

Employees' Trust Fund Board - 2015

The audit of Financial statements of the Employees' Trust Fund Board for the year ended 31 December 2015 comprising the statement of financial position as at 31 December 2015 and the statement of income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 10(1) of the Employees' Trust Fund Act, No.46 of 1980. My comments and observations which I consider should be published with the Annual Report of the Board in terms of Section 10(7) of the Employees' Trust Fund Act appear in this report.

1.2 Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Auditing Standards of Supreme Audit Institutions (ISSAI 1000 - 1810). Those Standards require that, I comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements. Section 10 (1) of the Employees' Trust Fund Act, No. 46 of 1980 gives powers to the Auditor General to determine the scope and extent of the audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

1.4 Basis for Qualified Opinion

My opinion is qualified based on the matters described in paragraph 2.2 of this report.

2. Financial Statements

2.1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2.2 of this report, the financial statements give a true and fair view of the financial position of the Employees' Trust Fund Board as at 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

2.2 Comments on Financial Statements

2.2.1 Consolidated Financial Statements

The following observations are made.

- (a) A set of Consolidated Financial Statements should be prepared to report the investments those with a controlling interest made in subsidiary companies by the parent company in terms of Sri Lanka Accounting standard 27, "Consolidated and Separate Financial Statements" and if it could not be prepared, the reasons should be disclosed in financial statements. Even though the Board had purchased 90 per cent shares on a consideration of Rs.470,960,938 out of the shares of a Company in the year 1997, Consolidated Financial Statements had not been prepared up to 31 December 2015 in terms of the above standard.
- (b) Even though it was stated in the financial statements that the above investment had been made to earn capital profits in the year 2015, neither any capital profit made from the year 1997 up to 31 December 2015 had been recognized nor the value as at 31 December had been disclosed in the financial statements in terms of Sri Lanka Accounting Standard 39.

2.2.2 Sri Lanka Accounting Standards

The following observations are made.

(a) Sri Lanka Accounting Standard 01

- (i) When an entity reports its assets and liabilities in terms of Section 60 of the Standard, it should be presented as current and non-current assets, except when a presentation based on liquidity provides information that is reliable and more relevant. Even though the Board had presented its assets and liabilities on liquidation basis exceptional to the classification as current and non-current assets, it had not been disclosed in the financial statements.
- (ii) Even though a description of the nature and purposes of the reserves maintained by an entity in terms of Section 79(b) of the Standard should be disclosed in financial statements, the nature and the purposes of the Revaluation Reserve and Dividend Equalization Reserve maintained by the Board had not been sufficiently disclosed.

- (iii) The entity should present all income and expenses either in a single statement of comprehensive income or separately in two statements (statement of income and comprehensive statement of income) in terms of Section 81 of the Standard. The disadvantage of decreasing the price amounting to Rs.871,626,571 occurred due to identification of available for sale financial assets of the Board, to fair value in terms of Sri Lanka Accounting Standard 39 as at 31 December 2015 had not been shown in the comprehensive statement of income in the current year.

(b) Sri Lanka Accounting Standard 08

Even though The nature of error, extent rectified, information on the items affected the rectifications should be disclosed in financial statements in terms of Section 49 of this Standard in rectifying the errors in the prior periods, information on prior years adjustments amounted to Rs.1,499,000 and Rs.59,941,000 in the year 2014 to the members Fund and the retained profit and a sum of Rs.2,815,000 and Rs.30,073,000 made in the year 2015 in the statement of changes in equity of the Board had not been disclosed in financial Statements.

(c) Sri Lanka Accounting Standard 16

Even though the assets which had been depreciating for more than 25 years were remained in the fixed assets amounting to Rs.420,288,000 as at 31 December 2015, a revaluation had not been carried out to disclose its fair value.

(d) Sri Lanka Accounting Standard 37

- (i) Even though lawsuits instituted against external parties by the Board were remained as at 31 December 2015 in order to recover contributions, investments and investment income, sufficient information in respect of their nature, current position etc. had not been disclosed.
- (ii) Even though a contingent asset amounting to Rs.21,900,000 adjusted as not in accordance with the above Standard according to the financial statements of the Board for the preceding year had been deducted in the comprehensive income statement in the year under review, legal action taken in that respect and their current position had not been disclosed in the financial statements.

(e) Sri Lanka Accounting Standard 39

- (i) After the initial recognition, available for sale financial Assets should be recognized at the fair value at the end of each period of reporting. calculation of fair value should be made in accordance with the provisions in Sri Lanka Financial Reporting Standard 13 “fair value measurement“. Even though the value of investment made in ordinary shares of 02 companies had been shown in the financial statements as net assets value of Rs.75,299,075 as at 31 March 2014 and 30 September 2014 respectively, the fair value of respective investment as at 31 December 2015 had not been reported. When considering the net asset value of one company out of that as at 31 March 2015 the value of

investment had increased by Rs.5,625,300 over the value shown in the financial statements.

- (ii) Even though the investment made in 03 companies of Unit Trusts purchased by the Board prior to the year 2000 had been identified as fair value through profit and loss financial assets in financial statements it was observed that it had not an investment purchased for making daily sales as there were no transactions since the year of purchase, it had not been identified as available for sale financial assets.

(f) Sri Lanka Accounting Standard 40

Investment Assets are recognized to the revalued value after the initial recognition by the Board and even though notes to the accounts have stated that revaluation should be done once in each three years and investment assets valued at Rs.3,200,000,000 had been last revalued in the year 2011, its fair value had not been represented as at 31 December as a revaluation had not been effected up to 31 December 2015.

2.2.3. Accounting Policies

The following observations are made.

- (a) Over 90 per cent of the assets maintained at fair value through profit and loss as at 31 December 2014 by the Board were reclassified as assets available for sale on the basis of “ Board could not made transactions as an active market was not available” on a decision taken by the Board of Directors in February 2015. Out of the shares reclassified as such as at 31 December 2014 and maintained without the intention of short term sale purchased in the year 2015, 17,987,347 shares costing Rs.2,644,068,045 of 16 companies had been sold at share market in the year 2015 (before elapsing even one year after reclassification in the year 2014) and it was observed that it was an action taken without complying the policy of recognition of financial assets mentioned in the Accounting Standard.
- (b) It was observed that the fact, that “Board could not made transactions as an active market was not available” adduced as the main reason for reclassification of financial assets from fair value through profit and loss to available for sale as at 31 December 2014, was not a logical reason for short term trading them at share market and the basis for reclassification of shares thereby was not reasonable.

2.2.4. Accounting Deficiencies

The following observations are made.

- (a) Operating surplus of the year had been overstated by Rs.6,013,817,000 since the interest of Rs.6,013,817,000 to be credited to the individual accounts of the members of the Fund in the year under review had not been brought to account as operating expenses. The operating profit of the preceding year and in the year prior to the preceding year had been overstated by

Rs.5,287,328,000 and Rs.4,752,333,000 respectively due to not accounting the interests in the respective years.

- (b) Income tax receivable amounting to Rs.121,882,827 overpaid by the Board before the year 2006 and remained up to the year of assessment 2014/2015 had not been taken into consideration in preparation of financial statements in the current year.
- (c) In depreciation of fixed assets of the Board, the depreciation expense had been understated by Rs.6,794,794 in the financial statements for the year 2015 as such profit for the year had been overstated by that amount.

2.2.5 Unexplained Differences

No reconciliation whatsoever had been included in the financial statements in respect of the tax liability computed and prepared by the Board for the year of assessment 2015/2016, and the tax expense shown in the statement of income and the tax payable balance shown in the statement of financial position.

2.3 Accounts Receivable and Payable

The following observations are made.

- (a) Approval had been given to resign from service without recovering the special distress loan balance amounting to Rs.508,789 recoverable from Ex-Additional General Manager of the Board and total amount had not been recovered even by 31 December 2015.
- (b) A total sum of Rs.29,973,000 comprising unclaimed death benefits remained increasing continuously since the year 1995 amounting to Rs.9,914,000, retained benefits continued since the year 2001 amounting to Rs.15,305,000 and unclaimed benefits amounting to Rs.4,754,000 had been unsettled even by 31 December in the year under review and a sum of Rs.3,692,070 out of it representing 12 per cent only had been settled to the relevant beneficiaries by 30 April 2016.
- (c) There was a risk of depriving of money to the relevant members as their contributions totalling Rs.2,368,393,633 recovered from employers by the Board from the year 1981 to 2014 had been retained in other temporary accounts without being credited to the individual accounts of each member in terms of Section 16 of the Fund Act. Even though a special unit was established on 10 February in 2016 for crediting these monies immediately to the members' accounts, it was not revealed the amount so settled by 08 June 2016.

2.4 Non-compliance with Laws, Rules, Regulations and Management Decisions.

The following observations are made.

**Reference to Laws, Rules,
Regulations and Management
Decisions.**

Non-compliance

Shop and Office Employees Act,
No.19 of 1954

Even though the maximum number of leave entitled to employees in terms of the Act was 21 days being 14 day annual leave and 07 day casual leave, Board had granted the employees 42 day leave per annum. Even though in paying for overtime, one and half hour rate as a wage of an ordinary hour should be paid, the overtime cost had been Rs.18,555,000 in the year 2015 as the Board had paid overtime for one and half hour per overtime hour adding salary of one day.

Even though over the ordinary maximum period (45 hours per week) should be served for entitlement for overtime, overtime had been paid for a period for serving only 05 days per week.

Financial Regulations of
Democratic Socialist Republic of
Sri Lanka
Financial Regulation 369

Action in terms of Financial Regulations had not been taken on 09 cheques issued but not realized as at 31 December 2015 valued at Rs.245,450 in a bank current account maintained by the Board.

2.5 Transactions not Supported by Adequate Authority

In calculating the amount of special distress loan payable to an employee by the Board, the allowances are also based in the calculation in addition to the basic salary (Salary of 12 months inclusive of allowances). Evidence was not made available for audit whether the Treasury approval had been obtained thereon.

3. Financial Review

3.1 Financial Results

The following observations are made.

- (a) The operations of the Board for the year under review had resulted in an after – tax profit of Rs.18,003,901,000 as compared with the corresponding profit of Rs.17,072,318,000 in the preceding year, thus indicating an improvement of Rs.931,583,000 in the financial result for the year under review. The increase of interest income by Rs.1,006,905,000 had been mainly attributed for this improvement.
- (b) In taking into consideration the contribution of the Board and its improvement in the current year and the preceding four years, even though the contribution had increased a tendency of decreasing the rate of improvement after the year 2013

was observed. Accordingly, rate of improvement had decreased by 8.81 per cent in the year 2014 and by 8.24 per cent in the year 2015. The increase of the contribution in the year 2015 as compared with the year 2014 had declined by over 50 per cent and the decrease of the rate of improvement of income was the main reason attributed for this.

- (c) The total income of the Board for the year under review had shown an improvement of 5.3 per cent as compared with the preceding year and a 6.2 per cent improvement as compared with the budgeted income for the year under review. However the total expenditure in the year under review had increased by 10.5 per cent as compared with the preceding year and accordingly the entire expenditure had increased by twice approximately as the improvement of entire income as compared with the preceding year.

3.2 Analytical Financial Review

The following observations are made.

- (a) Operating profit ratio of the Board had been 91.1 per cent in the year 2015 and 91.7 per cent in the year 2014 and thus decreased by 0.6 per cent in the year 2015. Return on Fund ratio in the year under review as compared with the preceding year had decreased by 0.57 per cent.
- (b) As compared with the value of the Fund as at the beginning of the year, the total income of the Board had been 10.23 per cent in the year 2015, 10.80 per cent in the year 2014 and as such it was decreased by 0.57 in the year 2015. The annual income as compared with the net contributions received in the year and members' Fund opening balance amounted to 9.89 per cent.
- (c) Even though the Members' Fund of the Board had increased by 11.2 per cent by January 2015 as compared with January 2014, the increase of gross income of the Board had remained as 5.3 per cent.

3.3 Legal events instituted by the Board

The Board had filed cases against 04 institutions, one institution and 70 Institutions for recovery of interest income of investments, one to recover a compensation paid and to recover contributions and surcharges respectively.

3.4 Working Capital Management

The cash balances of the accounts of the Money Market Transaction Accounts maintained in a commercial Bank by the Board amounting to Rs.1,850,333 and Rs.1,938,238 as at 31 December 2015 had been kept in an ordinary savings account and as such the ordinary interest income had only been received and it had deprived the opportunities to receive other higher income.

4. Operating Review

4.1 Performance

The following observations are made.

- (a) The objectives of the Board in terms of Section 07 of the Employees' Trust Fund Act, No. 46 of 1980 are given below.
- To promote employees ownership, employees welfare, economic democracy through participation in financing and investment;
 - To promote the employee participation in management through the acquisition of equity interest in enterprises;
 - To provide for non-contributory benefit to employees on retirement; and
 - To do all such other acts or things as may be necessary for, or conducive to, the attainment of the above objects.
- (b) Even though it had accommodated to join self-employed persons to the Employees' Trust Fund, in terms of Section 20(1) of the Employees' Trust Fund Act, No.46 of 1980 as amended by Section 7 of Employees' Trust Fund (amendment) Act, No.47 of 1988, only 39,088 members, 1.45 per cent of 2,687,257 reported as self-employed persons in Sri Lanka as at 31 December 2014, could have been joined as members of the Board. Contributions received from self- employed persons in the year 2015 amounted to Rs.43,015,650. It was about 0.24 per cent out of the total receipts of contributions of that year. The total contribution received from self- employed persons from the year 1989 to 2015 amounted to Rs.233,740,409 and it was 0.12 per cent of the members' Fund as at the beginning of the year 2015. Even though a separate Division had been established in the Board to promote this area specifically prescribed through the Funds' Act and strategies had been specified in the Action Plan, the attention paid for it by the end of the year 2015 had been at a minimum level.
- (c) The net contribution received in the year 2015 had increased by 230.8 per cent as compared with the contribution received in the year 2014 and the reasons mainly attributed thereon were receipts of contributions increased by 14 per cent and the payments of contributions declined by 17 per cent. However, the net contribution received in the year 2014 had decreased by 58.7 per cent as compared with the year 2013. The reasons attributed for the decrease in that year had been the payment of contribution by 44.7 per cent which was more than the improvement of the receipts of contribution by 10 per cent.
- (d) Total return along with the dividend percentage of 6 per cent and the compulsory interest of 3 per cent announced to the members of the Fund in the year 2015 had been understated by Rs.2,004,605,667 representing 1 per cent from 10 per cent to 9 per cent as compared with the year 2014. Since the profit earned in the current year was not sufficient to announce this total return, a sum of Rs.7,477,000 out of the profit of the preceding year had to have used.

- (e) Board implements about 10 Welfare Benefit Schemes on behalf of its members and the benefits incurred in the year 2015 valued at Rs.373,882,000 except housing loan scheme granted through a banking company and represented about 85 per cent of the value of budgeted benefits of that year.
- (f) The fair value of the investment portfolio of ordinary shares of enterprises invested by the Board amounted to Rs.9,921,955,118 as at 31 December 2015 and the value of the investment of shares as at 31 March 2016 had decreased by 15 per cent representing Rs.1,510,446,765.

4.2 Management Activities

The following observations are made.

- (a) (i) Scholarship Funds unclaimed amounting to Rs.2,258,000 payable to those who passed Advanced Level Examination relating to the years prior to 2011 had been shown under current liabilities in financial statements without paying them even by 31 December 2015. A sum of Rs.109,626,000 payable for 7,323 students who had passed Advanced Level and Year 5 Scholarship examinations in the years 2012, 2013 and 2014 had not been paid even by 31 March 2016. A sum of Rs.876,000 out of it had been paid for the students who had passed Advanced Level Examination by 08 June 2015.
- (ii) Even though it was sufficient to have an ordinary pass to award with a scholarship in awarding scholarships to the students who had passed Advanced Level Examination even half of the applications out of forecast by the Board to award scholarships in the years 2011- 2014 had not been received, and as this was somewhat appeared as not popular among the members, adequate action had not been taken to make aware the members.
- (b) The Board had granted special distress loan amounting to Rs.169,824,000 to the employees as at 31 December 2015 and it was observed that loans were being granted to the officers signed as Sureties for the above loans without taking into consideration the value of loans they previously signed for as Sureties. Further, when calculating whether the loan installment could be deducted within 60 per cent limit of the surety's salary in granting special distress loan, it was observed that the recovery of loans would be prone to a risk if one surety could not pay the loan as only it had been taken into consideration 50 per cent value of a monthly installment of the debtor.

4.3 Transactions of Contentious Nature

The following observations are made.

- (a) Even though only a sum of Rs.15,000 should be paid in terms of the Management Circular No. 02/2015 dated 09 December 2015 to the Staff of Public Corporations and Government fully owned companies in paying bonus for the year 2015, a special approval through the letter No. PE/IN/ETF/GEN/2015 of the Director General of Department of Public Enterprises dated 17

December 2015 had been obtained by the Board to pay two months' salary as bonus for the year 2015. But it was not clear whether "the Salary" in it had defined the basic salary or the salary with all allowances. However, Board had paid bonus amounting to Rs.84,253,000 to employees for the year 2015 based on two months gross salary inclusive of all allowances.

- (b) Legal actions had to be taken to recover the rent income amounting to Rs.7,421,720 remained in arrears for the period from January to June 2015 for the land, situated in Nawam Mawatha in Colombo, belonging to the Board and given to an external Institute which had defaulted the payment of monthly rentals on due date according to the agreement since the year 2013.
- (c) Even though an incentive allowance amounting to a maximum of Rs.2500 per monthly was paid to employees for attendance in the incentive scheme of the Board, a sum of Rs.12,299,000 had been paid additionally as for unavailed leave in the year 2015.

4.4 Uneconomic Transactions

The following observations are made.

- (a) No dividend income had been received to the Fund in the year 2015 for a sum of Rs.470,960,937 invested in 90 per cent of ordinary shares in a private company and a dividend amounting to Rs.7,875,000 had been received for the year 2014. That was a very low return of 1.67 per cent as compared with the investment. If this amount had been invested in Government Securities mature in 364 days without a risk it could have been earned a return at least 6 per cent per annum or over Rs.28,257,656. This Company had incurred a loss amounting to Rs.67,444,037 in the year 2013.
- (b) No dividend income whatsoever had been received for the year 2015 from 12 Companies in which the average cost of shares amounting to Rs.336,114,586 reclassified as financial assets available for sale as at 31 December 2014 and out of it Share Market price of the shares of 03 companies which average cost amounting to Rs.50,346,605 had decreased as 32 per cent, 18 and 37 per cent as at 31 December 2015 as compared with 31 December 2014.

4.5 Identified Losses

The following observations are made.

- (a) Interest income amounting to Rs.12,291,566 receivable up to the year 2006 for an investment in debentures of a Plantation Company had not been recovered by the Board.
- (b) Net loss incurred from Circuit bungalows of the Board in the years 2015 and 2014 had been Rs.2,938,000 and Rs.1,188,000 respectively.
- (c) As the market value of the investment amounting to Rs.356,426,847 made in three Units Trusts Funds by the Board as at December 2014 had dropped by Rs.21,696,000 as at 31 December 2015, a loss of same amount had been incurred by the Board. As one of such Unit Trust Fund was a growth Fund, any income had not been received for the invested money due to not improving the value of units in the year 2015.

- (d) Two companies in which the Board had invested a sum of Rs.25, 227,541 had been liquidated. Two Companies in which a sum of Rs.4,066,314 and Rs.56,640 respectively invested had been delisted and had been shown under Default Board. Even though the legal action had been taken on two Institutions which were subject to liquidation, the Board did not have a specific assurance for the possibility of recovering the value of investments.
- (e) Even though sums of Rs.12,174,382 and Rs.7,450,259 invested in Promissory Notes and Debentures of a group of Companies respectively should have been realized in the years 2002 and 2007, the Board had not been able to get realized such monies even by 08 June 2016.

4.6 Personnel Administration

The following observations are made.

- (a) Cost per employee had been Rs.788,633, Rs.860,317 and Rs.1,069,235 in the years 2013, 2014 and 2015 respectively and it had been improved by 09 per cent in the year 2014 and 24 per cent in the year 2015.
- (b) The post of General Manager of the Board had remained vacant since the year 2013 and Deputy General Manager (Investments) has been appointed on acting basis over one year ago without appointing a permanent officer for the post of Additional General Manager. Likewise, remaining vacant of top management posts and appointment on acting basis would be directly affected to the administrative functions and for the supervision by top Management levels of the Board.

5. Accountability and Good Governance

5.1 Corporate Plan and Action Plan

According to the Action Plan, the functions such as development of a new software system after studying the Members' Accounts Management System and the other software systems existing at present targeted through the Information Technology Division, provision of facilities to scrutinize the balance of monies of members through internet or via mobile phone and to implementation of plans to prevent distress had not been performed. The following strategies which were under the improvement of employees' productivity in the Administration and Human Resource Plan could not be achieved by 31 December 2015.

- (i) To study the existing labour force and their skills, comparison of the work load assigned with the academic labour force, identification of strategies required to maintain the labour force at optimum level.
- (ii) Introduction of a new performance appraisal scheme rectifying the lapses in the existing performance appraisal scheme and integrate it with the corporate objectives.

5.2 Internal Audit

The following observations are made.

- (a) According to the Action Plan of the Board the Internal Audit Division should perform the functions on monthly accounts monthly and on annual accounts, budget, Annual Report, Corporate Plan annually and the investigations assigned by the Chairman of the Board. Nevertheless action had not been taken in that respect.
- (b) Attention had not been paid by the internal audit in terms of Financial Regulation 133(2) on the investment of funds which was the prime business activity of the Board and the returns received thereon.
- (c) The staff of the Internal Audit Division of the Board directly involved in audit functions had been 24 and number of officers qualified in audit were limited to three. Accordingly, the qualified staff in the Internal Audit Division of an institute where net assets valued at Rs.221,941,132,000 remained available as at 31 December 2015, had not sufficient according to its scope.

5.3 Budgetary Control

The following observations are made.

- (a) Variances ranging from 20 per cent to 50 per cent in 09 items of expenses as compared with the budget in the year 2015 in considering the expenses were observed. Salary cost, interest cost and building rent and bonus had increased over the budgeted estimate at the rate of 32 per cent, 27 per cent, 26 per cent and 22 per cent respectively. The actual expenses as compared with the total budgeted expenses which were related the members of the Board had decreased by 17 per cent.
- (b) The fixed deposit interest income of the Board and the Interest on Custodial Account had decreased less than the budgeted amount as to be 52 and 50 per cent respectively. Additionally, 08 instances of variances between 20 per cent and 49 per cent in Revenue Heads were observed. The housing loan interest, Treasury Bills' interest and property income (Leasing rent) had decreased by 25, 30 and 36 per cent respectively. As there was a significant variance between the budgeted and the actual amounts, it was observed that the Budget had not been made use of as an effective instrument of management control.

6. Systems and Controls

Weaknesses in systems and controls observed during the course of audit were brought to the notice of the Chairman of the Board from time to time. Special attention is needed in respect of the following areas of control.

Area of Control -----	Observation -----
(a) Crediting money to member accounts	Monies collected from employers by the Board had not been credited without a delay to the individual accounts of members in terms of the Act.
(b) Budgetary Control	Action had not been taken complying with the Budget as there was a significant variation between the budgeted income and expenditure and the actual income and expenditure of the Board.
(c) Internal Audit	Attention had not been paid in respect of evaluation of Fund investment profitability of the Board and deployment of qualified and sufficient staff for Internal Audit.