

Sri Lanka Transport Board – 2017

The audit of financial statements of Sri Lanka Transport Board for the year ended 31 December 2017 comprising the statement of financial position as at 31 December 2017 and the comprehensive income statement, 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 13(1) of the Finance Act, No. 38 of 1971 and Section 24 of the Sri Lanka Transport Board Act, No. 27 of 2005. My comments and observations which I consider should be published with the Annual Report of the Board 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 the audit conducted in accordance with Sri Lanka Auditing Standards consistent with International Auditing Standards of Supreme Audit Institutions (ISSAI 1000 – 1810).

1.4 Basis for Disclaimer of Opinion

As a result of the matters described in paragraph 2.2 of this report, I am unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded items, and the elements making up the statement of financial position, comprehensive income statement, statement of changes in equity and cash flow statement.

2. Financial Statements

2.1 Disclaimer of Opinion

Because of the significance of the matters described in paragraph 2.2 of this report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on these financial statements.

2.2 Comments on Financial Statements

2.2.1 Sri Lanka Accounting Standards

The following non compliances were observed.

(a) Sri Lanka Accounting Standard 16

- (i) Even though a revaluation is required when the fair value of assets materially differ from its carrying amount, actions had not been taken to revalue the assets in terms of paragraph 34 of the standard.
- (ii) In terms of paragraph 58 of the Standard, the value of lands and buildings should be separately identified and shown in the financial statements. However, contrary to that, the value of the lands and buildings had not been recognized and accounted separately.
- (iii) The condemned buses value of Rs. 1,367,754,792 had been shown under Property Plant and Equipment in the financial statements of the Board.

(b) Sri Lanka Accounting Standard 19

In terms of paragraph 57 of the Standard, the post- employee benefit liability should be estimated based on the Projected Unit Credit Method. In contrary to that, the provision for total gratuity had been computed by multiplying the monthly salary or half month salary of the employees by service period.

2.2.2 Accounting Policies

An accounting policy had not been established by Board to recognize the Computer Software as Intangible Assets. As such, amortization amount of Rs. 2,377,621 had not been provided for the Software purchased for Rs. 9,510,486 in the year 2015.

2.2.3 Suspense Accounts

Actins had not been taken to clear the debit balance of Rs. 43,954 in the regional office of Sabaragamuwa and credit balance of Rs. 434,864 in the regional office of Colombo in the Suspense Accounts.

2.2.4 Lack of Evidence for Audit

Due to lack of evidence indicated against the following transactions, they could not be satisfactorily vouched or accepted in audit.

Item of Account -----	Value ----- (Rs.)	Evidence not made available -----	
(i) Inactive accounts		Detailed Schedules, Age Analyses and Balance Confirmations	
- Debit	9,935,459,128		
- Credit	26,054,954,882		
(ii) Trade Creditors	3,042,220,390		
(iii) Other Creditors	127,397,176		
(iv) Cashiers' shortages	34,388,213		
(v) The balance of Conductors' irregularities	7,687,289		
(vi) Sundry Debtors	111,795,741		
(vii) Income Receivable	243,166,958		
(viii) Trade Debtor Balance	7,972,076		
(ix) Employee Provident Fund Payables (SLTB)	607,284,153		
(x) Employee Provident Fund Payables (Central Bank) before 2017	1,680,688,187		Schedules, Age Analysis and Balance Confirmations
(xi) Employee Provident Fund Payables (Central Bank) 2017	171,828,031		
(xii) Employee Trust Fund Payables (Central Bank)	40,459,519		
(xiii) Advance for Procurement (CHOGOM)	101,641,771		
(xiv) Advance Received on sale of Lands	1,000,000,000	Detailed schedules of Lands sold and its values	

2.3 Accounts Receivable and Payable -----

The following observations are made.

- (a) Action had not been taken even up to the end of the year under review to recover an outstanding income from stall rent of the Central Bus Stand amount of Rs.1, 863,414 since the year 2009.

- (b) A balance of Rs. 2,174,752 receivable from Head office of the SLTB relating to the salaries paid to the employees who dead at the terrorist attacked before the year 2015 by the Allawwa Depot of Wayamba Regional Office had been included in the balance of sundry debtors. However, that balance had not been settled.
- (c) Actions had not been taken to recover a balance of income receivables totaling Rs. 15,110,583 relating to the transport of Army Officers, Licenses of Police and Licenses of Army in the Sabaragamuwa Regional Office over 05 years.
- (d) Actions had not been taken to settle the payable balance of Rs. 1,680,688,187 shown as at the 31 December 2017 as a result of contribution to the Employees Provident Funds had not been paid promptly before the year 2017.
- (e) Actions had not been taken to settle the balance of Rs. 12,305,959 receivable from Kaluthara Training School even 03 years had been exceeded.
- (f) Actions had not been taken to settle the creditor's balances amount of Rs. 4,737,950 from Kandy South Depot, amount of Rs. 23,546,483 from Panadura Depot, amount of Rs. 26,952,578 from Mathugama Depot and amount of Rs. 6,179,118 from Aluthgama Depot over 05 years.
- (g) Amount of Rs. 6,692,000,000 had to be received as at 31 December 2017 from depots to pay Rs. 6,726,713,973 as lease installments of 2200 buses which were purchased under lease basis in the Years 2014 and 2015. However, actions had not been taken to settle the lease installments by collecting that money.
- (h) Out of total unsettled Purchase Advances amount of Rs. 1,565,050,215, a sum of Rs.914,763,169 or 58 per cent for periods of 01 year to 03 years and a sum of Rs. 479,811,048 or 30 per cent over 03 years had not been settled.

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

The following instances of non-compliance were observed.

Reference to Laws, Rules, Regulations and management Decisions	Non-compliances
(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka Financial Regulation 177	A balance of Rs. 34,249,522 were exist which has been developing from the year 2012 in the Badulla Depot as a result of shortages of banking the money. However, actions had not been taken by the depot in terms of relevant Financial Regulations
(b) The Public Administration Circular No. 22/99 of 08 October 1999 Section 1.16	Even though the approval of Secretary to the Line Ministry shall be obtained when assign the vehicles to officers, vehicles had been allocated to the officers by the Board contrary to this Circular.
(c) Public Enterprises Circular No. PED/12 of 02 June 2003 Section 8.3.9	(i) In contrary to the Circular, 02 vehicle of the Board had been given to Office of the Deputy Minister of Transport and Civil Aviation and Jathika Sewa Sangamaya and 390 litres and 1667 litres of fuels had been given in the year 2017 respectively. Further, contrary to this Circular, two Conductors, a driver and Security Supervisor had been released to external institution on reimbursement basis.
(d) Public Finance Circular No. PFPE 5 of 11 January 2000 and Section 9.7 of Public Enterprises Circular No. PED/12 of 02 June 2003	(i) According to the Circular, payment of incentives to the officers would not be permitted without the approval of the Secretary to the General Treasury. However, Rs. 1,900, 000 had been paid as special allowances to 19 officers only in the Head Office in the year 2017. (ii) Incentives subject to maximum of Rs. 100,000 had been paid to the Depot Managers, Assistant Manager Cash, Transport and Engineering based on performance of the Depots without approval of the General Treasury in terms of Circular.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the financial result for the year ended 31 December 2017 had been a surplus of Rs. 1,616,709,589 against the corresponding deficit of Rs.632, 619,173 in the preceding year. Thus the surplus had been increased by Rs. 2,249,328,762 for the year under review as compared with the preceding year. Increase the income of Board by Rs.3, 667,752,180, increased of finance income by Rs. 23,762,795 and decrease of production loss by Rs. 61,889,455 had mainly attributed to above increment.

An analysis of financial results for the year under review and 04 preceding years revealed that the deficit of the Board had gradually decreased from the year 2012 to the year 2016 and it was observed a surplus in the year 2017. Taking into consideration the employees' remuneration and depreciation on non-current assets, the contribution of the Board had continuously been improved from Rs. 12,709,377,743 in the year 2013 up to Rs.20, 231,073,915 in the year 2017.

4. Operating Review

4.1 Performance

4.1.1 Planning

According to the paragraph 5.1.2 of the Public Enterprises Circular No. PED/12 of 02 June 2003, an Action Plan should be prepared to enable the achievement the objectives and targets within the planned period by clearly identifying Management's responsibility. Nevertheless, the Action Plan had been prepared without considering the financial position of the Board by including objectives and targets which could not be achieved.

4.2 Management Activities

The following observations are made.

- (a) A restructuring plan had been created as a solution to the financial trouble of the Board in the year 2015 with the guidance of the Ministry of Transport and Civil Aviation and General Treasury. It was targeted to give a better future and quality service to the general public as well as to the employees by bringing the board for some stable position through establishment of efficient and effective service. Even many proposals were targeted to implement. However, only 3747 employees had been retired voluntarily and had been paid Rs. 7,580,000,000 as compensation.

According to the Circular No. 01 of 2016 of Human Resource Management Department of the Board, if the drivers and conductors are not voluntarily retired they must be released to serve in the previous post. However, in contrary to that, 1,002 employees which comprise 328 drivers and 674 conductors had been allocated for un-suite jobs as at 31 December 2017 and 1,489 drivers and conductors had been recruited on contract basis.

- (b) The Board had purchased spare parts needed for the depots and regional workstations from the private Companies. However, Rs. 6,115,908 worth of spare parts purchased and delivered from private Companies during the year 2017 had been rejected due to non-compliance to the specification and stored in the Main Store.
- (c) According to the lease agreements all the default rentals to be paid to the Board by the lessee at the implementation of revised rentals and Lease rental for 45 days, Electricity and Water Bills amounts of Rs. 1,035,000, Rs. 85,858 and Rs. 235,666 were default respectively as at 28 May 2018. However, action had not been taken to recover the default rent by the management even a revision of rental was implemented.
- (d) Spare parts worth of Rs. 700,350 purchased from Private Company by the Head Office on 30 August 2017 which had been certified that suitable for use by the Testing Engineer at the receiving to the main store of the Head Office were sent to the Gampaha Regional Workstation. However, on 11 January 2018, Spare parts worth of Rs. 408,590 had been returned to the Head Office and the certifying those spare parts as lower quality by the Engineer at the Regional Workstation was questionable in the audit.
- (e) Six firearms, 63 numbers of No.12 live ammunitions and eight number of No. 16 live ammunitions were physically found in the Central Bus Office security division. Details of it had not been documented and the goods and documents were handed over to the present security inspector by the former Defense Inspector by letter dated 18 October 2017, but the letter did not include the six weapons. The letter also stated that 70 live ammunitions had been handed over but only 71 bullets were physically existed. Out of that, there were 8 numbers of No. 16 live bullets and one of them had no a cap. Further, there were also 30 number of No. 12 blank shells, which were not documented even though they were mentioned in that letter
- (f) 21 current accounts totaling Rs. 1,058,596,564 at the end of the year under review had been maintained by the Head Office for various purposes during the year 2017 without a proper approval. Funds had been transferred among those accounts disregarding the objectives of its opening and such money had not been recovered to relevant accounts. As a result, financial activities of the Board had been complicated and financial control was become weak.
- (g) There were 61 vehicles belonging to the board and milo meter of all the vehicles had not been in the working condition as at the audited date.
- (h) 19,950 of passenger's ticket books which contain 10 tickets in a page and 100 tickets in each book had been printed without serial numbers and out of that, 9,750 books had been issued to regional offices. The report No. 33 ලංකම/අ/12/2017 dated 14 September 2017 had been handed over to the Chairman of the Board by Chief Security Officer in relation

to the investigation carried out in relation to the printing of passenger's ticket books without serial numbers. Even though a charge sheet had been given to the Chief Supply Officer on 15 November 2017, relevant investigations had not been carried out up to 31 August 2018.

- (i) According to the Lease Agreements No. 05 and 14 for Stalls operating at Central Bus Office registered under A 1167/67, the Lease Agreements had been violated due to default the rental, Water and Electricity Bills of LH 32 stalls and LH 34 and toilet complex of the Central Bus Stand by the lessees. However, Action had not been taken to cancel the lease agreements. Similarly, necessary measures have not been taken to recover the money on time.
- (j) The security camera system deployed at the central bus office consisted of 16 cameras. However, the installation of the camera system did not meet the desired objectives as the visuals provided by the cameras were not able to capture clear images, the images were not available for later investigations and all important locations were not covered.

4.3 Operating Activities

The following observations are made.

- (a). Although about 115 buses are operating at Badulla depot daily torture services and grease services are not done on time and the continued breakdown of the grease sprinkler was the main reason for the failure of the grease service. As the grease is not serviced properly, the buses and engines and other accessories have a major impact and have to be repaired with spare parts. The action had not been taken to maintaining the busses for longer period efficiently by providing timely grease services and torture services at low cost
- (b) At the Badulla Depot, there were three underground fuel tanks, and at the time of the physical inspection, one tank was full of fuel and other two tanks were in stock. The physical stock completely filled with oil could not be measured since the immersion gauge is insufficient to measure the amount of fuel in the tank. As a result, the physical volume of the three tanks could not be calculated. The board also had to work out strategies that could be measured when the tanks were completely filled with oil. Further, attention had not be given to the re-order level, minimum stock level and safety stock level when procure the fuels. It was observed larger fuel shortages and surpluses. A false profit was observed due to adjusting the surplus amount of Rs. 33,962,408 to the profit as other income.

4.4 Inactive or Under Utilized Assets

The following observations are made

- (a) A space of more than 2,500 square feet has been in operation for the purpose of storing stationery since 2016 in front of the office premises of the Bank of Ceylon in the Central Bus Stand office since 2016. The board could have lost the benefit that could have been obtained by relocating that part to another purpose and remained idle for almost 3 years.
- (b) Since the TATA buses have been dismantled and replaced with the Hino Turbo buses, 27 items worth Rs. 117,978 at the Central Bus Stand have been remained inactive since 2011.

4.5 Identified Losses

The following observations are made

- (a) An audit examination had been carried out on 03 July 2017 in relation to the 30,000 Thermal Paper Ticket Rolls used for ticket machines, which were brought to the warehouse during the Main Stores inspection. The sample had not complied with the specifications. Further, It was sample tested the ticket rolls in the warehouse that were brought to the store before that date and that sample also did not comply with the specifications. Accordingly, it cannot be ruled out in the audit that the 1,623,800 ticket rolls received to the store until 12 July 2017 had not been reduced in length. Accordingly, an approximate loss of Rs. 9,711,268 had been occurred to the Board. Even though the performance guarantee of Rs. 7,888,000 had been expired on 14 July 2017, the board had taken action to purchase the ticket roll without extending the performance guarantee. Audit queries were issued on 13 July and 25 August, 2017, in this regard and the supplier and the board had agreed that the ticket rolls provided at that time were not in accordance with the specifications. Accordingly, even though by the letter of the Chairman of the Board, number ෧෦෨෧/ප්‍ර.ස.ක/පොදු/01/2017 and dated 07 September 2017, stated that act as follow; however, action has not been taken accordingly.
 - i. Although it was stated that it would conduct a full formal inquiry about the loss incurred by the Board, a report had not been issued by doing an inquiry even as at 31 August 2018.
 - ii. Even it has been stated that the payment will not be made until the end of the inquiry, amount of Rs. 1,021,050 on 23 October 2017 and amount of Rs. 2,382,450 on 08 January 2018 had been paid.

- iii. It was stated that the action would be taken to bring the bid guarantee amounting to Rs. 1,000,000 which was submitted by the supplier for the year 2017 to the income as the term of the Performance Guarantee expired on 14 June 2017. However, that guarantee was released to the supplier on 10 October 2017. Information had not been presented to the audit that the Chairman's approval was obtained. Further, the legal officer had notified the board on 29 August 2017, that it could recover the bid security to the Board, but the board did not act accordingly.
- (b) Surcharges amount of Rs. 712,069,120 had been paid in respect of the four regional offices in the year under review as the Employee Provident Fund Act No. 15 of 1958 and the Employees' Trust Fund Act No. 46 of 1980 had not been properly paid. It shows a payable balance of Rs. 96,348,905 as at 31 December 2017.

4.6 Staff Administration

In accordance with Section 9.2 of the Public Enterprises Circular No. PED 12 dated 02 June 2003, an organizational Chart, recruitment procedure and promotion scheme for the Board had not been prepared and approved by the Department of Management Services.

5. Sustainable Development

5.1 Achievement of Sustainable Development Goals

Every public institution should act in compliance with the United Nations Sustainable Development Agenda by 2030. With respect to the year under review, the Sri Lanka Transport Board had not been aware as to how to take measures relating to the activities under purview of their scope.

6. Accountability and Good Governance

6.1 Procurements and Contracts Procedure

6.1.1 Procurements

- (a). Although the Master Procurement Plan had been prepared by the Board in accordance with Section 4.2 of the Procurement Guidelines, that procurement plan had not been prepared including the target Procurement activities at least for 3 years in accordance with Section 4.2.1 (b).

(b). **Procurement of Tools & Machinery**

Following the voluntary retirement program of the employees in 2016, the board decided to restructure it and proposed to establish 21 district offices and 11 regional workplaces as part of it. In addition, a project proposal had been prepared to purchase machinery and equipment as increase the efficiency of machinery with the retirement of employees and a cost estimate of Rs. 320,548,000 had been prepared of that project. However, the approval of the Board of Directors had not been obtained.

The following observations are made in this regards.

- (i) Although the board had decided to procure 22 tools and equipment for the repair of the bus engines, the relevant procurement activities had not been included in the procurement plan and action plan for the year 2017 and also the provision had not been made in the annual budget.
- (ii) The project proposal did not state the details about the objectives of the project, project time frame, project plan, the sources and ability of funding.
- (iii) The project estimate was submitted with the project proposal on 02 January 2017 and procurement activities had been carried out for 12 machines valued at Rs. 33,434,426 which was not included in that cost estimate.
- (iv) According to the Newspaper advertisement published in terms of paragraph 5.3.2 of the Procurement Manual to Purchase of Tools and Machinery had not been stated that the goods should be provided on credit basis and Non-refundable amount of Rs 12,500 to be paid to the Board to obtain the details about the goods expecting to purchase and the bidding documents. As a result, it was observed that the Board did not meet the objective of selecting the best supplier in the competition as it did not include such details.
- (v) The board had decided to buy two 5-ton forklifts. Under the pricing system it was possible to select the registered suppliers or the suppliers listed on the yellow pages of the telephone directory since there were no a large number of suppliers. However, the bid had been received only from one firm due to the price had been quoted in newspaper advertisements for the purchase of the above tools and machinery itself.
- (vi) Even though there was a difference of Rs. 5,700,000 or a 380 per cent of variation between the estimated cost of a 5-ton fork lift in the procurement list of equipment and machineries amount of Rs. 1,500,000 and the supplier offered a price of Rs. 7,200,000 (without VAT) the Technical Evaluation Committee recommended the purchases without considering it or no the market value
- (vii) Although the requirement of the Board was for the purchase of two 5-ton forklift, a 5-ton forklift and two 2.5-ton forklift machines at cost of Rs. 7,200,000 were purchased (Without VAT) using the allocated amount. These machines remained idle until 28 August 2018.

- (viii) According to the paragraph 3.4 of the Procurement Guidelines and the revised limits of the 33rd Supplement, suppliers shall be selected at least from three sealed quotations. However, the purchase of an air compressor worth of Rs. 419,750 was issued by a private company without order and the certifications of goods receipt were issued 14 days after receipt the goods to store.
- (ix) 13 units related to 03 items of Feeler Gauge, Torque Wrench and Horning Heads valued at Rs. 850,815 which was supplied by a private company were rejected due to defective. However, these machines remained idle until 28 August 2018 and any actions had not been taken in this regards.
- (x) It had not been tested whether 3 items purchased valued at Rs. 7,190,662 on 06 February 2018 from Malbo Trading (Pvt) Ltd were compatible with the Board's specifications.

(c). **Procurement audit on purchase and installation of bus engines**

- (i) The Ministry had issued 489 engines worth of Rs. 1,164,997,186 to the Board which comprised 326 bus engines valued at Rs. 2,383,089 each and 163 bus engines valued at Rs. 2,381,044 each. The Board had called for information on the buses to be installed the set of engines and the respective Regional Engineers had submitted a list of buses to be fixed in the locomotive. It was observed 172 instances where the engines were not fixed to the recommended buses at the phase 01.
- (ii) 124 locomotives which had been removed to replace new engine kits were in good condition could be fitted to the buses without repairs. There were 83 engines repaired at the depot level had been remained at the stores and 86 engines which were repaired at the regional workshops and the German Technical College were not received to the depots until the audited date.

(d). **Purchase of Printing Machines**

- (i) A passenger seasons printer valued at Rs. 397,000 had been purchased from Private Company for the running section of the head office on 24 February 2017. No contract had been entered into in accordance with Section 8.9.1 (a) of the Procurement Guidelines, and the goods had been accepted without checking the specification and functionality of the goods. Even though it was returned to the relevant institution due to the defect in implementation, the board was unable to recover the loss since there was no formal agreement had been entered.
- (ii) The Board had recalled quotations for two printing machines on 24 October 2017 and had purchased two Identity Cards printing machines for Rs. 2,550,000 from the above rejected company without a procurement decision.

- (e) Spare parts had been purchased from the shops at Panchikawatte due to the failure of operating a Procurement Plan at the Central Bus Stand. As a result, it was not able to buy spare parts at the right time with required standard and quality and at reasonable prices.
- (f) The ministerial procurement committee held at 17 October 2017 had decided to purchase rejected spare parts valued at Rs. 7,890,664 which were inspected by the Investigation Team and had recommended in the invoices that it is not complied with specifications. Accordingly, the spare parts have been issued to the depots and regional workshops.

6.2 Performance of the Environmental and Social Responsibility

The following observations are made.

- (a) There was insufficient storage for the Engineering Division of the Central Bus Stand office, and the warehouse keeper was carrying out his duties on small premises and there was no adequate atmosphere to carry out his duties.
- (b) In terms of the Gazette Extraordinary No.1533/16 of 25 January 2008 and the National Environment Act, No.47 of 1980, a license should be obtained therefor by all Depots from which motor vehicle services are carried out. However, it was observed that only 9 out of 107 Depots had obtained this license.
- (c) The Central Bus Office maintains groundwater tanks, and when the tanks were opened, cockroaches and other insects were observed at the site inspection on 05 June 2018, and there were rat holes near the water tank. As such, the cleanliness of the water consumed in the central bus premises was problematic. It was also observed that the water bottles and the soft drink bottles at the shop near the tank were piled up.

6.3 The Budgetary Control

In term of Section 5.2 of the Public Enterprises Circular No. PED / 12 dated 02 June 2003, Budgeted Income and Expenditure Statement, Budget Balance Sheet, Budgeted Cash Flow Statement and Budgeted Capital Expenditure together with an Action Plan had not been prepared by the Board

7. Systems and Controls

Deficiencies 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.

Areas of Systems and Controls	Observations
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(a.) Control of Fixed Assets	<ul style="list-style-type: none"> (i) Failure to maintain a Register containing information of the buses belonging to the Board. (ii) A Register of Lands belong to the Board had not been maintained. (iii) The custody had not been handed over as ensure the security of the assets (iv) Weakness in the internal control relating to purchasing and accounting of assets. (v) Failure to conduct annual verifications of assets.
(b.) The Receivable and Payable Amounts	Actions had not been taken to expedite the recover the Receivable amounts and pay to Payable amounts.
(c.) Settlement of Advances	<ul style="list-style-type: none"> (i) Failure to maintain a Register of Advances. (ii) Failure to take action to settle the advances immediately after completion of the relevant purpose. (iii) Failure to review by responsible officer (iv) Failure to reconcile and adjust on timely basis.
(d.) Security Deposits of Staff	A register to Security Deposits of Staff had not been maintained and Security Deposits of Staff had been used for expenditure of the Board.
(e) Bank Accounts	Banks accounts are maintaining unnecessarily by the finance division, no bank reconciliations were prepared and adjustments were not made.
(f). The License Income	Printed invoices with serial numbers ae not using for collection of License Income
(g) Stores Control	<ul style="list-style-type: none"> (i) Receipt of Goods without supervision by responsible officer (ii) Failure to dispose the unusable items which come for longer periods (iii) Failure to issue spare parts to the Depots through the central stores.

- (i) Vehicles Administration
 - (iv) Failure to reconcile the inventory data and depots data
 - (i) Failure to maintain a log book for every vehicle
 - (ii) Failure to maintain the Running Charts accurately and completely and failure to balancing the fuel
 - (iii) Failure to maintain a record of each vehicle indicating the date of purchased, value and repairs
 - (iv) Failure to keep the milometer on working condition
 - (v) Failure to keep correct record of the running distance, fuel usage, approval to the travel
 - (vi) Failure to obtain the proper approval when allocating the vehicles.
 - (vii) Failure to certify the accurate capacity of the fuel tank
 - (viii) Failure to use accurate immersion gauge when measure the amount of fuel.
 - (ix) Weak control over fuel surpluses and deficits.