

Gagil-Tomil Water Authority

Financial Statements and
Independent Auditor's Report
For The Years Ended
September 30, 2012 and 2011



**Office of the Public Auditor
State of Yap**

GAGIL-TOMIL WATER AUTHORITY
Years Ended September 30, 2012 and 2011

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OFFICE OF THE STATE PUBLIC AUDITOR

YAP STATE GOVERNMENT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Gagil-Tomil Water Authority:


We have audited the accompanying statements of cash receipts and disbursements of the Gagil-Tomil Water Authority (GTWA) for the years ended September 30, 2012 and 2011. These financial statements are the responsibility of the management of the GTWA.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in note 2, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion the financial statements referred to above present fairly, in all material respects, the cash receipts and disbursements of the GTWA for the years ended September 30, 2012 and 2011 on the basis of accounting described in note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2012, on our consideration of the GTWA's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.


Patrick J. Zacchini, CPA
Acting Public Auditor

November 2, 2012



Pacific Association of Supreme Audit Institutions (PASAI)



Association of Pacific Island Public Auditors (APIPA)

GAGIL-TOMIL WATER AUTHORITY
Statements of Cash Receipts and Disbursements
Years Ended September 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
CASH RECEIPTS		
Water billings	\$ 49,601	\$ 53,283
CFSM grant	1,369	4,569
Interest	621	681
Other	1,665	1,564
	53,256	60,097
 DISBURSEMENTS		
Utilities	22,425	21,941
Salaries and benefits	17,992	20,588
Small tools and equipment	2,281	17,412
Fuel	3,924	3,728
Repairs and maintenance	885	1,262
Office supplies and stationary	954	1,399
General and administrative	1,343	1,005
Contractual services	0	15
Other expenses	722	658
	50,526	68,008
 Net Change in Cash	 2,730	 (7,911)
 Cash in bank, beginning of year	 40,312	 48,223
 Cash in bank, end of year	 \$ 43,042	 \$ 40,312

See accompanying notes to financial statements

Office of the Public Auditor
State of Yap

GAGIL-TOMIL WATER AUTHORITY
Notes to Financial Statements
Years Ended September 30, 2012 and 2011

(1) Organization

The Gagil-Tomil Water Authority (GTWA) is a legally separate component unit of the Yap State Government. Created in 1984, GTWA provides water services to the communities of Gagil and Tomil in the State of Yap. GTWA is governed by a nine member Board of Directors, four of which are appointed each by the Gagil and Tomil member of the Council of Pilung and one appointed by the Governor.

Rehabilitation, improvement, and expansion of the GTWA water system are being undertaken by the Omnibus Infrastructure Development Project (OIDP), which is jointly funded by Asian Development Bank (ADB) and the national government. This will extend service to the populated areas of Makiy village and Maap municipality.

(2) Summary of Significant Accounting Policies

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. The GTWA uses the cash basis of accounting. Under this method of accounting, transactions are recognized as receipts or disbursements, and noncash transactions are not recognized. The cash basis differs from accounting principles generally accepted in the United States of America primarily because receipts (revenues) are recognized when received rather than when earned and disbursements (expenses) are recognized when paid rather than when the obligation is incurred.

As described above, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Cash

Custodial credit risk is the possibility that in the event of a bank failure the GTWA's deposits may not be returned to it. Such deposits are not covered by depository insurance and are either uncollateralized or collateralized with securities held by the pledging financial institution but not in the depositor's name. The GTWA does not have a deposit policy for custodial credit risk.

For the purpose of the statements of cash receipts and disbursements, cash is defined as cash in checking, savings, share, and equipment accounts. As of September 30, 2012 and 2011, the carrying amount of the GTWA's deposits with financial institutions was \$40,042 and

GAGIL-TOMIL WATER AUTHORITY

Notes to Financial Statements
Years Ended September 30, 2012 and 2011

\$40,312, respectively. Bank balances of \$14,600 and \$12,117 at September 30, 2012 and 2011 respectively, were maintained in one financial institution subject to Federal Deposit Insurance Corporation (FDIC) insurance, and balances of \$32,002 and \$31,408 respectively, were maintained in an uninsured financial institution.

(3) Change in Basis of Accounting

In 2010, GTWA elected to change its method of reporting from the accrual to the cash basis of accounting. The new method of accounting was adopted because it more closely reflects the operating results of GTWA. The financial statements of prior years were adjusted to apply the new method retrospectively.

(4) CFSM Appropriation

Under a public project appropriation, GTWA received \$35,000 from the National Government in 2006 to fund the cost of equipment. Expenditures of appropriated funds in 2012 and 2011 were \$1,369 and \$4,569 respectively. Initially scheduled to expire in 2006, the appropriation was extended annually through 2012. However, utilization of the unexpended amount of the appropriation of \$5,598 lapsed on September 30, 2013.

(5) Significant Cash Receipts

Water sales receipts from the Fisheries Maritime Institute (FMI) accounted for 18% and 19% of total water sales receipts for the years ended September 30, 2012 and 2011 respectively.

(6) Risk Management

GTWA is self-insured for all risks. Any loss or liability that may result upon the occurrence of a natural disaster, accident or litigation will be borne entirely by GTWA. Management is of the opinion that no material losses have been sustained as a result of this practice during the past three years.

(7) Related Parties

Several members of the Board of GTWA hold positions of influence with Yap State. GTWA has also entered into significant transactions with the State.



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of the
Gagil-Tomil Water Authority:

We have audited the financial statements of the Gagil-Tomil Water Authority (GTWA) for the years ended September 30, 2012 and 2011 and have issued our report thereon dated November 2, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the GTWA's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the GTWA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the GTWA's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying *Schedule of Findings and Responses*, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct material misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of GTWA's financial statements will not be prevented, or



detected and corrected on a timely basis. We consider the deficiencies described in the accompanying *Schedule of Findings and Responses* as Findings No. 1 through No. 3 to be material weaknesses.

A *significant deficiency* is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying *Schedule of Findings and Responses* as Findings No. 4 and No. 5 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the GTWA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters and which is described in the accompanying *Schedule of Findings and Responses* as Findings No. 6 and No. 7.

This report is intended for the information of the Board of Directors and management, awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Patrick J. Zacchini, CPA
Acting Public Auditor

November 2, 2012

GAGIL-TOMIL WATER AUTHORITY
Schedule of Findings
Year Ended September 30, 2012

MATERIAL DEFICIENCY

Finding No. 2012-1 – Segregation of Duties

Criteria: Proper separation of responsibilities ensures the work of one individual acts as a check on the work of another in the performance of incompatible functions. Persons who handle cash or other forms of payment, such as customer remittances or signed checks, should have no incompatible duties with respect to the recording of receipts and payments and/or reconciliation of cash.

Condition: The General Manager prepares and records all customer billing and cash receipts, procures most goods and services, prepares checks and records all disbursements, and is a signatory on all bank accounts. Notwithstanding that checks over \$500 require the dual signature of a member of the Board, this only affects disbursements and, in any case, is subject to the risk of management override.

Cause: GTWA has only three employees, two of which devote substantially all of their time to reading meters and facilitating customer connections. The General Manager performs all administrative and accounting functions.

Effect: Failure to maintain adequate segregation of duties over receipts and payments could result in misappropriation of assets or errors that go undetected or are not timely detected. Moreover, lacking the self-checking nature of the separation of responsibilities, the likelihood of errors and misstatements is increased.

Recommendation: To reduce the risk of error and ensure adequate custody and control over cash receipts and disbursements, implement the following:

- Separate the functions of receiving/paying and recording of cash receipts and disbursements. We understand staff size is limited. However functions may be rotated among employees.
- Consider hiring a part-time bookkeeper to perform the routine accounting and administrative tasks to work under the supervision of the General Manager
- Active participation of members of the Board of Directors in the daily activities of the Authority. For example, in many small organizations, the Treasurer maintains the accounting records and reconciles accounts.

GAGIL-TOMIL WATER AUTHORITY
Schedule of Findings
Year Ended September 30, 2012

Finding No. 2012-1 – Segregation of Duties (Cont'd)

- Greater oversight and supervision of financial transactions by the Treasurer and the Board of Directors. At a minimum, monthly financial reports, prepared by management or the Treasurer, should be submitted to the Board of Directors.

GAGIL-TOMIL WATER AUTHORITY
Schedule of Findings
Year Ended September 30, 2012

Finding No. 2012-2 – Bank Reconciliations

Criteria: Periodic reconciliations of amounts recorded in an organization's cash accounts to amounts shown on bank statements are key control activities.

Condition: Monthly bank reconciliations of accounts are not performed. During our audit we noted a \$380 checking account difference between the bank balance and recorded book balance of cash, after giving effect to the amount of outstanding checks. We also noted several differences, though immaterial, in deposits that were not accounted for.

Cause: The accounting records under previous management were poorly maintained and the current General Manager is still in the process of making improvements. Additionally, the General Manager has a heavy workload, since he is only one of three employees, two of which are principally engaged in reading meters and facilitating new customer installations. The General Manager is also responsible for performing all administrative and accounting functions.

Effect: The failure to perform reconciliations of bank accounts, and to perform these timely, could result in losses due to theft or misappropriation of funds that go undetected or might not be timely detected. Notwithstanding theft or misappropriation, even simple bank errors might not be recoverable as banks may not be held liable for errors that are not communicated to them in a timely fashion.

Recommendation: To reduce the likelihood of errors in the recording of transactions and losses from theft or misappropriation of funds, ensure bank reconciliations are timely prepared and reviewed. The Authority should consider hiring a part-time bookkeeper or engaging an outside volunteer to help reconcile bank accounts.

Prior Year Status: The failure to perform bank reconciliations has repeatedly been noted in previous audits, but not resolved. Notwithstanding the management response reported in the prior audit report dated April 25, 2006 this continues to be an issue that has been raised in audit reports every year since. The response reads in part:

The Board discussed these findings with GTWA management and staff and concluded to follow the auditor recommendations and install the Quick Book software. A part of the accounting software has already been installed and the management and staff are in the process to complete it before the 4th quarter of Fy 2006. The Board agreed that after installing the accounting software GTYWA will contract an accountant with knowledge on this software to train the general manager and key staff.

GAGIL-TOMIL WATER AUTHORITY
Schedule of Findings
Year Ended September 30, 2012

Finding No. 2012-3 – Delinquent Accounts

Criteria: The agreement customers sign when they apply for water service stipulates the Authority has the right to discontinue service whenever payment is delinquent. An account becomes delinquent if a bill is outstanding as unpaid for more than 30 days past the statement date. Before terminating service to a customer, the Authority will typically issue one or more shutoff notices.

Condition: Several customer accounts are seriously delinquent. One account has accumulated past due charges of almost \$12,000, nearly \$5,300 of which has been outstanding for more than two years.

Cause: Although late notices and requests for payment have been sent to these customers, the Authority has stopped short of terminating service. In one case, the customer is a school and management is reluctant to interrupt educational activities. In another case, the customer is a well-known public figure and management represents it has been instructed by members of the Board of Directors not to shut off service to this account.

Effect: The failure to strenuously pursue collection efforts for delinquent accounts and disconnect service to these customers results in, among things, the free use of services, maintaining balances which are effectively interest-free loans, and a burden on the Authority's limited resources. Moreover, continuing to provide service to customers who should have been disconnected results in giving those customers preferential treatment over everyone else.

Recommendation: Collection policies and procedures should not be enforced on a selective basis. All customers, regardless of their public standing or circumstances, should be treated the same. If past due balances are not either collected or a payment plan set up, service to these delinquent accounts should be discontinued.

Prior Year Status: Our report of two years ago for the year ended September 30, 2009 was issued February 27, 2011, and included a finding which discussed delinquent accounts. Management responded as follows:

This policy has been implemented by new management by advising GTWA water consumers that the contents of the Application and Agreement for Water Utility Service will be effective accordingly.

GAGIL-TOMIL WATER AUTHORITY
Schedule of Findings
Year Ended September 30, 2012

SIGNIFICANT DEFICIENCY

Finding No. 2012-4 – Competitive Bidding

Criteria: Section 502 of the Financial Management Act (FMA) regulations requires, for other than construction contracts and the sale or lease of personal property, “a determination of the lowest cost supplier of needed items” and documentation of this determination.

Condition: The performance of competitive bid procedures is not consistently documented. During our test of cash disbursements, nearly half of the items we examined lacked evidence of the performance of competitive bidding procedures.

Cause: Management failed to establish a systematic procedure and consistent method for documenting the performance of competitive bid procedures.

Effect: Competitive bidding of purchases helps ensure cost effective procurement of goods and services by, among other things, providing an incentive for suppliers to offer the best possible price, quality, terms, and service. The failure to adequately document competitive bidding procedures has been noted in audits the past few years without being adequately addressed.

Recommendation: To ensure adherence to public law and conformity with sound business practices, reemphasize to personnel the significance of competitive bid procedures and the importance of documenting the competitive bidding procedures performed. Additionally, require:

- Maintenance on file of written proposals received from vendors and suppliers.
- Recording of information for oral bids, including amounts and dates obtained.
- Notes concerning information obtained from catalog quotes or reviews, such as price lists, catalog names and page reference, etc.
- Periodic reviews to confirm the uniform and consistent application of bidding procedures.

GAGIL-TOMIL WATER AUTHORITY
Schedule of Findings
Year Ended September 30, 2012

Finding No. 2012-4 – Competitive Bidding (Cont'd)

Prior Year Status: Substantially the same finding was noted in the prior audit. Issues regarding evidencing competitive bid procedures appear to have again arisen as a problem. The prior audit report, with an issue date of June 3, 2011, reflects the following management response:

We will do our best in meeting these findings.

Also, as noted in our audit report dated July 27, 2009, citing noncompliance with state procurement policy is the following management response:

The Board and Management have reviewed this finding and concurred to resolve this finding by obtaining, at least, three quotations from different vendors for comparison and to ensure documentation of such be maintained on file, effective immediately.

GAGIL-TOMIL WATER AUTHORITY
Schedule of Findings
Year Ended September 30, 2012

Finding No. 2012-5 – Cash Receipts

Criteria: The two-part customer billing statement includes a payment stub or advice, which is used by customers to facilitate payment of their balances. Established cash receipt procedures provide for remittance directly to the bank, and customers generally follow this practice.

Condition: Customer payments are sometimes received by technicians. Additionally, customer payments continue to be accepted by the office, notwithstanding the office no longer provides receipts to customers to evidence their payment.

Cause: The practice has always been to accept cash payments from customers and in the past certain members of the Board may have given verbal approval to do so after being informed of concerns voiced by customers. Presently, management is under the impression it is acceptable to receive payments as long as the customer is not provided a receipt.

Effect: The acceptance of cash receipts outside the ordinary processing stream increases the risk of theft or misappropriation of assets and the likelihood of errors due to lost receipts or the failure to record payment.

Recommendation: Ensure cash receipt procedures are strictly adhered to. Customers should be advised only to make payments directly to the bank. Advise employees not to accept payments from customers and payments from customers should also not be accepted at the office.

Prior Year Status: This issue was raised in connection with employees not adhering to Board decisions. A previous audit with a report date of April 28, 2008 included a management response, which reads in part:

The Board has decided to reaffirm its prior decision that all payment shall be received by the Bank. Management shall ensure all customers payments are made directly to the Bank, allowing special consideration to those due payments falling outside the Bank's business days.

GAGIL-TOMIL WATER AUTHORITY
Schedule of Findings
Year Ended September 30, 2012

COMPLIANCE

Finding No. 2012-6 – Annual Report

Criteria: Title 18, Subchapter III, §658(b) of the Yap State Code, requires the Board of Directors to submit a report of its affairs to the Governor and the Legislature. This annual report is due within sixty days after the end of the fiscal year.

Condition: We requested a copy of the annual report and have been advised by management that no such reports have been filed, as required by law.

Cause: Non-compliance with public policy and legal requirements.

Effect: The failure to properly file annual reports is in violation of the law and may affect the plans and decisions of those charged with governance in the State.

Recommendation: Establish and implement policies and procedures to ensure timely submission of annual reports in compliance with the law.

Prior Year Status: A similar issue in connection with annual reports was reported in last year's audit. It does not appear serious effort has been made to properly address this issue. The prior audit report, with an issue date of June 3, 2011 reflects the following management response:

Our sincere apology on this again as Management is unaware of such requirements and also financial constraint for the need to seek the services of a certified public accountant to professionally document the required annual report.

Furthermore, our report dated April 28, 2008 noting the same failure to satisfy this reporting requirements, included the following management response:

The Board and Management have reviewed this finding and concur that statutory requirements per YSL No. 1-183 are not being fulfilled. As such, all Board members have agreed to review the enabling legislation to ensure GTWA's compliance with all reporting requirements, within the prescribed time-frames. The Board shall work with Management to ensure reporting compliance immediately.

GAGIL-TOMIL WATER AUTHORITY
Schedule of Findings
Year Ended September 30, 2012

Finding No. 2012-7 – Retroactive Pay

Criteria: Under Title 18, Subchapter III, §654 of the Yap State Code, the Board of Directors (the Board) is empowered to hire a Manager and Assistant Manager and fix their compensation.

FSM Code Title 54, Chapter I, §121 of Subchapter II, provides for the levy of taxes on wages and salaries and §131 requires the employer to deduct and withhold tax imposed on wages and salaries. Employers are also required under §132 to file quarterly returns and remit the tax withheld.

Condition: The following were noted in connection with a lump sum payment disbursed to the General Manager in 2011, and payments to technicians in 2011 and 2012:

- The General Manager was awarded retroactive pay pursuant to a letter from the Chairman of the Board. However, the letter does not state the amount of retroactive pay and we were not able to examine a copy of minutes or any other documentation evidencing approval of such action by the Board. Additionally, retroactive pay awards were disbursed to technicians, authorization for which is not documented.
- Income and social security taxes were not withheld from this pay, the gross amount of which was also not included in the quarterly employer returns filed with taxing authorities.

Cause: Due to the timing of these payments, which were disbursed in lump sums, the General Manager failed to account for this pay.

Effect: The failure to properly file quarterly employer tax returns is in violation of the law and penalties and interest, over and above the amount of any tax due, may be imposed by taxing authorities.

Recommendation: Immediately initiate steps to bring the tax filings up to date in compliance with the law. Additionally, to ensure complete and accurate tax returns are properly and timely filed, require the:

- Submission of tax returns to the Treasurer or another Board member for review before filing.
- Board Treasurer, as an officer of the Authority, assume responsibility for the filing of the tax returns by signing them.

GAGIL-TOMIL WATER AUTHORITY
Schedule of Findings
Year Ended September 30, 2012

Finding No. 2012-6 – Retroactive Pay (Cont'd)

Prior Year Status: The failure to withhold and pay income and social security taxes was reported in 2006. In that report dated April 28, 2008 the Board responded as follows:

The Board have discussed this finding and partially agreed due to the poor book keeping within the System limiting in-depth analysis of past salary records to prove/disprove whether or not taxes were deducted bi-weekly and paid on a quarterly basis. A Board member has been assigned to look further into finding and advise the Board. Furthermore, the setting up of the account software will ensure proper deductions are made to the employees and GTWA (employer) accounts.

GAGIL - TOMIL WATER AUTHORITY
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January 30, 2013.

The Public Auditor,
Office of the State Public Auditor,
Yap State Government,
P.O.Box 927
Colonia, Yap, FSM 96943.

Attn: Mr. Patrick Zachinni.

Dear Sir,

We thank you and your staff for the draft audit report for Fiscal Year ended September 2012 and this is our response to your findings.

Finding No. 2012-1 – Segregation of Duties

Response: We are in the process in negotiation/recommendation of a new tariff to be implemented, so we could be able to generate required extra budgetary needs for the segregation of duties with required working personnel to comply with the Yap State Government's GAS requirements.

Finding No. 2012-2 – Bank Reconciliations

Response: We request for your consideration as we cannot be held responsible for checks disbursed and are not cashed or deposited in a timely manner in order to be reflected accordingly with our records against the bank's statement. We will do our best to narrow down the matter.

Finding No. 2012-3 – Delinquent Accounts

Response: As reflected in our Board Meeting Minutes, appropriate actions been taken, discussed and acted upon with issuance letters to respective delinquent account consumers with options of payment plan or otherwise, the concerned consumer's service will be disconnected on the stipulated date mentioned in the communication.

Office of the Public Auditor
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Finding No. 2012-4 – Competitive Bidding

Response: We are doing our best, being away from the commercial center in acquiring competitive prices to do our purchases as much as possible to accommodate our needs with our means. As again mentioned by your good office's recommendation, we will do our best to meet the FMA as much as possible.

Finding No. 2012-5 – Cash Receipts

Response: We have totally stopped the only way the poor unemployed village consumers without a proper means of getting to the Bank of FSM in Colonia to pay their water bill so as not to be delinquent on their meager minimal water usage bill, that they can afford to take care of. No official help been extended on this matter and your good office's recommendation had been adhered to nevertheless.

Finding No. 2012-6 – Annual Report

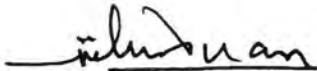
Response: Again, we inform your good office for your recommendation and similarly our response is the same as last year, as noted in your audit findings comments.

Finding No. 2012-7 – Retroactive Pay

Response: We apologize on our part for misunderstanding the consequences involved in your finding of the above and assure your good office that it will not be repeated.

We respectfully submit our response to your findings.

Sincerely,



Razakrisnan Manikam,
On Behalf of Management & Board of GTWA.

Cc: To All Board Members.
File.