CHAPTER V

INTERNAL CONTROL SYSTEM

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SMALL INDUSTRIES DEPARTMENT

5.1 Internal Control System in Small Industries Department

Highlights

Internal control mechanism in an organisation is meant to ensure that its operations are carried out according to the applicable laws and regulations and in an economical, efficient and effective manner. A review of internal control mechanism in Small Industries Department revealed faulty preparation of budget estimates resulting in persistent savings in all the years, deficient cash management, incomplete reconciliation of expenditure and booking of expenditure even before the moneys have been spent. Further, inadequate inspection of field units and industrial cooperative societies and huge arrears in Internal Audit of field offices due to understaffing was noticed.

- **Faulty preparation of budget by the Department resulted in persistent savings ranging between 36 and 41 *per cent* under revenue heads during 2003-06 mainly on account of provision made for the vacant posts in the budget estimates in violation of the financial rules. Wrong provision of funds resulted in surrender of Rs 7.35 crore during 2002-06.**

(Paragraph 5.1.5)

- **Cash management was defective as there was no physical verification of cash by the heads of offices and the cash books were not written regularly.**

(Paragraphs 5.1.7.1 and 5.1.7.2)

- **Quarterly inspection of 77 industrial cooperative societies was in arrears in five sample districts as of January 2006.**

(Paragraph 5.1.8.2)

- **Departmental officers did not comply to the provisions of Electrical wires, cables, appliances and Protection Devices and Accessories (Quality Control) Order 2003, which had prescribed the quality standards required to be enforced by the Department.**

(Paragraph 5.1.8.3)

- **Internal Audit wing was understaffed and there were arrears in internal audit of units even upto six years.**

(Paragraph 5.1.9.2)

5.1.1 Introduction

In Tamil Nadu, Small Scale Industries (SSI) Sector is one of the most vital sectors of the Government with 5.12 lakh registered SSI units as on 31 March 2006 having an investment of Rs 16103 crore, providing employment to 35.93 lakh persons. Industrial units having an investment not exceeding Rs 100 lakh on Plant and Machinery are defined as SSI and those units with an investment not exceeding Rs 25 lakh are called tiny industries. The functions of the Small Industries Department (Department) include registering of the SSI units and tiny industries, encouraging the growth of these sectors by implementing various schemes for the promotion of small scale industries by providing subsidy, grants and loans, offering testing facilities for chemicals, metals, metallurgical, electrical, electronic gadgets, implementation of self employment programmes for the educated youth and Prime Minister's Rozgar Yojana (PMRY) etc., and creation of infrastructure required for the development of SSI sector. The Department also has an Industrial Cooperative wing exercising control over 306 Industrial Cooperative Societies (ICSs).

5.1.2 Organisational set up

At the Government level, the Secretary is the overall incharge of the Department. The Industries Commissioner and Director of Industries and Commerce (ICDIC) is the Head of the Department who is responsible for planning and implementation of various schemes for the promotion of small industries in the State. Two Additional Directors and eight Joint Directors (JDs) are assisting the ICDIC in the above with the help of 21 Deputy Directors (DDs) and 45 Assistant Directors (ADs) under their control.

At the District level, there are District Industries Centres (DICs) headed by the General Managers (GMs) in 29 districts except Chennai wherein a Regional Joint Directorate is set up. The GMs are supported by the Managers for various functional wings and the Technical Field Officers who are responsible for helping the new entrepreneurs and guidance for the existing units to grow. The Chemical wing, Electrical and Electronics wing and the Industrial Cooperative wing of the Department are functioning under JDs concerned. There is a Chief Accounts Officer, responsible for maintenance of accounts and for Internal Audit of the Department.

5.1.3 Audit objectives

The review was conducted to assess the adequacy and effectiveness of the following:

- Budgetary control,
- Expenditure control,
- Cash control,
- Operational controls and
- Vigilance mechanism and system of Internal Audit.

5.1.4 Audit coverage

Audit was conducted (December 2005-May 2006) by test check of records for the period 2002-06 in the Directorate of Industries and Commerce, seven[1] selected DICs out of 29 and 18 selected offices/units[2] out of 24 offices/units in the State.

Audit findings

5.1.5 Budgetary control

During the period 2002-03 to 2005-06, annual budget provision for SSI sector ranged between Rs 56.37 crore and Rs 88.75 crore. Against this, expenditure ranged between Rs 37.96 crore and Rs 58.08 crore. Of the total expenditure, 81.2 to 98.9 *per cent* was on revenue account and there were large savings under revenue every year. The year wise details of budget provision and expenditure of the Department is given in table below:

(Rupees in crore)

Year		Budget provision	Actual expenditure	Savings (percentage) with reference to budget provision	Surrender (percentage) with reference to budget provision	Percentage of shortfall in surrender
2002-03	Revenue	51.67	49.26	2.41 (5)	1.12 (2)	54
	Capital	0.70	0.69	(-) 0.01 (1)	Nil	100
	Loans	4.00	4.00	Nil	Nil	Nil
	Total	56.37	53.95	2.40 (4)	1.12 (2)	53
2003-04	Revenue	63.87	37.54	26.33 (41)	25.53 (40)	3
	Capital	2.13	0.42	1.71 (80)	1.69 (79)	1
	Loans	1.00	Nil	1.00 (100)	1.00 (100)	Nil
	Total	67.00	37.96	29.04 (43)	28.22 (42)	3
2004-05	Revenue	68.08	40.16	27.92 (41)	25.25 (37)	10
	Capital	1.55	1.29	0.26 (17)	0.18 (12)	31
	Loans	8.03	8.03	Nil	Nil	Nil
	Total	77.66	49.48	28.18 (36)	25.43 (33)	10
2005-06	Revenue	85.61	55.15	30.46 (36)	29.75 (35)	2
	Capital	1.35	1.14	0.21 (16)	0.15 (11)	29
	Loans	1.79	1.79	Nil	Nil	Nil
	Total	88.75	58.08	30.67 (35)	29.90 (34)	3

[1] Chennai, Coimbatore, Cuddalore, Kancheepuram, Madurai, Salem and Vellore.

[2] Chemical Testing Laboratories (4), Electrical Testing Laboratory (1), Electro Medical Equipment Centres (3), Training Centres (3), Quality Control Centres (3) and Industrial Estates (4) in the test checked districts.

There were persistent savings during 2003-06 under Revenue heads.

Scrutiny revealed that budget estimates were prepared after obtaining inputs from the field officers. However, funds allocated were not fully utilised due to the inability of the department in anticipating the expenditure realistically. This had resulted in persistent savings during the period (2003-06) ranging between 36 and 41 *per cent* of the budget provisions made under Revenue heads. Such persistent savings in all the years showed that budget estimates were not accurate. This also indicated poor budgetary controls *viz*., deficient pre-budget scrutiny of schemes and poor monitoring. The savings under Capital was 80 *per cent* during 2003-04 due to non-receipt of contribution from Government of India (GOI) towards implementation of schemes and non-receipt of GOI approval for purchase of equipment. In 2003-04, there were savings under Loans and the entire provision of Rs 1 crore was surrendered due to non-identification of nodal agency for implementation of the scheme.

Irregular provision of salaries for the vacant posts resulted in surrender of funds.

As per the Tamil Nadu Budget Manual, estimates for salary should be provided on the basis of expenditure likely to be incurred during the year on account of the persons likely to be on duty irrespective of the sanctioned strength. Despite the existence of a general ban on filling up of vacant posts since May 1991, the Department made provision for all the vacant posts in the budget estimates which was against the norms for preparation of budget and also in violation of existing financial rules. Such wrong provision of funds during 2002-06 resulted in surrender of Rs 7.35 crore, as obtained from the reappropriation orders.

5.1.6 Expenditure control

5.1.6.1 Incomplete reconciliation of expenditure

Reconciliation of expenditure figures was incomplete as adjustments within the department were not carried out.

To enable the controlling officer of each department to exercise effective control over the expenditure with a view to keep it within the budget grants, the Financial Rules envisaged that expenditure recorded in their books should be reconciled by them at prescribed periodicity during the financial year with that recorded in the books of the Accountant General (AG). Scrutiny revealed the following:

Scrutiny of records revealed that 1,538 items relating to misclassified figures under both plan and non-plan heads of accounts were pending adjustment within the department in 31 units for the period 2000-04. Of these, only 517 items were analysed and settled by the Accounts Officer (Budget) after inspection of the concerned units, leaving 1,021 items yet to be adjusted as of May 2006. The number of items pending adjustment for 2004-05 and 2005-06 were yet to be compiled in the Department (June 2006). In the absence of these adjustments, the reconciliation of the expenditure with the AG's figures was incomplete.

5.1.6.2 Booking of expenditure before utilisation of funds

Amounts released to the Corporations were shown as expended though the moneys were kept in term-deposits.

Government sanctioned (2003-04) upgradation of four industrial estates[3] under Additional Central Assistance (ACA) scheme (Cost: Rs 3.19 crore[4]). The scheme was to be implemented by the Tamil Nadu Small Industries Development Corporation (SIDCO). The sanction however did not envisage any control by ICDIC except for the release of funds and booking of expenditure in the Government accounts. Government released Rs 2 crore for the ACA scheme during the period from December 2004 to March 2005. It was noticed that revised proposal for upgrading three industrial estates (leaving Kakkalur) at a revised estimate for Rs 2.44 crore was forwarded (September 2005 and March 2006) on which the Government had not taken final decision as of August 2006. Meanwhile Rs 2 crore received by SIDCO were kept in short term deposits. Thus ICDIC has little control over the actual utilisation of the scheme funds released from its own budget as the responsibility of execution of the scheme is with SIDCO.

5.1.7 Cash management

The cash management in the Department was not conducive to rule out possibilities of misappropriation, inaccurate accounting, etc., for the reasons discussed as under.

5.1.7.1 Non-verification of cash balances

No periodical checking of cash book and physical verification of cash was done in the test checked offices.

As per the provisions of the Tamil Nadu Treasury Rules, on every working day, a certificate has to be given to the effect that the cash balance as per cash book has been verified physically by the drawing officer and found correct. The prescribed procedure was not followed in any of the seven test checked DICs.

As per Treasury Rules, the cash book should be checked and a physical verification of cash has to be done by the Head of office at periodical intervals or at least once in six months. It was noticed that in none of the test checked offices, the head of the office had done the physical verification of cash. The ICDIC stated (September 2006) that all the GMs/Unit Officers had been instructed to follow the prescribed procedures in future.

5.1.7.2 Deficiencies in writing cash book

Cash balances of subsidiary cash books were not brought into main cash book.

Wherever separate cash books are maintained, the cash balances in different cash books should be abstracted in the main cash book for the purposes of verification and monitoring. Scrutiny revealed that in Coimbatore and Cuddalore Districts, though separate cash books were maintained for PMRY transactions[5], the DICs did not bring the cash balances in the main cash book. Similarly loans that had been recovered were not reflected in the cash books of the DICs at Kancheepuram and Salem.

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3 Kakkalur, Kappalur, Pettai and Ranipet.

4 GOI share : Rs 1.97 crore, stake holders share : Rs 1.22 crore.

5 Amounts drawn for payments of stipends to the beneficiaries under PMRY out of which payments were made on various days.

Cash books were not written regularly.

Cash book should be written and closed on every working day. If there are no transactions, it should be recorded and closed on the next day of transaction. It was noticed during the audit that the cash book was not written up from 23 December 2005 to 17 March 2006 in Electro Medical Equipment (EME) Centre, Guindy and from 23 September 2005 to 31 January 2006 in the Office of the JD (Chemicals), Chennai. Cash transactions of above period were however written in the cash book of JD (Chemicals) subsequently (April 2006) after the lapses were pointed out by Audit.

5.1.7.3 Irregular opening of bank account

A savings bank (SB) account was opened in Canara Bank by JD (Chemicals) for the purpose of depositing the moneys received/recovered from the staff members such as recoveries towards society, recovery of loan, payment to LIC premium, etc. Government receipts like testing fees, Inspection charges (including Service tax and Education cess) etc., received through cheques/DDs were also deposited initially in this SB account, outside the government account. The JD also did not obtain approval of the Government for opening such an account. The Department should open an account in the banking treasury (State Bank of India) in consultation with the Government. The ICDIC stated (September 2006) that the SB account in Canara Bank would be closed and a new account would be opened in State Bank of India after obtaining permission from Government.

5.1.8 Operational Controls

5.1.8.1 Annual Inspection of the subordinate offices

Inspection of the offices was not done by the authorised departmental authorities for want of staff.

To ensure satisfactory administration of each of the District offices, a programme is to be chalked out every year under which (a) inspection of each of the Regional offices is to be done by a JD of the Directorate, each of the District offices in the city by a DD of the Directorate and each of the District offices/units, falling within the jurisdiction of a region by the Regional Deputy Director concerned. After inspection and physical verification of stocks etc., the inspecting officers were required to submit a copy of the inspection notes to the ICDIC in the prescribed form for his review and further orders. No such official inspection was conducted during 2002-06 in any of the offices test checked except in one year in Madurai District (2004) and two years in Kancheepuram District (2002 and 2003). The ICDIC stated (June 2006) that due to non-availability of required staff, inspections could not be conducted. Fact remains such lapses would result in various deficiencies lying undetected and uncorrected in all offices/units.

5.1.8.2 Inspections of Societies by District Officers

The Industries Commissioner informed (January 2003) all the officers under his control that serious irregularities were regularly pointed out in the Final Audit Memorandum of most of these societies. As they reflected poorly on the quality of inspections carried out by the inspecting officials at the district level, ICDIC had instructed (January 2003 and April 2005) the Controlling/Supervising Officers at the district level to exercise due diligence in conducting quarterly inspections enabling prevention of such irregularities at the initial stage itself .

There were arrears in conducting quarterly inspection of ICSs.

Scrutiny in audit revealed that 143 quarterly inspections were in arrears in 77 ICSs in five test checked districts[6], as of January 2006. Huge arrears in conducting the inspection in five out of seven test checked districts showed that the inbuilt internal controls were rendered ineffective. ICDIC stated (September 2006) that necessary instructions have been issued to all district officials to take up quarterly inspections without fail in future.

5.1.8.3 Quality standards not adhered

Departmental authorities did not enforce Electrical wire and Cable Quality control Order 2003.

GOI prescribed (February 2003) the standards for quality of material for every stage from manufacture to sale for electrical wires, cables, appliances etc., and passed the Electrical wires, cables, appliances and Protection Devices and Accessories (Quality control) Order 2003 in exercise of the powers conferred in the Bureau of Indian Standards Act, 1986. State Government issued (September 2004) orders for publishing notification regarding the appointment of GMs of DICs as Appropriate Authority for the concerned Districts and the DD (Electrical and Electronics), Quality Control and Enforcement Centre, Chennai for Chennai District to implement the provisions of the said order in Tamil Nadu with a view to adhere to the specified standards. The ICDIC admitted (May 2006) to Audit that the provisions of the GOI order 2003 were not implemented by any of the departmental authorities specified by State Government, except the DD, Quality Control and Enforcement Centre, Chennai and all the officers have been directed (May 2006) to contact the Assistant Public Prosecutor and DD (Prosecution) of each district to evolve a system to implement the provisions of the order.

It was noticed that in the Regional Testing Laboratories in Salem and Coimbatore there were only one chemist who is responsible for receipt and its analysis. As per the National Accrediation Board for Testing and Calibration of laboratories norms communicated (October 2003) by the DD (Chemicals), Chennai the chemists who analyse the products should not know the identity of the customer who gives the product for analysis, for maintaining integrity, impartiality and independence. The faulty procedure of receiving the samples by the analysing chemist defeated the objective of maintaining impartiality and independence.

5.1.8.4 Non-disposal of material and non-recovery of dues

The production activities of Government Service Centre for Ceramics (GSCC), Vridhachalam has been stopped with effect from November 2001. After protracted correspondences between the DD (ceramics), GSCC and the Directorate, Government issued (January 2005) orders to dispose of material valued at Rs 10.96 lakh lying at GSCC. However, the material was not disposed off even as of September 2006 although the same was exposed to deterioration with passage of time.

Further, consequent to the disbandment of the construction wing of Industries and Commerce with effect from November 2003, Government issued (November 2003) orders for transfer of steel rods, GI pipes worth about Rs 15 lakh to the Public Works Department(PWD). However, the material was not transferred to PWD even as of August 2006. ICDIC stated

[6] Chennai, Coimbatore, Kancheepuram, Madurai and Vellore.

(September 2006) that PWD had refused to take these surplus material and Government's permission was sought for disposal of the same. Further the Department did not recover (September 2006) Rs 51.21 lakh, the expenditure incurred in excess of the deposits made by 35 units including 23 ICSs, six cooperative tea factories and six other institutions on the works entrusted to the erstwhile construction branch for execution as Deposit works during 1983-84 to 2001-02. No concrete action was taken to recover the amounts due in this regard.

5.1.8.5 Deregistration of closed units

Deregistration of closed units was not done.

ICDIC had communicated (April 2004) to all GMs that GOI had instructed to complete the deregistration of 1.27 lakh closed units as per All India Census 2001-02, before June 2004. However, even as of August 2006, only 0.68 lakh units (54 *per cent*) were deregistered, indicating slow progress in deregistration work. No reasons were extended for delay in this work.

5.1.8.6 Functioning of Cooperative Societies

93 ICSs suffered a cumulative loss of Rs 29.06 crore upto March 2006.

ICDIC had also a role as functional Registrar of ICSs and there were 159 ICSs as of 31 March 2006 wherein the Government had invested Rs 15.21 crore. The return on this investment by way of dividend to Government during 2005-06 was only Rs 52.07 lakh and the rate of return was only three *per cent*. Scrutiny revealed that the cumulative loss suffered by 93 ICSs in which Government had invested Rs 8.53 crore, was Rs 29.06 crore upto March 2006. Further, 18 ICSs wherein Government had invested Rs 0.44 crore were either dormant or had not commenced production. Of these, 10 ICSs incurred a cumulative loss of Rs 0.57 crore. The following defects were noticed in exercising operational control on ICSs.

Pending liquidation cases.

ICDIC reported (April 2006) to Audit that there were 304 liquidated ICSs[7] as of March 2006. To bring the societies into final closure as quickly as possible, ICDIC issued (September 2000) instructions, delegating more powers to official liquidators. The pendency of 304 cases as of March 2006 indicated that the delegation of powers to the official liquidators did not yield any positive results. ICDIC stated (September 2006) that the official liquidators were experiencing difficulty in conducting liquidation audit in respect of liquidated societies due to shortage of man power in the Department of Cooperative Audit.

5.1.8.7 Maintenance of records

Maintenance of DCB register was improper.

As per Government orders (October 1997), 13 specified Electro Medical Equipment were serviced/repaired by the EME centres in five places[8]. The invoices for the service charges were required to be raised by these EME centres against the units of Medical Department whose equipment were repaired and the charges to be settled by way of adjustment through challans. Perusal of records revealed that there was no mechanism to watch the receipt

[7] The pendency was more than 20 years in 102 societies, over 15 years in 19 societies, over 10 years in 56 societies, over five years in 71 societies and below five years in 56 societies.

[8] Chennai (for five districts), Coimbatore (for five districts), Hosur, Madurai (for nine districts) and Thanjavur.

of service/repair charges, as the payment of these charges was made in the respective districts and the fact of payment was not known to the concerned EME centre, which is catering to more than one district. This resulted in the incorrect maintenance of Demand Collection and Balance (DCB) register for such charges in these five EME Centres. As per the report (June 2006) of ICDIC, Rs 84.95 lakh relating to the period 1995-2002 were compiled as outstanding service/repair charges upto March 2003 and the pendency after March 2003 is still to be compiled. The DD, EME centre, Coimbatore and Madurai accepted the facts. However ICDIC stated (June 2006) that the non-collection was mainly due to non-provision of sufficient funds to the medical units in their budget allotment. Further action has to be taken by Small Industries Department in consultation with the Medical Department.

5.1.9 Vigilance Mechanism and Internal Audit System

5.1.9.1 Vigilance Mechanism

The Additional Commissioner of Industries and Commerce (ADIC) was functioning as the Vigilance Officer of the Department. The duties entrusted to him were reviewing and streamlining the working procedures which would appear to afford scope for corruption and malpractices and initiating such other measures that may be necessary from time to time for prevention, detection and punishment for corruption/malpractices in the Department including the district/unit offices. Besides, duties like keeping track of the progress of disciplinary cases and ensuring the expeditious disposal of such cases were also entrusted to him. Further, a report of work done by him was to be forwarded to the ICDIC in the prescribed proforma every half year (before 10 January and 10 July).

A perusal of half yearly reports on the review of the work of the Vigilance Officer during the period January 2001-June 2005 revealed the following:

- no activity was taken for streamlining the working procedures in the department which affords scope for corruption and malpractices, as no reports have been furnished by the Vigilance Officer in this regard to HOD/Government and
- no instances regarding the surprise visits to the areas more prone to corrupt practices and rendering information in this regard to the Director of Vigilance and Anti-corruption for possible traps were reported by the Vigilance Officer during the period of review.

5.1.9.2 Internal Audit

Same staff utilised both for administrative work and Internal Audit.

As against the sanctioned strength of four Audit parties consisting of four Commercial Accountants and eight Assistants, the Internal Audit wing of the Department was functioning with only one party consisting of one Commercial Accountant and three Assistants. ICDIC reported (September 2006) that though a panel of qualified staff for appointment as Commercial Accountants is drawn every year, there was a shortage of Commercial Accountant. Besides, one Accounts Officer was looking after both the field and Headquarters work. Thus, Internal Audit wing was understaffed and coverage of all the units with this poor strength was not possible. It was further observed that for conduct of Internal Audit integrated manual of Directorate of Industries and Commerce, which was prepared in 1980, was being utilised and the manual had not been updated as of May 2006 despite creation of a separate department.

5.1.9.3 Arrears in Internal Audit

Absence of an Audit plan resulted in non taking up of many units for Audit for years.

Internal Audit was conducted without preparing an Audit plan. Audit of nine units had not been taken up for one year, 22 units for two years, five units for three years, 13 units for four years, two units for five years and 16 units for six years. Thus, the purpose of Internal Audit *viz*., taking immediate corrective action for rectifying the deficiencies for the smooth functioning of the units was not achieved. ICDIC stated (September 2006) that due to shortage of staff, audit plan could not be drawn up as the existing staff were primarily engaged in audit of accounts, schemes etc., in respect of offices under the control of officers due to retire in the near future to facilitate their terminal claims. The Apex office, i.e. Office of the ICDIC was not being subjected to Internal Audit. ICDIC stated (September 2006) that since Audit of that office was conducted by the District Inspection Cell and the Secretary of the Department, no Internal Audit was conducted so far and the same would be taken up with prospective effect.

5.1.9.4 Pendency in settlement of Internal Audit reports

Pendency of Internal Audit Reports.

There were 120 reports containing 1,000 paragraphs, pending settlement as of March 2006. The earliest pending report related to 1983-84 and 141 paragraphs of 41 reports related to 1983-94 were pending for more than 10 years. Of the remaining, 130 paragraphs of 38 reports related to the period 1995-99 and 729 paragraphs of 41 reports related to 1999-2006. ICDIC stated (September 2006) that earnest steps would be taken to bring down the pendency.

5.1.10 Conclusions

Faulty preparation of budget during 2002-06 resulted in persistent savings in all the years. Misclassified figures of expenditure were pending adjustment within the department and in the absence of which reconciliation of the expenditure with AG's figure was also incomplete. The cash management in the Department was weak and therefore susceptible to misappropriation. Annual inspections of the subordinate offices were not done during 2002-06 due to non-availability of staff. Quarterly inspections of the ICSs were pending in the test checked districts during 2002-06 resulting in various deficiencies lying undetected and uncorrected. Deregistration of many of the closed ICSs was pending. Departmental officers did not enforce the quality standards prescribed in the Electrical wires, cables, appliances and Protection Devices and Accessories (Quality control) Order 2003. The Internal Audit Wing was understaffed and Internal Audit was not conducted in many of the units continuously for years together. Integrated Manual of Directorate of Industries and Commerce, which was prepared in 1980 and not updated was being utilised despite creation of a separate Department.

5.1.11 Recommendations

- Funds should not be provided towards salaries in respect of the vacant posts while preparing the budget estimates.
- The codal provision pertaining to verification of cash balance and maintenance of cash book needs to be reiterated to all the heads of the offices and the units so as to ensure their compliance.
- The Department should evolve a system to ensure adherence to quality standards prescribed under the Electrical wires, cables, appliances and Protection Devices and Accessories (Quality control) Order 2003 and monitor the same.
- The system and methodology adopted for ensuring timely closure of the liquidated ICSs needs complete review in the light of huge pendencies and arrears in this work.
- An independent Internal Audit Wing should be set up with specially trained staff and mandate to conduct Internal Audit of all the offices under the Department with a specific periodicity. Timely corrective action on the Internal Audit reports should also be ensured.

The above points were referred to the Government in August 2006; reply had not been received (December 2006).

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Countersigned

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