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**The Impact Of Skills
In Working -Capital Management
And The Financial Stability
In Municipal Councils Of Sri Lanka**

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ABSTRACT

This research is on "The Impact of Skills in Working-Capital Management and the Financial Stability in the Municipal Councils of Sri Lanka."

The objective of the research is to identify the problems, study, analyse and comment and to make recommendations on current matters on appropriate areas of management. It can also be defined, as filling the gap between existing level and desired level in the area of Working-Capital Management and the Financial Stability in Municipal Councils in Sri Lanka.

This research is on the Financial Management of all 17 Municipal Councils in Sri Lanka, and the period covered by the study is from 1993-2002.

The purpose of this study is:

- To develop a Working-Capital Management System for Municipal Councils (MCC).
- To develop the literature for Working-Capital Management of MCC.
- To enhance the understanding of staff and related Agencies on Working-Capital Management and develop their skills.
- To contribute to the on-going debate on Working-Capital Management in improving efficiency and effectiveness of MCC.
- To improve the image of MCC among the public.

One year was devoted to complete this task and it included selection of topic, study design, preparation of research proposal, data collections, analyses of data, discussions with large number of individuals and finally, making the findings.

In order to achieve the research objectives, following hypotheses are tested.



- (i) Weak Working-Capital management of Municipal Councils in Sri Lanka leads to poor service delivery.
- (ii) Weak Working-Capital Management adversely affect the effectiveness of the Municipal Councils in Sri Lanka.
- (iii) Lack of Working-Capital Management skills are positively related to the financial inefficiencies of the Municipal Councils in Sri Lanka
- (iv) Poor stores management adversely influence the Working-Capital Management of Municipal Councils in Sri Lanka
- (v) Non-Professional decision making in expenditure and revenue management in the Municipal Council has a strong relationship to the weak Working-Capital management.

The research was initially conducted from July 1998 to April 1999 administering a structured questionnaire and conducting interviews. Again from February 2003 to July 2003 the data collection was updated to cover the period from 1993 to 2002.