

Batticaloa Municipal Council

Batticaloa District

1. Financial Statements

1.1 Presentation of Financial Statements

The financial statements for the year under review had been presented to audit on 10 April 2013 and the financial statements for the preceding year had been presented on 10 April 2012. The report of the Auditor General for the year was issued to the Mayor of the Council on 29 May 2013.

1.2 Opinion

So far as appears from my examination and to the best of information and according to the explanations given to me, I am of opinion that the Batticaloa Municipal Council had maintained proper accounting records for the year ended 31 December 2012 and except for the effects on the financial statements of the matters referred to in my report the financial statements have been prepared in accordance with Generally Accepted Accounting Principles and give a true and fair view of the state of affairs of the Batticaloa Municipal Council as at 31 December 2012 and the financial results of its operations and cash flows for the year then ended.

1.3 Comments on Financial Statements

1.3.1 Accounting Deficiencies

- (a) The value of general stores in hand as at the end of the year under review had been shown at the book value and not at physically verified value.
- (b). The value of library books had not been ascertained and brought to the financial statements.
- (c). Gymnastic instruments received from the District Secretary, Batticaloa as donation had not been valued and brought to the financial statements.
- (d) Provision for replacement of fixed assets had not been made in the financial

statements.

- (e) The value of land and buildings had not been ascertained and brought to the financial statements.

2. **Financial and Operating Review**

2.1 **Financial Results**

According to the financial statements presented, the excess of revenue over recurrent expenditure of the Council for the year ended 31 December 2012 amounted to Rs 6,236,621 as compared with the excess of revenue over recurrent expenditure amounting to Rs 11,524,569 for the preceding year.

2.2 **Revenue Administration**

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

Information on the estimated revenue, actual revenue and the arrears of revenue in respect of the year under review as presented by the Mayor is given below.

Item of Revenue	Estimated	Actual	Cumulative Arrears as at 31 December
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	5 V ¶	5 V ¶	5 V ¶
(i) Rates and Taxes	17,365	11,596	29,543
(ii) Lease Rent	20,220	15,875	5,411
(iii) Licence Fees	5,165	4,221	4,175
(iv) Other Revenue	17,613	23,140	4,635

2.2.2 **Stamp Fees**

Stamp fees amounting to Rs.14,349,206 had been receivable as at 31 December 2012 from the Chief Secretary of the Provincial Council and other authorities.

