

**Maskeliya Pradeshiya Sabha**  
**Nuwara Eliya District**

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1. Financial Statements

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1.1 Presentation of The Financial Statements

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The financial statements of the period from 01 April 2018 to 31 December 2018 had been presented to the audit on the 19th of May 2019 and the summary report of the Auditor General and the descriptive management report regarding the financial statements had been presented to the Chairman on 29 th May 2019.

1.2 The Qualified Opinion

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I am in an opinion that, except the effect on the financial statements of the matters referred under the paragraph of the basis for a qualified opinion in this report, the financial statements had been prepared in accordance with generally accepted accounting principles and give a true and fair view of the state of affairs of the Maskeliya Pradeshiya Sabha as at 31 December 2018 and financial results of its operations for the year then ended.

1.3 the basis for a Qualified opinion

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(a) Accounting deficiencies

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Audit observation	Recommendation	Accounting Officer's Commentary
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The car assigned to the Sabha by the Central Provincial Council had not been taken over by the Sabha and its value had not been accounted for.	Actions should be taken to accounting the value by taking over the vehicle.	To be taken over in 2019 and incorporated into financial statements.

1.4 Non-compliance

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1.4.1 Non-compliance with laws,rules, regulations and management decisions

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References	Non-compliance	Recommendation	Accounting Officer's Commentary
To rules and regulations and management decisions	-----	-----	-----
(a) 1988 Pradeshiya Sabha (Financial & Administrative) Rule No.218	A survey of the lands and buildings belonging to the Sabha was not carried out.	An annual survey carried out the of the land and buildings.	That the survey will be carried out in the future.

- (b) Circular No.1988/22 dated on 17 May 1988 of the commissioner of local government Property valuation for the assessment tax had not been carried out after the year 2010. Property valuation should be carried out for the assessment tax. Actions will be taken in future to carried out.

## 2. Financial Review

### 2.1 Financial Results

According to the presented financial statements, excess of recurrent income over the expenditures for the 09 months of the year ending 31 December 2018 amounted to Rs.3, 561,162.

### 2.2 Revenue Administration

#### Estimated Income, Billed Income, collected Income and arrears Income

Details of Estimated income, Billed Income, collected Revenue and Arrears of Revenue for the nine months ended 31 December 2018 of the sabha which were established on 01 April 2018 are as follows.

source of income	2018			
	estimated income	billed income	collected Income	total arrears as at 31 December
	Rs.	Rs.	Rs.	Rs.
Rates and tax	4,980,000	2,630,061	1,990,272	2,087,370
Rent	7,010,000	9,230,220	8,599,575	2,099,165
License fee	1,350,000	870,473	870,473	-
Other Income	3,690,000	-	7,538,626	-
<b>Total</b>	<b>17,030,000</b>	<b>12,730,754</b>	<b>18,998,946</b>	<b>4,186,535</b>

### 2.2.1 Performance of revenue collection

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#### Rental

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Audit observation	Recommendation	Accounting Officer's Commentary
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Any legal action had not been taken to recover the arrears butcher shop rent o Rs.1,450,000 as of 31 December 2018.	It should be recovered of arrears of rent.	The arrears are being paid in installments and legal action has been initiated for the part.

### 3 Operational review

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#### 3.1 Performance

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Following are the observations on the performance of the functions of the Council under the provisions of Section 3 of the Pradeshiya Sabha Act, the regulation and control of public health, public utility services and public roads, the welfare, convenience and welfare of the public.

##### (a) By-laws

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Audit observation	Recommendation	Accounting Officer's Commentary
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Although the By-laws were to be enacted under section 126 of the pradeshiya sabha act for the following purposes it had not been enacted by laws regarding any matter until 31 December 2018. Similarly, although the decisions of the Pradeshiya Sabha to adopt the by-laws had been taken it was not published in the Gazette.	Actions should be taken to publish on gazette and implement the by-laws.	To be gazetted in the next month.

##### (b) Ayurvedic Medical Centre

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Audit observation	Recommendation	Accounting Officer's Commentary
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The Ayurvedic Medical Center and had been closed since 4 October 2018.	The service needs to be started immediately.	Requested for a doctor to the Public Service Commission by the Commissioner of Local Government as appointed a doctor to.

## (c) Action Plan

----- Audit observation -----	----- Recommendation -----	----- Accounting Officer's Commentary -----
The sabha did not prepare an action plan for the period under review.	Making an action plan for the next year.	It will Make an Annual action plan for next year.

## (d) Solid Waste Management

----- Audit observation -----	----- Recommendation -----	----- Accounting Officer's Commentary -----
(i) 43 compost bins that had received to the Sabha for distribute to the peoples in the area for encouragethe Managing thewhips where whips generation, had been held at stores for more than 3 months.	Action should be taken to Prompt distribution of compost bins.	Actions are being taken to distribute to government agencies, schools and banks located in the area.
(ii) It has been observed that most of the garbage collected daily by the council is non- graded and is dumped in the ground. Similarly,it had observed that the pine trees that it around have been destroyed when testing the center and the wastewater had been added to the natural environment.	Actions should be taken for Management of garbage in an environmentally safe manner	The waste are collecting by grading now and actions are taking to prevent adding the waste water to the environment.
(iii) While the system that had completed by expending an amount of Rs .1, 376,267 in 2016 for toilet waste management had been remained idle since not getting for use by completing the construction. It also deprived the congregation of the opportunity to earn an income and serve the local people because of them.	Finish the project and getting benefits on.	Works are to be completed after the getting approval of the Sabha by making estimates.

## (e) Sustainable Development Goals

Audit observation	Recommendation	Accounting Officer's Commentary
While the Pradeshiya Sabha had not adequately aware about Sustainable development objectives and targets and the specific tasks in this regard had not done in the year under review.	Planning to achieve sustainable development objectives and targets.	Taking action in coming year.

## 3.2 Human Resource Management

## (a) Vacancies of employee

Audit observation	Recommendation	Accounting Officer's Commentary
As of 31 December 2018, there were 79 vacancies in 20 positions of staff approved by the Department of Management for the Council on 26 February and 17 May 2018.	Taking action to fill the vacancies.	Action is being taken to fill the vacancies.

## (b) Employee guarantee

Audit observation	Recommendation	Accounting Officer's Commentary
According to the circular no. CPC / CS / 06/06/02 of the Chief Secretary of Central Provincial dated 11 April 2003 and FR .880, no deposits had been obtained from the responsible officers of the Maskeliya Pradeshiya Sabha.	Actions should be taken to obtained guarantees from relevant responsible persons.	That they will deal with this in the future.

## 3.3 Assets Management

Audit observation	Recommendation	Accounting Officer's Commentary
Deeds relating to the 35 plots of land handed over from the Ambagamuwa Pradeshiya Sabha were not submitted for audit.	Taking action to acquire land and get deeds.	That a request has been made to the Secretary to take over the land .

## 3.4 Utilization of Vehicles

Audit observation	Recommendation	Accounting Officer's Commentary
(i) While the cab belonging to the Sabha had been removed from work on 31st October 2018 and the tractor had been removed from work from May 2018 for repairing, and the repair work had not been commenced till 14th November 2018.	Repair and run.	Repairs will be carried out after obtaining the approval of the Commissioner of Local Government.

## 3.5 Identified Losses

Audit observation	Recommendation	Accounting Officer's Commentary
Although it had identified in the goods survey for 2017 that 414 books valued Rs. 74,208 as at 31 December 2017 were missing, no action was taken until the end of the year under review.	Conduct an inquiry in accordance with the Financial Regulations 104 and follow the recommendations.	Taking action and taking corrective action at the forthcoming Audit and Management Committee.

#### 4 Accountability and good governance

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##### 4.1 Budgetary Control

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###### Audit observation

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Although it should be prepared and presented a statement of matter describing for the variances among actual revenue and expenditures and estimated finance allocations according to the rule 193 of pradeshiya Sabha finance and administration rules of 1988,that stamen had nod not been presented for describe the variances of the year under review.

###### Recommendation

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Present a statement of matter describing about the variances according to relevant rules.

###### Accounting Officer's Commentary

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That such a statement would be made in the future.

##### 4.2 Internal Audit

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###### Audit observation

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Adequate internal audit was not carried out during the year under review.

###### Recommendation

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Conducting an internal audit in the future.

###### Accounting Officer's Commentary

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Due to the vacancies of officers, internal audit cannot be carried out and an officer will be deployed for this subject in future.

##### 4.3 Audit and Management Committees

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###### Audit observation

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The Audit and Management Committee was held only once during the year under review.

###### Recommendation

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Holding Audit and Management Committees as scheduled.

###### Accounting Officer's Commentary

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Action to be taken as scheduled.