Ceylon Petroleum Storage Terminals Limited – 2018

1.1 Disclaimer of Opinion

The audit of the financial statements of the Ceylon Petroleum Storage Terminals Limited ("Company") for the year ended 31 December 2018 comprising the statement of financial position as at 31 December 2018 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, 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 provisions of the National Audit Act No. 19 of 2018 . My comments and observations which I consider should be report to Parliament appear in this report.

I do not express an opinion on the accompanying financial statements of the Company. Because of the significance of the matters discussed in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

1.2 Basis for Disclaimer of Opinion

I do not express an opinion on the matters described in paragraph 1.5 of this report.

1.3 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Company is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Company.

1.4 Audit Scope

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The scope of the audit also extended to examine as far as possible and as far as necessary the following;

- Whether the organization, systems, procedures, books, records and other documents have been properly and adequately designed from the point of view of the presentation of information to enable a continuous evaluation of the activities of the Company and whether such systems, procedures, books, records and other documents are in effective operation;

- Whether the Company has complied with applicable written law, or other general or special directions issued by the governing body of the Company;

- Whether the Company has performed according to its powers, functions and duties; and

- Whether the resources of the Company had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

1.5 Financial Statements

1.5.1 No-Compliance with Sri Lanka Accounting Standard

Non Compliance with the reference to particular Standard	Management Comment	Recommendation
Fully depreciated assets approximately costing Rs. 5,195 million are being continuously used by the Company without reassessing the useful economic lifetime of those assets and accounted them in terms of Section 51 of LKAS 16. Further, the Company had not re-valued its assets since the inception of the Company and a proper revaluation policy was not established for this purpose. Hence, the non-current assets shown in the financial statements had not reflected the fair value of such assets.	Agreed to reassess the assets with the support of ICASL.	The Company should adhere to the provisions in the Standard and Assets shall be revalued accordingly.

1.5.2 Accounting Deficiencies

	Audit Issue	Management Comment	Recommendation
(a)	Provision for impairment of trade receivable totaling of Rs. 174.7 million relating 19 parties for longer period had been reversed and charged to the profit and Loss account for the year under review. However, audit was unable to ensure whether any assessment had been	Reversal of provisions for Impairment of Trade Receivable and slow-moving inventory amounting Rs. 174.7 Mn and 127.2 Mn respectively have been done in accordance with	The recoverability of the trade receivable should be ensured before written back such provisions of the Comprehensive Income Statement.

	done to evaluate the recoverability of them before such reversal. Therefore, the existence and the accuracy of these trade receivable balances could not be assured in audit through any other collaborative evidences.	the standard. But detailed disclosures have not been made.	
(b)	The accuracy of the valuation and completeness of inventory items valued at Rs.657 million shown in the Statement of Financial Position as at the end of the year under review could not be relied upon in audit due to following reasons. (i) It was observed that, more than 2500 types of inventory items with huge quantity had been included to the Enterprises Recourses Planning (ERP) system i.e SAP of the Company without being entered the value of such inventory items to the system. (ii) According to the practice of the Company, a provision for slow inventory items had been made for the entire inventory items for over 03 years at the end of each year from its inception. According to the records of the Company, even though slow moving items over 03 years valued at Rs.230.2 million were observed at the end of the year under review only Rs. 15.6 million had been provided. Further, audit was unable to ensure that proper technical evaluation had been carried out before such reduction of provision by Rs. 214.6 million.	No relevant answer had been provided.	A proper evaluation and valuation of Inventory Items should be carried out before taking in to the accounts. Further relevant disclosers should be made in the Financial Statements as required by the Standard.
(c)	A sum of Rs 32.6 million which had been transferred to the expenses (Repair and Maintenance) account from Capital work in progress	No relevant comment had been provided.	The nature of the expenditure should be correctly identified before

	account (WIP) recognizing it as revenue nature expense in the year 2017 was reversed in the year under review. However, a proper basis had not been observed for such reversal. As a result, the net profit and the expenses in the year under review have overstated and understated by similar amount respectively.		capitalizing them.
(d)	Several Transport Charges and Vessel Charges had been accounted on cash basis which contrary to the section 27 and 28 of the LKAS 01 by the Company.	Agreed and will not happen in future.	Accrual basis should be applied as per the provisions in the Standard.
(e)	No any provisions had been made in the financial statements of the year under review by the Company for total estimated loss of over Rs.150 million incurred due to two major fuel leakages which were reported at the Muthurajawela SPBM on 08 September 2018 and at the Kolonnawa Installation on 12 October 2018.	Investigation is carried out and hope to recover from responsible employees.	Immediate actions should be taken to recover the losses from responsible parties.

1.5.3 Going Concern of the Organization

Audit Issue	Management Comment	Recommendation
It was noted that the Company currently uses only two pipe lines to transfer each finished petroleum products from the Colombo Port to the Kolonnawa petroleum Installation. i.e: one pipe line is used for the transfer of Black Oil and another Pipeline is used to transfer white oil. This pipe lines have been using for about 50 years. Depending on a single pipe line for each product may result for interruption to the fuel distribution, if any major repair occur.	Considering this situation, rehabilitation of 12” dia. 6300m long pipeline <u>was started in 2015</u> with CPSTL funds and 97.5% of the work is already completed. Balance work at Mahawatta (140m - 2.5% of total work) had to be stopped due to protest of squatters on the pipeline route. Currently Cabinet decision has been taken to complete the remaining part (2.5%) immediately and required funds are supplied by Government Treasury.	Immediate actions should be taken to enhance the Pipeline Network early.

1.5.4 Non -compliance with Tax Regulations

	Audit Issue	Management Comment	Recommendation
(a)	A difference of Rs. 199.8 million was observed between total of Income Tax Payable, Value Added Tax (VAT) payable, Withholding Tax Payable, Pay as you earn (PAYE) Payable and Economic Service Charge (ESC) Payable balances appeared in the financial statements of the Company and the corresponding amounts shown in the records maintained by the Department of Inland Revenue as at the end of the year under review.	Appeals that are logged against the disagreed assessments raised by IRD which were not accounted in our financial statements.	Necessary actions should be taken to reconcile the balances and settle them immediately.
(b)	The recoverability of overpaid PAYE tax and input VAT amounting to Rs. 6.8 million and Rs. 8.06 million respectively was in doubt since these were unrecovered from the year 2008 and 2010 respectively. However, no provision had been made in this regards even as at the end of the year under review.	A board paper requesting written off/written back have put up and Payee tax differences arisen due to overpayment of PAYE tax in the year 2006.	Immediate actions should be taken to settle the long outstanding tax balances.
(c)	The reliability of payable balance of Withholding Tax (WHT) and output VAT amounting to Rs. 19.1 million and Rs. 13.9 million respectively was also in doubt since these were continuously carried forward year by year in the financial statements for longer period without being settled.	There was no any liability arisen since Department of Inland Revenue has not confirmed. Disagreed with the figure shown in the audit report.	Immediate actions should be taken to settle the long outstanding tax balances.

1.5.5 Related Parties and Related Party Transactions not disclosed

Audit Issue	Management Comment	Recommendation
The accuracy, valuation and existence of the Inter Company Balances between the Company and the Ceylon Petroleum Corporation (CPC) and Lanka Indian Oil Company (LIOC) were not assured in audit due to following reasons. (i) A receivable amount of Rs. 1,173 million from CPC had been written off from their accounts to eliminate the loan interest components of throughput charges of 13 cents per litre considering the settlement of Exim Bank Loan. However, no any impairment provision had been made in this regard by the Company.	The decision of the CPC is not valid and Chairman of CPC/CPSTL informed that, to resolve this matter urgently. It was confirmed at the CPC/CPSTL Senior Management Meeting and Chairman instructed DGM (F) CPC to get the board approval and settle the unpaid interest without further delay.	It should be come to a settlement considering the intention of such loan and legality of them with the CPC and LIOC.
(ii) A difference of Rs. 2,475.8 million including the amount shown in the above (i) was observed between the amounts shown as receivable from the CPC in the financial statements of the Company and the corresponding amount shown as payable in the financial statements of the CPC at the end of the year under review.	As per your differences of Rs. 2,475.8 Mn between CPSTL & CPC of Trade Receivable and payable outstanding as at 31st December 2018, we observed that there were no any differences between those balances on the said periods.	Immediate actions should be taken to reconcile the unreconciled differences.
(iii) According to the balance confirmation received from the LIOC, the amount payable to the Company was Rs. 351.5 million, whereas according to the financial statements of the Company the corresponding amount was shown as Rs. 406.59 million. Therefore, an un-reconciled difference of Rs. 55.1 million was observed between those two balances.	The discussions are in progress to reconcile the difference and finalize.	Immediate actions should be taken to reconcile the unreconciled differences.

1.6 Accounts Receivable and Payable

1.6.1 Payables

Audit Issue	Management Comment	Recommendation
Outstanding balance of transport charges amounted to Rs. 31.2 million relating to 511 vendors (872 instances) and outstanding balance of other Creditors amounted to Rs 302.1 million were observed over the period ranging one year to five years without taking favorable action to settle.	Arrangement has already made to clear the advance account.	Actions should be taken to settle the long outstanding balances.

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

The following instances with Laws, Rules, Regulations and Management Decisions, etc. were observed in audit.

Reference to Laws, Rules Regulations etc.	Non-compliance	Management Comment	Recommendation
(a) Public Enterprises Circular No. PED/12 of 2 June 2003 - Guidelines for Good Governance			
(i) Guideline 4.2.2	Procurements of material, especially Non - current assets purchased during the month and Statement on Human Resources including cadre positions, new recruitments had not been tabled at each monthly board meeting.	Monthly cadre positions and monthly new recruitments have not submitted to the Board on monthly basis. Action will be taken to submit cadre positions and new recruitments of each month, to the Board Meetings in future.	The Company should adhere to the provisions in the Guideline.
(ii) Guideline 4.3	Minutes of Board meetings had not been forwarded to the Secretary to the line	Action had been taken to forward Board Minutes to the Secretary to the line	The Company should adhere to the provisions in the Guideline.

		Ministry within 10 days after confirmation of such meetings.	Ministry.	
(iii)	Guideline 5.2.2 (b)	Approval of the Ministry and the concurrence of the Department of Public Enterprises, General Treasury had not been obtained for the capital expenditure exceeds Rs. 10 million and motor vehicles acquired.	Approval of the Ministry and concurrence of the Department of Public Enterprises has been taken for vehicles purchased during 2018. However, 05 nos. specific type vehicles delivered during the year 2018.	The Company should adhere to the provisions in the Guideline.
(iv)	Guideline 5.2.4 and 5.2.5	The draft Budget had not been placed before the Board of Directors for approval three months before the commencement of the financial year. Further, Copies of the finally updated Budget approved by the Board had not been forwarded to the Line Ministry, the Department of Public Enterprises, General Treasury and Auditor General as specified by Guideline 5.2.5.	First Draft Budget paper for 2018 has been submitted to Board of Directors on 16th November 2017.	The Company should adhere to the provisions in the Guideline.
(v)	Guideline 9.2	The Company does not have an organization Chart registered with the Department of Public Enterprises, General Treasury with an approved cadre. In the event of creation of a new cadre, or instances where there is excess cadre, the Company had not taken action in consultation with the	It was sent to Department of Public Enterprises for approval.	The Company should adhere to the provisions in the Guideline.

	Department of Public Enterprises, General Treasury.		
(vi) Guideline 9.3	The Company does not have schemes of recruitment and promotion (SORAP) approved by the Board and the Ministry with the concurrence of the Department of Public Enterprise, General Treasury.	It was delayed due to the protest of Trade Unions and awaiting to get the Board approval.	The Company should adhere to the provisions in the Guideline.
(vii) Guideline 9.10	As per the Section any recruitment on contract, casual or otherwise should have the approval of the Secretary to the Treasury. Such approvals had not been obtained by the Company for the appointment of contract employees. There were 50 contract basis employees at the end of the year under review.	At present there are only 42 contract employees. These contract employees have been recruited up to 2017. At present Board has restricted normal contract recruitments to the Company. However, Board has made few appointments on special contract basis for which the Treasury representative to the Board also has given the consent.	The Company should adhere to the provisions in the Guideline.
(viii) Government Procurement Guidelines -2006	A tender procedure had not been followed when selecting outside transporters (Bowsers) and the Board approval had not been obtained.	Transport Rates are decided by CPC and payments made to hired bowsers are reimbursed by CPC. There is no formal procedure to select hired bowsers as pre-determined rates are used for payments. Currently CPC is planning to follow the tender procedure to select the hired	The Company should adhere to the provisions in the Guideline.

		bowsers.	
(b) Department of Public Enterprises Circular No. FP/06/35/02/01 of 04 November 2013 and No. PED 03/2016 of 29 April 2016.	The Company had borne the Pay As You Earn (PAYE) tax of its employees amounting to Rs. 207.8 million without deducting it from their personal emoluments for the year under review.	In par with CPC, CPSTL also borne the PAYE TAX without deducting from the employees.	The Company should adhere to the provisions in the Circular.
(c) No. 124 of 24 October 1997 of the Ministry of Finance and Planning	Covering up duties of a vacant post should be limited to a period of 03 months. However, 07 officers had been assumed for cover up duties of the vacant posts more than 03 months.	Already advertised these positions internally and action will be taken to fill the vacant positions.	The Company should adhere to the provisions in the Circular.

2. Financial Review

2.1 Financial Result

The operating result of the year under review amounted to a profit of Rs. 197.32 million and the corresponding profit in the preceding year amounted to Rs.2, 799.57 million. Therefore a deterioration amounting to Rs. 2, 602.25 million of the financial result was observed. The reasons for the deterioration were decrease of throughput revenue as a result of the decrease of demand, decrease of bunkering operation and finance income and increase of the administration expenditures.

2.2 Trend Analysis of major Income and Expenditure items

The operations of the Company had resulted in a markup (Gross Profit/Direct Cost) of 66.13 per cent for the year under review thus indicating a deterioration of 25.41 per cent as compared with the markup of 91.54 per cent in the preceding year. Similarly, the Gross Profit for the year under review had decreased by Rs. 1,548 million or 22.9 per cent as compared with the corresponding Gross Profit of Rs. 6,775 million in the preceding year. This deterioration is summarized and shown below.

Description	For the year ended 31 December		Variance	
---------------	----------------------------		--------------------	
	2018 Rs. Million	2017 Rs. Million	Favorable/ (Adverse) Rs. Million	Percentage
Revenue	13,130	14,176	(1,046)	7
Direct Cost	(7,903)	(7,400)	(503)	6.80
Gross Profit	5,227	6,775	(1,548)	22.85
Other Income	704	458	246	53.71
Administration Expense	(4,527)	(4,025)	(502)	12.47
Operating Profit	1,404	3,208	(1,804)	56.23
Finance Income	118	189	(71)	37.57
Finance Expenses	-	124	(124)	100.00
Profit/(Loss) Before Income Tax	1,522	3,273	(1,751)	53.50

2.3 Ratio Analysis

According to the information made available, some important accounting ratios of the Company for the year under review and the preceding year are given below.

Ratios	2018	2017
Profitability Ratios		
Gross Profit Ratio (GP) (%)	39.81	47.79
Operating Profit Ratio (%)	10.69	22.63
Net Profit/ (Loss) Ratio (NP) (%)	1.50	19.75
Liquidity Ratios		
Current Assets Ratio (Number of times)	6.18:1	5.47:1
Quick Assets Ratio (Number of times)	5.86:1	5.30:1
Working Capital (Rs. million)	10,903	10,455
Investment Ratio		
Return on Assets (ROA) (%)	0.65	9.33

3. Operational Review

3.1 Identified Losses

Audit Issue	Management Comment	Recommendation
(a) Two major Fuel Leakages		
(i) According to the information available with audit, approximately 196,000 litre of Petrol had been leaked when transferring fuel between two tanks at the Kolonnawa Installation on 12 October 2018. It was not observed that the prompt actions had been taken by the responsible officers to minimize the spread of leakages even dedicated officers had been assigned with required facilities. Further, action had not been taken to recover the loss from insurance or recover from the responsible parties.	There was a loss of 7,216 liters of 92 Octane. This incident is still under investigation and once the investigation is finalized, will recover the loss from responsible employees.	Actions should be taken to recover the actual loss from relevant party and actions should be taken against the responsible parties.
(ii) A leakage of 344.22 metric tons of Low Sulphur Furnace Oil (LSFO) belong to the CPC had been occurred at the Muthurajawela SPBM on 08 September 2018. A considerable delay was observed to apply for claiming the loss of leakage from insurance or recover from responsible parties.	The claim has already been submitted to the insurance Company on 08/03/2019 and the total loss of fuel is only USD 178,910/-	Immediate actions should be taken to recover the loss from Insurance or from relevant parties.

3.2 Operational Inefficiencies

Audit Issue	Management Comment	Recommendation
(a) Non Availability of a Formal Monitoring Process over Terms and Conditions of the Settlement Agreement According to the Section 03 of the Settlement Agreement dated 05 January 2007 between the Government of Sri Lanka and LIOC, it was restricted to deliver petroleum products by LIOC from its China Bay installation to a	In the Settlement Agreement there is no formal process available to monitor the compliance of the conditions. Audit Committee has recommended adopting a proper formal process to establish with this regard. As per the provisions in Settlement Agreement a regulator has to be appointed	A regular monitoring process should be established to monitor the conditions.

	maximum 5 per cent of the Country's throughput of petroleum products and CPC to a maximum 5 per cent excluding deliveries from Sapugaskanda Refinery. However, a regular process is not available to monitor the compliance of above conditions. As a result, there is a possibility of losing throughput income to the Company.	to monitoring purpose and that has to be done by the Government not by CPSTL	
(b)	**Delay in Revising Pricing Formula due to Expiry of Shareholders Agreement & Share Sale Purchase Agreement for Common User Facility** It was noted that Shareholders Agreement & Share Sale Purchase Agreement for the common user facility between CPC, LIOC and CPSTL was expired on 31 December 2008. Neither an extension had been obtained, nor was a new agreement entered. Therefore, the pricing formula used for the purpose of determining the throughput charges, transport income including slab recoveries had not been revised since 2011.	Ministry has written to the Attorney Generals Department seeking Legal advice on validity of Tri-party agreement signed by CPC/ LIOC and Treasury during the year 2003 to revise the pricing formula.	The Price Formula of the agreement with CPC, CPSTL and LIOC should be revised on early as possible.
(c)	**Non-availability of written Agreements** Having a proper agreement between parties who provide any support services to an organization for smooth running of the business and minimizing the cost is needed. However, an agreement or even a Memorandum of understanding (MOU) has not been entered with CPC and LIOC. As a result, the procedure and roles and responsibilities of each party could not be properly defined.	There is a MOU between CPC-LIOC and Treasury during 2003 and presently it is not active. Ministry of Petroleum Resources Development had written the Attorney general Department seeking legal advice on validity of Tri-Party Agreement signed by CPC-LIOC and Treasury during 2003.	Immediate actions should be taken to sign an agreement without further delay.
(d)	**Non-availability of Written Procedure Manual**	Action has already been taken to review and approve the	Immediate actions should be taken to

It was observed that a written procedure manual is not available showing the controls that are in place to prevent and detect internal control weaknesses or any possible errors and irregularities that could occur. It is important and beneficial to the Company to keep a track record of controls in place for each process of the Company to ensure that the management prescribed/designed process is operating without exceptions. Further, once a procedure manual is designed it should be periodically evaluated at reasonable intervals to ensure its relevance.	currently available procedure manuals. Arrangement has already made to prepare procedure manuals for the functions for which procedure manuals are not available. Payment Procedure and Travel Procedure manuals are already available.	prepare and implement a complete set of procedure manual.

3.3 Resources Released to Other Organizations

Audit Issue	Management Comment	Recommendation
In contrary to the instructions of the Circulars, particularly, the Public Enterprises Circular No. PED/12 of 02 June 2003 on Public Enterprise Guidelines for Good Governance, the Letters Nos. CSA/PI/40 of 04 January 2006 and CS/1/17/1 of 14 May 2010 issued by His Excellency the President, and the Public Enterprises Circular No.21 of 08 January 2004, the Company had released 04 persons and a vehicle to other institutions and incurred sum of Rs. 1.91 million on payment of remuneration and other allowances on behalf of released employees and payment of fuel and maintenance expenses for released vehicles during the year 2018	It was released one employee to the Sri Lanka Army, two employees to Trade Union activities, one released to Land Reclamation Board and an employee recruited on contract basis released to the Presidential Secretariat.	The Company should adhere to the provisions in the Circulars.

3.4 Human Resources Management

Audit Issue	Management Comment	Recommendation
Out of the approved cadre of 3,248 of the Company, 1,263 post or 38.9 per cent were in vacant as at 31 December 2018. Out of that, 62 posts or 22.5 per cent were in senior staff level including Deputy General Manager Operation, Deputy General Manager Supplier, Chief Information Officer, Manager Information, Senior Deputy Manager Distribution, Senior Deputy Engineer and Manager (Fire & Safety) etc. However, it was observed that 944 persons had been recruited out of approved cadre.	All vacant positions in A, B, C Grades have been internally advertised and holding interviews at present. However, due to the Political Victimization Committee we have not been able to absorb additional cadre positions into the permanent cadre.	A Scheme of Recruitment and Procedure should be prepared and get approval. Further, accurate information should be provided to the audit by keeping accurate records.

4. Accountability and Good Governance

4.1 Corporate Plan

Audit Issue	Management Comment	Recommendation
As per the Guideline 5.1.1 of Public Enterprises Circular No. PED/12 of 2 June 2003 - Guidelines for Good Governance, the Company should prepare a Corporate plan for 3 years and update it annually as a rolling plan and copies of plan approved by the Board together with the updated Annual Budget should be forwarded to the line Ministry, Department of Public Enterprises, General Treasury and the Auditor General 15 days before the commencement of financial year. However, the Company had not complied with that requirement.	The Corporate Plan will be completed within next month.	The Company should adhere to the provisions in the Circular.