4 Responsibility of the Chief Accounting Officer and the Accounting Officer for the Accounts and Reconciliation Statements

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The Chief Accounting Officer / Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and Reconciliation Statements in accordance with Articles the provision in 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other statutory Provisions and Public Finance and Administrative regulations. This responsibility includes designing implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation statements that are free from material misstatements whether due to fraud or error.

3:5 Audit Observations on Accounts and Reconciliation Statements

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According to the Financial Accounts and Books for the year ended 31 December 2010. It was observed that except for the effects of the general observations appearing at (a) to (c) and the observations appearing in paragraph 3.6, the Appropriation Account had been satisfactorily prepared.

(a) Under utilization of Provision

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The provision allocated by UNICEF, for Road Sector Development Project (Reimbursable foreign loans) and the United Nations Population Project amounted to Rs.68,450,000. and out of that, other provisions amounting to Rs.33,074,774 or 48.32 per cent had not been utilized.

(b) Non-reconciliation

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According to the Appropriation Account, the supplementary estimated provision for capital expenditure was Rs.910,751,742. However, it was observed that capital provision of Rs.920,500,000 had been obtained by 05 Supplementary Warrants .

(c) Liabilities

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The net provision allocated under the Provincial Specific Development, Foreign Loans, Local Funds, UNICEF, United Nations Population Project, Criteria Based and Nawodaya amounted to Rs.3,530,350,000. Out of that a sum of Rs.148,905,317 had not been received and had been shown as a liability in the Appropriation Account. However, a confirmation had not been obtained from the Treasury stating that it would be granted.

3:6 Performance

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During the year 2010, it was planned to implement 2025 continuous and new development projects with an estimated cost of Rs.2,045,295,673 under the Provincial Specific Development Grant and the Criteria Based Grants and out of that 82 projects had been abandoned which was showing a physical progress of less than 50%.