

Central Cultural Fund - 2016

The audit of financial statements of the Central Cultural Fund for the year ended 31 December 2016 comprising the statement of financial position as at 31 December 2016 and the statement of financial performance, 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(3) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 9(2) of the Central Cultural Fund Act, No. 57 of 1980. My comments and observations which I consider should be published with the Annual Report of the Fund in terms of Section 9(4) of the Central Cultural 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 Public Sector 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 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 judgment, 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 Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund'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.

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 Central Cultural Fund as at 31 December 2016 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards

2.2 Comments on Financial Statements

2.2.1 Sri Lanka Public Sector Accounting Standards

The following observations are made.

(a) Sri Lanka Public Sector Accounting Standards 02

Investment of Rs.1600 million and withdrawal of investment amounting to Rs.100 million made during the year had not been stated as cash outflow and cash inflow respectively in the cash flow statement separately. Further, investment interest of Rs.124 million capitalized during the year had been stated as a cash outflow.

(b) Sri Lanka Public Sector Accounting Standards 07

As the useful life of the non-current assets had not been reviewed annually, fixed assets with a cost of Rs.191.4 million were further being used even though fully depreciated. Accordingly, action had not been taken to revise the estimated error in accordance with Sri Lanka Public Sector Accounting Standards No.3. Further, disclosures about the assets due for disposal had not been made in the financial statements.

2.2.2 Accounting Deficiencies

The following observations are made.

(a) The accounting policy adopted by the Fund for making provisions for doubtful debts had not been disclosed in the financial statements and despite the existence of Rs.1,587,362 outstanding debtor balances for more than a period of 5 years, Rs.1,964,833 had been made as the provision for doubtful debts in each year without reviewing on it.

(b) Out of the admission tickets printed for issuing to the visitors of archeological places, due to the admission tickets stock with a printing cost of Rs.3,424,990 as at the end of the year under review had not been included in the financial statements, the balance of the admission tickets closing stock and the profit for the year had been understated by that amount.

- (c) Due to Replicas, Building materials, stationeries and publications valued at Rs.13,179,037 relating to 8 projects had not been in the closing stock as at 31 December 2016 as per the board of survey reports, closing stock in the year under review and profit for the year had been understated by that amount.
- (d) Instead of crediting to the inventory account, due to crediting of the Rs.1,415,122 valued Replica and publications which donated to the different parties during the year to the sales account, the sales of the year had been overstated by that amount and year end value of Replica stock by Rs.1,286,258 and Publication stock by Rs.128,864 had been overstated in the financial statements.
- (e) According to the board of survey report as at 31 December 2016, surplus stock valued at Rs.1,944,837 had been reported relating to the Jethawana Project and no actions had been taken to adjust the financial statements by finding the reasons for it.
- (f) Unrecognized credit balance of Rs.10,000 coming from June 2016 had been stated in the bank reconciliation statements as at 31 December 2016 relating to a current account of the Fund and actions had not been taken to make adjustments to the financial statements by recognizing that balance even by October 2017.

2.2.3 Unexplained Differences

According to reconciliation statement prepared by the head office and according to the reports sent by the projects, reconciled difference of Rs.270,808 was observed for the motor cycle loan balances given to permanent labourers relating to 2 projects as at 31 December 2016.

2.3 Accounts Receivable and Payable

The following observations are made.

- (a) Any action had not been taken to recover outstanding loan balances from guarantors, properties or by legal actions which due for a period ranging from 1 to 5 years as Distress Loan amounting to Rs.287,083 due from 5 employees, Housing Loan amounting to Rs.766,048 due from 3 employees, Festival Advance amounting to Rs.267,525 due from 55 employees and Special Advance amounting to Rs.28,991 due from 11 employees. Further, Festival Advance amounting to Rs.1,049,260 and Special Advance amounting to Rs.76,499 which older than 5 years had not been recovered and even though that loan balance should have been recovered within a year, no reasons had been clarified regarding the not doing so.
- (b) A balance of Rs.672,577 due from the Ministry of Cultural Affairs remained unrecovered over a period of 4 years in the sundry debtors balance.
- (c) Even though the balances of Rs.8,806,885 and Rs.4,376,549 respectively had been remained prior to year 2012 relating to Special Funds and Special Projects under non-current liabilities, no actions had been taken to settle that balances until 31 December in the year under review.

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

The following non-compliances were observed.

| Reference to Laws, Rules and Regulations | Non-compliance |
|---|---|
| (a) Central Cultural Fund Act, No. 57 of 1980. | |
| (i) Section 4 (C) | Even though amounting to Rs.79,074,872 shown under other cultural activities in the financial statements had been given for temples, Perahera, Vihara and religious festivals approval of the governing board had not been obtained for this donations as per the above section. Further, in contrast to this section, Replicas and Publications valued at Rs.1,286,258 and Rs.128,864 respectively had been donated to different parties in the year under review without the approval of the governing board. |
| (ii) Section 4 (f) | Approval of the governing board had not been obtained for amounting to Rs.1600 million investments made in fixed deposit in the year under review even though approval of the governing board should be obtained to invest money belongs to the fund in terms of the above section. |
| (b) Section 21 (1) of Antiquities Ordinance, No.9 of 1940 | In terms of section 21(1) of the above act, even though any repair, renovation, change or additional construction to an archaeological protected replica cannot be done without a prior approval obtained from the Commissioner of Archaeological or without an agreement entered under section 20, amounting to Rs. 16,258,246 had been expensed by the fund for the renovation of the preaching hall and the old devalaya which is in the land belong to Siththam Gallena Raja Maha Viharaya which expressed as a protected monument in the gazette of No.1553 of 06 June 2008. |

(c) Financial Regulations of the Democratic Socialist Republic of Sri Lanka

(i) Financial Regulations 102,103,104 and 105.

❖ In terms of financial regulations, investigations had not been held and respondent had not been identified until 30 November 2017 regarding the deficiencies of 19 items relating to 9 types of tools and equipment such as mallets, sledge hammers which belong to Monaragala Project and Brass sheets stock of 3132 Sq. ft. which belong to Replica Centre, Bataleeya.

❖ Even though a period exceeding 5 years had been elapsed from occurring a stock shortage of publications valued at Rs.499,368 at the Publication Stores, Dambulla, actions had not been taken to identify the respondent and to recover the loss from the relevant persons and to take disciplinary actions in terms of financial regulations.

(ii) Financial Regulations 381(1)

Twenty five Bank Current Accounts had been opened for the Area Offices without the approval of the Treasury.

(d) Treasury Circular No.842 of 19 December 1978

Coding of assets under each category of assets had not been done as being able to identify the fixed asset separately. Hence, physical existence of assets valued at Rs.1,155,763,937 in the Head office and Area offices were in a unverifiable situation.

(e) Treasury Circular No.I.A.I 2002/02 of 28 November 2002

A fixed asset register had not been maintained for computers and software valued at Rs.56,002,545 which held in the head office and area offices.

(f) Public Finance Circular No.02/2015 of 10 July 2015

In terms of the above circular, disposal had not been done for unusable 04 tractors, 02 motor cycles, a three wheeler and a water bowser which had been stayed at the Abhayagiri Project.

3. Financial Review

3.1 Financial Results

Financial results for the year under review amounted to a surplus of Rs.1,696,834,303 and the corresponding surplus of the preceding year amounted to Rs.867,115,250. Accordingly financial result had improved by Rs.829,719,053 or 95.6 per cent as compared with the preceding year. The increase in ticket sales income by Rs.694,863,531, publication income by Rs.6,915,018, investment income by Rs.138,856,955, other income by Rs.10,103,771 and deferred income by Rs.27,097,930 as compared with the preceding year had been the main reason for the above improvement.

When Analyzing the financial results of the year under review and 4 preceding years revealed that, amounting to Rs.227,294,733 of financial surplus in year 2012 had continuously increased. In taking into consideration the employees remuneration and the depreciation for the non-current assets, the contribution amounting to Rs.891,233,340 in the year 2012 had continuously improved and it had been Rs.3,034,217,986 in the year 2016.

4. Operating Review

4.1 Performance

According to the Central Cultural Fund Act, No. 57 of 1980, developing cultural monuments in the Cultural Triangle and cultural monuments in other area, settling all expenses of the Jetavana Dagobe Project and other similar projects, Promoting of religious activities within Sri Lanka or outside, advancement of religion or the maintenance of religious places, making of awards to persons who have served in the fields of cultural and religious, providing financial assistance for artistic activities, providing fund for the religious or cultural activities which are benefitted to the public are the main objectives of the Fund. The following observations are made on the achievement of the above objectives.

- (a) An analysis between the number of tourists arrived in Sri Lanka from the year 2013 to the year 2016 as per the information obtained from the Tourist Board website and the number of Tourist Admission Ticket sold by the Fund as per the books of the fund is given below.

| Year | Number of tourists arrived in Sri Lanka | Number of Tourist Admission Ticket sold by the Fund | Number of tickets sold as a percentage of the number of tourists | Tickets Income |
|------|---|---|--|----------------|
| 2013 | 1,274,593 | 504,699 | 39 | 1,748,439,894 |
| 2014 | 1,527,153 | 627,136 | 41 | 2,200,143,813 |
| 2015 | 1,798,380 | 722,676 | 40 | 2,751,061,677 |
| 2016 | 2,050,832 | 903,755* | 45 | 3,445,925,208 |

(* calculations had been made based on the assumption that one tourist is visiting one archaeological place)

As per the above information, number of tourist tickets sold was 39 per cent, 41 per cent, 40 per cent and 45 per cent with compared to the number of tourists arrived in Sri Lanka in the year 2013,2014,2015 and 2016. Accordingly it is observed that there is a possibility of increasing income further by implementing a marketing programme to attract tourists for visiting the places with historical cultural ruins and to promote religious activities.

- (b) As per the work plan prepared by the fund, 22 sites and activities with an estimated cost amounting to Rs.92,657,086 relating to excavations and conservations projects which had been planned to execute in the year under review, had not been initiated during the year.
- (c) A sum of Rs.3,976,597 had been expensed for 04 work sites and activities relating to 03 projects which had not been planned to execute in the year under review as per the work plan.
- (d) As per the progress report for the year 2016, money had been allocated based on the overestimates as per the work plan relating to 21 out of the 51 work sites completed during the year. Work units had been planned to 13 work sites and activities in it based on the overestimates.

4.2 Management Activities

The following observations are made.

- (a) It had been fail to transfer the legal ownership of the land of the head office until 31 October 2017.
- (b) As per the section 08 of the agreement No. ED/10/NH/03/02/01/07 dated 16 June 2016 signed by the two parties for handing over supervising activities of Ape Gama Institute to Central Cultural Fund which was under the supervision of Ministry of Education, even though action should be taken to get all the building and goods formally from the Ministry of Education as immediately implemented, Fund had not acted accordingly until 31 October 2017.
- (c) As per the decision of No.09 taken by the Committee on Public Enterprise gathered on 12 November 2014, it had been stated to take necessary action to fill vacancies to the office staff and to get the Treasury approval necessary for it. Nevertheless officers had been engaged in the service by recruiting on the contract basis for the positions of Director (Finance), Director (Admin), Tickets Seller, Assistant Director (Finance), Chief Research officer, Legal officer without recruiting.

- (d) Even though Rs.15 million had been paid to the Archaeological Department for the construction of monastery and Preaching Hall of Mihinthala Raja Maha Viharaya in the voucher No.2863 dated 11 May 2016, Anuradhapura District Secretary had been named as the payee in the paying cash book.
- (e) A cheque amounting to Rs.231,000 received from a customer on 09 December 2015 for the tickets sold by the Fund, had been dishonoured and actions had not been taken to recover it even by 30 October 2017.
- (f) A sum of Rs.5,000,000 had been given to Rural Development Association on 13 August 2014 for the construction of Preaching Hall of Hathigamuwa Gurugoda Vihara. Construction of this preaching hall had not been completed even by 31 October 2017.
- (g) Even though Frim Rose land in Kandy, A property of Fund assessed for Rs. 4.2 million in the year 2012, is being used since year 2013 as a Training Centre of Monks by constructing buildings as Kandy Association of Maharagama Buddhist Employee's' Association, it had been failed to transfer that property to Fund.
- (h) As per the board of survey reports as at 31 December 2016, fund had failed to regain 3105 GI pipes, 4150 coufflinks and 01 goods transporting elevator given temporarily in the period of 2011-2014 to Sandahru Stupa, Pothuvil Muhudu Maha Viharaya, Sri Sambodi Monastery, Mahamevnawa Buddhist Monastery by Abhayagiri Project in the year under review.
- (i) Instead of identifying the causes for the existence of unidentified balance amounting to Rs.66,390 included in the cumulative fund amounting to Rs.19,944,705 as at the beginning of the year under review which is carrying forwarded from the year 1983 and settling it , it had been debited to the cumulative fund.

4.3 Operating Activities

The following observations are made.

- (a) Due to not taking into consideration the indirect cost when calculating the production cost of Replica products, publications and printing sectors, actions had been taken to decide the Selling Price without accurately identifying the production cost of Replica products.
- (b) There had been a variance in a range of 20 per cent to 186 per cent between the estimated cost of 21 activities which included in 10 projects as per the work plan prepared for the year under review and the actual cost as per the progress reports.

4.4 Transactions of Contentious Nature

The following observations are made.

- (a) According to the Cabinet paper No.11/0169/555/004 dated 02 February 2011, 25 per cent of income earns from selling admission tickets by the fund should be given to Archaeological Management Trust. Accordingly, even though amounting to Rs.861,481,302 should be given to that trust as 25 per cent out of Rs.3,445,925,208 of income of the fund in the year 2016, only Rs.104,490,691 had been given.
- (b) A sum of Rs.874,992 allowance had been paid as Rs.72,916 per month from 01 August 2016 to 30 July 2017 for an approved post of the fund, Assistant Director (Legal) by recruiting an officer on contract basis and by extending the contract period. The duties assigned to this post had been directing the duties relevant to all legal activities of the fund and being present as a lawyer in front of the court. Nevertheless, amounting to Rs.1,457,425 had been paid in the year under review for the services obtained in 03 occasions from external lawyers.
- (c) In terms of Section 3.3 of the Public Enterprises Circular No.1/2015 dated 25 May 2015, An officer who is entitled to an assigned vehicle, can use that assigned vehicle or a sum of Rs.30,000 monthly and entitled monthly fuel allowance can be obtained. Even though that allowance had been increased to Rs.50,000 as implemented from the date of 01 November 2016 as per Public Enterprises Circular No.1/2015 (i) dated 27 October 2016, Rs.50,000 transport allowance had been given to the Acting Director (Finance) from 01 January 2016 to 31 August 2016 by the fund. Accordingly transport allowance amounting to Rs.160,000 had been over paid to Acting Director (Finance) by the fund.
- (d) Officers who work on permanent and contract basis as executive and non-executive and 86 employees in the fund had participated for a workshop on preparation of Corporate plan which held in a private hotel in Kandy area from 06 July 2016 to 08 and an expense amounting to Rs.1,430,200 had been incurred. Even though participation allowance of Rs.53,500 had been paid to relevant officers, legal provision relating to that had not been clarified. When holding these workshops and seminars attention had not been paid to the President Circular No. SP/SB/07/15 dated 25 September 2015.

4.5 Procurement and Contract Process

The following observations are made.

- (a) Even though the contract for the construction of Gatabaruwa Viharaya had been offered on 21 May 2015, the Director General and the contractor had signed on 07 July 2015. Even though work should have been completed within 568 days from the date of the agreement, the work completed had been 73 per cent even by 13 June 2017. Even though amounting to Rs.861,871 had been included as Value Added Tax in the advance given, amounting to Rs.861,871 loss had been occurred to the fund

from the above contract due to not recovering that money when recovering the advances.

- (b) In terms of Sections 3.1 and 3.2 of the Guideline for Selection and Employment of the Consultants, when selecting consultancy organizations and individual consultants, Competitive procurement process should be followed based on the comparison of Consultant's Technical and Financial suggestions. Nevertheless, in contrary to those sections, amounting to Rs.2,973,692 had been expensed by the fund for getting the consultancy services of Archeological, Architectural and Geological.

4.6 Resources of the Fund given to other Government Institutions

Even though 02 buildings valued at Rs.4 million are being used by Department of Buildings from year 2012, the fund had failed to transfer those buildings for the fund.

4.7 Staff Administration

The following observations are made.

- (a) In terms of section 4 of the Scheme of recruitment, recruitment for the post of Director General should be done from internal or external applicants after calling applications by making public advertisements and followed by a structured interview as decided by the appointing officer. Nevertheless, an officer had been appointed by the secretary of the line Ministry for the post of Director General on 19 March 2015 on contract basis for 02 year period without following those procedures.
- (b) No permanent appointment had been made for the post of Director (Finance) of the fund from year 2012 and an officer had been appointed for that position on contract basis in August 2016 and amounting to Rs.341,210 of salary and allowances had been paid from 15 August 2016 to 31 December 2016. The following observations are made on the above.
 - (i) In terms of sub section 4.2.3.1 of Scheme of Recruitment, when recruiting for the post of Director (Finance) on external basis, a degree on Accountancy/ Financial Management with a postgraduate degree on relevant subject obtained from a university, recognized by the University Grants Commission or Associated membership of Sri Lanka Institute of Chartered Accountants or Institute of Chartered Management Accountants or Institute of Certified Chartered Accountants should have been obtained as educational qualifications. Nevertheless, the officer who recruited on contract basis for that position had passed only Diploma in Accounting and Final I exam of Institute of Chartered Accountants of Sri Lanka.

- (ii) In terms of sub section 4.4 of Scheme of Recruitment, even though it is stated that age should be not less than 30 years and not more than 50 years under general qualification for the post of Director (Finance), the officer who recruited on the contract basis was over 70 years.
- (c) In terms of section 03 of the letter No. DMS/E/1/54/9/241 dated 21 July 2011 addressed to the Secretary of the Ministry of Cultural and Art by the Director General of the Department of Management Services, even though it had been stated that Scheme of Recruitment should be revised before next recruitments, that scheme had not been revised until 31 October 2017.
- (d) An officer who had pensioned from the government service had been appointed for the post of Director of Museum which is not included in the approved cadre of the fund on 05 May 2015 on contract basis for a period of one year and contract period had been extended annually. A sum of Rs.38,500 per month had been paid to that officer amounting to Rs.462,000 in year 2016.
- (e) In terms of sub section 4.6.2 of Scheme of Recruitment, in recruiting for the post of administrative officer on internal basis, marks should be given based on the experience, special activities and performance. Under the criteria of educational qualification for applicants, even though it is stated that G.C.E. (Advance Level) or educational qualification which is higher than that should be needed, a person who passed G.C.E. (Ordinary Level) and having less experience had been given higher marks and promoted for the post of Administrative Officer on 01 January 2016.

5. Accountability and Good Governance

5.1 Action Plan

In terms of Public Finance Circular No. 01/2014 dated 17 February 2014, an action plan should be prepared with a long term mission including activities which target to achieve the objectives of the relevant act. Nevertheless, an action plan for the year under review had not been prepared by the fund and a work plan had been prepared only for the excavation and conservation projects.

5.2 Procurement Plan

The following observations are made.

- (a) Even though approval of the governing board should have been obtained for the Procurement Plan prepared for the year 2016 before commencing the year, the approval had been obtained on 25 November 2016.

- (b) Vehicles costing Rs.16,328,430 and Computers and Equipment costing Rs. 2,970,200 which were not included in the procurement plan had been purchased in the year under review.
- (c) In terms of section 5.2.1 (a) of Sri Lanka guideline for Selection and Employment of the Consultants, information regarding paying of fees for getting consultancy services had not been included in the procurement plan of the fund.
- (d) Goods, works and services procuring for the area offices had not been included in the procurement plan prepared for the fund for the year under review.

5.3 Budgetary Control

The following observations are made.

- (a) In terms of section 5.2.5 of Public Enterprises Circular No. PED/12 dated 02 June 2003, even though governing body should approve the budget of that financial year and sends a copy of that to the Auditor General within 15 days prior to the beginning of the financial year; budget for the year 2016 had been approved by the board on 25 November 2016.
- (b) As Variances were observed in budgeted and actual income and expenditure in a range of 21 per cent to 203 per cent, it was observed that budget had not been used as an effective management control.

5.4 Tabling Annual Reports in Parliament

The Annual Reports for the years 2013, 2014 and 2015 had not been tabled in Parliament in terms of Section 6.5.3 of the Public Finance Circular No. PED/12 dated 02 June 2003, even by 30 October 2017.

5.5 Unresolved Audit Paragraphs

The following observations are made.

| Reference to the paragraph and Year | Observation |
|--|--|
| ----- | ----- |
| (a) Section 4.5 (a) (b) (c) of 2012 | Actions had not been taken up to 30 November 2017 regarding the deficiencies such as payment of Rs.22,099,917 for nonstandard concrete blocks used, Payment of Rs.4,660,998 for the works not carried out according to the Bill of Quantity and Unevenness of the road due to ABC layer and the quarry dust mixture had been applied less than 40 per cent and 50 per cent for the development of 1 kilometer of the internal access road of the Polonnaruwa Sacred City . |

- | | | |
|-----|------------------------------|--|
| (b) | Section 4.4 (a) (ii) of 2013 | When carrying out the contract for laying the blocks to a length of 01 kilometre of the internal road from the exit gate of the Sacred City of Polonnaruwa by Road Development Authority, even though nonstandard concrete blocks had been used, amounting to Rs.16,992,545 had been paid as part payment before doing quality checks thereon. |
| (c) | Section 4.8 (a) of 2015 | The contract of constructing the administrative building of Replica Centre, Bataleeya had been awarded for Rs.46.4 million to a private company on 11 September 2014. Even though the contract should have been completed on 11 May 2015, construction had not been finished even by 31 October 2017. |
| (d) | Section 4.4(a) (iii) of 2015 | For getting an employment insurance coverage, by producing a false name list including the names of 50 employees in excess to a private insurance company, a sum of Rs.475,000 had been paid thereon and action had not been taken to recover that money from the officers who prepared that fraudulent documents even by 31 October 2017. |

6. Systems and Controls

Deficiencies in systems and controls observed during the course of audit were brought to the notice of the Director General of the Fund from time to time. Special attention is needed in respect of the following areas of control.

| Area of Systems and Controls | Observations |
|------------------------------|--|
| ----- | ----- |
| (a) Accounting | Manufacturing Accounts had not been prepared and the correct cost of production had not been identified relating to the areas of Replicas, Publications and Printing. |
| (b) Staff Administration | (i) Action had not been taken to fill the vacancies and officers had been employed on contract basis for certain posts over a long period of time. (ii) Scheme of Recruitment had not been revised. |
| (c) Procurement | (i) Approval of the governing board had been delayed for the prepared Procurement plan. |

- (ii) Procurement plan had not been prepared in concurrence with the Budget.
- (d) Budgetary control
 - (i) Being delayed to obtained approval of governing board and having considerable variances.
- (e) Debtors Control
 - (i) Action had not been taken to recover the loan balances remained outstanding over a loan period of time.
 - (ii) An accounting policy for the provision of doubtful debts had not been identified
- (f) Stock Control
 - (i) There were differences between board of survey reports and financial statements.
 - (ii) Admission Tickets Stock had not been clearly mentioned in the Financial statements.