

Welivitiya Divithura Pradeshiya Sabha
Galle District

1. Financial Statement

1.1 Presentation of Financial Statement

The Financial Statements for the year 2019 had been presented for audit on 06 April 2020 and the report of the Auditor General on 22 June 2020 and the Detailed Management reports on 30 June 2020 had been sent to the Chairman of the Council.

1.2 Audit Opinion

In my opinion, Financial Statements give a true and fair view of the financial position of the Welivitiya Divithura Pradeshiya Sabha as at 31 December 2019 and its financial performance for the year then ended in accordance with Generally Accepted Accounting Principles.

1.3 Basis for Opinion

Lack of Documentary evidence for audit.

Lack of information

Audit Observations

Recommendations

Comments of the
Accounting Officer

Information regarding to 04 accounts item amounting Rs.85,929,375 had not been submitted to audit.

Evidences confirming the account balances given in the Financial Statements should be submitted.

Action will be taken to correct in future.

1.4 Non-Compliance

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

References to Laws, Rules, Regulations and Management Decisions

Non-compliance

Recommendation

Comments of the
Accounting Officer

Rule 193 of 1988 Pradeshiya sabha (Financial and Administrative)

A statement for explaining reason for the Excess and Deficiencies after comparing the Budget with Income and Expenditure had not been prepared.

Action should be taken in accordance with the Rules.

Action will be taken to correct in future.

2. Financial Review

2.1 Financial Results

According to the Financial Statements presented, the surplus of revenue over recurrent expenditure of the Council for the year ended 31 December 2019 amounted to Rs.5,753,759 as compared to surplus of revenue over recurrent expenditure of the preceding year amounted to Rs.3,494,186.

2.2. Revenue Administration

2.2.1. Estimated Income, Billed Income, Collected Income, and Arrears of Income

the details of the estimated income, billed income, collected income and arrears of income for the year under review and the preceding year is stated below.

Source of Income	2019				2018			
	Estimated Income	Billed Income	Collected Income	Arrears as at 31 December	Estimated Income	Billed Income	Collected Income	Arrears as at 31 December
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assessment and Tax	19,000	19,330	44,593	75,499	19,000	19,026	5,803	100,712
Rent	604,000	43,200	41,400	3,550	788,000	58,200	56,700	1,750
Permit Charges	83,000	459,250	443,000	23,250	94,000	510,400	518,750	7,000
Total	706,000	521,780	528,993	102,299	901,000	587,626	581,253	109,462

2.2.2 Acreage Tax

Audit Observations

Arrears of Acreage tax as at 01 January of the year under review amounted to Rs.100,712 and therefore the bill of the year amounting to Rs.19,330, although the total collectable tax income amounted to Rs.120,042 but collected income was Rs.44,593.

Recommendations

Action should be taken to find the parties whom acreage tax should be collected urgently and collect the arrears of income.

Comments of the Accounting Officer

Action will be taken to collect the arrears of income after conducting a survey in future.

2.2.3 Court Fines and Stamp Fees

Audit Observations

The Court Fines and Stamp Duties to be taken from the Chief Secretary of the Council and other authorities as at 31 December 2019 amounted to Rs.295,500 and Rs.32,880,596 respectively. But as according to the reports of the Chief Secretary office the receivable Stamp fees and Court fines to the council are to be Rs.1,987,787 and Rs.2,250 respectively.

Recommendations

Action should be taken to collect the fees after reconcile the receivable income.

Comments of the Accounting Officer

Action will be taken to correct in future.

3. Operational Review

3.1. Performance

Facts observed relating to the execution of activities by the Pradeshiya Sabha in accordance with Section 3 of the Pradeshiya Sabha Act such as regulation of health of the general public, common utility services and public road facilities and maintenance of people's welfare, facilities and development are given below.

(a) Abandoned projects

Audit observations

An amount of Rs.3,300,000 had been estimated for the construction of a Crematorium under the Criteria Development Provisions and as at the year under review, an amount of Rs.40,000 had been spent for survey of the land. Yet since the above said amount was not enough for the construction of the Crematorium, no construction work was done and since the land was not owned by the council, the spent amount was not an effective expenditure.

Recommendations

The project should be implemented after solving the problems.

Comments of the accounting officer

Noted that the project will be implemented in future.

(b) Goals of sustainable Development

Audit observations

Although long term plans were made according to 2030 Agenda of the Purposes of Sustainable Development for the global view of such purposes to enhance the living standards and health of the people living in the Council Territory, yet proper methods to reach a goal had not been prepared after setting a specific goal.

Recommendations

Long-term plan for Sustainable Development should be prepared and included to the action plan.

Comments of the accounting officer

Noted to prepare a plan to increase the living standards of the people living in the area of authority.

3.2 Human Resource management

Audit Observations

Excess and Vacancies of Staff
Action had not been taken to recruit 09 vacancies of the approved cadre and clear 02 excess of cadre.

Recommendation

Action should be taken to fill the vacancies and formalize excess of cadre.

Comments of the Accounting Officer

Action will be taken to correct in the future.