

Board of Investment of Sri Lanka (BOI) - 2013

The audit of financial statements of the Board of Investment of Sri Lanka (BOI) for the year ended 31 December 2013 comprising the statement of financial position as at 31 December 2013 and statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flow 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 13(1) of the Finance Act, No. 38 of 1971 and Section 31 of the Greater Colombo Economic Commission Law, No.4 of 1978, as amended by Act, No. 49 of 1992. My comments and observations which I consider should be published with the annual report of the BOI in terms of Section (14)(2)(c) of the Finance 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 standards of Supreme Audit Institution (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 judgments, 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. Sub - sections (3) and (4) of Section 13 of the Finance Act, No. 38 of 1971 give discretionary power to the Auditor General to determine the scope and the 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 Board of Investment of Sri Lanka (BOI) as at 31 December 2013 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. Sri Lanka Accounting Standards (LKAS)

The following observations are made.

- (a) According to the Gazette Notification No. 1783/35 dated 09 November 2012 the ownership of the land to the extent of 228.8784 hectares identified in Hambanthota had been transferred to the BOI as per the direction given by the H.E. President of Sri Lanka, for the use of purposes mentioned in the BOI Act. However, this land had not been valued and brought to accounts in terms of LKAS 16 even up to 31 December 2013.
- (b) According to the LKAS 18, fees for provision of continuing services should be recognized as revenue in the year in which the services are rendered. However, without rendering any services, an amount of Rs.3,301,942 relating to cancelled and suspended projects had been recognized as land premium revenue during the year under review. Therefore, the revenue for the year under review had been overstated by that amount. Further, such revenue amounting to Rs.179,547,196 had been included in the deferred revenue balance as well. Hence, the deferred revenue balance as at 31 December 2013 had been also overstated by the same amount.

2.2.2. Accounting Deficiencies

The following observations are made.

- (a) Completed constructions valued at Rs.202,530,307 had continuously been shown in the financial statements as work in progress instead of being transferred to the relevant assets account.
- (b) According to the Value Added Tax (VAT) return for the quarter ended 30 June 2013, the BOI had been defaulted the VAT amounting to Rs. 9,108,682 by way of understating the disallowable input VAT. Hence, the VAT payable as at 31 December 2013 and profit for the year under review had been understated and overstated respectively by such amount

- (c) Ground rent amounting to Rs. 899,569 in respect of a land with extent of 1.62 acres occupied by 10 BOI enterprises at Katunayake Export Processing Zone had neither been invoiced nor taken into account during the year 2013. Hence the revenue had been understated by that amount.
- (d) A mobilization advance of Rs. 1,363,239 given for the supply and installation of borehole pumps at Katunayake Export Processing Zone had been settled at the completion of the project in February 2008. Nevertheless, it was shown as unsettled mobilization advance as at end of year under review.
- (e) Three funds received amounting to Rs.10,118,713 had erroneously been shown under sundry creditors as at 31 December 2013
- (f) The VAT returns for the year under review had been remitted to the Commissioner General of Inland Revenue without being included the VAT amounting to Rs.4,796,760 related to rent income receivable from the Ministry of Investment Promotion. Therefore the VAT payable shown in the financial statements had not been reconciled with the VAT return balance as at 31 December 2013.

2.2.3. Accounts Receivable and Payable

(a) Dues from BOI Enterprises

The details of amounts to be recovered from the BOI approved enterprises and provision for impairments and bad debts written off thereon as at end of the year under review as compared with proceeding four years are given below.

The following observations are made in this regard.

Description	2013	2012	2011	2010	2009
	Rs.	Rs.	Rs.	Rs.	Rs.
Amounts to be recovered from BOI Enterprises	664,452,940	701,884,118	623,861,381	631,911,594	593,483,063
Provision for impairments	493,484,649	492,790,570	437,041,560	249,452,238	227,775,883
Provision for impairment as a percentage of total dues	74	70	70	39	38
Bad debts written off during the year	13,483,407	5,517,032	73,113,266	8,306,417	9,279,955

- (i) Provision for impairment had rapidly increased during the last five years from 38 per cent in 2009 to 74 per cent in 2013 thus indicating that the follow up action on the recovery of those dues was at a very weak level.
- (ii) Out of total provision for impairment of Rs. 493,484,649, a sum of Rs. 486,153,378 or around 99 per cent represented 100 per cent impairment made on dues from cancelled and closed down projects as at 31 December 2013.
- (iii) A provision for impairment of Rs. 201,012,748 had been made for annual fees, which was 86 per cent of total annual fees of Rs. 233,160,357 receivable as at the end of the year under review.

(b) Other Debtors

 The details of other debtors remained unrecovered for a long period and the provision for impairment thereon as at the balance sheet date as compared with three preceding years is given below.

Description	2013	2012	2011	2010
-----	-----	-----	-----	-----
	Rs.	Rs.	Rs.	Rs.
Other Debtors	131,274,290	66,891,763	61,204,152	103,810,214
Provision for doubtful debts /impairment	120,257,749	61,204,152	7,688,630	48,234,339
Provision for doubtful debts/impairment as a percentage of total other debtors	91.6	91.5	12	46

The following observations are also made in this connection.

- (i) Impairment on other debtors represented 91.6 per cent of the total outstanding as at 31 December 2013, thus indicating that the follow up action on recovery of those outstanding balances had been at a weak level.
- (ii) A sum of Rs.1,604,200 receivable from a private company which was the auctioneer of Wathupitiwala housing units had remained outstanding for over 5 years and there was no any evidence made available to prove the existence of an agreement between the company and the BOI.
- (iii) A cash fraud of Rs. 507,650 and a stock shortage of Rs. 2,090 shown under the other debtors had remained unchanged for over ten years.
- (iv) Out of the total amount of other debtors as at end of the year under review, 98 per cent or Rs. 128,982,001 represented dues from the Government Institutions.
 The following observations are made in this regard.

- Other debtors included a sum of Rs.5,257,979 receivables from then Ministries such as Ministry of Rehabilitation and Tamil Affairs, Ministry of Enterprises Development, Industrial Policy and Investment Promotion and Ministry of Enterprise Development and Investment Promotion.
- According to the confirmations received from three Government Institutions, there were no any outstanding balances to be settled even though there was an amount of Rs.16,070,868 shown as receivable from such Institutions.
- The following differences were observed between the payable balances shown in the financial statements of the BOI and the financial statements of the respective Institutions. Details are given below.

Institution -----	Balance as at 31 December 2013 as per the financial statements of -----		Difference -----
	BOI ----- Rs.	Relevant Institution ----- Rs.	Rs.
Janatha Estate Development Board (JEDB)	52,412,573	50,000,000	2,412,573
Ministry of Investment Promotion	55,115,000	Nil	55,115,000

- Instead of recovering the outstanding balances receivables from some Government Institutions, 100 per cent provisions for bad and doubtful debts had been made in the accounts. Provision for impairment was Rs. 118,114,460 or 91.57 per cent of the total outstanding of Rs. 128,982,001 from Government Institutions.

2.2.4. Lack of Evidence for Audit

A sum of Rs. 5,931,949 had been identified as miscellaneous income during the year under review which included under sundry creditor balance and it could not be vouched satisfactorily due to unavailability of evidence such as confirmations, source documents, schedules etc.

2.2.5. Non-compliances with Laws, Rules, Regulations and Management Decisions

The following non-compliances were observed in audit.

Reference to Laws, Rules and Regulations etc.

Non – Compliances

- (a). Inland Revenue Act No 10 of 2006 and Public Finance Circular No.PF/PE/6 of 31 January 2000
- (b). Public Administration Circular No. 13/2008 of 26 June 2008.
- (c). Public Enterprises Circular No 95 of 14 June 1994, Management Services Circular No. 30 of 22 September 2006 and Management Services letter No. DMS/A2/BOI of 02 January 2007.

The Pay As You Earn Tax aggregating to Rs.161,120,804 had been paid out from the BOI funds for the period from 1997 to 2013 instead of being recovered from respective employees as per the Circular instructions.

The employees of the BOI who had obtained monthly transport and fuel allowances had further obtained monthly driver's allowance of Rs.15,000 contrary to the Circular instructions. The BOI had paid a sum of Rs.12,302,871 for the above allowances during the year under review.

(i) The employees of the BOI had enjoyed with professional allowances or post graduate degree allowances (minimum of 5000 per month) as follows without obtaining the required approvals from the authorities concerned.

<u>Salary points</u>	<u>Percentage</u>
JM category	10
MM category	15
HM category	20

The total of such allowances paid by the BOI during the year under review was Rs.2,392,917.

(ii) The employees of the BOI had enjoyed with both attendance incentive and encashment of unutilized medical leave together contrary to the provisions in the Circulars. In this manner, the following payments had been made during the year under review.

- Attendance incentives Rs. 125,845,273
- Leave encashment Rs. 59,098,318

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the operation of the BOI for the year ended 31 December 2013 had resulted in a surplus of Rs.290,920,997 as compared with the corresponding surplus of Rs.239,124,766 for the preceding year thus showing an improvement of Rs.51,796,232 or

22 per cent in the financial results. The increases of rent income, income from supply of water and license fees were the main reasons for this improvement in the financial result for the year under review.

The BOI had earned an operating profit of Rs.228,429,052 in the year under review as compared with the corresponding operating profit of Rs.137,599,489 in the preceding year, thus showing an increase of Rs 90,829,563 or 66 per cent in operating profit.

3.2 Analytical Financial Review

3.2.1 Significant Accounting Ratios

(a) According to the financial statements and information made available, the following table gives the some important accounting ratios of the BOI for the year under review as compared with the previous 2 years.

	2013	2012	2011
(i) <u>Profitability Ratio</u>	-----	-----	-----
	%	%	%
Net Profit Ratio	10.45	10.29	3.89
Return on Total Assets	1.15	0.95	0.33

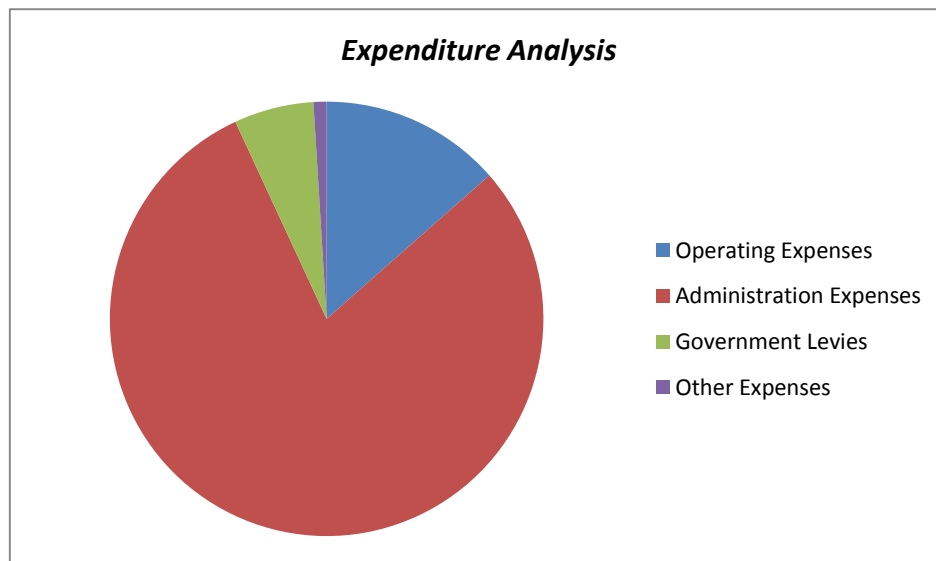
	<u>2013</u>	<u>2012</u>	<u>2011</u>
(ii) <u>Operating Ratios</u>			
Debtors turnover ratio – times	6.22	3.89	4.27
Debtors collection period - days	58	115	105

3.2.2. Analysis of Expenditure

(a) Out of total expenses incurred during the year under review, a sum of Rs.1,983,947,246 or 79.6 per cent represented the administration expenses and out of that 60 per cent related to staff expenses. The classification of total expenditure of the Board is depicted in the table and the chart given bellow.

Category of Expenses	Amount (Rs.)	Percentage
-----	-----	-----
Operating Expenses	337,247,895	13.5
Administration Expenses	1,984,841,156	79.6
Government Levies	148,175,366	5.9
Other Expenses	24,300,318	1

Total	2,494,564,735	
	=====	



3.2.3. Operation of Divisions and Profitability

Ten Export Processing Zones, two Industrial Parks and a Regional Office are functioning under the Board and the financial progress of such few Zones and Parks are given below.

- (i). Profit before tax of the Polgahawela Export Processing Zone had decreased by Rs.6.4 million or 34 per cent in the year under review as compared with the previous year.
- (ii). Two Export Processing Zones and an Export Processing Park had continuously incurred losses before tax since 2008 due to huge administration cost. Details are shown below.

	Losses incurred during the year					
	2013	2012	2011	2010	2009	2008
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
<u>Export Processing Zones</u>						
Wathupitiwala	2,969	7,766	15,743	13,703	12,787	11,872
Koggala	14,050	11,775	26,980	17,503	23,149	23,412
<u>Export Processing Park:</u>						
Malwatta	2,748	5,531	3,226	3,458	3,639	2,576

4. Operating Review

4.1 Performance

- (a) Details of approved Projects under Section 17 of BOI Law and agreements entered during the year 2013 and four preceding years and the total number of Projects cancelled and closed down or suspended is given below.

Year	Number of projects Approved √*	Number of Agreements Signed √*	Number of Projects Commenced during the year √*	Number of Projects Cancelled √**	Number of Projects closed down √**	Number of Projects Suspended √**
2013	172	140	75	120	38	7
2012	238	163	98	79	26	9
2011	160	165	99	47	7	4
2010	364	270	144	124	28	10
2009	384	182	134	93	12	4
Total	1,318	920	550	463	111	34

√* Including Expansions of existing Projects.

√** As per the current status of the Projects.

The following observations are also made in this regard.

- (i) The number of approved Projects and the Projects entered with the agreements had decreased by 28 per cent and 14 per cent respectively in the year under review when compared with previous year.
- (ii) The number of Projects commenced the commercial activities had decreased from 134 in 2009 to 75 in 2013.
- (iii) The number of Projects cancelled and closed down had been increased by 50 per cent and 46 per cent respectively with compared to the previous year.

(b) Attracting the Foreign Direct Investments.

- (i) The details of foreign direct investments (FDI) attracted by the BOI during the period from 2009 to 2013 are given below.

Sector	Value of Direct Investment				
	2013	2012	2011	2010	2009
	US \$ Mn	US \$ Mn	US \$ Mn.	US \$ Mn	US \$ Mn
Manufacturing	359.76	307.65	322.42	159.65	164.47
Agriculture	8.47	7.17	17.97	6.45	3.69
Services	1,023.17	1023.33	725.67	350.20	434.09
Total	<u>1,391.40</u>	<u>1,338.15</u>	<u>1,066.06</u>	<u>516.30</u>	<u>602.25</u>

The following observations are made in this connection

- Investments attracted under the agricultural sector had decreased by 60 per cent and 53 per cent in the year 2012 and 2013 respectively as compared with 2011.
- Total foreign direct investments attracted had increased by 3 per cent as compared with the previous year.
- The foreign direct investments in the manufacturing sector had increased by 17 per cent in the year under review as compared with 2012.

(ii) The realized Foreign Direct Investments (FDIs) and Local Investments (LI) made through the BOI during the period from 2009 to 2013 are given below.

Year	Realized Foreign Direct Investments (FDI)	Realized Local Investments
	Rs. Mn.	Rs. Mn.
2013	958,958	553,063
2012	828,005	452,154
2011	655,513	368,587
2010	536,140	331,849
2009	495,506	278,762

The realized Foreign Direct Investments (FDI) and Local Investments made during the year under review had increased by 16 per cent and 22 per cent respectively as compared with the previous year.

(c) **Import Cost and Export Earnings**

Total import cost and export earnings of the BOI enterprises during the last five years are depicted in the table and the chart given below.

Year	Export Earnings	Import Cost
-----	-----	-----
	US \$ Mn	US \$ Mn
2013	6,606	4,525
2012	6,042	4,345
2011	6,572	4,400
2010	5,171	3,360
2009	4,563	2,739



Trend of the import cost and export earnings

Even though the export earnings through BOI enterprises were decreased by 8 per cent in 2012, it was increased by 9 per cent in 2013. Further, the import cost incurred by BOI enterprises were decreased by 1 per cent in 2012 and it was increased by 4 per cent in 2013.

4.2 Management Inefficiencies

The following observations are made.

- (a) BOI had entered into a lease agreement with a private company on November 1996 for obtaining office space for the BOI and a sum of Rs. 2,637,240 had been paid to the company as initial deposit. Subsequently this office space had been handed over to the said company in June 2010. However the BOI had failed to recover the deposited amount even up to 31 December 2014.
- (b) Out of the total balance of Tender Deposits amounting to Rs. 2,025,485 as at the end of 2013, a sum of Rs. 940,335 or 46 per cent had represented the deposits held for more than three years. However, proper action had not been taken by the BOI to settle these balances even up to end of 2013.
- (c) Out of the total retention money amounting to Rs.33,018,480, a sum of Rs.13,790,054 or 43 per cent had represented the amount held for more than three years without being settled.
- (d) The BOI had agreed with a Rubber manufacturing company situated at Horana Export Processing Zone, to reimburse the electricity tariff if the rates prevailed on 29 December 2000 will be increased over 6.9 per cent per annum. The following observations were made in this connection.

- (i) The BOI had not obtained an assessment report from related Government Institutions before granting the approval for the Project.
 - (ii) The company had claimed a sum of Rs. 356,793,568 due to increase of electricity tariffs during the period of June 2002 to September 2007 and Rs. 388,161,877 in respect of interest on delay in the payment of indemnity and the arbitration cost incurred by the company in terms of the final decision given by the International Court of Arbitration of the International Chamber of Commerce (ICC). The BOI made an appeal against the award given by the ICC at the Commercial High Court. Subsequently an award had given in favor of the BOI. The company had made an appeal against the award given in favor of the BOI. The two cases are handled by the Attorney General's Department.
 - (iii) The BOI had not obtained the assessment report from related Government Institutions on the availability of rubber wood in this area for consumption before granting approval for the project.
 - (iv) The BOI was unable to recover the ground rental, water bills, and bungalow rental etc due from the company due to pending court cases.
- (e) The Perth Estate was purchased by the BOI and a part of the estate had been handed over to a Sri Lanka State Plantation Corporation (SLSPC) for the management of five years period. The following observations are made in this connection.
- (i) The BOI had not received the related financial statements since 2006 from Sri Lanka State Plantation Corporation (SLSPC).
 - (ii) The Corporation had not regularly remitted the profit to BOI as agreed except an amount of Rs. 10 million remitted during the year 2005. As per the financial statements submitted for the year 2006, the dues from the SLSPC pertaining to the Perth Estate was Rs. 16.47 million. However, the BOI had not clearly identified and recorded the correct amount receivable from the SLSPC even up to 31 December 2013.
 - (iii) The matters pertaining to the Perth Estate contravening the conditions of the agreement, such as increasing the management fees by 15 per cent, unilateral utilization of revenue by the Perth Estate, investment of revenue amounting to Rs. 20 million generated from the Perth Estate in the name of the contractor, unauthorized transfer of motor vehicles and bungalow rental amounting to Rs. 12.42 million through the current account to the contractor etc. are yet to be resolved.

4.3 Idle and Underutilized Assets

A Land named Maliduwakanda Estate with an extent of 122 acre 01 rout 27.4 perches purchased by the BOI on 08 January 2003 at cost of Rs. 97,937,000 had not been utilized for any purpose up to the end of May 2014. According to the fixed asset register, the book value of this land as at 31 December 2013 was Rs.100,800,000.

4.4 Resources Given to Other Government Institution

Instances of irregular release of certain assets to other Government Institution by the Board were observed. Details are given bellow.

- (a) Contrary to the provisions of Letter No.CSA/P1/40 of 04 January 2006 issued by His Excellency the President, the Public Enterprise Circular No. 116 of 24 January 1997 and Section 8.3.9 of the Public Enterprises Circular No. PED/12 of 02 June 2003, two motor vehicles had been released to the then line Ministry during the year 2009. A sum of Rs. 2,751,809 had been incurred for repairs and maintenance of these motor vehicles up to the end of the year under review by the BOI. The amount reimbursable from the Ministry had neither been recovered nor brought to the accounts of the BOI as receivables.
- (b) A motor vehicle released to then line Ministry had met with an accident in July 2013 and the estimated cost of repair due to the damage caused was Rs. 1,412,687. Out of that a sum of Rs. 129,309 had to be borne by the BOI due to failure to recover this from the insurance company. No action what so ever had been taken by the BOI to recover the losses from the officer concerned or from then line Ministry.
- (c) Nine car parking passes had been provided by the BOI to the then line Ministry for utilizing the parking facilities available at the World Trade Centre (WTC) in free of charge. Further, the BOI had paid a sum of Rs. 1,489,500 to the WTC on behalf of this parking facilities provided for the period of 2007 to 2013.

4.5 Human Resource Management

The following observations are made.

- (a) Hundred and forty nine (149) vacancies in different categories of the staff, comprising 96 executive grade (including a post of Director Internal Audit) had been existed as at 31 December 2013 and no proper actions had been taken to fill these vacancies even by 31 December 2013. Details are as follows.

Description	Approved cadre	Actual Cadre			Number of Vacancies
		Permanent	Contract	Total	
Executive Staff	589	489	04	493	96
Clerical and Allied Staff	378	336	13	349	29

General Service Staff	} 332	288	20	308	24
Total	----- 1299 -----	----- 1113 -----	----- 37 -----	----- 1150 -----	----- 149 -----

- (b) Eighteen employees had been outsourced by the BOI from a private institution. Out of them fourteen employees were outsourced before 2010.
- (c) The BOI had released nine officers to the line Ministry and incurred a sum of Rs.6,390,185 as salaries and wages during the year under review in contrary to Section 8.3.9 and Section 9.4 of the Public Enterprises Circular No. PED/12 of 2 June 2003 on Public Enterprises Guidelines for Good Governance.

4.6 Identified Losses

The following observations are made.

- (a) The BOI had incurred a loss of Rs. 20,292,250 during the year under review by terminating three constructions works within short period of time due to public protest, poor performance, management decisions etc.
- (b) A land with the Carrying value of Rs. 95,822,000 owned by the BOI which was previously occupied by a BOI enterprise at Katunayake Export Processing Zone had liquidated in the year 2013 had been handed over to a state company on an outright basis for Rs.225,000,000. The market value of the land which had been valued by the Chief Valuer was Rs.135,000,000. Even though the BOI could have earned a profit of Rs.39,178,000 in this transaction, the BOI could not recognize it as a profit as a result of the provision in the Principal Agreement entered into between the BOI and the previous occupier. In this connection, the loss caused to the BOI was Rs.77,016,960.

4.7 Transaction of Contentions Nature

The BOI had planned to establish an Investment Promotion Zone at Sellakanda, Puttlam in 2009/2010 and incurred a sum of Rs. 11,270,120 as preliminary expenses. Subsequently it had been suspended and written off the entire cost incurred thereon in 2012. However, as per the information made available, the BOI had restarted the development activities in 2013.

5. Accountability and Good Governance

5.1 Corporate Plan

Out of the targets stated in the Corporate Plan for the period 2009 to 2013, the BOI had failed to achieve the following targets even by the end of the year 2013. Details are shown below.

- (a) Although it was expected to identify and promote new investment promotion zones at Batticaloa and Ampara in 2009/2010, the BOI had not initiated any action to establish these Investment Promotion Zone even by 31 December 2013.
- (b) It was targeted to establish 300 new enterprises outside the Colombo and Gampaha Districts by 2009/2010, only 89 projects had been completed as at 31 December 2013.

5.2 Action plan

An action plan had not been prepared for the year under review.

5.3 Audit and Management Committee

According to Section 9.12 of the Public Enterprises Circular No. PED/12 of 2 June 2003, the Audit Committee should have met on a regular basis at least once in three months and should have submitted its observations to the Board of Directors with their recommendations for necessary actions. Even though the BOI had held four Audit Committee Meetings during the year 2013, the all meetings were held during last six months of the year, as such this has not used as an effective way to review observations continuously.

5.4 Budgetary Control

Significant variations were observed between the budgeted and the actual income and expenditure as such 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 BOI from time to time. Special attention is needed in respect of the following areas of control.

- (a) Accounting
- (b) Receivables and Payables.
- (c) Constructions.
- (d) Personal Management .
- (e) Vehicle Utilization.
- (f) Revenue Collection.