



AUDIT OFFICE OF GUYANA



Promoting Good Governance, Transparency and Improved Public Accountability

Report of the Auditor General

on

The Public Accounts of Guyana and on the
Accounts of Ministries / Departments / Regions
For the Fiscal Year ended
31 December 2016

Volume I



Audit Office of Guyana

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144/AG:10/2017/6

29 September 2017

Hon. Dr. Barton U. A. Scotland, O.R., C.C.H., M.P.
Speaker of the National Assembly
Parliament of the Co-operative Republic of Guyana
Parliament Office
Public Buildings
Brickdam
Georgetown.

Dear Mr. Speaker,

REPORT OF THE AUDITOR GENERAL TO THE NATIONAL ASSEMBLY
ON THE PUBLIC ACCOUNTS OF GUYANA AND ON THE
ACCOUNTS OF MINISTRIES, DEPARTMENTS AND REGIONS
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2016

In accordance with Article 223(3) of the Constitution of the Republic of Guyana, I am pleased to submit the attached Report on the Public Accounts of Guyana and on the Accounts of the Ministries, Departments and Regions for the fiscal year ended 31 December 2016.

This Report is required to be laid before the National Assembly, and I would very much appreciate if this is done at the earliest opportunity.

With best regards.

Yours sincerely,


DEODAT SHARMA
AUDITOR GENERAL
OF GUYANA

MISSION STATEMENT

As the Supreme Audit Institution of the State we are committed to the promotion of good governance including openness, transparency and improved public accountability through:

1. the execution of high quality audits of the public accounts, entities and projects assigned by the Audit Act;
2. timely reporting of the results to the legislature and ultimately the public;
3. ensuring that the independence, integrity and objectivity of the Audit Office is recognised;
4. the provision of cost effective service by the implementation of the most up-to-date Audit Practices;
5. the recruitment and retention of the best qualified personnel to achieve set targets, on a sustained basis; and
6. developing professional relationships with our clients, and producing reports which facilitate improvements in their operations.

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REPORT OF THE AUDITOR GENERAL
ON THE PUBLIC ACCOUNTS OF GUYANA AND ON THE
ACCOUNTS OF THE MINISTRIES, DEPARTMENTS AND REGIONS
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2016

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REPORT OF THE AUDITOR GENERAL ON THE PUBLIC ACCOUNTS OF GUYANA AND ON THE ACCOUNTS OF MINISTRIES, DEPARTMENTS AND REGIONS FOR THE FISCAL YEAR ENDED 31 DECEMBER 2016

Qualified Opinion

I have audited the Public Accounts of Guyana which comprise the Consolidated Financial Statements, the Accounts of all Budget Agencies, the Appropriation Accounts and the Statement of Receipts and Disbursements of Ministries, Departments and Regions for the fiscal year ended 31 December 2016, as set out in pages 465 to 540 of Volume I and 2/1 to 2/227 of Volume II. My audit was carried out in accordance with Sections 24 and 25 of the Audit Act 2004.

In my opinion, except for the effects of the matters which might have shown to be necessary as a result of the observations contained in the relevant sections of my report, the financial statements present fairly in all material respects, the End of Year Budget Outcome and Reconciliation Report of the Consolidated Fund, the financial information necessary to present fairly the financial transactions and financial position of the State and the Schedule of Public Debt for the fiscal year ended 31 December 2016.

Disclaimer of Opinion

I do not express an opinion on the Receipts and Payments of the Contingencies Fund, the Financial Reports of the Deposit Funds, and the Assets and Liabilities of the Government which forms part of the Consolidated Financial Statements. Because of the significance of the comments as contained in the relevant sections of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these statements for the fiscal year ended 31 December 2016.

Responsibilities of the Heads of Budget Agencies and Those Charged with Governance for the Financial Statements

The Minister of Finance, the Accountant General and the Heads of Budget Agencies are responsible for the preparation and fair presentation of the financial statements in accordance with the applicable Laws and Regulations, and for such internal control as the Accountant General and the Heads of Budget Agencies determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are 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 International Standards on Auditing (ISAs) and International Standards of Supreme Audit Institutions (ISSAIs) 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 ISAs and ISSAIs, I exercise professional judgement and maintain professional skepticism 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Heads of the Budget Agencies.
- 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



29 September 2017

REPORT OF THE AUDITOR GENERAL
ON THE PUBLIC ACCOUNTS OF GUYANA AND ON THE
ACCOUNTS OF MINISTRIES, DEPARTMENTS AND REGIONS
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2016

HIGHLIGHTS OF REPORT

This annual report provides a summary of the audit results of the examination of the Public Accounts Statements and of the Accounts of the Ministries, Departments and Regions for the fiscal year ended 31 December 2016. Where necessary, reference is made to the accounts and transactions of prior years. Information is also provided on other audits conducted on various entities (Statutory Bodies, Public Enterprises, Trade Unions and Projects funded by way of Foreign Loans or Grants), for which separate audit reports were issued.

This part of the report highlights the major findings noted during the course of the audits of the accounts of the Ministries, Departments and Regions, and of the Public Accounts Statements for the fiscal year ended 31 December 2016, and on the status of my prior year recommendations.

Overpayments on Contracts

1. Overpayments amounting to \$82.658M were made on measured works on ninety-eight contracts administered by Ministries, Departments and Regions in 2016, of which sums totalling \$65.076M and \$17.582M were in relation to Regions and Ministries/Departments, respectively. Included in the sum of \$65.076M were overpayments amounting to \$45.265M or approximately sixty-nine percent in Regions 1, 8 and 9. Included in the sum of \$17.582M overpaid on contracts in Ministries/Departments were amounts totalling \$11.989M and \$3.467M or approximately sixty-eight and nineteen percent for the Ministries of Public Security and Public Infrastructure, respectively.

Unpresented Payment Vouchers

2. Four hundred and fifty-one payment vouchers valued \$374.394M were not presented for audit, of which four hundred and thirty-three valued \$352.692M or approximately ninety-four percent of the total value were in respect of Regions 1 and 8. As a result, it could not be ascertained whether value was received for the sums involved, and whether it has been used for the purposes intended.

Procurement of Drugs and Medical Supplies

3. Fifteen Inter-Departmental Warrants totalling \$1.838 billion were received by the Ministry of Public Health from the ten Administrative Regions for the procurement of drugs and medical supplies. Financial returns from the Ministry indicated that amounts totalling \$1.435 billion were expended on the acquisition of drugs and medical supplies. Although drugs and medical supplies were received by the Regional Administrations, the costs were not stated on the documentation that accompanied the deliveries. As a result, we could not ascertain the value of drugs and medical supplies received by the ten Administrative Regions. The difference of \$403M remained unspent, which included one hundred percent of the warranted amount for Region 8 and seventy-one percent for Region 3.

Absence of Stores Records

4. A number of vital control mechanisms to ensure proper accountability for stock were not in place at Drug Bonds/Stores of several Regional Hospitals including those at Mabaruma, Oscar Joseph Suddie, Canje and Lethem.

Forensic Audits

5. Investigations have commenced in Region 8 into the supply of dietary items for the Kato Breakfast School Feeding Programme, and discrepancies into pricing of items in relation to sixty payments totalling \$33.663M made to a particular supplier, where prices for items purchased were higher than that of similar items purchased by the Region from other suppliers.

6. The Audit Office concluded an investigation into twenty-three transactions at the Ministry of Public Security, whereby the receipt of goods/services on twenty transactions amounting to \$21.129M could not be verified. This matter is currently attracting the attention of the Guyana Police Force. In addition, one employee pled guilty to the embezzlement of \$0.918M and has since repaid this sum.

7. Investigations were concluded under the Guyana Elections Commission into: (i) the purchase of fifty radios for use in the General and Regional Elections, of which six radios valued approximately \$11.946M were inoperable. In addition, forty-four of the radios valued approximately \$89.604M were not utilised by the Commission for the 2015 General and Regional Elections; (ii) the acquisition of ink toners and cartridges, including four contracts that were not awarded to the lowest bids, and which would have saved the Commission the sum of \$18.988M; and (iii) the purchase of nippers, whereby the Commission apparently failed to consider the lowest bid, which would have resulted in savings amounting to \$2.988M.

Guyana Revenue Authority

8. A mere twenty percent or 18,337 of the 92,326 self-employed persons filed Income Tax Returns totalling \$4.045 billion. This represents non-compliance by eighty percent or 73,989 of tax payers in this category.

Late and Non-delivery of Items

9. At the time of reporting, items valued \$198.279M were not yet delivered, even though payments were already made to the suppliers. Included in this sum were items valued \$109.851M or approximately fifty-five percent which were in relation to the non-delivery of two trucks and three motion scales to the Ministry of Public Infrastructure.

10. Further, the full benefits could not have been derived from items totalling \$138.446M that were paid for in 2016 but delivered on various occasions in 2017. These items were purchased by the Ministry of Public Infrastructure, Ministry of Public Health and Regions 3 and 4. The items included one 'new born' haemoglobin system and one mobile car crusher, as well as furniture and equipment.

Public Accounts Statements

Basis of Presentation

11. The Ministry of Finance has indicated that it has adopted the International Public Sector Accounting Standards (IPSAS), but is currently making its submissions using the Cash Basis approach. The adoption and use of the Cash Basis approach is the first step towards achieving the desired result, which is making submissions using the Accrual Basis of Accounting. This will be achieved in the long term and, as such, an incremental approach will be taken.

Receipts and Payments of the Contingencies Fund

12. During the period under review, amounts totalling \$931.018M were drawn from the Fund by way of ten advances. However, it was disappointing to note that advances continued to be granted from the Contingencies Fund which did not meet the required criteria. In this regard, nine advances totalling \$696.302M were granted from the Fund to meet routine expenditure.

Integrated Financial Management Accounting System

13. The Ministry of Finance is upgrading its Government Accounting System and indicated that the Purchasing and Fixed Assets Modules which formed part of the core modules under the current version which were never utilised will be implemented during the system upgrade. The project commenced during the first quarter of 2016 and training on the use of the upgraded system has commenced.

Follow-Up on the Implementation of Prior Year Audit Recommendations

14. Each year, my Office issues recommendations to Ministries, Departments and Regions that are designed at improving systems and practices at these entities and improving the Government's governance and accountability mechanisms. Four hundred and forty-two recommendations were made in my 2015 Audit Report. We reviewed each recommendation to determine what action, if any, was taken by the respective Accounting Officers. At the time of reporting, 160 or 38% partially implemented, while 91 or 22% were not implemented.

15. Overall, I am concerned with the lack of action towards the implementation of these recommendations; since, sixty percent of the recommendations have not yet been implemented. In addition, in many instances, recommendations are repeated each year without appropriate action and as a result, weaknesses and issues that impacted negatively on Government's governance and accountability mechanisms continue to occur. Once again, I encourage the Government, through the Ministry of Finance, the Accountant General's Department and the respective Head of Budget Agency to take appropriate actions and put measures in place to address the recommendations made in my prior report and this year as well.

REPORT OF THE AUDITOR GENERAL
ON THE PUBLIC ACCOUNTS OF GUYANA AND ON THE ACCOUNTS OF
MINISTRIES, DEPARTMENTS AND REGIONS FOR THE FISCAL YEAR
ENDED 31 DECEMBER 2016

1. Articles 223(2) and 223(3) of the Constitution require that I audit the Public Accounts of Guyana and the accounts of all officers and authorities of the Government (including the Commissions established by the Constitution), the Clerk of the National Assembly, and all courts in Guyana and submit my Reports to the Speaker of the National Assembly (hereinafter referred to as the Speaker) who shall cause them to be laid in the National Assembly.

2. As the External Auditor of the Public Accounts of Guyana, it is my responsibility under Section 24(1) of the Audit Act 2004 (hereinafter referred to as the Audit Act) to conduct (a) Financial and Compliance Audits; and (b) Performance/Value for Money (VFM) Audits with respect to:

- i. the consolidated financial statements;
- ii. the accounts of all budget agencies;
- iii. the accounts of all local government bodies;
- iv. the accounts of all bodies and entities in which the State has a controlling interest; and
- v. the accounts of all projects funded by way of loans or grants by any foreign State or Organisation.

3. Section 24(2) states that in conducting financial and compliance audits, I shall examine in such manner as I deem necessary the relevant financial statements and accounts, and ascertain whether:

- a) the financial statements have been properly prepared in accordance with applicable law, and properly present the operations and affairs of the entity concerned;
- b) the accounts have been faithfully and properly kept;
- c) the rules, procedures and internal management controls are sufficient to secure effective control on the assessment, collection and proper allocation of revenues;
- d) all moneys expended and charged to an account have been applied to the purpose or purposes for which they were intended ; and
- e) essential records are maintained, and the internal management controls and the rules and procedures established and applied are sufficient to safeguard the control of stores and other public property.

4. Section 24(3) states that in conducting performance audit I shall examine the extent to which a public entity is applying its resources and carrying out its activities economically, efficiently and effectively and with due regard to ensuring effective internal management control.

5. In addition, Section 74(1) of the Fiscal Management and Accountability Act 2003 (hereinafter referred to as the FMA Act) requires that I examine and report on the Consolidated Financial Statements that are to be submitted to me in accordance with Sections 68 to 71 and 73 of the said Act. These Consolidated Financial Statements consists of:

- a) In respect of the Consolidated Fund, including each Fund that is considered to be part of the Consolidated Fund:
 - End of Year Budget Outcome and Reconciliation Report – Sections 68 and 73;
 - Statement of Contingent Liabilities – Section 73; and
 - Such other financial information relating to the fiscal year that the Minister of Finance deems necessary to present fairly the financial transactions and financial position of the State – Section 73.
- b) Financial reports of the Extra-Budgetary Funds – Section 73;
- c) Financial reports of the Deposit Funds – Section 73;
- d) Financial reports of other accounts approved by the Minister of Finance – Section 73;
- e) Schedule of Government Guarantees – Section 71;
- f) Schedule of Public Debt Outstanding in the name of the Government, other levels of Government and Public Enterprises – Section 69; and
- g) Schedule of the Issuance and Extinguishments of all Loans granted by the Government, other levels of Government and Public Enterprises – Section 70.

6. The Minister of Finance is required to submit the above statements within four months of the close of the fiscal year to enable me to audit them and to submit my Report thereon to the Speaker not later than the 30 September. As at 30 April 2017, the statements referred to above and the draft Appropriation Accounts were received. The signed Consolidated Financial Statements were received on 13 September 2017.

7. In accordance with Sections 68 to 71 and 73 of the FMA Act, the following statements were submitted to me for audit examination:

- i. End of Year Budget Outcome and Reconciliation Report of the Consolidated Fund (Revenue) – Sections 68, 73(2)(a)(i);
- ii. End of Year Budget Outcome and Reconciliation Report of the Consolidated Fund (Expenditure) – Sections 68, 73(2)(a)(i);
- iii. Receipts and Payments of the Consolidated Fund – Section 73(2)(a)(iii);
- iv. Expenditure of the Consolidated Fund as compared with the Estimates of Expenditure – Section 73(2)(a)(iii);
- v. Expenditure in respect of those Services which by Law are directly charged upon the Consolidated Fund – Section 73(2)(a)(iii);
- vi. Receipts and Payments of the Contingencies Fund – Section 41;
- vii. Assets and Liabilities of the Government – Section 73(2)(a)(iii);
- viii. Appropriation Accounts of Heads of Budget Agencies – Fiscal Management and Accountability Regulations 2004 (Appendix B);
- ix. Receipts and Disbursements by Heads of Budget Agencies – Fiscal Management and Accountability Regulations 2004 (Appendix B);
- x. Schedule of Public Debt – Section 69(1);
- xi. Financial Reports of the Deposit Funds – Section 73(2)(c); and
- xii. Schedule of Government Guarantees – Section 71(1), 73(2)(a)(iii).

8. In addition to reporting on the Public Accounts and the accounts of Ministries/Departments/Regions, I have also provided information with regard to the other areas for which I have audit responsibilities. These include the audits of public enterprises, statutory bodies, municipalities, local authorities, foreign-funded projects, performance audits and special investigations.

9. In keeping with Section 27 of the Audit Act 2004, the relevant sections of this Report were discussed with Heads of Budget Agencies, the Finance Secretary and the Accountant General, who were also provided with individual written reports of my findings and recommendations. In addition, the responses of the Head of the Budget Agencies were incorporated in the respective sections of this Report.

10. The National Budget for the year 2016 was presented to the National Assembly with changes to two Ministries as follows:

Old Agency Code	Old Agency	New Agency Code	New Agency
24	Ministry of Natural Resources and Environment	26	Ministry of Natural Resources
22	Ministry of Tourism (2 Months)	33	Ministry of Public Telecommunication

END OF YEAR BUDGET OUTCOME AND RECONCILIATION REPORT
(REVENUE)

11. The End of Year Budget Outcome and Reconciliation Report (Revenue) is shown on pages 465 to 466. This Report shows a positive variance of \$4.206 billion and a negative variance of \$12.058 billion between the estimates of revenue and the actual Government receipts for current and capital revenue as shown below. The shortfall of capital revenue of \$12.058 billion was mainly due to shortfall of \$6.365 billion from European Union (EU), delays in Infrastructure Projects under the water and power sectors and the Sheriff/Mandela road project. Shown in the table below are details of current and capital revenue:

Description	2016 \$'000	2015 \$'000	2014 \$'000
<u>Current Revenue</u>			
Estimated Revenue	173,324,662	163,773,758	168,190,323
Actual Receipts	177,531,039	163,032,404	146,013,872
Over/(Under) the Estimates	4,206,377	(741,354)	(22,176,451)
<u>Capital Revenue</u>			
Estimated Revenue	31,735,350	21,450,594	39,081,522
Actual Receipts	19,677,790	15,875,699	17,298,574
Over/(Under) the Estimates	(12,057,560)	(5,574,895)	(21,782,948)
Total Estimated Revenue	205,060,012	185,224,352	207,271,845
Total Revenue	197,208,829	178,908,103	163,312,446
Net Over/(Under) the Estimates	(7,851,183)	(6,316,249)	(43,959,399)

Ministry's Response: Central Government current revenue collections for 2016 surpassed the budgeted amount by \$4.2 billion. This outturn is mainly attributed to higher-than anticipated receipt of collections from import duties of \$1.8 billion in international trade taxes and \$1.2 billion in arrears for consumption taxes. Additionally, company income taxes were higher than anticipated by \$1.4 billion. Rent and royalties also improved by \$431.9M as a result of higher gold declarations.

The categories with major shortfalls were value added taxes and excise taxes by \$2.6 billion and, \$2.5 billion respectively. VAT reflected decreased revenue collections on imports due to lower volume of imported goods. Excise taxes declined on imports with motor vehicles declining by \$1.9 billion, petroleum products by \$840.2M, tobacco by \$226.9M and alcoholic beverage by \$25.5M.

Within the non-tax revenue category miscellaneous receipts exceeded the budgeted amount by \$2.3 billion to \$4.3 billion at the end of December 2016. This increase resulted from higher collections of \$2.4 billion due to pension funds being transferred into the Consolidated Fund Account.

Capital Revenue

12. Capital revenue reflected a negative variance of \$12.058 billion, which was attributed to External Grants and External Loans being below approved estimates mainly on the account of delay in award of contracts in the Electrification program, non-award of three water treatment plants in the Water Supply and Infrastructure Program, delays due to award and retendering of Sheriff/Mandela Road contract in the Road Network and Expansion Project, lengthy design review process, delayed tendering and award of civil works in Sea Defences and cancel of loan in the Sugar Industry Mechanisation Project.

Ministry's Response: Capital revenue reflected a negative variance of \$5.693 billion which was attributed principally to delays in the award of two critical Infrastructural Projects in the water and power sectors which resulted in approximately \$3.4 billion. Additionally, the upgrade of the East Coast Road corridor and the Sheriff/Mandela Road projects were projected to commence but were delayed.

13. Except for any adjustments, which may have been shown to be necessary as a result of the observations contained in the relevant sections of my Report, in my opinion, the statement as shown on pages 465 to 466 properly represents the End of the Year Budget Outcome and Reconciliation Report (Revenue) for the year ended 31 December 2016.

END OF YEAR BUDGET OUTCOME AND RECONCILIATION REPORT
(EXPENDITURE)

14. The End of Year Budget Outcome and Reconciliation Report (Expenditure) is shown on pages 467 to 482. This Report shows a savings on allotment of \$2.868 billion and \$5.566 billion, between the estimates of expenditure and the actual amount of expenditure during the year for current and capital expenditures as shown below:

Description	2016 \$'000	2015 \$'000	2014 \$'000
<u>Current Expenditure</u>			
Approved Allotment	177,852,720	182,029,985	138,800,172
Actual Expenditure	174,984,513	156,244,693	137,252,164
Over/(Under) the Allotment	(2,868,207)	(25,785,292)	(1,548,008)
<u>Capital Expenditure</u>			
Approved Allotment	52,183,806	39,048,621	54,837,615
Actual Expenditure	46,618,059	30,664,886	51,013,623
Over/(Under) the Allotment	(5,565,747)	(8,383,735)	(3,823,992)
Total Approved Allotment	230,036,526	221,078,606	193,637,787
Total Expenditure	221,602,572	186,909,579	188,265,787
Net Over/(Under) the Allotment	(8,433,954)	(34,169,027)	(5,372,000)

Current Expenditure

15. Central Government current expenditure was under the 2016 budgetary allocation by \$2.868 billion. This outturn was mainly attributed to expenditure being significantly under the budgeted allocation by various Ministries.

Ministry's Response: Central Government current expenditure was less than the 2016 Budget allocation by \$2.9 billion. This outturn was attributed to unspent allocations from several Agencies. These included a sum of \$1.3 billion allocated under Public Debt due to less than anticipated disbursement for new and disbursing loans from creditors such as Inter-American Development Bank (IDB), International Development Association-World Bank (IDA), Caribbean Development Bank (CDB), Eximbank of India and Caricom Development Fund (CDF) in 2016.

Unspent balances of \$410.6M was realised from Employment Cost of which \$276.8M was due to transfers of contracted staff to the permanent establishment. Overseas conference and official travel was \$127.3M and training was \$301.6M in 2016.

Unspent allocations for other Goods and Services was due mainly to students from several schools not uplifting uniform vouchers of \$324.9M, also dietary of \$400.5M was unspent due to reduced CPCE dormitory students. In addition, Citizenship and Immigration Services retendered for the computerisation initiative of records however, there were no successful bidders in 2016.

Transfer payments variance from budgeted allocation was due to a significant number of public assistance and old age pension recipients not en-cashing their 2016 vouchers in 2016. Also, the Elections Commission unspent balance of \$476.2M was due to the absence of a Chairman since August 2016, which prevented the Commission from fully executing their budget work programme.

Capital Expenditure

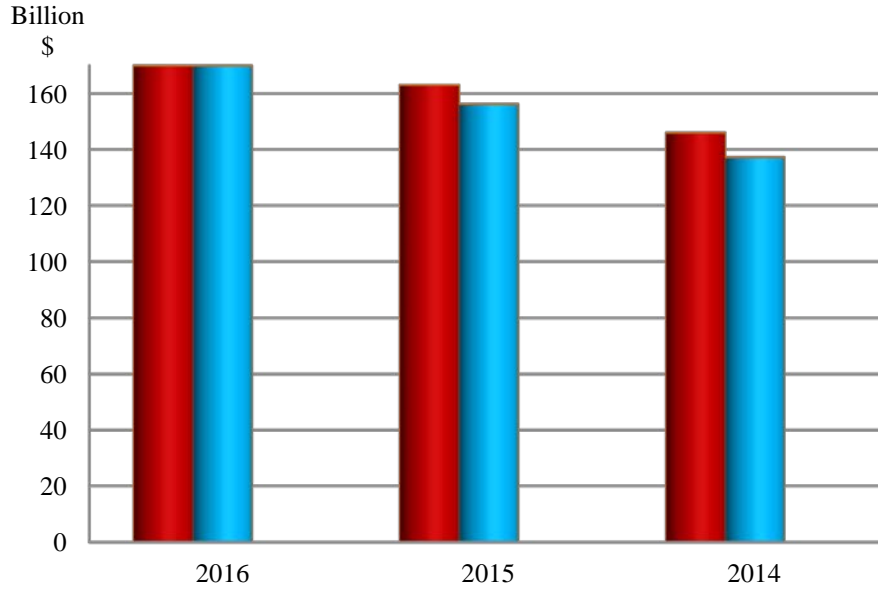
16. Capital expenditure reflected a negative variance of \$5.566 billion, which was attributed to External Grants and External Loans being below approved estimates mainly on the account of delay in award of contracts in the Electrification program, non-award of three water treatment plants in the Water Supply and Infrastructure Program, delays due to award and retendering of Sheriff/Mandela Road contract in the Road Network and Expansion Project, lengthy design review process, delayed tendering and award of civil works in Sea Defences and cancel of loan in the Sugar Industry Mechanisation Project.

Ministry's Response: Central government capital expenditure was 89.3% of the approved allotment of \$52.183 billion. The outcome was weak due to a subpar performance, 73.7% execution rate, on our donor support portfolio of projects, particularly our project grants where total expenditure was \$3.056 billion against an approved allocation of \$5.625 billion. Some key contributing factors were the delay in award of contracts for two critical infrastructural projects in the water and power sectors which resulted in approximately \$3.4 billion in unutilised funds.

The performance of the domestically financed investment programme was strong, with an execution rate of 100.4%, aided by strict monitoring and reprogramming of projected under-expenditure on initial programme. Also, contributing to this strong overall performance was supplementary provisions approved in the sum of \$2.757 billion for domestically financed projects, particularly in the infrastructure sector, and \$5.367 billion in relation to additional inflows for foreign funded projects that performed better than anticipated.

17. Except for any adjustments, which might have been shown to be necessary as a result of the observation contained in the relevant sections of my Report, in my opinion, the Statement as shown on pages 467 to 473 properly presents the End of Year Budget Outcome and Reconciliation Report (Expenditure) for the year ended 31 December 2016.

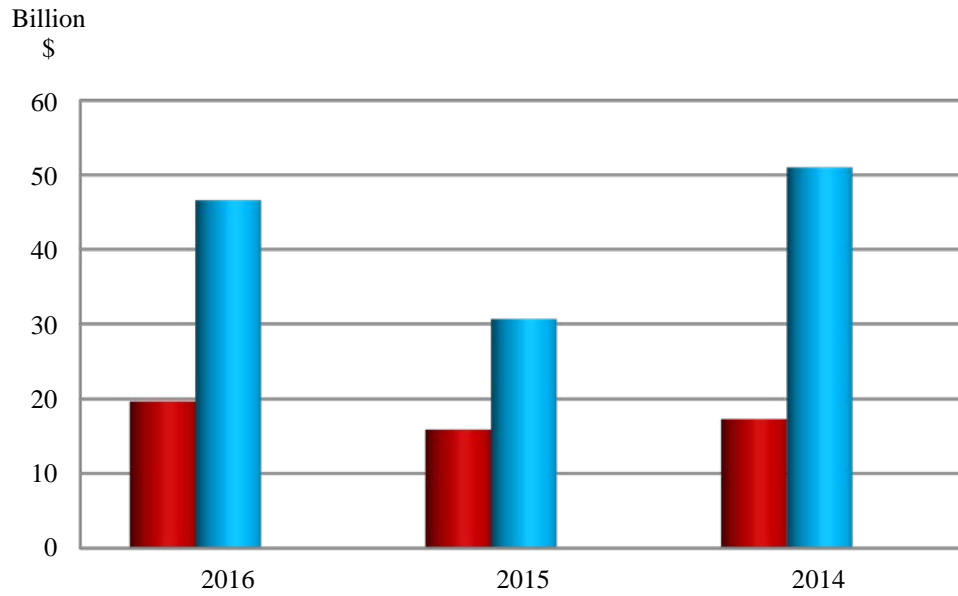
Comparisons between Current Revenue
and Current Expenditure for the years
2014-2016



	2016 \$'000	2015 \$'000	2014 \$'000
■ Current Revenue	177,531,039	163,032,404	146,013,872
■ Current Expenditure	174,984,513	156,244,693	137,262,163
Difference	2,546,526	6,787,711	8,751,709

Figure 1

Comparisons between Capital Revenue and
Capital Expenditure for the years
2014-2016



	2016 \$'000	2015 \$'000	2014 \$'000
■ Capital Revenue	19,677,790	15,875,699	17,298,574
■ Capital Expenditure	46,618,057	30,664,886	51,013,623
Difference	(26,940,267)	(14,789,187)	(33,715,049)

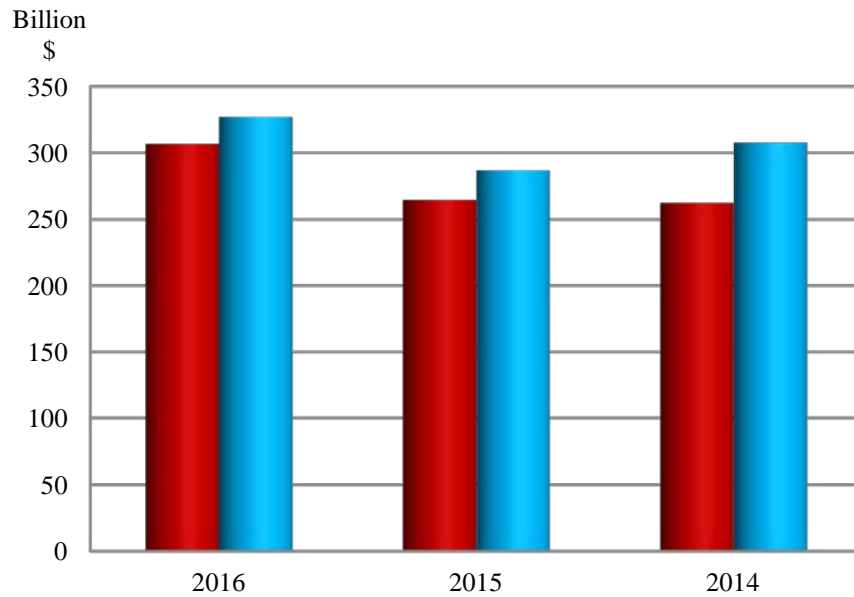
Figure 2

Surplus/Deficit for the year ended 31 December 2016

18. The current surplus for the year ended 31 December 2016 was \$6.630 billion while the capital deficit was \$26.940 billion. Therefore, there was an overall deficit of \$20.310 billion for the year ended 31 December 2016 as shown in the table below and at Figure 3:

Current Revenue		2016 \$'000	2015 \$'000	2014 \$'000
500	Customs and Trade Taxes	16,381,965	13,156,236	13,454,797
510	Internal Revenue	68,110,776	61,044,186	56,866,062
520	Stamp Duties	339,589	446,088	618,392
525	Other Tax Revenues	277	0	0
530	Fees and Fines	1,356,650	1,210,984	1,109,544
540	Interest	1,002,029	2,041	2,399
545	Rents and Royalties	4,301,266	8,866	11,694
555	Dividends and Transfers	14,276,069	12,391,796	5,291,516
560	Miscellaneous Receipts	4,255,435	5,965,380	2,949,980
590	Value Added Taxes	36,268,472	35,373,655	37,307,010
594	Excise Tax	31,083,003	33,330,463	28,234,080
597	Miscellaneous	155,508	102,709	168,398
	Sub Total	177,531,039	163,032,404	146,013,872
	Treasury Bills Issued	109,458,458	85,396,970	98,844,793
	Total Current Revenues	286,989,497	248,429,374	244,858,665
Current Expenditure				
	Current Budgetary Expenditure	158,823,111	137,363,579	123,583,007
	Current Statutory Expenditure	16,161,403	18,881,112	13,669,156
	Treasury Bills Redeemed	105,374,913	99,763,159	119,366,963
	Total Current Expense	280,359,427	256,007,850	256,619,126
	Current Surplus/Deficit	6,630,070	(7,578,476)	(11,760,461)
Capital Revenue				
565	Sale of Assets	0	2,123	3,569
570	Miscellaneous Capital Revenue	1,501,560	2,484,668	2,364,148
575	External Grants	5,368,888	3,851,351	920,443
580	External Loans	12,807,342	9,537,557	14,010,414
	Total Capital Revenues	19,677,790	15,875,699	17,298,574
	Capital Expenditure	46,618,058	30,664,886	51,013,620
	Capital Surplus/Deficit	(26,940,268)	(14,789,187)	(33,715,046)
	Total Revenue (Current and Capital)	306,667,287	264,305,073	262,157,239
	Total Expenditure (Current and Capital)	326,977,485	286,672,736	307,632,746
	TOTAL SURPLUS/DEFICIT	(20,310,198)	(22,367,663)	(45,475,507)

Comparisons between Total
Revenue and
Total Expenditure for the years
2014-2016



	2016 \$'000	2015 \$'000	2014 \$'000
■ Total Revenue	306,667,287	264,305,073	262,157,239
■ Total Expenditure	326,977,485	286,672,736	307,632,746
Difference	(20,310,198)	(22,367,663)	(45,475,507)

Figure 3

FINANCIAL INFORMATION
RECEIPTS AND PAYMENTS OF THE CONSOLIDATED FUND

19. In January 2004, a new Consolidated Fund № 01610000407 was established in accordance with Section 51 of the FMA Act with a transfer of \$5 billion from the old Consolidated Bank Account № 01610000400. This new bank account was reconciled monthly and reflected an overdraft of \$67.583 billion as at 31 December 2016, while the cash book reflected an overdraft of \$86.083 billion. The difference of \$18.500 billion between the bank and cash book were due mainly to:

- a) deposit of \$2.734 billion not yet debited to Cash Book;
- b) unrepresented cheques of \$22.728 billion;
- c) deposits of \$5.342 billion not yet credited to the Bank Account; and
- d) debit advices of \$1.621 billion not yet credited in Cash Book.

20. Section 26 of the FMA Act states “except as provided in this Act, every appropriation of public moneys authorised by Parliament for a fiscal year shall lapse and cease to have effect as at the end of that fiscal year”. Examination of the reconciliation of the 407 account in respect of unrepresented cheques totalling \$22.728 billion as at 31 December 2016 revealed that 7,150 cheques totalling \$9.452 billion was processed and printed during the month of January 2017.

Ministry’s Response: The Ministry of Finance acknowledges the comments made by the Auditor General. However it must be pointed out that the drawing rights granted to Heads of Budget Agencies by the Minister of Finance provided for expenditures on and up to the end of December 2016. The Ministry of Finance also ensured that no further expenditures were being effected against appropriation allotments after 31 December 2016 by activating the controls inherent in the IFMAS.

The printing of the cheques has always been dependent on a single centralised system located in the Accountant General’s Department and which was unable to complete the volume of cheques that were already approved in the IFMAS for printing on 31 December 2016. This resulted in the overlap in cheque printing activity in 2017 as pointed out in the Audit Report.

21. A total of thirty-one Government Bank Accounts were rendered non-operational in 1994 and some at the time of implementation of the Integrated Financial Management and Accounting System (IFMAS) in 2004. As at 31 December 2016, a total of twenty Government Bank Accounts with balances totalling \$209.743M were listed as inactive of which eight accounts have zero balances and one account has a balance of \$200M, which represents the Revolving Housing Fund. The net accumulated balance of these accounts and other operational accounts (excluding the balances on the Bank Accounts of special projects) was negative \$16.973 billion as at 31 December 2016, as compared to a balance of negative \$1.167 billion as at 31 December 2015. This represents the best available estimate of the cash position of the Government as at 31 December 2016.

22. The following gives a breakdown of the bank balances in summarised form with comparative figures at the end of the preceding year:

Account №.	Description	Amount 2016 \$M	Amount 2015 \$M
407	Consolidated Fund(New)	(67,583)	(42,679)
400	Consolidated Fund(Old)	(46,776)	(46,776)
401	Deposit Fund	0	0
3001	Non-Sub Accounting Ministries/Departments	8	2,440
-	Other Ministries/Departments' Accounts	19,027	19,599
969	Monetary Sterilisation Account	78,351	66,249
Total		(16,973)	(1,167)

23. Section 26(3) of the Fiscal Management and Accountability Regulations 2004 states an official Bank Account shall not be overdrawn, nor shall any temporary advance be obtained from any financial institution without prior approval of the Minister. It should be noted that the overdraft in the new Consolidated Fund was \$67.583 billion at the end of December 2016 compared with \$42.679 billion at the end of 2015, an increase of \$24.904 billion.

Ministry's Response: The Ministry of Finance explained that in the case of the Consolidated Fund, the Fiscal Management and Accountability Act 2003 (FMA Act 2003) make provision for overdraft facility. Section 60 of the FMA Act 2003 states "The Minister may approve the use of advances in the form of an overdraft on an official bank account to meet cash shortfalls during the execution of the annual budget". Also the fluctuations in the flow of receipts and payments may from time to time necessitate the need for overdrafts in the case of the Consolidated Fund. The use, however, of overdrafts by accounting officers with respect to ministries, regions and departmental accounts is prohibited.

Old Consolidated Fund Bank Account № 400

24. The old Consolidated Fund Bank Account № 400 was not reconciled since February 1988. A cash book for the account was reconstructed for the period 1989 to 2003 in order to aid the reconciliation of this account. However, despite attempts by the Accountant General's Department to reconcile the monthly transactions on the account from January 1994, it was found that a proper reconciliation was still not done. In addition, the old Consolidated Fund continued to be overdrawn over the years. At the end of 1992, the overdraft on this account was \$26.823 billion, compared with an overdraft of \$44.434 billion at the end of 2003, a net increase of \$17.611 billion. In January 2004, a new Consolidated Fund was opened with a transfer of \$5 billion from the old Consolidated Fund. At the end of 2004, the overdraft of the old Fund was \$45.550 billion. There was no activity in this account during the years 2006, 2007, 2010, 2011, 2012 and 2015. However, there were movements in the account during the years 2005, 2008, 2009, 2013 and 2014 with a closing overdraft of \$46.776 billion as at 31 December 2016.

Ministry's Response: The Ministry of Finance explained that the reconciliation of the old 400 Consolidated Account has posed new challenges. A request was made for data from the Bank of Guyana from the year 1992 but there seems to be difficulty in accessing it from the bank's records. In the absence of this data, the reconciliation exercise seems futile. There are also gaps in the accounting records of the Accountant General's Department that will also impede the smooth flow of a reconciliation process. However, the ministry is intent on making another attempt to approach the Bank of Guyana for it to make a concerted effort at compiling the information that was previously requested.

Recommendation: The Audit Office recommends that the Accountant General's Department take the necessary steps to bring closure to this matter. (2016/01)

25. In 2006, amounts totalling \$15.226 billion were transferred from the Deposit Fund, General Account and the Non-Sub Accounting Bank Accounts to the new Consolidated Fund (Account № 407) instead of the old Consolidated Fund. Had these amounts been transferred to the old Consolidated Fund and the amount of \$5 billion that was used to open the new Consolidated Fund repaid, then the overdraft would have been reduced to \$26.550 billion at the end of 2016.

Gifts

26. Section 34 of the Stores Regulations 1993 states "all gifts received shall be subject to normal store-keeping and received stores accounting procedures and the procedure set out in the regulations 16 to 19 inclusive shall apply. A Gift Register in Form 18 shall be maintained by the Storekeeper, and the Permanent Secretary shall furnish the Secretary to the Treasury (now Finance Secretary), the Accountant General and the Auditor General information relating to all gifts received from time to time". As a result, the amount of \$4.255 billion representing Miscellaneous Receipts as at 31 December 2016 was understated by an undetermined amount.

Ministry's Response: The Ministry of Finance continues to verify the receipts of gifts and grants received by agencies with a view to identifying those agencies that are in default. A fourth circular will be issued in furtherance of the Ministry's efforts to have these gifts and grants captured in the country's accounts.

Recommendation: The Audit Office once again recommends that the Ministry of Finance adopt stringent measures to ensure that there is compliance with the Ministry of Finance's circular concerning the accounting for gifts. (2016/02)

27. Except for any adjustments, which might have been shown to be necessary as a result of the observations contained in the relevant sections of my report, in my opinion, the Statement properly presents the Receipts and Payments of the Consolidated Fund for the year ended 31 December 2016.

Current Expenditure
Procurement of Drugs and Medical Supplies for Region Nos. 1 to 10

28. Amounts totalling \$2.047 billion were budgeted for the procurement of drugs and medical supplies under Health Services Programmes - Line Item 6221 for Region Nos. 1 to 10 during 2016. As at 31 December 2016 amounts totalling \$1.838 billion were transfer by way of Inter Departmental Warrants (IDWs) by the Regions to the Ministry of Public Health (MOPH) to be expended on the purchase of drugs and medical supplies. Amounts totalling \$1.434 billion were expended by the MOPH, while amounts totalling \$209.540M were expended by the Regions themselves. Shown in the table below are details of the expenditure. The warrants were verified as having been received by the Ministry of Public Health. The unexpended amounts on the warrants totalling \$403.273M were credited to the respective Regions' Appropriation Accounts. However, although drugs and medical supplies were received by the Regional Administration, the costs were not stated on the documentations that accompanied the deliveries. As a result, it could not be determined whether the full value was received for the sum of \$1.434 billion warranted to the MOPH.

Reg. No.	2016							2015
	Budget Amount \$'000	Expenditure By Region \$'000	Date of Warrants	IDWs to MOPH \$'000	Expenditure By MOPH \$'000	Total Expenditure \$'000	Balance on Budgeted Amount \$'000	Shortfall of Expenditure \$'000
1	80,877	5,877	23.05.2016	75,000	70,380	76,257	4,620	40,000
2	176,099	10,689	07.07.2016 16.11.2016	130,501 34,909	130,501	141,190	34,909	85,914
3	339,649	41,549	22.07.2016 05.12.2016	221,088 77,012	86,182	127,731	211,918	162,532
4	589,981	11,928	29.05.2016 29.08.2016	390,000 188,000	541,997	553,925	36,056	224,781
5	155,653	20,652	18.08.2016 18.10.2016	60,000 75,000	60,000	80,652	75,001	74,500
6	394,525	73,994	30.05.2017	320,525	320,525	394,519	6	151,938
7	64,496	14,496	25.05.2016	50,000	46,899	61,395	3,101	22,000
8	30,672	2,950	11.11.2016	27,722	0	2,950	27,722	12,049
9	73,871	15,871	08.08.2016 08.11.2016	48,000 10,000	48,000 0	63,871	0 10,000	21,500
10	141,535	11,534	22.03.2016	130,000	130,000	141,534	1	90,000
Total	2,047,358	209,540		1,837,757	1,434,484	1,644,024	403,334	885,214

29. As can be noted from the table above, amounts totalling \$1.838 billion were warranted to the MOPH to procure drugs and medical supplies, however, only \$1.435 billion was expended leaving an unspent balance of \$403M at the end of 2016. Similarly, for 2015, amounts totalling \$890.585M were warranted to the Ministry and only \$5.371M was expended.

STATEMENT OF EXPENDITURE FROM THE CONSOLIDATED FUND AS COMPARED
WITH THE ESTIMATES OF EXPENDITURE

30. The Statements of Expenditure from the Consolidated Fund as compared with the Total Funds Available as shown on pages 495 to 506 revealed amounts totalling \$182.725 billion and \$60.309 billion were available for current and capital expenditures respectively. Whilst, the actual expenditures for current and capital amounted to \$174.985 billion and \$46.618 billion respectively. This resulted in a shortfall in anticipated expenditures for current and capital by \$7.740 billion and \$13.691 billion respectively, as summarised in the table below:

Description	2016 \$'000
<u>Current Expenditure</u>	
Total Funds Available	182,724,737
Actual Expenditure	174,984,513
Over/(Under)	7,740,224
<u>Capital Expenditure</u>	
Total Funds Available	60,308,644
Actual Expenditure	46,618,057
Over/(Under)	13,690,587
Total Funds Available Current and Capital	243,033,381
Total Current and Capital Expenditure	221,602,570
Net Over/(Under)	(21,430,811)

31. The table below gives a breakdown of the Ministries and Regions whose capital expenditure shortfall exceeded \$100M and \$10M, respectively. (Please refer to Figure 4)

Agency No.	Ministry/Department/Region	Amount Budget \$'000	Amount Expended \$'000	Shortfall \$'000	Shortfall %
3	Ministry of Finance	4,148,632	3,652,922	495,710	12
21	Ministry of Agriculture	4,262,519	3,303,310	959,209	23
25	Ministry of Business	547,253	392,386	154,867	28
32	Ministry of Public Infrastructure	30,405,362	22,607,522	7,797,840	26
40	Ministry of Education	4,184,118	3,254,432	929,686	22
42	Ministry of Communities	5,426,248	3,511,926	1,914,322	35
43	Ministry of Public Health	2,061,380	1,541,480	519,900	25
54	Ministry of Public Security	2,115,712	1,454,270	661,442	31
71	Region 1	325,000	314,256	10,744	3
74	Region 4	479,654	446,136	33,518	7
76	Region 6	489,999	478,645	11,354	2
80	Region 10	423,391	342,426	80,965	19
	Total	54,869,268	41,299,711	13,569,557	

32. During the period under review, it was revealed that a significant number of projects under various Ministries, Departments and Regions were either not undertaken or not completed in the year. As such, these projects were re-budgeted and permission granted where necessary for contracts to be rolled over. It should be noted, despite the Ministry of Public Infrastructure receiving Supplementary Allotments of \$7.069 billion there were unspent balances of \$7.798 billion. Included in this shortfall were amounts totalling US\$7.228M equivalent to \$1.493 billion which relates to Foreign Funded Projects. Supplementary Allotments totalling \$7.069 billion were received mainly for:

- Purchase of equipment;
- Reconditioning of ferry vessels;
- CJIA Modernisation Project;
- Urban Roads/Drainage;
- Hinterland/Coastal Airstrips; and
- Highway Improvement East Bank Demerara.

33. Except for any adjustments, which might have been shown to be necessary as a result of the observations contained in the relevant sections of my Report, in my opinion, the Statement properly presents the Statement of Expenditure from the Consolidated Fund as compared with the Estimates of Expenditure for the year ended 31 December 2016.

Capital Expenditure Shortfall for the Ministries

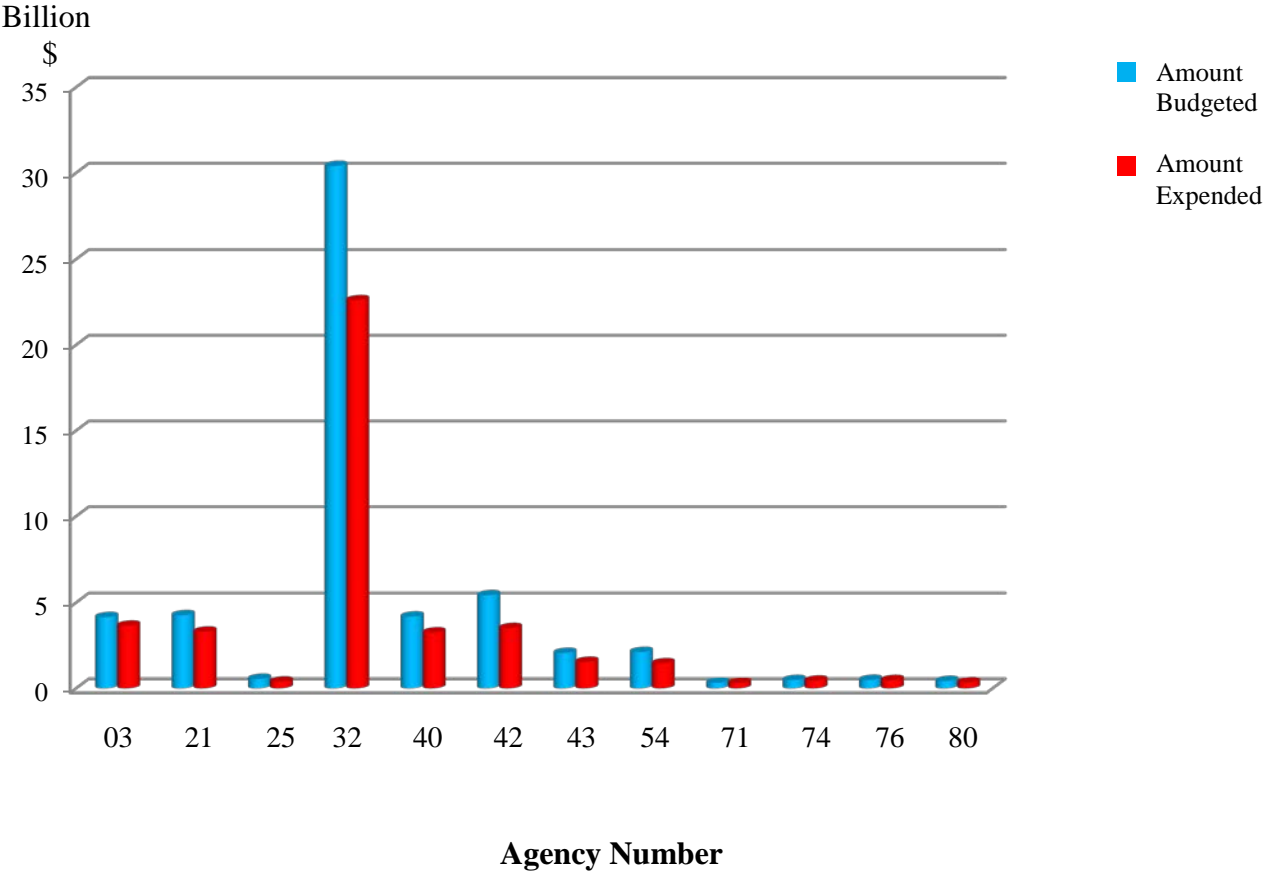


Figure 4

Agency Number	Description
3	Ministry of Finance
21	Ministry of Agriculture
25	Ministry of Business
32	Ministry of Public Infrastructure
40	Ministry of Education
42	Ministry of Communities
43	Ministry of Public Health
54	Ministry of Public Security
71	Region 1
74	Region 4
76	Region 6
80	Region 10

EXPENDITURE IN RESPECT OF THOSE SERVICES WHICH BY LAW ARE DIRECTLY CHARGED UPON THE CONSOLIDATED FUND

34. Expenditure in respect of those services, which by Law are directly charged upon the Consolidated Fund, otherwise known as Statutory Expenditure is shown on page 507, does not form part of the voted provisions approved by the National Assembly. Such expenditure includes repayment and servicing of the Public Debt, emoluments of holders of constitutional offices, and pensions and gratuities of public officers. The details provided for verification of this expenditure revealed that they were properly incurred.

Description	Wages and Salaries 2016 \$'000	Employment Overhead Expenses 2016 \$'000	Total Expenditure 2016 \$'000	Total Expenditure 2015 \$'000
Ministries and Departments	44,164	5,750	49,914	364,299
Pensions and Gratuities	3,822,268	0	3,822,268	3,346,491
Payments to Dependent's Pension Fund	77,804	0	77,804	77,804
Public Debt:				
Internal Principal	35,478	0	35,478	35,478
Internal Interest	1,863,059	0	1,863,059	1,789,583
External Principal	6,710,241	0	6,710,241	9,748,347
External Interest	3,602,637	0	3,602,637	3,519,111
Total	16,155,651	5,750	16,161,401	18,881,113

35. Except for any adjustments, which might have been shown to be necessary as a result of the observations contained in the relevant sections of my Report, in my opinion, the Statement properly presents Expenditure in respect of those Services which by Law are directly charged upon the Consolidated Fund for the year ended 31 December 2016.

RECEIPTS AND PAYMENTS OF THE CONTINGENCIES FUND

36. Section 220(1) of the Constitution states “Parliament may make provision for the establishment of a Contingencies Fund and for authorising the Minister responsible for finance to make advances from that Fund if he is satisfied that there is an urgent need for expenditure for which no other provision exists”. In accordance with Section 41 of the FMA Act, the Minister of Finance “may approve a Contingencies Fund Advance as an expenditure out of the Consolidated Fund by the issuance of a drawing right”. The criteria as stated in Section 41(3) of the FMA Act require the Minister, when satisfied that **“an urgent, unavoidable and unforeseen need for the expenditure has arisen –**

- (a) **for which no moneys have been appropriated or for which the sum appropriated is insufficient;**
- (b) **for which moneys cannot be reallocated as provided for under this Act; or**
- (c) **which cannot be deferred without injury to the public interest....”.**

37. Section 22(1)(c) of the FMA Act states “the amount of an appropriation for any programme may not be varied under this section by more than ten per cent of the total amount appropriated for the programme in the applicable appropriation Act”. In addition, Section 22(2) states “the Minister shall include all changes to appropriations made pursuant to subsection (1) up to the end of the tenth month of the current fiscal year in an appropriation amendment Bill: otherwise any changes shall be made in accordance with Section 24”.

38. Where any advance is made, a supplementary estimate must be laid before the National Assembly as soon as is practicable for the purpose of properly authorising the replacement of the amount advanced.

39. According to the Statement of Receipts and Payments of the Contingencies Fund as shown on page 508, amounts totalling \$931.018M were drawn from the Fund by way of ten advances as shown in the table below:

Ministries/Regions/Department	Date	Warrant №	Amount \$'000
Ministry of Public Infrastructure	25/04/2016	1/2016	150,000
Ministry of Public Infrastructure	14/07/2016	2/2016	256,758
Guyana Defence Force	23/05/2016	3/2016	20,000
Guyana Defence Force	23/05/2016	4/2016	35,000
Guyana Defence Force	23/05/2016	5/2016	46,000
Guyana Defence Force	23/05/2016	6/2016	30,000
Guyana Defence Force	23/05/2016	7/2016	54,000
Ministry of Public Health	21/07/2016	8/2016	63,541
Ministry of Agriculture	28/07/2016	9/2016	234,716
RDC Region 6	18/07/2016	10/2016	41,003
Total			931,018

40. For the period under review, it was disappointing to note that nine advances totalling \$696.302M were granted from the Contingencies Fund to meet routine expenditure as shown in the table below. Previous reports highlighted instances where the criteria were not fully met for the granting of some advances.

Min/Dept/Reg.	Date	Warrant №	Purpose/ Reasons for Supplementary Provision	Amount \$'000
Agency 32: Ministry of Public Infrastructure Programme 32	25/04/2016	1/2016	Purpose: To facilitate payment on Durban Park Development- towards the commencement of the intervention by the Ministry of Public Infrastructure.	150,000
Agency 32: Ministry of Public Infrastructure Programme 32	14/07/2016	2/2016	Purpose: To facilitate outstanding payments for works on the Durban Park Development Project.	256,758
Agency 53: Guyana Defence Force Programme 6223	23/05/2016	3/2016	Purpose: Request is being made under this sub-head to offset expenses for the procurement of maps, writing materials and inks which will aid in the development of orders and other related documents in support of the 46th Republic and 50th Independence Anniversary celebrations and Operation Dragnet.	20,000
Agency 53: Guyana Defence Force Programme 6264	23/05/2016	4/2016	Purpose: Request is being made under this subhead to ensure maximum serviceability and operational readiness of the Guyana Defence Force's Fleet of vehicles, during heighten period of operation DRAGNET. Additionally, the funds requested will aid significantly in offsetting of expenditure incurred during the 46th Republic and 50th Independence Anniversary Celebrations.	35,000
Agency 53: Guyana Defence Force Programme 6265	23/05/2016	5/2016	Purpose: Guyana Defence Force's fleet of aircraft had been unserviceable for varying periods over the past months. Presently our Y12 and Skyvan aircraft are unserviceable due to maintenance issues, thus there was an increase need to hire aircraft to satisfy our routine and operational requirements. Additionally funding is therefore necessary for the hiring of our air, sea and land transportation in support of the 46th Republic and 50th Independence Anniversary celebrations and Operation DRAGNET.	46,000

MIN/DEPT/REG.	DATE	WARRANT №	PURPOSE/ REASONS FOR SUPPLEMENTARY PROVISION	AMOUNT \$'000
Agency 53: Guyana Defence Force Programme 6284	23/05/2016	6/2016	Purpose: Additional request is being made under this sub head to offset expenses for laundering of uniforms rental of tents and other equipment in support of Republic Day and 50th Independence Anniversary Celebrations.	30,000
Agency 53: Guyana Defence Force Programme 6294	23/05/2016	7/2016	Purpose: Fifty-four percent of our voted provision for 2016 under this sub-head was expended mostly on agriculture supplies, medical care for ranks and sewing of uniforms for parades (Republic Day and 50th Independence Anniversary). It also met unforeseen funeral expenses which were not catered for in our estimates. In order to maintain operational readiness and ensure the success of 46th Republic and 50th Independence Anniversary Celebrations and Operation DRAGNET.	54,000
Agency 43: Ministry of Public Health Programme 6241 Rental of Buildings	21/07/2016	8/2016	Purpose: The warehouse facility belonging to Linden Holding Inc. being leased for use by the Ministry of Public Health for the storage of pharmaceutical etc.	63,541
Agency 76: Region 6 RDC Programme 6253 Maintenance of Drainage and Irrigation	18/07/2016	10/2016	Purpose: Maintenance of Drainage and Irrigation	41,003
Total Payments				696,302

Ministry's Response: The Ministry of Finance continues to ensure that there is full compliance with the requirements of Section 41 of the FMA Act, 2003 as it relates to the granting of advances from the Contingencies Fund.

Recommendation: The Audit Office once again recommends that the Ministry of Finance adopt stringent measures to ensure that there is compliance with Section 41 of the FMA Act concerning the criteria for the granting of advances from the Contingencies Fund. (2016/03)

41. During 2016, all Contingencies Fund Advances issued were cleared by the National Assembly via Financial Paper № 1/2016 dated 8 August 2016.

42. In the view of the foregoing observation, the completeness, accuracy and validity of the amounts shown in the Statement of Receipts and Payments of the Contingencies Fund for the year ended 31 December 2016 made in pursuance of Section 41 of the FMA Act, could not be satisfactorily determined.

FINANCIAL REPORTS OF THE DEPOSIT FUNDS

43. Section 42 of the FMA Act states that “the Minister may establish one or more Deposit Funds into which public moneys shall be paid pending repayment or payment for the purpose for which the moneys were deposited”. It was noted that amounts totalling \$296.809M were paid from the Fund during the year, utilising the relevant deposit fund ledger accounts. Quarterly reconciliation was conducted and balances monitored. The Financial Report of the Deposit Fund for the year ended 31 December 2016 is shown on page 509.

44. In addition, the old Deposit Fund Account № 401, from which amounts totalling \$1.955 billion and \$55M were transferred to the new Consolidated Fund in 2006 and 2010 respectively, reflected a Nil balance in 2012 and was closed as at 31 December 2013. However, we were unable to determine the details of the amounts transferred from this account due to a gap of fourteen years in financial reporting covering the period 1982 to 1995, and the Ledgers relating to the fund not being written up since September 1987. As such, the amounts recorded as deposits and transferred from this account were based on submissions by Ministries, Departments and Regions.

Ministry’s Response: The Ministry of Finance explained that this matter has not been resolved since the requisite manual records were maintained at the various agencies during the period prior to 2004. Whatever information was provided by those agencies in relation to figures for the opening balances in the Deposits Fund was acted upon in January 2004.

Recommendation: The Audit Office once again recommends that the Ministry of Finance undertake to establish a Deposit Fund in accordance with the requirement of the FMA Act. (2016/04)

45. The Audit Office was also unable to verify the accuracy of \$1.062 billion as deposits held for investments on behalf of the Sugar Industry Labour Welfare Fund, the Sugar Industry Rehabilitation Fund and the Sugar Industry Price Stabilisation Fund. These entities were last audited for the years 2012, 1980, and 1980, respectively. It was therefore not possible to use the entities’ records as a basis of verifying the accuracy of the balances.

Ministry’s Response: These entities have a responsibility to present their Financial Statements for auditing. The audited statements then form a sound basis for the Ministry of Finance to verify the figures reflected against the entities.

46. Prior to 2004, the records at the Accountant General's Department were not maintained in a manner to adequately monitor or control advances granted from the Deposit Fund. In addition, it was not possible to easily ascertain the value of advances issued or outstanding as at 31 December 2003. As a result, the amount of \$13.479 billion representing advances outstanding as at 31 December 2016 could not be substantiated. However, it was noted that monthly reconciliations were done between the agencies and the Ministry of Finance using the information provided by IFMAS and the agencies' records.

Ministry's Response: The Ministry of Finance explained that with the advent of the IFMAS in 2004 all reconciliations have been timely and accurate, as such; balances in the Deposits Fund as at the end of 2015 can be substantiated. In the absence of records prior to January 2004, the Ministry of Finance continues to rely on the agencies records to facilitate reconciliations.

Recommendation: The Audit Office once again recommends that the Ministry makes a concerted effort to reconcile the advances granted prior to 2004 and to submit the results for audit scrutiny. (2016/05)

47. Section 42(2) of the FMA Act states "on the establishment of a Deposit Fund, the Minister shall notify the National Assembly of the Deposit Fund and shall specify-(b) the purpose or purposes for which moneys may be expended from the Deposit Fund; and (d) the intended investment strategy for the moneys deposited in the Deposit Fund". The Ministry of Finance produced a schedule of agencies with miscellaneous deposits. However, the Ministry of Finance did not produce any documentation in support of the schedule. Shown in the table below are the details of the Deposit Fund as at 31 December 2016:

Description	Amount 2016 \$'000	Amount 2015 \$'000	Amount 2014 \$'000
Types of Deposit			
Dependents Pension Fund	1,016,541	990,175	653,631
Sugar Industry Welfare Committee	50,691	50,691	50,691
Sugar Industry Labour Welfare Fund	975,930	1,087,705	1,166,859
Sugar Industry Rehabilitation Fund	72,432	72,432	72,432
Sugar Industry Price Stabilization Fund	14,033	14,033	14,033
Miscellaneous	3,719,645	3,931,045	4,936,886
Total	5,849,272	6,146,081	6,894,532
Types of Advance			
Personal	14,824	14,024	12,255
Gratuity	1,281,408	1,162,001	938,531
Auto Advance	123,364	127,447	122,926
Guyana Gold Board	8,650,148	8,650,148	8,650,148
Imprest & Cash on Hand	1,204,579	1,207,697	877,550
Deposit Fund Advance Warrants	208,410	208,410	208,410
Crown Agents	406,246	401,831	395,427
Statutory and Other Bodies	1,554,456	1,554,456	1,554,456
Total	13,443,435	13,326,014	12,759,703

48. Examination of the Financial Report of the Deposit Fund revealed the following:

- The amount for Guyana Gold Board remained static for the period 2012 to 2016;
- Advances in relation to Deposit Fund Advance Warrants remained static for the period 2014 to 2016; and
- The amount for Statutory and Other Bodies remained static for the period 2005 to 2016.

49. In the view of the foregoing observations, the completeness, accuracy and validity of the amounts shown in the Financial Report of the Deposit Fund for the year ended 31 December 2016 made in pursuance of Section 42 of the FMA Act, could not be satisfactorily determined.

STATEMENT OF ASSETS AND LIABILITIES OF THE GOVERNMENT

50. The assets and liabilities of the Government comprised mainly cash and bank balances and cash equivalents, as well as short-term liabilities usually in the form of advances from the bank by way of overdrafts as well as the issue of Treasury Bills. Article 216 of the Constitution establishes the Consolidated Fund, whilst Section 41 of the FMA Act, pursuant to Article 220 of the Constitution, establishes the Contingencies Fund as a sub-fund of the Consolidated Fund. In addition, the Deposit Fund was established by Section 42 of the FMA Act. The Balance Sheets of these funds at the end of the year would normally comprise the assets and liabilities of the Government.

51. The Statement of Assets and Liabilities of the Government for the year ended 31 December 2016, is summarised as follows:

Description	2016 \$M	
<u>Assets</u>		
Central Government Accounts	(35,491)	
LIS 11 Bank Account	0	
WSG Bank A/c –Loan	11	
Cash at Bank of Guyana in respect of special accounts (2000 Series)	15,235	
Cash at Bank of Guyana in respect of Redemption of Treasury Bills Account	(3)	
		(20,248)
<u>Less: Liabilities</u>		
Treasury Bills		
90 days	5,973	
182 & 365days	73,901	
	79,874	
Sugar Industry Welfare, Labour, Rehabilitation & Price Stabilisation Funds	1,062	
Miscellaneous Deposits	3,720	
Dependants' Pension Fund and Sugar Industry Welfare Committee	1,068	
		85,724
Net Liability		105,972

52. The sum of negative \$35.491 billion shown as Central Government Accounts represented actual bank balances instead of Ledger/Cash book balances, with the exception of the new Consolidated Fund (Account No. 407). This was due primarily to the absence of reconciliations of a number of Government Bank Accounts. The following table gives a breakdown with comparative figures at the end of the preceding year:

Account №.	Description	Amount 2016 \$M	Amount 2015 \$M
407	Consolidated Fund (New) (Cash book	(86,101)	(53,788)
400	Consolidated Fund (Old)	(46,776)	(46,776)
3001	Non-Sub Accounting Min/Dept	8	2,440
-	Other Ministries/Departments' Accounts	19,027	19,599
969	Monetary Sterilisation Account	78,351	66,249
Total		(35,491)	(12,276)

53. Prior to 2004, funds were released from the Consolidated Fund into the Non-Sub Accounting Ministries and Departments' Bank Account № 3001. This account, which is under the control of the Accountant General's Department, reflected a balance of \$8M at the end of 2016. The funds in this account included the unspent amounts from Ministries, Departments and Regions that had not been paid over to the Consolidated Fund over the years.

Ministry's Response: The Ministry of Finance is currently reviewing the balances held in all dormant accounts which include the 3001 account, with a view of paying over same to the Consolidated Fund Account №. 407.

Recommendation: The Audit Office once again recommends that the Ministry of Finance conduct a review to facilitate the transfer of these balances to the Consolidated Fund Account. (2016/06)

54. The Monetary Sterilisation Account, set up in 1993 to capture the proceeds from issues of medium term (i.e. 182 & 365 days) Treasury Bills, reflected a balance of \$78.351 billion as at 31 December 2016. However, the related balance in the Statement of Public Debt was stated as \$79.874 billion, resulting in a difference of \$1.523 billion. This difference represents unpaid discounts to the Bank of Guyana by the Government of Guyana of \$994M as at 31 December 2016. Included in this difference were unexplained debits totalling \$669.696M and credits totalling \$140.271M for which no documents were provided.

Ministry's Response: The Ministry of Finance has since concluded the reconciliation of the records between the Bank of Guyana and that of the Accountant General's Department and has arrived at a net amount of \$529.424M, representing unpaid interest on treasury bills that is due and payable to the Bank of Guyana. To this end, the Ministry has agreed to repay the Bank, commencing 2017, that amount in equal installments over a five years period. The sum of \$105.885M has been budgeted under Public Debt in the 2017 Estimates of Income and Expenditure and the first payment made in March, 2017.

Recommendation: The Audit Office recommends that the Ministry of Finance works assiduously to bring closure to this matter. (2016/07)

55. In view of the foregoing observations, I am unable to form an opinion whether the Statement as shown on pages 510 to 515 properly presents the Assets and Liabilities as at 31 December 2016.

56. It should be noted that the Government continues to operate on a cash basis and has not adopted or implemented the International Public Sector Accounting Standards (IPSAS). These standards requires accrual basis of accounting with full consolidation of all Government Agencies, including Public Enterprises and Statutory Bodies which are reliant on the state for assistance, to present a full and true financial position of the Government. The implementation of these Standards will enhance the quality, consistency and transparency of Public Sector Financial reporting leading to better informed assessments of the resource allocation decisions made by Government, thereby increasing transparency and accountability.

Ministry's Response: The adoption of IPSAS (International Public Sector Accounting Standards) does not necessarily require the immediate implementation of the accrual basis of accounting with full consolidation of all Government Agencies. The basis of accounting under IPSAS also allows for modified cash basis of accounting as well as the modified accrual basis of accounting. It is acknowledged that the optimal aim of developing countries is to endorse the full accrual basis but this has to be undertaken in a phased manner. The Annual Consolidated Financial Statements as contained in the Fiscal Management and Accountability Act 2003 are all prepared under the cash basis of accounting. Sensitization as a first step, followed by training will also have to be undertaken before IPSAS can become a reality.

Recommendation: The Audit Office recommends that the Ministry of Finance works assiduously to fully implement the Accrual Basis of accounting under IPSAS. (2016/08)

SCHEDULE OF PUBLIC DEBT

57. In accordance with Article 221 of the Constitution, the Public Debt of Guyana and the servicing of that Debt are a direct charge on the Consolidated Fund. In addition, Section 3(1) of the External Loans Act, Chapter 74:08 of the Laws of Guyana, as amended by Order №. 31 of 1991, authorises the Government to raise loans outside of Guyana not exceeding \$400 billion. Section 3(6) of the said Act also requires all agreements relating to such loans to be laid before the National Assembly as soon as practicable after the execution of such agreements. Audit examination revealed that sales agreement for oil shipment to Guyana through the PetroCaribe agreement for the year 2015 with a total value of \$5.293 billion was not signed nor was it laid in the National Assembly as of 22 September 2017. During 2016, three loan agreements totalling \$13.758 billion were entered into as detailed in the table below. Two of these agreements were laid in 2016 and the other agreement was laid during 2017 in the National Assembly.

No	Date of Agreement	Loan Ref.	Donor Agency	Description of Loan	Amount US\$'000	Amount G\$'000	Date laid in National Assembly
1	14.12.2016	ROG/L0002	CDF	For the Consultancy, Non Consultancy Services and Works for Rural Agricultural Infrastructure Development in Small Scale Farming Communities, to be completed in thirty (30) months	6,625	1,368,063	05.1.2017
2	09.11.2016	-	Export-Import Bank of India	Procurement of an Ocean Ferry	10,000	2,065,000	28.11.2016
3	16.03.2016	-	Export-Import Bank of India	East Bank East Coast Road Linkage Project	50,000	10,325,000	04.08.2016
Total					66,625	13,758,063	

Ministry's Response: Efforts are being made by the Ministry to have the Sales Contract signed between the Government of Guyana and the Bolivar Republic of Venezuela and subsequently laid in Parliament at the earliest opportunity. Currently there is a compensation agreement prepared and awaiting signatures by the relevant parties of both countries.

Recommendation: The Audit Office recommends that the Ministry take the necessary steps to bring closure to this matter. (2016/09)

Non Negotiable Debenture to National Insurance Scheme (NIS)

58. The Government of the Co-operative Republic of Guyana and the National Insurance Scheme signed an agreement on the 16 September 2016 for twenty Non Negotiable Debenture Certificates with a total value of G\$4.882 billion or US\$23.642M. This agreement is in keeping with the Parliamentary Resolution 82 of 2009 and the Government's commitment to assist the National Insurance Scheme (NIS) to recover its investment in the Colonial Life Insurance Company (Guyana) Limited (CLICO). These debenture certificates are to be redeemed annually over a twenty years period. The first debenture certificate will be redeemed on 1 January 2017 and the final will be redeemed on 1 January 2036.

59. The reported Public Debt as at 31 December 2016 (i.e. debts which are required to be serviced out of the Consolidated Fund only and which do not include those of Bank of Guyana and parastatal entities) is summarised below:

Description	External G\$'000	Internal G\$'000	Total 2016 G\$'000	Total 2015 G\$'000
Unfunded	235,711,300	43,509,875	279,221,175	270,737,824
Funded	0	3,898,537	3,898,537	3,898,537
Treasury Bills (91 days)	0	5,997,650	5,997,650	8,884,450
(182 & 365 days)	0	75,470,300	75,470,300	68,552,150
Total	235,711,300	128,876,362	364,587,662	352,072,961

60. At the end of 2016, the total Public Debt stood at G\$364.588 billion or the equivalent of US\$1.766 billion, as compared with G\$352.073 billion or US\$1.705 billion at the end of 2015, representing an increase of G\$12.515 billion or US\$61M at the end of 2016.

61. Expressed as a factor of Current Revenue (G\$177.531 billion), the total Public Debt at the end of 2016 was 2.1 times current revenue, compared with a factor of 2.2 at the end of 2015 and 2.5 at the end of 2014.

External Debt

62. The External Debt at the end of 2016 was G\$235.711 billion, compared with G\$232.097 billion at the end of 2015, a net increase of G\$3.614 billion. Equivalent in United States Dollars, the External Debt as at 31 December 2016 was US\$1.141 billion, compared with US\$1.124 billion at the end of 2015, a net increased of US\$17M. This increase was due mainly to:

- a) disbursements totalling G\$11.811 billion or US\$57.196M in respect of loans contracted;
- b) the capitalisation of interest for Non Paris Club Creditors totalling G\$677.229M or US\$3.280M;
- c) the inclusion of capitalised interest for oil shipped to Guyana under the PetroCaribe agreement totalling G\$448.518M or US\$2.172M for the period 2014 to 2015;
- d) repayments of principal totalling G\$6.710 billion or US\$32.494M;
- e) restatement of loan G\$554.453M or US\$2.685M; and
- f) the movement of exchange rates.

Internal Debt

63. The Internal Debt increased by G\$8.900 billion from G\$119.976 billion to G\$128.876 billion. This increase was due mainly as follows:

- a) the issuance of non negotiable debenture certificates totalling G\$4.882 billion to National Insurance Scheme (NIS);
- b) the increased in the issuance of treasury bills totalling G\$4.031 billion;
- c) the issuance of a non interest bearing debenture totalling G\$21.402M; and
- d) principal repayment of an internal loan totalling G\$35.478M.

Other Matters

64. There were two Loan Agreements which consist of ordinary capital financing and funds for special operations financing for the Road Network Upgrade and Expansion Program and Sustainable Operation of the Electricity Sector and Improved Quality of Service, where the Inter-American Development Bank had requested the return of unspent balances totalling US\$5.300M from loan disbursements made during the years 2011 to 2015. Based on the request, amounts totalling US\$5.300M was paid to the Inter-American Development Bank during 2015. It should be noted on these loans, the Government is required to pay credit fees of 0.75% per annum on the undisbursed amounts of the ordinary capital financing portion (OCFP). During 2016, there was no disbursement of funds on these loans. The details are as follows:

Loan Description	Date of Loan Agreement	Amount of Loan	Ordinary Capital Financing Portion	Total Disbursed on Loan as at 31.12.2016	Amount Disbursed as at 31.12.2016 – (OCFP)	Amount recalled by IDB in 2015	Amount paid as Credit Fees		
							As at 2015	For the year 2016	Total
US\$'000									
2741 - Road Network Upgrade and Expansion Program	15 March 2013	66,200	33,100	1,410	705	4,400	183	179	362
2567 - Sustainable Operation of the Electricity Sector and Improved Quality of Service	23 September 2011	5,000	2,500	2,176	1,088	900	15	8	23
Total						5,300	198	187	385

Amendment of Loans

65. During the year 2016, there were two amendment of External Loan Dollar Credit Line Agreements between the Government of the Co-operative Republic of Guyana and the Export Import Bank of India as shown in the table below:

Loan Description	Date of Amended Loan Agreement	Original Principal Amount	Amended Principal of Loans as at 31 December 2016
		US\$'000	
Construction of a Multi-Specialty Hospital	29 September 2016	19,000	4,285
Supply of Fixed and Movable Irrigation Pumps.	16 March 2016	4,000	2,991

Guarantee Fees

66. The Loan Contract №. 1731/SF-GY Georgetown Solid Waste Programme was signed on 22 February 2007 with an expiration date of 22 February 2018. The loan financing amounted to US\$2.500M. However, no amount was disbursed as at 31 December 2016. It should be noted that Guarantee Fees of 0.25% per annum is charged on the undisbursed amount. As a result, amounts totalling US\$49,965.77 were paid as Guarantee Fees as at 22 July 2016.

Public Debt Register

67. An examination of the Public Debt Register revealed that the register was not properly written up in respect of recording of entries therein. As a result, the accuracy, completeness and validity of the Public Debt Register could not be relied on. Nevertheless, during November 2016, with the aid of Commonwealth Secretariat, through technical assistance, the Ministry was able to have the Public Debt System computerised using the Commonwealth Secretariat Debt Recording Management System (CSDRMS). However, at the time of reporting the system was partially implemented with the Debt Management Division having the authority to record, input and validation of all data entered into the system. Additionally, the Public Debt Section has only real-time viewing access and cannot input data and customise report.

Ministry's Response: The Ministry of Finance has started the process of fully computerising the activities of Public Debt. In 2014 the Public Debt Section was connected to the Debt Management Division's CS-DRMS system with the aim of **operationalising** the Domestic Debt Module and to use the system reports for reconciliation. At the end of 2016, staff were fully trained in the use of the new CD-DRMS version and are able to extract the requisite reports for verification and reconciliations. Additionally, the department will be fully utilizing the CS-DRMS through one database housed at the Ministry of Finance and preparation of the Public Debt Statement will be done using the new system. This means that there will be no need for reliance on the manual records in the Public Debt Section as the CS-DRMS would become the single repository for all debt related transactions.

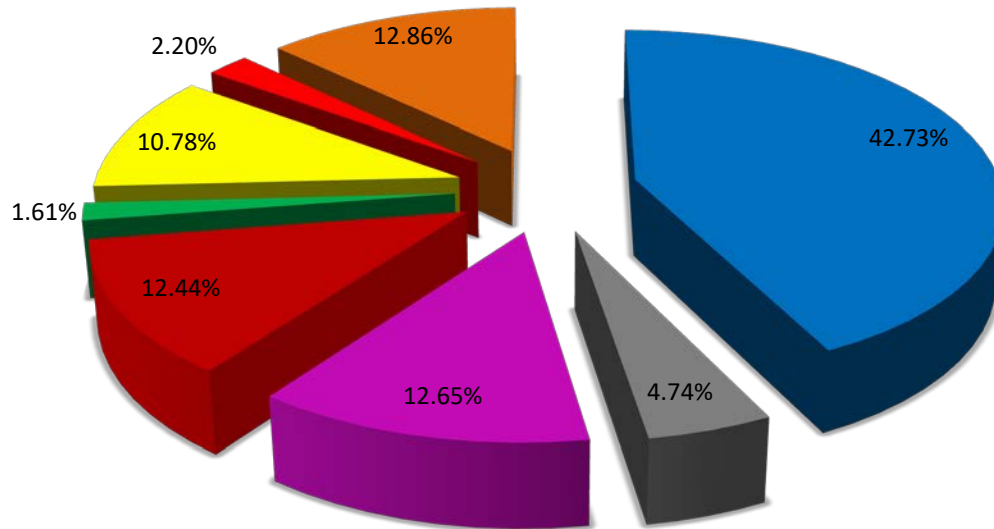
Recommendation: The Audit Office once again recommends that the Ministry of Finance take steps to have the Public Debt system fully computerised, and carry out monthly reconciliation of its records with those of the Debt Management Division (2016/10)

Debt Compensation

68. Compensation agreements were entered into between the Bolivarian Republic of Venezuela and the Co-operative Republic of Guyana. These agreements provided for the cancellation of the oil debt in compensation for white rice and paddy under the Guyana/Venezuela Rice Trade Agreements. According to the agreement, the Guyana Rice Development Board (GRDB) would supply rice and paddy to the Bolivarian Republic of Venezuela. During 2015, there was a cancellation of US\$43.766M of which there was no official agreement signed between the Government of Guyana and Republic of Venezuela for the said cancellation of the debt nor was the agreement laid in the National Assembly as at 22 September 2017.

69. Except for any adjustments, which might have been shown to be necessary as a result of the observations contained in the relevant sections of my Report, in my opinion, the Schedule as shown on pages 515 to 540 properly presents Schedule of Public Debt for the year ended 31 December 2016.

PUBLIC DEBT – EXTERNAL LOANS



IDB	CDB	NPC	CHINA	VENEZUELA	OTHERS	IDA	INDIA	Total
42.73 %	12.86 %	12.65 %	12.44 %	10.78 %	4.74 %	2.20 %	1.61 %	100 %
\$100.713B	\$30.307B	\$29.814B	\$29.322B	\$25.418B	\$11.169B	\$5.177B	\$3.791B	\$235.711B

Figure 5

SCHEDULE OF GOVERNMENT GUARANTEES
AND
STATEMENT OF CONTINGENT LIABILITY

70. No Schedule of Government Guarantees and Statement of Contingent Liability were provided in accordance with Section 71 and Section 73 of the FMA Act for the period under review.

ISSUANCE AND EXTINGUISHMENT OF LOANS

71. No Schedule of Issuance and Extinguishment of Loans was provided in accordance with Section 70 (1) of the FMA Act during the period under review.

APPROPRIATION ACCOUNTS OF HEADS OF BUDGET AGENCIES

72. The Appropriation Accounts of Head of Budget Agencies for the year ended 31 December 2016 in respect of the current and capital appropriation for which they were responsible are shown on pages 2/1 to 2/209 of Volume II of my Report. These accounts are subjected to the comments dealing with the accounts of Ministries/Departments/Regions under the relevant sections of this Report.

RECEIPTS AND DISBURSEMENTS BY HEADS OF BUDGET AGENCIES

73. The Statements of Receipts and Disbursements by Heads of Budget Agencies for the year ended 31 December 2016 are shown on pages 2/210 to 2/227 of Volume II of my Report. These statements are also subjected to the comments dealing with the accounts of Ministries/Departments/Regions under the relevant sections of this Report.

EXTRA-BUDGETARY FUNDS

74. No Statement was provided to verify Extra-Budgetary Funds in accordance with Section 39 of the FMA Act during the period under review.

FINANCIAL REPORT OF OTHER ACCOUNTS APPROVED BY THE MINISTER

75. There was no other Financial Report approved by the Minister for the period under review.

REPORT ON THE ACCOUNTS OF MINISTRIES/DEPARTMENTS/REGIONS

AGENCY 02 OFFICE OF THE PRIME MINISTER

Current Expenditure

Current year matter, with recommendation for improvement in the existing system

76. The Office of the Prime Minister (OPM) disbursed the sum of \$320M as subsidies and contribution to two local organisations under its control. These organisations are required to have separate financial reporting and audit. The table below gives a status of each entity:

Entity	Current Amount G\$'000	Year of Last Audit	Years Laid in National Assembly	Remarks
National Communications Network	150,000	2014	2014	Awaiting signed Financial Statements for 2015. Audit in progress for 2016.
Government Information Agency	170,000	2013	2013	Finalising audit report for 2014 & 2015. To plan audit for 2016.
Total	320,000			

Office's Response: The Head of Budget Agency explained that the 2016 Financial Statements for Government Information Agency will be submitted shortly to the Audit Office.

Recommendation: The Audit Office recommends that the Head of Budget Agency follow-up with the Agencies to have the outstanding Financial Statements submitted for audit. (2016/11)

Capital Expenditure

Current year matters, with recommendations for improvement in the existing system

77. The sum of \$125M was budgeted for the (i) establishment of communication stations, (ii) provision for cubicles, network, studios and biometric system – Georgetown, (iii) provision for lights and solar panels – Berbice, (iv) purchase of broadcasting equipment, tricastors, UPS, radio automation systems, transmitters, filing cabinets and shelves for the National Communications Network (NCN) and amounts totalling \$124.826M were expended during the year.

78. Of this amount the sum of \$114.597M was disbursed to NCN and the difference of \$10.229M represents two Inter/Intra Departmental Warrants sent to Regional Executive Officer Region (REO) №. 1 and Regional Executive Officer Region №. 9 respectively. According to the warrants the allocations must be spent for: (i) rehabilitation of Mabaruma Radio Station-Region №. 1 and, (ii) the Upgrading of Guyana Stores Building to Television Station at Lethem-Region №. 9. However at the time of reporting Financial Returns were not received for the IDW №. 2 in the sum of \$4.601M issued to Region №. 1.

Office's Response: The Head of Budget Agency explained that a request will be made to the REO for the submission of the Financial Returns.

Recommendation: The Audit Office recommends that the Financial Returns be obtained and submitted for audit. (2016/12)

79. Audit checks revealed that amounts totalling \$112.715M were expended by NCN and the difference of \$1.882M was verified as being retained in the entity's bank account. Details of the expenditure are shown in the table below:

Description	Amount \$'000
Purchases of broad casting equipment, tricasters, UPS, radio automation system and transmitter	63,038
Establishment of Communication stations	38,465
Provision for cubicles, network, studio and biometric system-Georgetown	9,167
Construction of generator hut and installation of generator at Onderneeming	2,045
Total	112,715

80. Section 42 (2) (a) of the Procurement Act states "that notwithstanding sub-section (4), the solicitations documents may require the supplier or contractor whose tender has been accepted to sign a written contract conforming to the tender. In such cases, the procuring entity and the supplier or contractor shall sign the contract within a reasonable period of time after the notice referred to in sub-section (1) is dispatched to the supplier or contractor" and Section 42(2) (b) Subject to sub-section (3), where a written contract is required to be signed pursuant to paragraph (a), the contract enters into force when the contract is signed by the supplier or contractor and by the procuring entity. However, it was noted that in twenty-two instances totalling \$39.059M where the NCN procured equipment from overseas suppliers, the requisite agreements/contracts were not submitted for audit examination.

Office's Response: The Head of Budget Agency explained that there were no contracts prepared for these purchases, as the suppliers are all overseas suppliers and NCN's purchases are insignificant to them. We have engaged them in the past on this matter, but they refuse to be bound to a contract for small amounts. Further, the equipment is all of a specialized nature and could not be sourced locally, in which case contracts would have been awarded and signed for purchases.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensures that there is full compliance with the Procurement Act 2003. (2016/13)

81. Included in the sum of \$63.038M which was expended for the purchase of broadcasting equipment, Tricasters, UPS, Radio Automation System and Transmitter is the sum of \$13.400M which was paid for the supply of Uninterruptable Power Supplies (1-three phase 40 KVA Liebert UPS and 3 double phase 10 KVA Liebert UPS). The contract was awarded by NPTAB to the lowest of three bidders and the full amount was paid. According to the Agreement, (i) the supplier shall be paid 20% (\$2,680,000) as an advance, (ii) the supplier shall be paid 20% (\$2,680,000) upon receipt of a Bill of Laden/Airway Bill (iii) the supplier shall be paid the balance of 60% (\$8,040,000) upon delivery of goods and (iv) the goods are to be delivered 60 days after the advance payment is made. It was also noted that according to the agreement failure to do so would attract liquidated damages of 0.05% per week.

82. An examination of the payment voucher and other related documents revealed that, the final payment in the sum of \$10.720M was paid on the 22 August 2017. However, the 3 Phase 40 KVA Liebert UPS was delivered on 7 June 2017 after the 60 days delivery period had elapsed. In this regard, liquidated damages in the sum of \$67,000 are due and payable.

83. In addition, it was noted that the supplier issued NCN a manager's cheque (Citizens Bank cheque dated 1 February 2017) in the sum of \$1.340M as 10% Performance Security. However, at the time of this report the cheque which was stale dated is still on hand at the agency.

Office's Response: The Head of Budget Agency explained that the cheque will be refunded to the supplier and liquidated damages in the sum of \$67,000 will be recovered.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensures that there is full compliance with the Purchase Agreements and liquidated damages are recovered. (2016/14)

Status of Prior Year Issues

84. The table below summarises the prior year matters as contained in the Auditor General's 2015 Report and the action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2015/16	All audited reports were not laid in the National Assembly.	√		
2015/17	Breach of Stores Regulations.	√		
2015/18	The Office did not comply with the purchase agreement.	√		

AGENCY 03
THE MINISTRY OF FINANCE

Programme 1- Ministry Administration

Current year matters, with recommendations for improvement in the existing system

Current Revenue

85. The sum of \$21.319 billion represents current revenue estimated to be collected for the fiscal year 2016. Examination of the Statements of Receipts and Disbursement (Current) revealed that total revenue actually collected and paid into the Consolidated Fund was \$24.092 billion. This represents an increase of 13% in actual collections when compared with the amounts estimated. Amounts estimated and collected under the various categories are as follows:

Description	Approved Estimates \$'000	Amount Collected and paid into Consol. Fund \$'000	(Under)/Over the Estimates \$'000
<u>Stamp Duties:</u>	<u>502,084</u>	<u>317,113</u>	<u>(184,971)</u>
Revenue Stamps	500,000	315,156	(184,844)
Cheques	2,084	1,957	(127)
<u>Other Tax Revenue</u>	<u>4,000</u>	<u>277</u>	<u>(3,723)</u>
Rice Levy	0	0	0
Auction Duty	4,000	277	(3,723)
<u>Interest:</u>	<u>1,002,034</u>	<u>1,002,029</u>	<u>(5)</u>
Other Loans and Advances	2,034	2,029	(5)
Loans to Public Corporations	1,000,000	1,000,000	0
<u>Rents and Royalties</u>	<u>3,857,942</u>	<u>4,283,526</u>	<u>425,584</u>
Fees	0	0	0
Royalties	3,857,942	4,283,526	425,584
<u>Dividends and Transfers:</u>	<u>14,245,000</u>	<u>14,276,069</u>	<u>31,069</u>
Bank of Guyana Profits	3,330,000	3,376,069	46,069
Dividend from Non – Financial Institutions	2,215,000	2,200,000	(15,000)
Special Transfers from Statutory and Non – Statutory Bodies	8,700,000	8,700,000	0
<u>Miscellaneous :</u>	<u>1,708,158</u>	<u>4,212,578</u>	<u>2,504,420</u>
Guyana R.E.D.D Investment Fund	0	0	0
Sundries	1,491,158	3,587,335	2,096,177
Lottery Receipts	200,000	600,000	400,000
Pension Contributions – Seconded Officers	0	379	379
Pension Contributions - Legislators	17,000	24,864	7,864
Total	21,319,218	24,091,592	2,772,374

86. The amount of \$2.200 billion reflected as Dividends from Non-Financial Institutions was received from the National Industrial and Commercial Investment Limited for the year 2016 from Guyana Oil Company.

87. The amount of \$8.7 billion reflected as Special Transfers from Statutory and Non-Statutory Bodies was received from the Guyana Geology and Mines Commission, National Frequency Management Unit and Deeds and Commercial Registries Authorities.

88. The sum of \$1.491 billion was recorded in the 2016 Statement of Receipts and Disbursements (Current) as estimated Sundries Receipts while the sum of \$3.587 billion was paid into the Consolidated Fund, which includes refunds from releases issued for employment cost and other operational expenses for the period January to August 2015, refund of unused capital releases fund for project approved in 2014, funds transfer from Pension account, principal payment on loan agreement between Government of Guyana and Ogle Airport Inc., refund of revenue from Guyana Water Incorporated, refund of pension from post offices, bank and counter payments by the Receipt and Payments Section and amounts returned from a duplicate voucher.

Capital Revenue

89. In keeping with the cash basis of accounting, revenues must be recognised when it is received. However, significant differences were observed between the amounts shown as receipts in respect of external loans on the Statement of Public Debt and those recorded in the Statement of Receipts and Disbursements for the year 2016 as shown in the table below:

Lending Agency	Statement of Public Debt \$'000	Statement of Receipts and Disbursements \$'000	Difference \$'000
Caribbean Development Bank (CDB)	2,019,157	1,893,763	125,394
Export-Import Bank of China	6,519,285	6,806,786	(287,501)
Inter-American Dev. Association (IDA)	1,126,658	1,884,347	(757,689)
Inter-American Dev. Bank (IDB)	1,775,281	1,716,124	59,157
Int'l Fund for Agricultural Dev. (IFAD)	0	0	0
Exim Bank of India	0	0	0
Caribbean Development Fund (CDF)	371,081	506,322	(135,241)
Other Project Loans - Venezuela	0	0	0
Total	11,811,462	12,807,342	(995,880)

Ministry's Response: The Head of Budget Agency explained that the Revenue Statement figures are reflective of the recognition of Capital Revenue at posting in IFMAS based on "Dummy Transactions entered during the fiscal year, which reflect the current utilization of funds". On the other hand, Public Debt Statement figures represent disbursements received from the international lending institutions/development partners. Given that these recordings are done at different times and at different exchange rates, these differences are expected.

Recommendation: The Audit Office recommends that the Ministry prepare reconciliation so that the differences can be identified. (2016/15)

Privatised Companies

90. As mentioned in previous reports, the amounts of US\$2M and US\$900,000 remained outstanding from the sale of the Guyana Stores Ltd. and the Guyana National Paints Company, respectively. The Guyana Stores Ltd. was privatised in October 2000 at a sale price of US\$6M while the National Paints Company was privatised in July 1991 at a sale price US\$1.150M. This matter is still engaging the attention of the court.

Audit of the Accounts of the Guyana Lotteries Commission

91. The Government of Guyana and Canadian Bank Note Ltd (CBN) entered into an agreement establishing a Government Lottery which was organized and conducted under the provisions of the Government Lotteries Act, Chapter 80:07 of the Laws of Guyana. Under this agreement CBN is to pay Licence fees equivalent to 24% of gross revenue.

92. The Guyana Lotteries Commission established in August 1996 by a Cabinet Decision, manages the Licence fees receivable and ensures that amounts expended are within the National Sector and in accordance with the guidelines for access to the lottery funding. The Commission is subject to separate financial reporting and auditing. The last set of audited accounts was for the year 2013. The audit for the year 2014 was completed in November 2016 and the Audit Office is awaiting the signed financial statements for 2014 from the Guyana Lotteries Commission. At the time of this report, no signed financial statements were received despite numerous follow-up with the Deputy Accountant General who is a member of the Guyana Lotteries Commission, the Accountant General and the Finance Secretary. Also the financial statements and records for the years 2015-2016 were not submitted for audit. As such it was not possible to verify the completeness, accuracy and validity of the revenue and expenditure for the Guyana Lottery Commission for those years.

Ministry's Response: The Head of Budget Agency explained that the Chairman and Commissioners for the Guyana Lottery Commission were appointed, however they have not met since appointment and as such the financial statements for 2014 were not signed off also the records for 2015-2016 were with the Forensic Auditors.

Recommendation: It is recommended that the Finance Secretary intervene so that the signed financial statements for 2014 and the financial statements for 2015-2016 can be presented for audit. (2016/16)

93. Further, the sum of \$200M was recorded in the 2016 Statement of Receipts and Disbursements (Current) as estimated Lottery Receipts while amounts totalling \$600M was paid into the Consolidated Fund.

Audit of the Accounts of National Industrial and Commercial Investments Limited

94. The audit of the National Industrial and Commercial Investments Limited (NICIL) operations as a Company has been completed for the years 2002 to 2013, while the audits for 2014, 2015 & 2016 are being finalised. With the respect to the audit of NICIL's Consolidated Financial Statements, these have been completed and reports issued up to the year 2006. Draft Consolidated Financial Statements for the years 2007 to 2011 were submitted and the audits are in progress. However, their completion and issuance of the audit reports are dependent on the finalisation of the audits of the Guyana World Cup Inc. The following table gives the status of the entities at the time of reporting.

Entity	Year of Last Audit Report	Last Report Laid in National Assembly	Remarks
Atlantic Hotel Incorporated	2014	2014	2015 -Audit in progress. 2016- Financial Statements received.
Guyana National Cooperative Bank	2011	2010	2012 & 2013- Awaiting signed Financial Statements. 2014 - 2016 - No Financial Statements received.
Guyana National Newspaper Limited	2015	2014	2016 – Audit in progress
Guyana National Printers Limited	2015	2014	2016 – Audit in progress.
Guyana National Shipping Corporation Limited	2016	2014	
Guyana Oil Company	2016	2014	
Guyana World Cup Incorporated	2006	-	2007- Revised draft management letter sent to client. 2008 – 2013 - Interim Audit completed. 2014-2016 No Financial Statements received.
Kwakwani Utilities Incorporated	2013	2013	2014 - Awaiting signed Financial Statements. 2015 & 2016 – No Financial Statements received.
Lethem Power Company Incorporated	2012	2012	2013 & 2014 – Awaiting signed Financial Statements. 2015 & 2016 - No Financial Statements received.

Entity	Year of Last Audit Report	Last Report Laid in National Assembly	Remarks
Linden Electricity Company Incorporated	2013	2013	2014 - Awaiting signed Financial Statements. 2015 – Interim Audit completed. 2016 - No Financial Statements received.
Linden Mining Enterprise Limited	2014	2014	2015 - Awaiting signed Financial Statements. 2016 - No Financial Statements received.
Mahdia Power and Light Company Incorporated	2012	2012	2013 & 2014 – Audits to be finalised. 2015 & 2016 – No Financial Statements received.
Matthews Ridge Power and Light Company Incorporated	2014	2014	2015 - Audit in progress. 2016 - No Financial Statements received.
National Communications Network	2014	2014	2015 - Awaiting signed Financial Statements. 2016 – Audit in progress.
Port Kaituma Power and Light Company Incorporated	2013	2013	2014 – Audit to be finalised. 2015 – Financial Statements on hand. 2016 - No Financial Statements received.
Property Holdings Incorporated	2015	2014	2016 - Awaiting signed Financial Statements.

Ministry's Response: The Head of Budget Agency indicated that this matter is still engaging the attention of the Ministry of Finance.

Recommendation: The Audit Office recommends that the Ministry ensure that the accounts for these entities are brought up to date and all audited accounts are laid in the National Assembly. (2016/17)

Subsidies and Local Contributions to Local Organisations

95. Amounts totalling \$5.250 billion were expended as subsidies and contributions in respect of seven agencies. With the exception of the National Procurement and Tender Administration Board, the other agencies were subject to separate financial reporting and auditing. Of the seven entities, the Guyana Association of Securities, Companies and Intermediaries, Guyana Securities Council are audited by private auditors while the status of the other four entities are as follows:

Agency	Last audit Report	Last Report Laid in National Assembly	Remarks
Financial Intelligence Unit	2015	2014	2016 Audit is being finalised.
Guyana Revenue Authority	2011	2006	2012-2013 Draft Management Letter issued. 2014 Audit in progress 2015 Audit to be planned 2016- No Financial Statement received.
National Data Management Authority	2014	-	Audit Plan received for 2015 reviewed and returned to contracted Auditors. 2016- No Financial Statement received.
Bureau of Statistics			Audit from 2004-2007 in progress 2008-2010 Financial Statements received. To plan audit. 2011-2016 No Financial Statement received.

Ministry's Response: The Head of Budget Agency indicated that this matter is still engaging the attention of the Ministry of Finance.

Recommendation: The Audit Office recommends that the Ministry ensure that the accounts for these entities are brought up to date and all audited accounts are laid in the National Assembly. (2016/18)

Programme 2 – Public Financial Management

Overseas Conference and Official Visits

96. The Accountant General's Department continues to be involved in a joint reconciliation with the respective Agencies in clearing of conference advances, since it is incumbent on the latter to ensure that the public officers within their employ submit the necessary clearance documents. However, despite the ongoing efforts for the period under review there were sixty-three advances totalling \$21.365M which was still outstanding at September 2017.

Ministry's Response: The Head of Budget Agency stated that the Ministry is working with the various agencies to clear these advances.

Recommendation: The Audit Office recommends that the Ministry continue in its efforts to have the outstanding advances cleared within the stipulated time frame. (2016/19)

97. A check at the Receipts and Payments Section in September 2017 revealed there were 104 stale dated cheques totalling \$40.538M which were payable to individuals and companies and were still on hand.

Year	№. of Cheques	Type of Cheque		
		Companies \$'000	Personal \$'000	Total \$'000
2015	3	4,900	888	5,788
2016	101	33,926	824	34,750
Total	104	38,826	1,712	40,538

98. Included in the 101 stale dated cheques for 2016 are twenty cheques valued at \$26.541M which were without payment vouchers up to September 2017.

Ministry's Response: The Head of Budget Agency stated that the Accountant General's Department will continue to make contact with individuals to reduce the number of cheques on hands.

Recommendation: The Audit Office recommends that the Accountant General's Department continue in its efforts to have the cheques dispatched and carrying out due diligence checks on the payment vouchers that are directly connected to the cheques payable to companies. (2016/20)

Forensic audits

99. Included in the table below were two cheques totalling \$5.748M representing payments for forensic audits for which contracts were entered into since 2015 and which have not been completed to date. Also, it should be noted that no payment vouchers were presented for these cheques. See details of the contracts below:

Date of contract	Particulars	Contract Sum \$'000	Previous payment \$'000	Payment at the Receipt and Payment Section \$'000
29 June 2015	Forensic audit of the Drug Procurement Operations at Ministry of Health	4,900	0	4,900
18 June 2015	Forensic audit and Review of the operations of the Demerara Harbour Bridge	3,015	2,167	848
Total				5,748

100. Further, the completion dates for the audits were not specified in the contracts. Rather, all of the contracts stipulated a commencement date and a specific date for the services (audits) to be continued, and a requirement stating "any other period as may be subsequently agreed by the parties in writing" was also included. However, no documentation was provided to verify an extension of the contract period which was agreed upon by both parties as stipulated in the contracts.

Ministry's Response: The Head of Budget Agency explained that these matters are now being finalised. The outstanding payments are now \$5.748M in favour of two consultants whose reports are being finalised.

Recommendation: The Audit office recommends that the Ministry follow-up with the Consultants since the date for the services to be completed has elapsed. (2016/21)

101. As at September 2017, there were five Cheque Orders totalling \$1.585M which were still outstanding for the year 2016.

Ministry's Response: The Head of Budget Agency indicated that the Ministry is making every effort to clear these cheque orders.

Recommendation: The Audit Office recommends that the Ministry comply with circularised instructions for the clearing of cheque orders. . (2016/22)

102. An examination of payment vouchers revealed that two microwaves totalling \$70,403 were purchased in September 2016 from current expenditure (6294) instead of capital expenditure.

PV№.	Description	Amount \$
03F1293	1 Oster 1.1 cub ft. microwave	36,703
03F1119	1 Daewoo 1.1 cub ft microwave	33,700
Total		70,403

Ministry's Response: The Head of Budget Agency explained that the microwaves purchased under current appropriation were replacement for those damaged through fluctuation in electricity, resulting in no added asset value.

Recommendation: The Audit Office recommends that the Ministry desist from utilising current expenditure to procure capital items. (2016/23)

Fuel and Lubricant

103. An examination of the Log Books presented for twenty motor vehicles revealed there were partial submissions in respect of nine vehicles Log Books. Further, the books were not properly written up to include pertinent information such as, the fuel and lubricant supplied, signature of authorising officer, the journeys undertaken and miles travelled, driver's signature, were not always recorded. Additionally, the log book for the motor vehicle PJJ 8310 was not presented for audit scrutiny.

Ministry's Response: The Head of Budget Agency stated that the Ministry's drivers were again reminded of the importance of maintaining Log Books. They were reminded that information such as fuel purchased as well as details of journeys undertaken must be entered in the Log Books at all times. The driver of PJJ 8310 is no longer in the employment of the Ministry and all efforts to obtain information on the Log Books proved futile.

Recommendation: The Audit Office recommends that the Ministry comply with the Stores Regulations. (2016/24)

104. According to the confirmation of balances provided by GUYOIL for Government Ministries and Agencies, as at 31 December 2016, the Ministry of Finance was owed fuel to the value of \$5.142M by GUYOIL. However, according to the reconciliation provided by the Ministry the fuel owed by GUYOIL was \$10.445M. The difference of \$5.303M represented amounts paid to GUYOIL by the Ministry in January 2017 for 31 December 2016 and which would not have been reflected on GUYOIL's statement as at 31 December 2016.

Ministry's Response: The Head of the Budget Agency explained that the money paid to GUYOIL was for monitoring of projects by the Ministry of Finance.

Recommendation: The Audit Office recommends that the balance on allocation at the end of the year be refunded to the Consolidated Fund instead of advance payments on fuel and lubricants since Government operates on a cash basis. (2016/25)

105. Amounts totalling \$2.620 billion were paid by the Ministry for electricity charges, water charges and rates and taxes for the year 2016. However, there were no supporting documentation from the Guyana Power and Light Inc., Guyana Water Inc. and the Mayor and City Councillors of the City of Georgetown to support the sums which were paid over to these entities. As such the completeness, accuracy and validity of the payments made could not be determined. The table below gives a breakdown of the amounts paid.

Description	Amount \$'000
Electricity Charges	2,286,000
Water Charges	304,000
Rates and Taxes	30,000

Ministry's Response: The Head of Budget Agency indicated that information on the details will be submitted shortly.

Recommendation: The Audit Office recommends that the Ministry provide the documentation to verify the payments made. (2016/26)

Constitution of Ministry's Tender Board

106. The NPTAB gave approval for the establishment of the Ministerial Tender Board for the Ministry of Finance effective from 1 September 2015 for a period of two years and to be constituted with five members in accordance with Section 22 of the Procurement Act 2003. However, it was observed that for the year 2016, the Ministry of Finance's Tender Board did not function and instead fifty-two contracts totalling \$32.204M which should have been adjudicated by the Ministerial Tender Board were instead referred to the National Procurement and Tender Administration Board.

Ministry's Response: The Head of Budget Agency explained that the Ministry of Finance's Tender Board was not fully constituted resulting instead of all procurement falling within the Ministerial thresholds to be forwarded to the National Procurement and Tender Administration Board (NPTAB).

Recommendation: The Audit Office recommends that the Ministry comply with the directives of the National Procurement and Tender Administration Board as it relates to the functioning of the Ministerial Tender Board. (2016/27)

Capital Expenditure

Buildings

107. The sum of \$30M was budgeted for electrical system, visitors shed and cubicles. Amounts totalling \$27.256M were expended for the provision for electrical system, installing cubicles and consultancy services for the supply and installation of electrical wiring and breakers for standby generator power supply. It should be noted that the visitor's shed was not constructed. The table below gives a description of the amount expended:

Description	Amount \$'000
Payment to Guyana Energy Agency (GEA)	24,031
Consultancy Services	960
Installations of Cubicles	2,265
Total	27,256

108. In relation to the provision of the electrical system, two amounts totalling \$24.031M were paid over to the Guyana Energy Agency (GEA) as part of the national drive towards the development of a Green Economy in Guyana and which involve recognising the benefits of the deployment and implementation of energy efficiency and renewable energy systems at public buildings across Guyana. This initiative was approved by Cabinet for GEA to be the Agency which will undertake this programme.

109. In this regard, the Ministry of Finance signed two memorandum of understanding on the 8 December 2016 and 23 December 2016 for amounts of \$10.031M and \$14.000M which was paid over to GEA's Bank Account on the 14 and 29 December 2016 respectively. An examination of the two payment vouchers revealed that to execute the energy efficiency and renewable systems, the cost would be \$25M. However as at 31 December 2016, the work had not commenced.

Ministry's Response: The Head of Budget Agency explained that the work was completed in 2017 and they had received documentation from GEA which they were examining.

Recommendation: The Audit Office recommends that the Ministry retain all documentation for this project so that physical verification can be carried out. (2016/28)

110. The contract for the consultancy services was awarded to a consultancy firm on the 29 December 2016 for the design and supervision of works for the supply and installation of electrical wiring and breakers for standby generator power supply in the sum of \$960,000. However, the completed payment voucher was not presented for audit examination and audit checks revealed that the cheque was not issued and is still at the Receipt and Payment Section at the Accountant General's Department as at September 2017.

Ministry's Response: The Head of Budget Agency explained that the award of a contract for the Consultancy for Design and Supervision of the Supply and Installation of Electrical Wiring for Supply of Standby Generator Power to the Ministry of Finance was delayed as a result of a protest from one of the bidders. The payment processed represented the amount for the design and supervision of the works which could not be paid since the supervision of the project is ongoing and payment can only be finalised on completion of the project.

Recommendation: The Audit Office recommends that the Ministry review this project. (2016/29)

Furniture and Equipment

111. The sum of \$30M was budgeted for final payment for the generator and provision for scanner, UPS, air conditioning units, computers, shelves, filing cabinets, risograph, fax machine and chairs. The entire amount was expended to make final payment for the generator, purchase computers, air conditioning units, scanners and furniture and other equipment.

112. An examination of the payment vouchers and supporting documents revealed that the generator was purchased at a cost of \$21.084M in 2015 and the amount of \$10.542M which was paid in 2016 represented final payment. The generator was received in 2016 but is not in operation as at September 2017.

Ministry's Response: The Head of Budget Agency explained that the generator cannot be put into operation until such time that the Ministry is satisfied that all the safety mechanisms and infrastructure are in place and given the go ahead to commence operation.

Recommendation: The Audit Office recommends that the Ministry put measures in place to have the generator fully operational. (2016/30)

Statistical Bureau

113. The sum of \$125.380M was budgeted for the Statistical Bureau for support to Bureau of Statistics, rehabilitation of buildings and purchase of vehicle, furniture and equipment. A supplementary provision of \$47.118M was approved taking the revised estimate to \$172.498M. Amounts totalling \$172.498M was expended according to the Appropriation Account. However, checks at the Bureau of Statistics revealed that amounts totalling \$161.369M were expended, as shown below, giving a difference of \$11.129M. This entity was also subject to separate financial reporting and audit.

Description	Amount \$'000
Rehabilitation of building	109,074
Purchase of a Toyota Hilux	7,863
Install cubicles	6,397
Elevator	5,510
Printer	1,740
Shredder, printers etc	305
Other	480
Amount expended on grant	30,000
Total	161,369

Ministry's Response: The Head of Budget Agency explained that the difference in expenditure of \$11.129M represents retention moneys for contractors engaged in the rehabilitation works on buildings. Another contributory factor was the delay in the commencement of the project.

Recommendation: The Audit Office recommends that the Ministry ensures that there is compliance with the FMA Act by the various agencies under its control. (2016/31)

114. The contract for the alteration and renovation of concrete building located at 34 Main and Hope Street was awarded in the sum of \$123.558M. This sum was subsequently increased on the 26 July 2016 to extend the scope of the contract from \$123.558M to \$157.082M (an increase of \$33.524M). However, the signed contract document was not presented for audit. Further, the contract made provision for sub-contractors for works totalling \$79.606M and in this regard three contracts were awarded to three contractors to do electrical works, install fire alarms and air conditioners.

Ministry's Response: The Head of Budget Agency explained that the contract document could not have been located at the time of audit due to the fact that the Bureau was still in the process of unpacking after its relocation.

Recommendation: The Audit office recommends that the Bureau make every effort to have the contract document available for audit, so that physical verification can be carried out. (2016/32)

115. The contract for the procurement and installation of 630 KG passenger elevator system within the building at Bureau of Statistics at 34 Main and Hope Street Georgetown was signed on the 30 December 2016 in the sum of \$11.020M. The amount of \$5.510M which was paid represented 50% of the contract price. However, as at August 2017, the elevator has not been installed.

Ministry's Response: The Head of Budget Agency explained that the elevator will be supplied by the contractor in late September 2017.

Recommendation: The Audit Office recommends that the Bureau of Statistics review that contract with the supplier to ensure compliance with contractual clauses. (2016/33)

Prior year matters, which have not been resolved

Current Expenditure

116. In my previous report, mention was made of a loss of cash amounting to \$206.379M at the Accountant General's Department Head Office. This fraud was uncovered where payments of arrears of pension and gratuity were made to sixty-one inactive, deceased and fictitious pensioners. At the time of reporting the matter is on-going in the Courts.

117. NICIL was the registered holder of 4,125 shares valued at \$474.375M in Guyana Telephone and Telegraph Company (GT&T) and which was equivalent to 20% holding. GT&T was treated as an Investment (Associate) in the Financial Statements for the years 2002 to 2011. An amount of \$5.442 billion was paid over as Dividend to NICIL. On 6 November 2012 the Government 20% shareholding which was valued \$6 billion or US\$30M was sold to an overseas company. On 8 November 2012, upon signing of the agreement, an amount of \$5 billion was transferred to NICIL. The balance of US\$5M remaining should have been paid by the company within two years. At the time of reporting, no payment was made with respect to the outstanding balance.

Other Matters

Integrated Financial Management and Accounting System

118. In modernising the public administration sector and improving public financial management and accountability, the Government of Guyana introduced the Integrated Financial Management and Accounting System (IFMAS), in January 2004. IFMAS is an electronic financial application software suite developed by Free Balance in 1984. The IFMAS project was funded by the Canadian International Development Agency (CIDA), the Inter-American Development Bank (IDB), the World Bank, and the International Monetary Fund (IMF).

119. With the introduction of IFMAS, the Financial Management and Accounting Systems of all Government agencies were integrated and a standard system configuration activated a new Chart of Accounts (COA) divided into funds, organisations, programs, projects, locations, and objects. Also, the Smart Stream application used to process payroll from all the agencies was interfaced with IFMAS to automate the processing of cheques and enhance the security of printing. The IFMAS also operates a single Bank Account which was reconciled for the period under review.

120. Eight modules were acquired; however, as mentioned previously, only six have been implemented. Details of the modules are as follows:

№.	Name of Module	Purpose	Remarks
1	Controls	Management of the IFMAS	Implemented in 2004
2	Appropriation	Budget Execution & Monitoring	“
3	Expenditure	Executing Payments	“
4	General Ledger	Financial Reporting & Adjustments	“
5	Revenue	Processing Receipts	Implemented in 2007
6	Treasury Management	Bank Reconciliation	“
7	Purchasing	Processing Purchases	Not yet implemented
8	Asset & Inventory	Management of Fixed Assets	“

Ministry's Response: The Head of Budget Agency explained that the Ministry of Finance is currently engaged in an intensive training programme conducted by the software company Free Balance. The training is as a result of the current Modules being upgraded to that of a Version 7. The unutilised Assets and Inventory Module as well as the Purchasing Module are expected to be operationalised in 2018.

Recommendation: The Audit Office recommends that the Ministry continue its efforts to have these modules in operation in 2018. (2016/34)

Review of the Operations of the National Board and the
National Procurement and Tender Administration

121. The Procurement Act №. 8 of 2003 makes provision for the regulation of the procurement of goods, services and the execution of works, the promotion of competition among suppliers and contractors and the promotion of fairness and transparency in the procurement process. Section 16(1) of the Act provides for the establishment of a National Board and the National Procurement and Tender Administration (NPTA). This Administration will be managed by the National Board and will report to the Minister of Finance.

122. Section 16 of the Act empowers the Minister of Finance to appoint persons to serve on the National Board. According to the Act, the Board shall comprise of seven members, not more than five persons from the Public Service and not more than three persons from the Private Sector after consultation with their representative organisations. The Act makes provision for two members of the Board to serve on a full time basis, with the Minister also appointing one of the two full time members as Chairman. At the time of reporting, the Board was constituted with all seven members.

123. The National Board shall have responsibility for exercising jurisdiction over tenders as prescribed by regulations and maintaining efficient record keeping and quality assurance systems. Further, Article 212(W) of the Constitution provides for the establishment of a Public Procurement Commission (PPC) to monitor public procurement and procedures in order to ensure that the procurement process is conducted in a fair and transparent manner. In the absence of a PPC, the Board will also have responsibility for (a) the making of regulations governing the procurement of goods and services; (b) determining the forms of documents for procurement; (c) reporting annually to the Minister of Finance on the effectiveness of the procurement process; (d) organizing training seminars regarding procurement; and (e) adjudicating debarment proceedings.

124. On 28 October 2016, five members for the Public Procurement Commission who were identified and approved by Parliament were sworn in by the President. With respect to the making of Regulations, the National Board had examined and reviewed certain aspects of the Procurement Act and its Regulations and had identified and reported on areas to be addressed through the Regulations to make the procurement system more effective. These included the following:

- a) debarment (Section 17 (1), (f) and (3) of the Procurement Act); and
- b) Increases in the threshold limits, for Regional/Ministerial/Agency Tender Boards (Schedule 1 of the Regulations).

125. In this regard, a consultancy firm was contracted to:

- a) draft Regulations under the Procurement Act, setting out the procedures to be followed by the Public Procurement Commission/NPTAB in adjudicating debarment proceedings; and
- b) examine and make recommendations on revisions to the Regulations, with a view to increasing the threshold limits in light of current prices and the fact that the last increase in limits was in November 2004.

126. During 2016, regulations were passed to increase the threshold values in Schedules 1 and 2 of the Procurement Act.

127. It is a requirement under Section 11(1) of the Act for each procuring entity to publish notice of procurement contracts awarded within seven days of awarding such contracts. In addition, Part II (4) of the Procurement Regulations requires each procuring entity to provide within five days of publishing notice of the award, a report to the Administration of all contracts awarded in excess of \$1.5M. On receipt of the report, the Administration shall publish the information on its website. There were noted non-compliance of the reporting provisions of the Procurement Act and its Regulations. In particular, procuring agencies were not reporting to the National Board all contracts awarded in excess of \$1.5M, thereby restricting the National Board from publishing on its website all contracts awarded. Notwithstanding, the Administration published on its website, 340 contracts awarded during the period under review.

Ministry's Response: The Head of Budget Agency explained that circular №. 6 of 2016 was issued by the Ministry of Finance, reminding agencies of their obligation under the Procurement Act 2003, to report to the NPTA all contracts exceeding G\$1.500M awarded by those entities and in the manner prescribed by the Act and its Regulations. The NPTAB will do all in its power to ensure that the requirements under Section 11(1) of the Procurement Act and Part 11 of its Regulations are complied with.

Recommendation: The Audit Office recommends that the NPTAB continue its efforts to have all agencies adhere to the Procurement Act. (2016/35)

128. Each Ministerial, Departmental and Agency Tender Board shall nominate for consideration by the National Board, qualified evaluators to serve on Evaluation Committees. It was noted that a pool of evaluators was created and evaluation committees were formed to adjudicate on procurement subject to its jurisdiction. The National Board however, had not exercised due diligence to ensure that the persons appointed as evaluators had the expertise and experience as specified in the Procurement Act.

Ministry's Response: The Head of Budget Agency explained that in order to ensure that appropriately qualified persons are appointed to serve on the Evaluation Committees; a letter has been issued by the National Board to all Regional, Ministerial, Departmental and Agency Tender Boards:

- a) Drawing to their attention Sections 20(1) and 23(1) of the Procurement Act 2003, which requires each Regional, Ministerial, Departmental and Agency Tender Board, qualified evaluators to serve on Evaluation Committees; and
- b) Requesting that they submit for the Board's scrutiny, the qualifications and/or experience of the persons nominated by them to serve on Evaluation Committees.

Recommendation: The Audit Office recommends that the NPTAB continue its efforts to have all agencies adhere to the Procurement Act. (2016/36)

129. As part of its mandate, the NPTAB was required to establish a Bid Protest Committee to deal with alleged breaches of the Act by procuring entities. This Committee's role also included the review of complaints by aggrieved suppliers and contractors who were dissatisfied with a procuring entity's response to a complaint. It was noted this committee was established in June 2016. The Bid Protest Committee received and adjudicated two bid protests in 2016.

Status of Prior Year Issues

130. The table below shows the prior year matters as contained in the Auditor General’s 2015 Report and action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office.

Rec. No.	Category of findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2015/19	Breaches of the FMA Act		√	
2015/20	Breaches of the FMA Act		√	
2015/21	Breaches of the FMA Act		√	
2015/22	Weak internal controls			√
2015/23	Breaches of the Procurement Act 2003		√	

GUYANA REVENUE AUTHORITY

131. The Guyana Revenue Authority was established via Chapter 79:04 of the Laws of Guyana and came into operation on the 27 January 2000. The new entity resulted in the transfer of the functions and powers of two departments: (i) the Customs and Excise Department and (ii) the Inland Revenue Department; and later, the addition of the Value Added Tax Department in the year 2007.

132. The Authority is responsible for the assessment, charge, levy and collection of all revenue due to the Government of Guyana under the relevant laws; and for the subsequent transfer to the Consolidated Fund. It is also responsible for promoting compliance with the written laws relating to revenue and for creating in the society, full awareness of the obligations and rights of revenue payers.

Customs and Trade Administration

Revenue Collection

133. The following table provides a comparative analysis of estimated and actual amounts collected and paid into the Consolidated Fund as reflected on the Statement of Receipts and Disbursements-Customs and Trade Administration, for the fiscal year ended 31 December, 2016.

Line Item	Description	Approved Estimates \$'000	Amount Collected & Paid into Consol Fund \$'000	(Under)/Over Estimates \$'000
5011	Import Duties	13,100,000	14,887,118	1,787,118
5021	Export Duties	107,251	12,824	(94,427)
5031	Stamp Duties	22,371	23,198	827
5051	Alcoholic Beverages	0	1,200,000	1,200,000
5071	Environmental Tax	0	34	34
5079	Misc. & Other Taxes	97,970	45,148	(52,822)
5081	Overtime Fees	68,389	92,613	24,224
5082	Departmental Fines	12,237	82,229	69,992
5083	Warehouse Rent & Charges	23,145	17,808	(5,337)
5084	Liquor Licence	21,572	20,993	(579)
Total		13,452,935	16,381,965	2,929,030

134. As shown in the table above, amounts totalling \$13.453 billion were estimated to be collected from customs duties, trade and other taxes, fees, fines and licences for the period under review while actual collections paid into the Consolidated Fund totalled \$16.382 billion. This represents a positive variance of 21.77%, equivalent to \$2.929 billion. However, \$1.2 billion received from a manufacturer of alcoholic beverages as settlement from a long-standing matter for Consumption Tax under-assessed during the years 2001 to 2006, accounted for 40.97% of the positive variance. Notwithstanding the positive performance, there were substantial shortfalls for the revenue categories of Export Duties and Miscellaneous Taxes in the sums of \$94.427M and \$52.822M, respectively.

Management's Response: The Head of the Authority explained that the shortfall of \$94.427M in respect of Export Duties was due mainly to the non-implementation of policies that were outlined to introduce a fee for the scanning of containers prior to exportation and to increase the fees applicable to the processing of declarations. However, the mobile scanner was not operational since a suitable location to operate same was not in place. Hence, no scanning services were provided and consequently, no fees collected. In addition, the increased fees for processing documents were approved after the last budget and came into effect February 2017.

In relation to the shortfall of \$52.822M in the revenue category Miscellaneous Taxes, this resulted from a decrease in the total revenue gained from disposal of want-of-entry items via auction sales.

Recommendation: The Audit Office recommends that the Authority continue in its efforts to identify a suitable location for the scanner to commence scanning activities thereby increasing revenue collection. In addition, the Authority should seek to have all want-of-entry items disposed of in a timely manner. (2016/37)

Seizures

135. Standard Operating Procedures require that a file be opened and maintained for all cases of seizures until the matter is finalised. At the time of reporting in September 2017, for the years 2013 to 2015, a total of 101 seizure files remained opened. For the year 2016, Management failed to close 106 files out of a total of 412. Of the 106 files not closed, two were with the Legal Section and the remaining 104 were pending the sale of seizures, disposal of assets and the payment of fines and taxes estimated at \$22.772M. The table below shows the status of the files.

Year	№. of Seizures	№. of Files Closed	№. of Files Not Closed
2013	206	166	40
2014	236	208	28
2015	306	273	33
Sub-Total	748	647	101
2016	412	306	106
Total	1,160	953	207

Management's Response: The Head of the Authority recognises the importance of having accountability for investigation files and the need to have these matters resolved in a timely manner, revenue collected and seizures disposed of. As such, a filing committee consisting of officers from the various units was established to address these matters.

Recommendation: The Audit Office recommends that the Authority continue in its efforts to ensure seizure cases are addressed promptly so that all outstanding revenue are promptly collected and files are closed within a reasonable time frame. (2016/38)

136. The delay in processing seizures can result in the deterioration of related goods and subsequent loss in revenue. During 2016, amounts totalling \$149.377M, \$60.650M and \$40.907M were collected as additional duties and taxes, fines and conveyances and sale of seizures, respectively.

Management's Response: The Head of the Authority will continue to make efforts to dispose of seizures where applicable and to locate the offenders regarding payment of any outstanding tax liabilities.

Recommendation: The Audit Office once again recommends that the Authority take steps to ensure the processing of seizures is done as soon as possible since the delay to do so can result in the deterioration of the related goods and subsequent loss in revenue. (2016/39)

Private Warehouses

137. Examination of the warehouse registers and physical inspections conducted in April 2016 of five warehouses operated by one importer revealed that thirty-six pieces of equipment and seventeen vehicles valued at \$370.859M were not found in the warehouses. In addition, evidence to support the proper release of the warehoused units by the Authority and the payment of duties and taxes estimated at \$89.691M was not presented for audit examination.

138. On 1 February 2017, the Commissioner General had written the owner of the five warehouses indicating that if the duties and taxes of \$35.308M were paid in-full immediately on receipt of his letter, penalties amounting to \$29.166M would be waived and the licences to operate the five warehouses revoked. At the time of reporting, the taxes in respect of the thirty-six pieces of equipment valued at \$343.227M were verified as being paid to the Authority. However, evidence to support the payment of duties and taxes estimated at \$33.214M in respect of the seventeen vehicles which were valued at \$17.879M, was not presented for audit. In addition, checks with the Licence Revenue Office (LRO) revealed that sixteen of the seventeen vehicles were registered to various individuals during the years 2002-2007 and the remaining one vehicle could not have been traced in the LRO's vehicle registration database.

Management's Response: The Head of the Authority indicated that permission to operate the warehouses was revoked and approvals to cancel the related warehouse bonds were issued to the commercial bank via letter dated 21 June 2017. Efforts are on-going to trace the one vehicle in LRO's vehicle registration database.

Recommendation: The Audit Office recommends that the Authority present for audit all documentation in support of the payment of duties and taxes estimated at \$33.214M in respect of the seventeen vehicles and continue in its efforts to identify the vehicle in the LRO's database. (2016/40)

139. Physical inspection conducted on the 11 April 2016 at one warehouse revealed that the approved area for warehousing was converted to a storefront and the warehouse stock of fifteen vehicles valued at \$28.996M were re-located to the compound. There was no evidence that written permission was granted by the Commissioner General to remove the stock and to alter the warehouse as required by Regulation 116 under the Customs Act. In a follow-up response to the finding, Management indicated that the warehouse owner paid a fine in settlement of the issue and was granted permission for the temporary storage of the stock pending completion of the modifications. Receipt numbered CLIQHO/2016/C239629 dated 5 October, 2016 in the sum of \$100,000 was presented as evidence of payment of the fine and letter dated 30 September 2016 giving temporary approval was seen. However, at the time of reporting in September 2017, this matter has not been finalised.

Management's Response: The Head of the Authority explained that applications for modification of the premises were submitted by the warehouse owner and are being considered for approval by the proper officer.

Recommendation: The Audit Office recommends that the Authority take the necessary steps to have this matter finalised in keeping with the requirements of the Customs Laws and Regulations applicable to warehousing of goods. (2016/41)

140. During the period under review, there were thirty-eight private warehouses in operation of which, four were subsequently closed and six were temporarily restricted from warehousing units due to on-going matters with the Authority. An examination of the warehouse registers and physical inspections conducted in April 2017 of thirteen warehouses revealed that at one warehouse, body repairs and spray painting works were currently on-going on one vehicle with a CIF value of \$0.951M and estimated duties and taxes of \$1.745M. However, checks with the Customs Warehouse Unit revealed that the importer was not given approval to access the warehouse and undertake the repairs as required. Section 106 of the Customs Act states that “If in the case of goods warehoused in a private warehouse any alteration shall afterwards be made in the goods or packages so deposited, or in the packing thereof in the warehouse or in the marks or numbers of such packages without the presence and sanction of the proper officer... except for delivery after they have been fully entered, and under the authority of the proper officer, such goods shall be forfeited.” At the time of reporting in September 2017, the unit was not forfeited as this matter was sent to the Legal Division for advice.

Management’s Response: The Head of the Authority indicated that a Notice of Seizure was issued on the 8 June 2017 to the warehouse owner and the file was referred to the Legal Division on the 21 August 2017 for advice into the forfeiture after expiry of the prescribed period.

Recommendation: The Audit Office recommends that the Authority take the necessary steps to have this matter finalised in keeping with the requirements of the Customs Laws and Regulations applicable to warehousing of goods. (2016/42)

141. Bonds are required to be established in accordance with Section 99 of the Customs Act, Chapter 82:01, by the owners of private warehouses for the purpose of warehousing of goods without the payment of duty and taxes on their first entry. Evidence was seen where a total of ninety-six bonds valued at \$3.289 billion were established with five commercial banks, three insurance companies and the Trust Corporation by the owners of the warehouses. Four banks and two insurance companies confirmed the existence of eighty-six bonds valued at \$2.462 billion. In the absence of the other confirmations, the existence of the remaining ten bonds valued at \$827M could not be ascertained.

Management’s Response: The Head of the Authority stated that letters requesting confirmation to be sent directly to the Auditor General were dispatched to the financial institutions holding the bonds. It should be noted that two of the warehouses on the list with bonds valuing \$37M were closed during the year 2016.

Recommendation: The Audit Office recommends that the Authority take the necessary steps to verify that all warehouse owners have valid bonds in place and a report of same should be submitted to the Audit Office. Follow-up action should also be taken with the commercial bank, insurance company and the trust corporation to have the confirmations submitted promptly. (2016/43)

Ship Files

142. Standard Operating Procedures require files to be opened and closed for all incoming and outgoing vessels within forty-two days. If files are still opened at a transit shed after this period, a report is prepared stating the reasons for the incompleteness. For the years 2012 to 2015, the Authority was still to close a total of 402 files. An examination of the Ships' Rotation Registers for 2016 revealed that a total of 2,322 vessels arrived at the various Ports for which files were opened. However, only 1,600 files were completed, resulting in a failure to close 722 files.

Transit Shed	No. of Files Opened	No. of Files Closed	No. of Files Not Closed
<u>Georgetown</u>			
Boathouse	782	486	296
D.S.C.L.	128	104	24
G.N.I.C.	88	64	24
G.N.S.C.	44	44	0
J.F.L.	401	252	149
Muneshwer's	81	15	66
Sub-total	1,524	965	559
<u>Out-of-town</u>			
Anna Regina	16	16	0
Corriverton	578	457	121
New Amsterdam	120	78	42
Linden	84	84	0
Sub-total	798	635	163
Total	2,322	1,600	722

Management's Response: The Head of the Authority explained that efforts are ongoing to retrieve the relevant documents to close the remaining files. Reasons for the outstanding ship files are unperfected Prior-to-Processing declarations, unperfected PIDs and outstanding C25s.

Recommendation: The Audit Office once again recommends that the Authority take appropriate action to have all ship files closed within the stipulated time frame and ensure that established procedures are fully complied with. (2016/44)

Aircraft Files

143. In accordance with Standard Operating Procedures, files must be opened and closed for all incoming and outgoing aircrafts, and all closed files must be submitted to the filing room of the Authority. At the time of reporting in September 2016, the Authority failed to close 509 files for incoming aircrafts and nine files for outgoing aircrafts for the year 2015. In a follow-up audit of prior year matters, it was reported that all files are now closed; however the closed files were not presented for audit examination.

144. An examination of the Aircraft Registers for the year 2016 maintained at the two international airports revealed that there were a total of 5,338 and 5,303 incoming and outgoing aircrafts, respectively. At the time of reporting in September 2017, 154 files for incoming aircrafts and 23 files for outgoing aircrafts remained opened in respect of the Cheddi Jagan International Airport. In addition, it was observed that a number of closed files were still located at both airports.

Management's Response: The Head of the Authority explained that at the Cheddi Jagan International Airport, files are deemed closed only when all manifested goods have been entered and entries for same are thereby posted to the files, with all other supporting documents including Passenger Manifest and Cargo Manifest. If manifested goods that have not been entered and cleared from the Airport, the file is deemed opened and therefore cannot be submitted for review and storage. In addition, during the year 2016 and currently happening now, the issue has arisen whereby the filing room has not been accepting closed files due to lack of storage space. As a result, the files remain at the Airports in their closed state and are stored in two 20' containers due to the Airport's expansion project.

Recommendation: The Audit Office once again recommends that the Authority take appropriate action to have all aircraft files closed within the stipulated time frame and ensure that established procedures are fully complied with. In addition, a schedule of the closed files stored at the Airports should be submitted for audit. (2016/45)

Permits for Immediate Delivery

145. Regulation 50 (9) made under the Customs Act requires that goods permitted for immediate delivery be entered within ten working days from the date of the permit for the delivery of such goods, excluding Sundays and public holidays. For the period under review, a total of 659 PIDs with estimated duties and taxes totalling \$20.017 billion were issued. However, the dates perfected for 371 entries with estimated duties and taxes totalling \$12.526 billion were not recorded in the register. As a result, it was difficult to ascertain whether the PIDs were perfected in the stipulated time frame. Additionally, it was observed that 232 entries with assessed duties and taxes totalling \$7.361 billion were entered on an average of eighteen days over the stipulated time frame while five PIDs estimated duties and taxes totalling \$3.182M, remained outstanding at the time of reporting in September 2017. Failure to ensure that the PID facility is operated within the stipulated framework constitutes a serious breach of the Customs Regulations and can result in loss of revenues and long delays in completing ship and aircraft files.

Management's Response: The Head of the Authority explained that controls were put in place to ensure that the PID system is operated within the requirements of the governing regulations. Consignees who exceed the stipulated period for perfection of the transactions without justification acceptable to the proper officer are denied the facility until they are compliant. Also, a database is maintained for monitoring the PID compliance of consignees, weekly reports of compliance are submitted for action and a supervisor is assigned to monitor and update the register. It should be noted that reconciliation of sales done under condition of remission of taxes creates delays to the completion of the transactions. Most of these transactions relate to mining, industrial and power generation concerns. With respect to the five PIDs that are outstanding for the year 2016, the status is as follows:

PID №.	Type of Importer	Goods Imported	Status
086/2016	Public Company	Gas oil and fuel oil	Awaiting remission letter from GRA
398/2016	Private Company	Condenser & accessories	Demand №.018/2017 dated June 1, 2017 was issued
572/2016	Gov't Ministry	Diagnostic reagents	Perfected vide Declaration CLIQHO/2017/C185093
608/2016	Gov't Ministry	RPR latex test kits	Matter still pending; engaging the Ministry's attention.
634/2016	Private Company	Gas oil and fuel oil	Entry №.CLIQHO/C4/17/C39745 was submitted for processing on 21 August 2017. Matter was delayed as a result of regulatory requirements.

Recommendation: The Audit Office recommends that Management put systems in place to ensure that the requirements of the Customs Regulations as it relates to PIDs are fully complied with. (2016/46)

Prior-to-Processing (PTPs)

146. Section 270 of the Customs Act gives the Commission General discretionary power to permit the entry, unloading, removal and loading of goods, and the report and clearance of aircrafts and ships in such form and manner as he may direct to meet the exigencies of any case to which the customs laws may not be conveniently applicable. As such, it is the policy of GRA to allow the release of goods under the Prior-to-Processing (PTP) facility based on the urgency of the goods and /or expediency of shipping arrangements as in the cases of exports. Also, PTP documents are required to be fully processed immediately following the release of cargo. For the year 2016, a total of 2,278 declarations were processed under the PTP facility. Of the 2,278 declarations processed, twenty-five were in relation to motor vehicles, heavy-duty equipment and ATVs. However, the exigencies of sixteen of these cases could not have been ascertained since pertinent documentation was not located in the PTP files.

Management's Response: The Head of the Authority explained that in some instances, the reason for the PTP is recorded on the declaration itself and these are subsequently stored as part of the relevant ship file and not readily available for scrutiny.

Recommendation: The Audit Office recommends that the Authority put systems in place to ensure that the requirements of the Customs Policies as it relates to PTPs are fully complied with. (2016/47)

147. At the time of audit in June 2017, 395 entries with assessed duties and taxes totalling \$464.456M remained outstanding. In addition, examination of a sample of thirty-five PTP transactions revealed that twenty-eight with paid duties and taxes totalling \$26.129M were fully processed on an average of fifty-nine days after the required date. Long delays in having PTPs fully processed can result in loss of revenues and late completion of ship and aircraft files. The table below provides details:

Category	Type of Importer	No. of Importers/ Exporters	No. of PTPs Outstanding	Estimated Duties & Taxes Outstanding \$'000
Imports	Ministries	14	64	59,856
	Public Companies	11	63	270,336
	Private Companies	45	197	125,543
	Individuals	11	12	8,717
Sub-total		81	336	464,450
Exports	Private Companies	12	59	6
Total		93	395	464,456

Management's Response: The Head of the Authority explained that a total of one hundred and thirteen Demand Letters were issued for the PTPs outstanding up to June 2017 and copies are available. The responses and follow-up action with the consignees indicated that the delays were related to compliance with requirements of regulatory agencies, in many instances related to investment and finance issues. It should be noted that a significant number of the outstanding documents relate to materials and supplies for oil and gas exploration, of which some were temporarily imported; and medical supplies are also included in the consignments mentioned.

Recommendation: The Audit Office recommends that the Authority put systems in place to ensure that the requirements of Customs Policies as it relates to PTPs are fully complied with. (2016/48)

Merchant's Overtime

148. The revenue statement and overtime records maintained by the various responsible locations continue to reflect substantial variances. In 2015, the revenue statement reflected an amount of \$77.387M as revenue received from merchants for overtime fees while the sum of \$64.978M was reflected in the various registers as cash payments and payments made on demand, resulting in a difference of \$17.201M. Management had explained that efforts were ongoing to determine the reasons for the variances however, at the time of reporting; an updated position on the matter was not presented for audit. During the period under review, the revenue statement and overtime records reflected amounts totalling \$92.613M and \$64.978M respectively, resulting in a variance of \$27.635M. The following table provides details:

Location	Amount Collected as per Revenue Reports \$'000	Collection as per Registers			Variance \$'000
		Cash Payments \$'000	Payments on Demand \$'000	Total Paid \$'000	
Customs House	7,719	0	0	0	7,719
Goods Exam. Unit	0	1,527	2,537	4,064	(4,064)
Boathouse	339	0	0	0	339
D.S.C.L.	0	0	5,770	5,770	(5,770)
G.N.I.C.	1,497	0	5,930	5,930	(4,433)
G.N.S.C.	6,504	0	1,146	1,146	5,358
G.P.O.C.	0	0	694	694	(694)
J.F.L.	71,391	1,237	36,496	37,733	33,658
Muneshwer's	0	0	7,335	7,335	(7,335)
Q-TREX	0	0	611	611	(611)
Ogle Airport	2,221	0	0	0	2,221
CJIA	27	0	0	0	27
Anna Regina	23	0	0	0	23
Corriverton	384	0	326	326	58
New Amsterdam	1,161	0	117	117	1,044
Linden	1,347	0	1,252	1,252	95
Total	92,613	2,764	62,214	64,978	27,635

Management's Response: The Head of the Authority explained that overtime payments are made at any cashiering location and these payments are accounted for under one code for Revenue Accounting. With the computerization of this aspect and the assignment of sub-codes to identify taxpayers making cash payments and/or those with bonds who are granted credit facility, these variances will reduce significantly.

Key reasons for the noted variance are as follows: (a) Timing issue with respect to the overtime revenues versus the overtime payments; (b) Overtime payments are made at different locations. For example, overtime may be worked at the transit shed and the related payment may be made at head office; and (c) Overtime payment is misclassified as miscellaneous instead of merchant overtime at certain cases.

Recommendation: The Audit Office recommends that the Authority seek to implement the computerised system as soon as possible so as to properly account for overtime payments received from Merchants. (2016/49)

149. Examination of the Revenue Accounting Reports, Demand Registers and other subsidiary records maintained for the period under review revealed the following unsatisfactory features:

- a) the sum of \$7.719M was reflected in the revenue accounting reports as being collected at Head Office however, this amount was not brought to account in the relevant Demand Registers. As a result, it could not have been determined the merchants who paid the amounts and which demand notices were honoured; and

- b) the Demands Register maintained by the Goods Examination Unit was not written-up to reflect the payments received as against the respective demands issued. In addition, the receipts in respect of payments made on Demands were not presented for audit. As a result, it could not have been determined whether demands totalling \$2.537M were fully honoured by the merchants.

Management's Response: The Head of the Authority explained that the comments of the Auditor General are noted: (a) With the computerisation of this aspect of the Revenue's Authority function, this issue will be rectified; and (b) Demands were prepared and submitted to the representative of the various Transit Sheds. When queries were made of the officials of JFL & GNIC as to whether payments were made in relation to the demands submitted, they responded that the documents had to be stamped and hence no payments were made for the period. No queries were ever received by the respective agents although the documents were signed by the then Manager since 2015.

Recommendation: The Audit Office recommends that the Authority seek to implement the computerised system as soon as possible so as to properly account for overtime payments received from Merchants. In addition, a reconciliation of payments received as against the respective demands should be carried out to determine whether all demands issued were fully honoured by the merchants. (2016/50)

150. The Authority continued to experience difficulties in collecting outstanding overtime payments demanded from Merchants. For the year 2016, amounts totalling \$373,589 were reflected as outstanding while for the years 2012 to 2014, amounts totalling \$12.128M remain uncollected. In a follow-up response to the finding, Management had indicated that all outstanding amounts were received however, at the time of reporting in September 2017, evidence to support the receipt of payment was not presented for audit. The table below reflects the details of the amounts outstanding.

Year	Agency	No. of Demands	Amount \$'000
2012	G.N.I.C	15	340
2013	G.N.S.C/Boathouse	86	3,779
2014	D.S.C.L	2	1,074
	G.N.I.C.	133	409
	Muneshwers	166	3,308
	G.P.O.C.	1	67
	G.N.S.C.	72	150
	Q-TREX	31	336
	G.N.S.C./Boathouse	106	2,661
	D.S.C.L./Boathouse	1	4
Total		613	12,128
2016	G.N.I.C.	5	235
	J.F.L	4	139
Total		9	374

Management's Response: The Head of the Authority explained that the comments of the Auditor General are noted. Demand Notices have been sent to all persons with credit facilities, and the number has been indicated in the register. They have indicated that they will need to check their records to see if payments were made or if there were queries with the demands issued as against their records. An updated position will be submitted as soon as possible. To minimise this issue, which is manual, a reporting format has been developed for the clerk to report to the manager all persons with outstanding demand payments.

Recommendation: The Audit Office once again recommends that the Authority continue in its efforts to recover all outstanding payments from merchants and all documentation in support of the amounts received from Merchants be presented for audit. (2016/51)

Tax Exemptions

151. Exemptions from duties and taxes totalled \$56.073 billion for the period under review, as compared to \$92.425 billion in 2015. This represents a decrease of \$36.352 billion over the corresponding period. Notwithstanding this, Unconditional Tax Exemptions reflected an increase of 76% equivalent to \$6.628 billion. It should be noted that the value of revenue foregone for the year 2016 represents 36.89% of actual revenue collections by the Authority. In addition, tax exemptions of \$26.399 billion granted in respect of Customs and Trade Taxes exceeded actual collections by \$10.017 billion. The table below gives details of tax exemptions granted according to concession categories.

Type of Exemption	2016		2015		Variance
	№. of Entries	Amount \$'000	№. of Entries	Amount \$'000	Amount \$'000
<u>Conditional Tax Exemptions</u>					
Companies/Businesses	7,684	30,286,629	7,855	57,207,198	(26,920,569)
Ministries/Government Depts.	1,309	3,858,513	1,002	19,529,356	(15,670,843)
Re-migrants	229	998,804	335	1,532,268	(533,464)
Churches/Charitable Organisations	153	1,451,342	189	1,765,917	(314,575)
Diplomats	391	1,711,798	365	1,473,172	238,626
Public/Contract Officers	594	654,738	668	914,250	(259,512)
Foreign Funded Projects	282	1,469,553	147	1,072,597	396,957
Hospitals	581	317,290	336	227,925	89,365
Others	32	5,670	5	11,464	(5,795)
Sub-Total	11,255	40,754,337	10,902	83,734,147	(42,979,810)
Unconditional Tax Exemptions	5,962	15,318,516	5,707	8,690,911	6,627,605
Total	17,217	56,072,853	16,609	92,425,058	(36,352,205)

152. As shown in the table above, tax exemptions granted to companies and businesses represented 54% equivalent to \$30.287 billion of the total exemptions granted. However, the total value of tax exemptions granted in respect of Investment Agreements facilitated through the Guyana Office for Investment and the Guyana Geology & Mines Commission could not have been determined. A review of the records of the Authority revealed that a total of fifty-nine agreements in respect of forty-one investors were approved during the year 2016. It should be noted that in accordance with the Investment Act No. 1 of 2004, a procedural audit of the incentives granted to an investor or an investment enterprise is required to be carried out annually by the Auditor General. However, no records/documentations were submitted to facilitate these audits.

Management's Response: The Head of the Authority explained that the categories of tax exemptions in the report are those that were built into the system several years ago and are subject to limitations. Nevertheless, the IT Division is in the process of implementing a system that will facilitate a breakdown of the 'Companies/Businesses' category and so that more informative reports can be generated.

Recommendation: The Audit Office recommends that the Authority submit for audit, the reports once available. (2016/52)

153. A special investigation is currently being conducted into allegations involving tax exemptions granted on three All-Terrain Vehicles (ATVs) during the year 2016. Initial investigations revealed that fictitious documents were submitted for the purchase of the ATVs and as a result, were entered at a lower rate of tax. A preliminary report was issued to the Commissioner General with recommendations for appropriate disciplinary action to be taken against culpable officers and necessary steps to recover the difference in taxes. A request was made for the personal files of two officers identified as culpable to ascertain the disciplinary action taken however these files were not presented for audit. The difference in taxes was verified as being paid on the 24 February 2017 by the Importer. The matter was handed over to the Guyana Police Force on 18 October, 2016 and at the time of reporting in September 2017, investigations were ongoing.

Management's Response: The Head of the Authority explained that the two officers involved in processing the transactions were dismissed. Management has not received an update from the GPF. In addition, it should be noted that measures were put in place to strengthen the processing system.

Recommendation: The Audit Office recommends that the Authority locate the personnel files and present for audit. In addition, follow-up with the Guyana Police Force so as to bring closure to this matter as soon as possible. (2016/53)

Other Matters

154. In May 2010, the Authority acquired an electronic container scanner at a cost of US\$1M for the purpose of 100% container scanning which is in-keeping with the requirements of International Regulations. The scanner which was placed into operation on 23 May 2011 was determined to be inoperable on 18 October 2014 due to a loss of power to the electrical cabinet. Another scanner which was acquired in November 2013 at a total cost of US\$5.3M and placed into operation on 4 January 2014 also became inoperable on 18 June 2016. In a follow-up response to this matter, Management indicated that the first scanner was not cost-effective to repair and the second scanner was repaired but the reason it had malfunctioned was because of its constant exposure to weather conditions. A permanent suitable location was being identified however; at the time of reporting in September 2017, the scanner was still not in operation.

Management's Response: The Head of the Authority explained that scanning activities using the mobile scanner were halted when the management of the National Parks Commission withdrew permission for use of their facilities on account of damage to the tarmac in June 2016. Permission has not been given to recommence scanning activities despite repeated requests from Management. A location for permanent placement is being addressed.

Recommendation: The Audit Office recommends that the Authority continue in its efforts to identify a suitable location for the scanner so that electronic scanning activities can be recommenced in-keeping with the requirements of International Regulations and to safeguard cargo. (2016/54)

155. Assessment audits conducted for the years 2001 to 2006 revealed that a manufacturer of products chargeable with consumption tax, was under-assessed tax in the sum of \$5.392 billion. The matter was litigated over a period commencing in the year 2009 and on the 9 March 2016 via mutual consent, an agreement was signed to settle the matter in the sum of \$1.5 billion. According to the terms of the agreement, the amount is required to be paid within a year from the date of the agreement. As at 30 September 2016, amounts totalling \$600M were verified as being received by the Authority. A further \$600M was received during the period October to November 2016 while the remainder of \$300M was received in 2017, bringing closure to the matter.

Value-Added Tax (VAT)

156. The Value-Added Tax Act №. 10 of 2005 (subsequently renamed 'The Value-Added Tax Act, Chapter 81:05') came into operation on the 1 January 2007, by Order №. 1 of 2006 signed by the Minister of Finance on 16 January 2006 and amended by Act №. 6 of 2007 signed by the President on 25 January 2007. The Act provides for the imposition and collection of Value-Added Tax on goods and services. The tax is levied at the rate of 16% on the value of every taxable supply by a taxable person in Guyana and every taxable import of goods or import of services, other than an exempt import. This rate was reduced to 14% via Amendment №. 08 of 2016 to the Principal Regulations made under the Act and came into effect on 1 February 2017.

Revenue Collection

The table below provides a Comparative Analysis of Estimated and Actual Amounts Collected and Paid into the Consolidated Fund as Reflected on the Statement of Receipts & Disbursements-Value Added Taxes.

Line Item	Description	Approved Estimates	Amount Collected & Paid into Consol Fund	(Under)/Over Estimates
		\$'000	\$'000	\$'000
5911	Import Goods	21,026,585	22,459,537	1,432,952
5912	Import Services	0	129,642	129,642
5921	Domestic Supplies	17,842,372	13,679,293	(4,163,079)
5922	Domestic Services	0	0	0
5981	Interest - VAT	84,660	112,769	28,109
5982	Penalties - VAT	28,258	42,739	14,481
Total		38,981,875	36,423,980	(2,557,895)

157. According to the Statement of Receipts and Disbursements for VAT produced by the Ministry of Finance, amounts totalling \$38.982 billion were estimated to be collected from Value Added Taxes, interest and penalties during the year 2016. Actual collections paid into the Consolidated Fund totalled \$36.424 billion, representing a negative variance of \$2.558 billion. The category Domestic Supplies reflected a significant negative variance of \$4.163 billion while all other categories reflected positive variances. However, according to the Revenue Collection Statement produced by the Authority, the significant variance was reflected on the category Import – Goods. As a result, the variances were reflected on different categories on the two statements instead of the same category, as shown in the table below:

Line Item	Description	Variances as per		Variances
		Statement of Receipts and Disbursements	GRA's Revenue Collection Statement	
		\$'000	\$'000	
5911	Import Goods	1,432,952	(2,569,840)	4,002,792
5912	Import Services	129,642	20,711	108,931
5921	Domestic Supplies	(4,163,079)	(51,356)	(4,111,723)
5922	Domestic Services	0	0	0
5981	Interest - VAT	28,109	28,109	0
5982	Penalties - VAT	14,481	14,481	0
Total		(2,557,895)	(2,557,895)	0

Management's Response: The Head of the Authority explained that the Authority acknowledges the comments of the Auditor General. When the National Estimates are prepared, it is expected that VAT Refunds are deducted from VAT on Imports and as such, this forms the basis under which VAT revenues are reported. However, in order to meet the cash flow need of the Ministry of Finance, VAT collected at the import stage is transferred to the Consolidated Fund in full. VAT refunds are therefore deducted from collections emanating from Domestic Supplies, the net of which, is then transferred to the Consolidated Fund as stipulated by the VAT Act.

With regards to the negative variance below the estimated collection: Measures in the 2016 budget were implemented to remove arbitrary remissions. These include amendment to the Value Added Tax Act to exempt: par-boiled rice; packaging materials; other malt extracts other than ovaltine; and the importation of personal effects, including motor vehicles for re-migrants and settlers who qualify for exemptions from Customs duties under Section 23 of the Customs Act. It was expected that the VAT on imports would increase by \$1.7B or 8.6%. However, with the implementation of these measures the gross VAT on imports increased by only \$0.5B or 3% and in addition, the VAT refund payments increased by \$1.5B or 56%.

VAT Registrants

158. Regulations made under the VAT Act require that every person who carries on a taxable activity and where the taxable activity (a) equals or exceeds the threshold of \$10M in less than or at the end of twelve months or (b) is expected to exceed the threshold in any period during the next twelve months, must be registered for VAT. As at 31 December 2016, there were a total of 4,441 VAT registrants in the TRIPS database of which, 249 were new registrants for the year 2016 while there were 190 new registrants in the year 2015. However, examination of the records of the Authority revealed that there were a total of 314 individuals and companies with total import values that exceeded \$10M who were not registered for VAT. However, it could not have been ascertained what actions were taken by Management to determine whether those individuals were potential VAT registrants.

Management's Response: The Head of the Authority explained that the Authority acknowledges the comments of the Auditor General. The VAT Act sets out taxable supplies (turnover) of \$10M and \$15M effective from the year 2017 as the basis for mandatory registration of a taxpayer for VAT. As such, importation values exceeding \$10M is the commencement process subjected to further detailed checks to consider a taxpayer for registration of VAT. One of the critical elements for consideration is whether the importer is engaged in a taxable activity. Based on profiling of the 314 importers, in excess of thirty-one importers do not conduct taxable activities or were not eligible for registration, and twenty-one were registered for VAT thus far. In addition, it should be noted that Management has implemented measures to increase the VAT Tax Roll in April 2017. During the period April 2017 to August 2017, a total of 166 taxpayers were registered when compared to 99 in 2016 for the said period, thus reflecting a 68% increase in the registration rate.

Recommendation: The Audit Office recommends that the Authority continue in its efforts to identify all taxpayers who are potential VAT Registrants with a view of having them register with the Authority. (2016/55)

VAT Returns

159. Section 31(1) of the VAT Act requires every taxable person to lodge a tax return for each tax period with the Commissioner General within fifteen days after the end of the period, whether or not, tax is payable in respect of that period. Of the 4,441 VAT registrants in the TRIPS database, 4,097 were identified as active as at 31 December 2016. Of this amount, 2,684 taxpayers filed a total of 32,594 returns with the Authority while the remaining 1,413 registrants were not fully compliant. As a result, it was not possible to ascertain the tax liabilities in the absence of the tax returns. An analysis of the 1,413 taxpayers who failed to submit their returns revealed that there were no submissions from 1,000 taxpayers while partial submissions were made by the remaining 413 taxpayers. A similar observation was made in the year 2015 where there were a total of 1,509 defaulting VAT registrants of which, 991 registrants had no submissions while 518 made partial submissions.

Management's Response: The Head of the Authority explained that the Authority acknowledges the comments of the Auditor General. Demand notices were dispatched to all taxpayers who were delinquent in 2016; of which 806 notices were returned by the Post Office with notations such as addressee unknown, addressee removed and cannot be located. Currently, taxpayers have been identified for visits and contact is being made where telephone numbers are available. This is an on-going process.

Recommendation: The Audit Office recommends that the Authority continue in its efforts to ensure that all taxpayers comply fully with the requirements of the VAT Act as it relates to the filing of tax returns. (2016/56)

160. Management has still not taken steps to ensure that all queried VAT returns are promptly corrected and entered into the TRIPS database. At the time of reporting, eighty-seven returns in respect of the year 2016 and 583 returns for the years 2011 to 2015, that were queried by the Authority were still not finalised and entered into the database. The following table gives a breakdown:

Year	VAT Returns not entered in TRIPS as at August 2017
2011	198
2012	129
2013	107
2014	71
2015	78
Sub-Total	583
2016	87
Total	670

Management's Response: The Head of the Authority explained that the Authority acknowledges the comments of the Auditor General. Work is on-going to contact the taxpayers to have the unposted VAT returns with queries finalised.

Recommendation: The Audit Office once again recommends that the Authority continue in its efforts to have VAT returns with queries finalised and entered into the TRIPS database in a timely manner. (2016/57)

VAT Refunds Paid

161. Examination of TRIPS Report №. 276 and related records presented for audit reflected refunds to taxpayers totalling \$3.877 billion while the Authority's Revenue Collection Statement reflected \$4.112 billion, resulting in a difference of \$235M. Similar observations were made for the years 2015 and 2014 where refunds to taxpayers reflected differences amounting to \$16M and \$470M, respectively. In response to the finding in the prior year report, Management explained that reconciliations to account for the differences were on-going. These reconciliations were completed and submitted for audit however, it was observed that they are a number of reconciling items amounting to \$5.975M, \$9.681M and \$113.456M in respect of the years 2016, 2015 and 2014 that needs corrective action. Some of the reasons noted for the reconciling items include: (i) refunds paid but not posted in TRIPS; (ii) refunds posted in TRIPS but not included in Report №. 276; (iii) refunds paid to non-registrants; and (iv) refunds keyed with incorrect cheque dates.

Management's Response: The Head of the Authority explained that the Authority acknowledges the comments of the Auditor General. Included in the \$4.112 billion paid as VAT refunds, is the sum of \$229.2M paid to diplomatic missions during 2016. These are not usually posted to TRIPS as the recipients are not registered as taxpayers for VAT. As such, the difference between the TRIPS Report and the Revenue Collection Statement amounts to \$6M. According to reconciliations done, unposted vat refunds now stand at \$1.8M for the year 2016, \$3.9M for the year 2015 and 2014 remains at \$19.2M. This is due to a limitation in trips that does not allow us to post refunds unless there is an overall credit balance for the taxpayer.

Recommendation: The Audit Office recommends that the Authority take the necessary steps to finalise the reconciling items and make the necessary adjustments to the related records. (2016/58)

Refundable Vat Returns

162. According to the TRIPS Report №. 213 – Listing of Refundable VAT Returns, there were a total of 8,399 refundable returns valued at \$7.304 billion that were submitted for the tax year 2016. Management explained that refunds are made on applications for same by the taxpayer. Evidence was seen whereby a total 465 applications valuing \$1.721 billion that were received in the year 2016 that were currently being processed. However, the total number and value of applications submitted in prior years that are yet to be processed could not have been determined since reconciliations are ongoing to have the related information presented for audit. Nonetheless, it should be noted that the bank reconciliation statements in respect of the VAT Revenue Bank Account №. 162500447003 held at the Bank of Guyana reflected a reconciled balance of \$1.575 billion as at 31 December 2016.

Management's Response: The Head of the Authority explained that the comments of the Auditor General are noted. The report presented to the Audit Office details the credit returns filed by VAT registrants during 2016. Due to the nature of VAT, credits reflected on VAT returns may either be set off against subsequent returns (self-refunded) or may be refunded by the GRA subsequent to application for same as provided by the VAT legislation. Therefore, in determining the VAT refunds payable for a specific period, the total VAT refundable applications are used rather than the total VAT returns with credits. As at 31 December 2016, the total refundable VAT applications totalled \$1.721 billion.

Recommendation: The Audit Office recommends that the Authority submit for audit, the requested information in relation to the total number and value of applications submitted in prior years. In addition, the necessary steps should be taken to ensure that applications for VAT refunds are processed in a reasonable time frame. (2016/59)

Internal Revenue

Revenue Collection

163. According to the Statement of Receipts and Disbursements - Internal Revenue, amounts totalling \$64.415M were estimated to be collected for the fiscal year ended 31 December, 2016. Actual amounts collected and paid into the Consolidated Fund totalled \$68.111 billion, a positive variance of 5.74% (\$3.696 billion) when compared with the National Estimates. Notwithstanding the positive variance, the Authority under-performed on nine of the nineteen Internal Revenue tax types as indicated in table below for which detailed explanations were not given.

Line Item	Description	Approved Estimates \$'000	Amount Collected & Paid into Consol Fund \$'000	(Under)/Over Estimates \$'000
5112	Income Tax on Self-Employed	4,793,487	4,045,286	(748,201)
5113	Premium Tax	221,768	217,482	(4,286)
5123	Corporation Tax - Public Sector Comp.	2,533,929	1,643,419	(890,510)
5132	Capital Gains Tax	292,417	285,003	(7,414)
5142	Property Tax - Private Sector Companies	2,311,018	661,751	(1,649,267)
5143	Estate Duty (Process Fees)	41,976	36,533	(5,443)
5144	Property Tax Individuals	590,000	0	(590,000)
5165	Motor Veh. & Road Traffic Ordinance	622,788	542,626	(80,162)
5171	Licences- Motor Vehicles	978,888	867,002	(111,886)
Total		12,386,271	8,299,102	(4,087,169)

Management's Response: The Head of the Authority explained that the negative variances below the approved estimates for the categories listed above resulted mainly from an over estimation of the revenue target for the period under review.

COMPARATIVE ANALYSIS OF INTERNAL REVENUE PAID INTO THE
CONSOLIDATED FUND FOR THE YEARS 2016 AND 2015

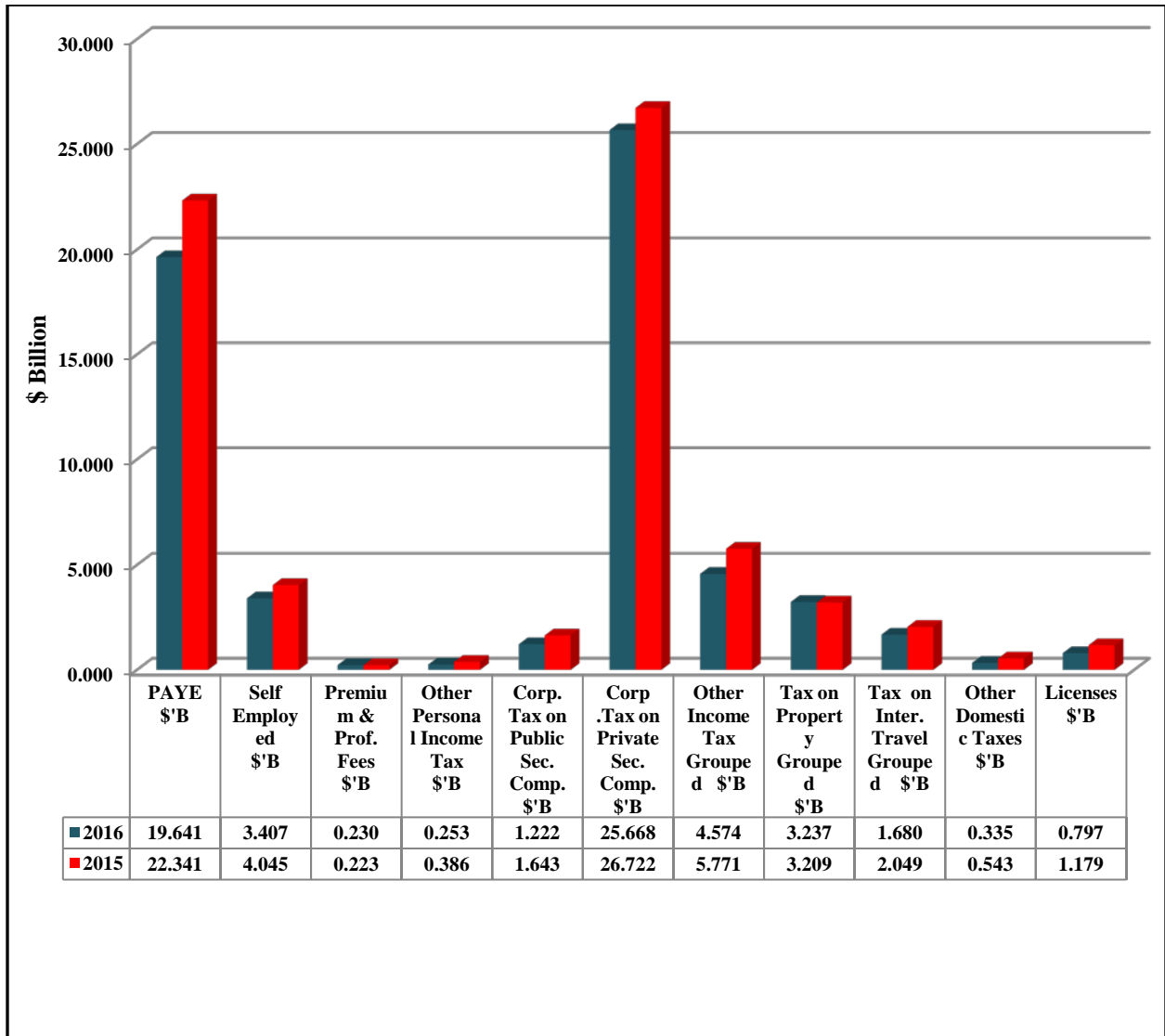


Figure 6

Pay As You Earn

164. In accordance with the Income Tax Act, a Form II is required to be submitted each year for the previous year, on the total tax deductions made by each employer. However, examination of the Forms II Register for the year 2016 revealed that of the 786 returns submitted by employers and examined by the Authority, only 142 were in relation to the year of assessment 2016 while the difference of 644 were for the years of assessment 2008 - 2015. An analysis of the 786 returns submitted revealed that there were 278 instances where the returns were not reconciled as reflected in the table below. Of the 508 returns that were reconciled, ninety-six reflected over-deductions and under-deductions totalling \$29.919M and \$46.780M, respectively.

Description	№. of Instances	Amount on		Variance
		Forms II	Forms V	
		\$'000	\$'000	\$'000
Forms II greater than Forms V	128	1,436,911	1,364,107	72,804
Forms V greater than Forms II	142	1,711,843	1,768,286	(56,443)
Forms II equal to Forms V	8	8,613	8,613	0
Total	278	3,157,367	3,141,006	16,361

165. For returns received in the year 2015, the Authority was still to reconcile a total of sixteen Forms II and collect amounts totalling \$10.385M that were under-deducted from the earnings of five taxpayers.

Management's Response: The Head of the Authority explained that of the 128 instances where Forms II were greater than Forms V, two files were duplicated and twenty-seven files were subsequently closed. Files on the list of queries have been reduced to ninety-nine with a variance of \$59.596M. These cases are being closely monitored to ensure payment of the outstanding liability.

Of the 142 instances where Forms V were greater than Forms II, twenty-two files were subsequently closed. Files on the list of queries have been reduced to 120 with a variance of \$55.295M. The remaining cases are being closely monitored to ensure Form II's and Form V's are reconciled.

Of the ninety-six instances where there were under and over deductions, eighty were under-deductions. Eleven of the eighty files were subsequently closed. Files on the list of queries have been reduced to sixty-nine with a variance of \$46.581M

Of the sixteen instances to be reconciled, three were finalised leaving a variance of \$11.009M. Of the \$10.385M under-deducted, \$0.278M was received, leaving a balance of \$10.107M.

Recommendation: The Audit Office recommends that the Authority continue to investigate and reconcile the returns as soon as possible to have differences identified, clarified and corrected so that all outstanding liabilities can be collected. (2016/60)

Self-Employed Tax

166. The Authority continued to experience difficulties in having delinquent self-employed persons comply with the requirements of the Income Tax Act. As at 31 December 2016, there were 131,893 registered self-employed persons in the TRIPS database of which 92,326 were identified as active. However, only 18,337 persons or 20% of the active registrants filed returns, therefore a total of 73,989 persons or 80% of the active registrants did not file their tax returns. Similarly in 2015, 78,993 persons did not file their returns.

Management's Response: The Head of the Authority explained that in light of the number of self-employed taxpayers not filing returns and the limited resources at the disposal of GRA, the Authority has adopted a risk management approach to prioritize the high risk taxpayers with great revenue implications. Demand notices are issued to defaulting self - employed taxpayers on a continuous basis and in addition, raises assessments in the absence of the returns in some instances. During the period 1 January 2016 to 31 December 2016, a total of 18,543 demand notices were sent to defaulting self-employed taxpayers. In addition, four cases were sent to the Legal Services Division for legal action to be taken for failure to submit tax returns.

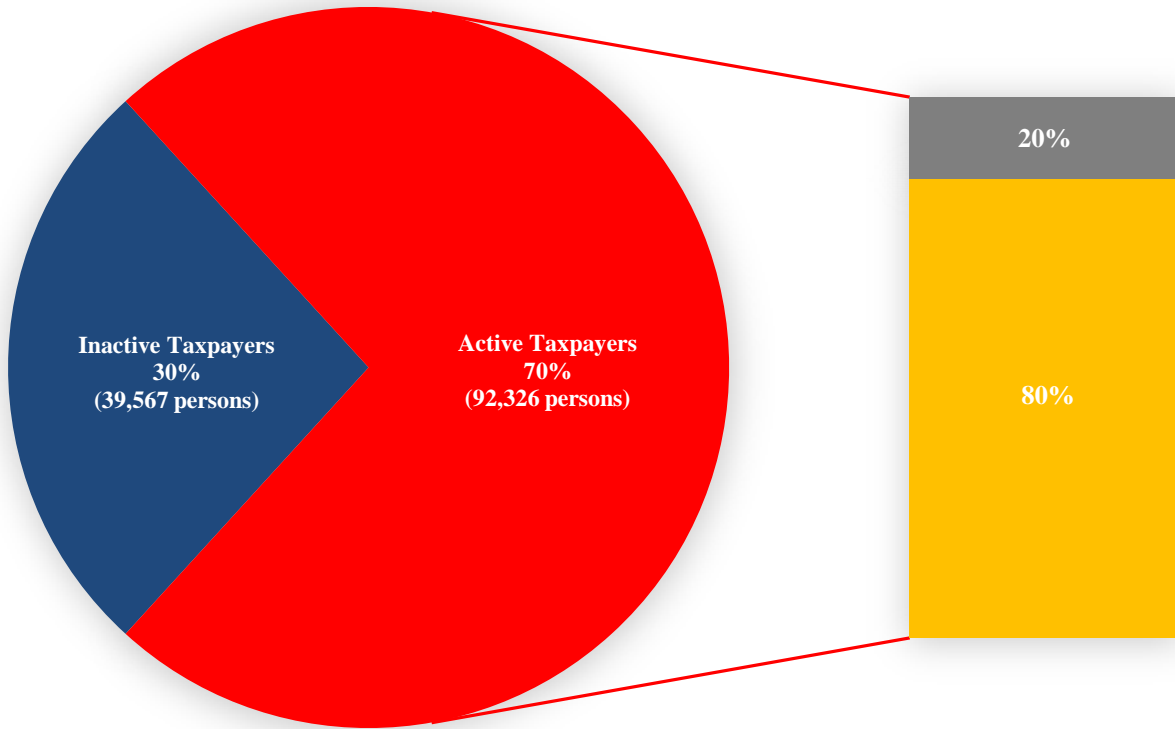
Recommendation: The Audit Office once again recommends that the Authority pursue all possible avenues to have delinquent self-employed persons comply with the requirements of the Income Tax Act with a view of maximising revenue collection. (2016/61)

167. A request was made on the 20 March 2017 for a sample of thirty-five files in respect of persons making payments for self-employed tax during the period under review. Management indicated that of the thirty-five files requested, the related returns in respect of seven were not submitted by the taxpayers however, the remaining twenty-nine files were not presented for audit. As a result, it could not have been determined whether a return and the required supporting documentation were submitted by the taxpayer, returns were reassessed by the Authority and the correct amount of taxes paid over to the Authority.

Management's Response: The Head of the Authority explained that the Authority acknowledges that the state of the filing room does not allow for the timely fulfilling of these requests. Measures have been put in place to remedy this situation such as scanning returns upon receipt, corporate and self-employed returns being filed separately and all statute-barred years taken out of taxpayer files.

Recommendation: The Audit Office recommends that the Authority put systems in place to ensure that there is adequate accountability for records so that these are produced for audit in a timely manner. (2016/62)

COMPARATIVE ANALYSIS OF
SELF-EMPLOYED TAXPAYER FILINGS FOR THE YEAR 2016



20%	Active persons who filed Tax Returns	18,337 persons
80%	Active persons who did not file Tax Returns	73,989 persons
Total Active Registrants		92,326 persons

Figure 7

Professional Fees

168. In accordance with Section 37 of the Tax Act, professionals practicing for a reward in any year are required to be the holder of a Practice Certificate issued by the Commissioner General in respect of that year. The fee for the certificate is payable on or before the last day of February each year. For the year 2016, amounts totalling \$5.896M were collected from 267 professionals, as compared with \$5.795M from 337 professionals at the end of 2015. A request was made in May 2017 for the lists of registered professionals from the various professional bodies and a list of all certificates printed for the year 2016. However, at the time of reporting in September 2017, only two lists (the Dental Council and the Guyana Institute of Architects) were presented for audit. As a result, the number of registered professionals in practice that had not purchased certificates and whether certificates were issued only to professionals who met the requirements could not have been ascertained. In addition, it was noted that 201 professionals paid for certificates after the stipulated date.

169. A Conservatory Order instituted in October 2003 restraining the Guyana Revenue Authority from assessing and collecting increased fees from all professionals was still in effect and the matter had not been finalised. As a result of the restraining order, the Authority was barred from collecting an additional sum of \$80.475M in professional fees. At the time of reporting in September 2017, the matter was still engaging the attention of the courts.

Management's Response: The Head of the Authority explained that the Conservatory Order is still in place and as such, a number of professionals would visit GRA and make payment towards Professional Fees and not apply for the Certificates. This issue with the professionals result in the variance of persons being issued with Certificates (which is based on application for Practice Certificate) against those who paid for Professional Fees for a particular period.

Numerous attempts were made to have the list of Professionals registered under each body submitted to the Revenue Authority on a yearly basis. For the year 2016, only the Dental Council and the Guyana Institute of Architects submitted their registration lists which were sixty-five Dentists and ten Architects, respectively. Due to the non-submission of the lists by the Professional bodies, Management is not in a position to present the other lists of Registered Professionals for audit. Additional efforts would be utilized to have the professional bodies submit their lists on a yearly basis.

Recommendation: The Audit Office recommends that the Authority continue in its efforts to have the non-compliant professional bodies submit the outstanding lists of registered professionals. In addition, measures should be put in place to ensure professionals paid for certificates on or before the stipulated date. (2016/63)

Corporation Tax

170. During the period under review, amounts totalling \$28.292 billion and \$73.094M were received as corporation tax, and interest and penalties, respectively from public and private sector companies in respect of the years of assessment 2005-2016. As at 31 December 2016, there was a total of 4,695 registered companies in the TRIPS database of which, 3183 were identified as active. However, only 817 companies filed returns for the year of assessment 2016 resulting in 2,366 companies not filing their returns as required by the Income Tax Act and applied by the Corporation Tax Act. An analysis of the 817 returns filed revealed that 337 were filed after the stipulated due date. Similarly in 2015, from a total of 2,955 companies which were deemed active, 2,169 did not file their tax returns.

Management's Response: The Head of the Authority explained that the Authority continues to issue demands to defaulting companies. In addition, assessments in the absence of returns submitted are issued to defaulting companies and legal action is instituted against chronic non-filers. During the period 1 January 2016 to 31 December 2016, a total of 1,553 demand notices were sent to defaulting Taxpayers. In addition, seven cases were referred for legal action to be taken for failure to submit tax returns.

Recommendation: The Audit Office once again recommends that the Authority pursue all possible avenues to have defaulting companies comply with the requirements of the Corporation Tax Act with a view of maximising revenue collection. (2016/64)

171. A request was made on the 20 March 2017 for a sample of seventy files in respect of companies making payments for corporation tax during the period under review. However, at the time of reporting in September 2017, only twenty-five files were presented for audit and of the forty-five outstanding files, Management indicated that the related returns in respect of nine companies were not lodged with the Authority. As a result, it could not have been determined whether a return and the required supporting documentation were submitted by the taxpayer, returns were reassessed by the Authority and the correct amount of taxes paid over to the Authority.

Management's Response: The Head of the Authority explained that they Authority acknowledge that the state of the filing room does not allow for the timely fulfilling of these requests. Measures have been put in place to remedy this situation such as scanning returns upon receipt, corporate and self-employed returns being filed separately and all statute-barred years taken out of taxpayer files.

Recommendation: The Audit Office recommends that the Authority put systems in place to ensure that there is adequate accountability for records so that these are produced for audit in a timely manner. (2016/65)

Property Tax

172. Amounts totalling \$3.172 billion were collected and paid into the Consolidated Fund as property taxes from individual private and public sector companies during the period under review. A request was made on the 20 March 2017 for a sample of seventy files in respect of companies making payments however only thirty files were presented for audit. Examination of the thirty files presented revealed that eighteen had no returns in respect of the year under review. In relation to the forty files not presented for audit, Management explained that the returns were not submitted by seventeen taxpayers and no reason was given for the non-submission of the remaining twenty-three files. As a result, it could not have been determined whether a return and the required supporting documentation were submitted by the taxpayer, returns were reassessed by the Authority and the correct amount of taxes paid over to the Authority.

Management's Response: The Head of the Authority explained that the Authority acknowledges that the state of the filing room does not allow for the timely fulfilling of these requests. Measures have been put in place to remedy this situation such as scanning returns upon receipt, corporate and self-employed returns being filed separately and all statute-barred years taken out of taxpayer files.

Recommendation: The Audit Office recommends that the Authority put systems in place to ensure that there is adequate accountability for records so that these are produced for audit in a timely manner. (2016/66)

Travel Voucher Tax

173. The Travel Voucher Tax Act requires airlines to furnish the Commissioner General with a return disclosing the number of tickets sold for travel originating from Guyana, the cost of each ticket, the period to which the return relates, the name of the carrier among other pertinent details, no later than twenty-two days following the end of the period to which the return relates. In addition, the airlines are required to pay taxes of 15% on the value of all tickets sold at the same time the returns are lodged. Failure to comply with this requirement will result in a 15% penalty on the unpaid gross amount in addition to interest charges for every day late. At the time of audit in June 2017, amounts totalling \$948,408, \$1.800M and \$2.896M representing penalties and interest in respect of the years 2014, 2012 and 2011 respectively, remained outstanding.

Management's Response: The Head of the Authority explained that the airline with outstanding penalty for 2014 is in liquidation and a claim for payment was filed with the liquidator on June 6 2017. For the year 2012, penalties amounting to \$1.8M are due by an airline who ceased operations, hence the penalty may not be recovered. For the year 2011, penalties of \$2.896M is outstanding by an airline that has filed for bankruptcy in Barbados. The GRA has filed a claim in Barbados for payment.

Recommendation: The Audit Office recommends that the Authority continue in its efforts to collect all outstanding liabilities due to the Authority. In addition, Management should put systems in place to avoid recurrence of same. (2016/67)

174. An airline which had its inaugural flight on the 6 July 2013 and ceased all operations on 6 June 2015 had not remitted Travel Voucher Tax for the entire period of operation. It was explained that Management is actively pursuing the liability, however, at the time of reporting in September 2017, no payments were received by the Authority.

Management's Response: The Head of the Authority explained that the Authority is currently looking at ways to recover moneys owed.

Recommendation: The Audit Office recommends that the Authority continue in its efforts to collect all outstanding taxes due to the Authority. (2016/68)

175. An airline which began operations in December 2014 was not submitting Travel Voucher Tax returns in the required format. At the time of the audit, this airline is now in compliance hence, travel voucher tax, penalties and interest totalling \$44.259M is outstanding for the years 2014-2016. An agreement was signed in October 2016 and the amount was to be settled in twelve monthly installments of \$3.688M. However, at the time of reporting, the amount remained outstanding.

Management's Response: The Head of the Authority explained that this airline is in liquidation and a claim for payment was filed with the liquidator on 6 June 2017 for principal tax of \$36.562M, penalty \$6.369M and interest \$6.634M.

Recommendation: The Audit Office recommends that the Authority continue in its efforts to collect all outstanding taxes due to the Authority. (2016/69)

Objections & Appeal

176. Management has still not taken appropriate measures to monitor the status of all default matters and to ensure that cases pending are finalised in a timely manner. An examination of the Objections and Appeals Registers presented for the year 2016 revealed that 1,028 cases were received by the Authority whereby taxpayers objected to taxes totalling \$2.452 billion and penalties amounting to \$77.138M. At the time of audit, Management was still to finalise 317 of the cases which resulted in the inability to collect potential taxes and penalties amounting to \$17.468M and \$20.661M, respectively. Similarly, for years 2008 to 2015, Management is still to finalise 208 cases where taxes and penalties in dispute amounted to \$3.592 billion and \$71.571M, respectively. The table below summarises the amounts in dispute.

Year	No. of Cases Received	No. of Cases to be finalised as at 31 July, 2017	Taxes in Dispute \$'000	Penalties in Dispute \$'000
2008	1,388	20	41,217	1,088
2009	762	07	3,472	296
2010	962	17	2,817,851	3,200
2011	809	30	43,031	0
2012	327	20	54,612	5,399
2013	345	10	6,568	261
2014	408	50	576,658	26,470
2015	682	54	48,513	34,857
Sub-Total	5,683	208	3,591,922	71,571
2016	1,028	317	17,468	20,661
Total	6,711	525	3,609,390	92,232

Management's Response: The Head of the Authority explained that work is on-going to have objection cases on hand finalised as soon as possible. It should be noted that of the taxes held in abeyance, in excess of 75% represents objections from one company which is subjected to court action.

Recommendation: The Audit Office recommends that the Authority continue in its efforts to locate the files so that all outstanding cases can be finalised as soon as possible. (2016/70)

Legal Confirmations

177. A request was made on the 20 April 2017 to have all legal counsels contracted by the Guyana Revenue Authority submit confirmations in respect of all judgments, litigations and claims involving the Authority for the period 1 January to 31 December 2016. However, at the time of reporting in September 2017, no responses were received by the Audit Office.

Management's Response: The Head of the Authority explained that letters requesting confirmations to the Auditor General were sent to the respective legal counsels contracted by the Authority.

Recommendation: The Audit Office recommends that the Authority follow-up with the legal counsels to have the confirmations submitted as soon as possible. (2016/71)

Trade and Miscellaneous Licence

178. As at 31 December 2016, there were 5,646 registrants for Trade and Miscellaneous Licences. However, only 3,484 renewed their licences resulting in 2,713 defaulters. As a result, the Authority did not collect licences fees estimated in the sum of \$18.504M.

Management's Response: The Head of the Authority explained that field visits were carried out to determine defaulters in an effort to have them comply. Other courses of action are currently being examined by the Authority.

Recommendation: The Audit Office recommends that the Authority continue in its efforts to have all defaulters comply with the applicable laws. (2016/72)

Liquor Licence

179. Examination of the computerised Liquor Licence database as at 31 December 2016 revealed that there were a total of 856 registrants. Of this amount, 675 registrants purchased and renewed their licences resulting in 181 defaulters.

Regions	No. of Registrants	Number of Defaulters						
		Liquor	Spirit Shop	Hotel	Member's Club	Off Licences	Malt & Wine	Total
Region 1	6	1	0	0	0	0	0	1
Region 2	105	3	0	0	0	0	10	13
Region 3	125	10	0	0	0	7	12	29
Region 4	192	22	2	1	6	9	29	69
Region 5	39	2	0	0	1	2	9	14
Region 6	281	4	0	0	0	4	19	27
Region 7	83	4	0	0	0	0	21	25
Region 8	3	0	1	0	0	0	2	3
Region 9	0	0	0	0	0	0	0	0
Region 10	22	0	0	0	0	0	0	0
Total	856	46	3	1	7	22	102	181
Total Fees		\$476,500	\$24,000	\$12,500	\$45,500	\$40,100	\$76,500	\$675,100

Management's Response: The Head of the Authority explained that field visits were carried out in an effort to have defaulters comply. A total of 531 visits were conducted and as a result of the visits, a total of 404 licences were sold. Follow-up visits were conducted in cases where the Taxpayers did not comply. However, the Regional Office in Anna Regina could not have performed follow-up visits due to the lack of a vehicle. The following table provides details.

Location	No. of Visits Conducted	Number of Licenses Sold	Defaulters	Action Taken
New Amsterdam	21	16	5	Follow-up Visits
Corriverton	79	109	(30)	Follow-up Visits
Linden	20	26	(6)	Follow-up Visits
Anna Regina	46	66	(20)	No Follow-up Visit
Parika	365	159	206	Follow-up Visits
Total	531	376	155	

Recommendation: The Audit Office recommends that the Authority continue in its efforts to have all defaulters comply with the applicable laws. (2016/73)

Revenue Accounting and Control

Dishonoured Cheques

180. Examination of the Dishonoured Cheques Register revealed that a total of 179 cheques valued at \$131.648M were dishonoured during the year 2016 of which seventy-eight cheques valued at \$76.697M were referred to the drawer. Notwithstanding this, all dishonoured cheques for the year 2016 were cleared as at 31 January 2017. However, at the time of reporting in September 2017, three cheques for the years 2011 and 2013 valued at \$1.474M were still on hand.

Management's Response: The Head of the Authority explained that the three incidences of dishonoured cheques valued at \$1.474M were forwarded to the Guyana Police Force for appropriate action to be taken. The accounts of the taxpayers were updated to reflect the non-payments.

Recommendation: The Audit Office recommends that the Authority follow-up with the Police so as to recover all outstanding moneys due to the Authority and bring closure to this matter. (2016/74)

Other Matters

181. The Guyana Revenue Authority computerised part of its operations in April 1996 with the introduction of the Automated System for Customs Data (ASYCUDA). The new system was designed to administrate the customs process and covered most foreign trade procedures. It processed manifests, customs declarations, and other forms while ensuring tariffs on imports and exports were assessed according to governing regulations. The functioning of the system was limited and needed improvement and this led to the implementation of the Total Revenue Integrated Processing System (TRIPS) on 1 January 2007.

182. TRIPS, a fully integrated modular system to manage Government revenues, was designed and produced by Crown Agents, a private limited company incorporated and registered in England. It was introduced with the aim of boosting efficiency in the assessment, collection and accounting for revenue. It comprises two core applications: Taxes and Customs, which share information with each other and each application encompasses a total of thirteen modules as follows:

No.	Name of Module	Purpose
Customs Modules		
1	Lodgement	Lodgement of customs declarations
2	Data Entry	Entry of data from customs declarations
3	Goods Inspection/ Enforcement, Valuation & Document Check	Checkpoints
4	Risk Profiling	Identification & treatment of risks
5	Cashiering	Collection and accounting for all receipts
6	Release	Release of goods
7	Remissions	Processing remissions
8	Warehouse	Warehousing of goods via declarations
Tax Modules		
9	Taxpayer Identification	Creation of TIN, registration & de-registration
10	Tax	Processing Tax Returns
11	Accounting	Allocation & adjustment of Taxpayers payments
12	Audit	Processing of Tax Compliance certificates
13	Reports/Notices/Certificates	Printing of reports, notices and certificates

183. In addition to TRIPS, there are other software applications that were developed by the Authority's Information Technology Division to provide support to the core system. These applications use information from TRIPS or transfer information to TRIPS.

184. The Authority is now considering the re-introduction of ASYCUDA (ASYCUDA World) for the purpose of improving Customs operations and upgrading TRIPS (TRIPS II) with the modification that it focuses only on taxation. The project is therefore expected to address the majority of existing issues and introduce new features towards improved tax operations.

Regional Integrated Tax Offices

Corriverton

Seizures

185. Examination of the Seizures Register and a physical inspection of the bond conducted in June 2017 revealed that sixteen packages physically verified in the bond were not properly labelled with Seizure Notices and were not traced in the register. In addition, from a sample of thirty-five packages selected from the register, thirty-five were not physically verified. Of the thirty-five not physically verified, fourteen packages were in relation to seizures of Rockingham Brand chicken. It was explained by the LEID Officer-in-Charge that the cold storage facility which was not owned by the Authority, could not have been accessed since the owner was out of the country.

Management's Response: The Head of the Authority explained that the Regional Office maintains a Seizures File that contains copies of the Seizure Slips for items in the Bond. Subsequent to the audit, copies were reproduced and affixed to each item in the Bond. Thus, the labelling is intact and all items can be verified and traced to the Register.

Recommendation: The Audit Office recommends that the Authority put systems in place to ensure adequate accountability of seizure items. In addition, physical examinations should be promptly facilitated upon requests which are in keeping with the stipulations in the Audit Act. (2016/75)

Temporary Importation of Motor Vehicles

186. Examination of the register for the period January to September 2016 revealed that a total of 2,244 motor vehicles were recorded as entering Guyana under temporary importation conditions. However, the total number of vehicles temporarily imported for the period October to December 2016 and whether they were re-exported on expiration of the approved period, could not have been determined since the related register was not presented for audit. It was explained by the Officer-in-Charge that the register was handed over to the Guyana Police Force to facilitate an on-going investigation, for which evidence to substantiate same was presented.

Management's Response: The Head of the Authority explained that the Regional Office handed over the Foreign Vehicle Register to the Internal Audit Division which was subsequently handed over to the Guyana Police Force to facilitate a collaborative investigation.

Recommendation: The Audit Office recommends that the Authority submit for audit, the copied pages of the Register in addition to the relevant supporting documentation. (2016/76)

187. An examination of a sample of documents in relation to twenty vehicles temporarily imported revealed that six motor vehicles overstayed the authorised fourteen days' time period and no evidence to support approval of requests for extension of stay were seen. Also, it could not have been ascertained what action, if any, was taken by the Authority.

Management's Response: The Head of the Authority explained that extensions of stay were not granted to the importers of the vehicles and as such, with immediate effect they are blacklisted from entering Guyana.

Recommendation: The Audit Office recommends that the Authority put systems in place to closely monitor the temporary importation and subsequent re-exportation of vehicles. In addition, a report on the status of the six motor vehicles that overstayed should be presented for audit as soon as possible. (2016/77)

AGENCY 04

MINISTRY OF FOREIGN AFFAIRS

Unspent Balances

188. Unspent balances approximating G\$220M as at 31 December 2016 were paid over late to the Consolidated Fund. As a result, the Appropriation Accounts for the Ministry of Foreign Affairs Programme Two - Foreign Policy Promotion, was overstated by the said amount. This was not in keeping with the requirements of Section 43 of the Fiscal Management and Accountability Act 2003, which requires any unexpended balance of public moneys out of the Consolidated Fund to be returned to the Consolidated Fund at the end of each fiscal year. The following are details:

List of Missions	Date of Refund	Foreign Currency	Amount G\$
Guyana High Commission, London	6/3/2017	GBP \$74,634	20,961,845
Guyana Permanent Representative, New York	28/2/2017	USD \$103,100	21,290,077
Consulate General New York	7/4/2017	USD \$166,999	34,485,294
Guyana Embassy, Washington	2/3/2017	USD \$24,449	5,048,719
Guyana High Commission, Ottawa	2/3/2017	CAD \$64,309	11,493,358
Guyana Consulate, Toronto	28/2/2017	CAD \$99,348	11,493,358
Guyana Embassy, Beijing	28/2/2017	USD \$124,118	25,566,322
Guyana High Commission, India	8/5/2017	USD \$39,933	8,246,115
Guyana Embassy, Caracas	2/5/2017	USD \$28,115	5,805,670
Guyana Embassy, Suriname	6/3/2017	USD \$40,674	8,399,130
Guyana Embassy, Brazil	1/3/2017	USD \$34,758	7,177,444
Guyana Embassy, Brussels	1/3/2017	USD \$64,572	13,334,147
Guyana Consulate, Nickerie	6/3/2017	USD \$14,439	2,981,564
Guyana Consulate, Barbados	8/3/2017	USD \$37,562	7,756,534
Guyana Embassy, Kuwait	14/03/2017	USD \$151,708	31,327,702
Guyana Honorary Consulate, Boa Vista	17/03/2017	USD \$24,776	5,116,201
Total			220,483,479

Ministry's Response: The Head of Budget Agency explained that the Missions have to be advised by Head Office about the amount of unspent balances to return. This is done after the Missions submitted all the required documentations to Head Office for completion of the reconciliation of their respective accounts. Nonetheless, there are improvements in the system of refunding of unspent balances by the missions.

Recommendation: The Audit Office once again recommends that the Ministry of Foreign Affairs take steps to ensure that Missions comply with Section 43 of the Fiscal Management and Accountability Act 2003 as it relates to unspent balances. (2016/78)

Outstanding Advances

189. Twenty-six advances totalling G\$11.549M and related to Missions/Embassies remained outstanding at the time of the audit in July 2017. Of the advances, a significant amount was in relation to Heads of Missions' attendance at official conferences overseas. The issuing of such advances from operational funds of Missions was not in keeping with established procedures, which require the Accountant General's Department of the Ministry of Finance, under which funds were allocated for such purposes, to issue such advances and account for these transactions.

List of Missions	Number of Advances	Foreign Currency	Amount G\$
Guyana High Commission, London	2	GBP \$3,848	968,405
Guyana Permanent Representative, New York	9	USD \$13,426	2,772,469
Guyana Embassy, Washington	14	USD \$32,456	6,702,164
Guyana Embassy, Brussels	1	USD \$5,354	1,105,601
Total	26		11,548,639

Ministry's Response: The Head of Budget Agency explained that with respect to the advance for Brussels and the Guyana Permanent Representative, New York, the documentations for clearing the advance have been submitted to the Ministry of Finance for Finance Secretary's approval. The Ministry has also resubmitted conference clearance forms for the clearance of the outstanding advances to the Accountant General for the other outstanding advances and is working towards having all advances cleared.

Recommendation: The Audit Office recommends that the Ministry of Foreign Affairs advise the Missions to submit all documents to clear advances promptly and follow-up with the Accountant General's Department to bring closure to the other outstanding advances. (2016/79)

190. An audit examination of 131 personnel files for employees at the Ministry's head office and 202 for local based staff at various missions revealed the following:

- a) sixteen files for staff at the head office were not presented for audit examination; and
- b) no contracts were entered into in respect of 115 local based employees employed at the various Missions for the years 2015 and 2016.

Ministry's Response: The Head of Budget Agency explained that the files for the local staff are now available for audit. The Ministry is now addressing the contracts for the local staff based at the various missions. For some countries contracts were not entered into since the Ministry's had to confirm to the countries' labour laws. For the other missions valid contracts were signed commencing September 2017.

Recommendation: The Audit Office recommends that the Ministry follow-up this matter with the various Missions. (2016/80)

Log Books

191. Audit examination of the Ministry’s vehicles listing, revealed that there are fifteen serviceable vehicles and three unserviceable vehicles, which are owned and controlled by the Ministry. The following were observed:

- a) Log Books were presented in respect of six serviceable vehicles for the period under review; however, only partial submissions were presented. An examination of the partial submissions revealed that the Log Books were not written up in a continuous manner by the operators, nor was there evidence of monitoring and/or supervisory checks; and
- b) Historical Records for vehicles under the control of the Ministry were presented but not maintained in accordance with Section 26, Form 16 of Stores Regulations 1993.

Ministry’s Response: The Head of Budget Agency explained that the Ministry has put measures in place to have all Log Books available for audit and for drivers to log all trips made. Supervisors were reminded of their duties to monitor the drivers and to ensure that Log Books are properly maintained. The Ministry will also ensure that the historical records for vehicles contain all the required information.

Recommendation: The Audit Office recommends that the Ministry maintain logbooks for all vehicles, which require this record, and ensure that all pertinent information is recorded therein. Further, for those vehicles that were not in use, an annotation should be made in the relevant logbooks. (2016/81)

Gifts Received

192. The Ministry received six vehicles through donations, however the vehicles were not brought to account into the Gift Register. Section 34 of the Stores Regulations 1993 states all gifts received shall be subject to normal store-keeping and stores accounting procedures and the procedure set out in the regulations 16 to 19 inclusive shall apply. A Gift Register in Form 18 shall be maintained by the store-keeper, and the Accounting Officer shall furnish the Secretary to the Treasury (now Finance Secretary), the Accountant General and the Auditor General, information relating to all gifts received from time to time. The details are shown in the table below:

Gift Received	Donor Agency	Number of vehicles
Guyana -Vehicles	Republic of Korea	3
New York -Vehicles	Republic of Korea	2
Havana Cuba - Vehicle (Nissan Leaf 5 Electric Car)	Grand Cayman	1
Total		6

Ministry's Response: The Head of Budget Agency explained that the Ministry has since recorded these vehicles in the gift register and will forward the necessary information to the Accountant General and Finance Secretary.

Recommendation: The Audit Office recommends that the Ministry comply with the Stores Regulations 1993 and circularised instructions for gifts received. (2016/82)

Office Equipment & Furniture

193. The sum of \$25M was budgeted for the purchase of furniture and equipment for overseas Missions. Amounts totalling \$24.998M were expended to purchase furniture and equipment for several Missions overseas. However, supporting documents were not attached to the cheque order vouchers to validate the amounts expended. Further, the Ministry did not provide information as to what items were purchased and for which Missions were they purchased for.

Ministry's Response: The Head of Budget Agency explained that these information are usually provided by the embassies/missions when purchases are made. The processing of remittances for capital expenditure are only approved when the embassies/missions submit their quotations. On completion of the purchases, the receipts and other supporting documents are submitted to Head Office.

Recommendation: The Audit Office recommends that the Ministry comply with circularised instructions. (2016/83)

Other Matters

Overseas Mission

High Commission in Ottawa, Canada

Utility Charges

194. Costs amounting to CDN\$1,286.50 for television and internet services were paid by the Commission for two home-based staff. However, a perusal of their terms and conditions of service revealed that these two employees were not entitled to such benefits.

Ministry's Response: The Head of Budget Agency explained that the terms and conditions from the rental contracts for the apartment of the Home Based Staff state 'that utilities, cable TV and internet are provided by the landlord and included in the rent.

Recommendation: The Audit Office recommends that the Ministry review the contracts and payments made and seek refunds if any overpayments were made. (2016/84)

Status of Prior Year Issues

195. The table below shows the prior year matters as contained in the Auditor General’s 2015 Report and action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office.

Rec. №.	Category of findings	Status of recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2015/64	Breaches of the FMA Act		√	
2015/65	Breaches of the FMA Act		√	
2015/66	Breaches of the FMA Act		√	
2015/67	Revenue related matters		√	
2015/68	Revenue related matters		√	

AGENCY 05

MINISTRY OF PRESIDENCY

Current Expenditure

Programme 1 Policy Development & Administration and 2- Defence and National Security

Current year matters, with recommendations for improvement in the existing system

Employment Cost

196. According to the National Estimates, the Ministry was authorised to have a total of 449 contracted employees. According to the December 2016 payroll, there were 479 contracted employees. Below are details of the contracted employees:

Salary Range	№. of Employees	Amount \$'000
Below \$100,000	278	19,055
\$100,000- \$200,000	114	17,626
\$250,000- \$400,000	54	17,130
Above \$400,000	33	18,728
Total	479	72,539

197. Details of the excess/shortage of thirty employees are shown in the table below:

Programme	National Estimates 2016	December Payroll 2016	Excess/Shortage
051-Policy Development and Administration	288	325	37
052-Defence and National Security	7	6	(1)
053-Public Service Management	38	40	2
055-Citizenship and Immigration Service	116	108	(8)
Total	449	479	30

Ministry's Response: The Head of the Budget Agency acknowledged the audit findings. The overall net increase in staffing on the structure was as a result of staffing requirement for the former President's Office, Advisors' Office, Youth Empowerment, various departments within the Ministry and the inclusion of staff for Civil Defence Commission who were previously under the Guyana Defence Force.

198. Circularised instructions and Section 29 of the Stores Regulation 1993, require that 'Log Books in Form 17 shall be maintained for all motor vehicles, plant, machinery and equipment. Audit examination of the Ministry's vehicles' listing revealed that there are seven vehicles in the pool. However, Log Books for five of these vehicles were not presented for audit examination. As such, it could not be ascertained whether all journeys undertaken were authorised and were in the public interest.

Ministry's Response: The Head of the Budget Agency acknowledged this finding and corrective action had been taken. The Transport Officer has since issued Log Books to these vehicles.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensures there is full compliance with the Stores Regulations 1993. (2016/85)

Maintenance Works

199. The sum of \$200.357M was allotted for various maintenance works and amounts totalling \$193.863M were expended during the year as shown in the table below:

Description	Amount \$'000
Maintenance of Buildings	86,004
Maintenance of other Infrastructure	24,371
Vehicle, Spares and Maintenance	68,101
Equipment Maintenance	15,387
Total	193,863

200. A physical verification of seven projects including (i) and (ii) renovation of Storerooms, Presidential Guard Services Ministry of Presidency Annex, Castellani Compound, (iii) modification to the Cabinet Room (iv) rehabilitation of Bertram Collins College of Public Service-Ministry of the Presidency, Lot 6 Ogle Estates East Coast Demerara (v) renovation works at Building “A”, Ministry of the Presidency, (vi) construction of fence, walkway and Guard Hut at the Ministry of the Presidency and, (vii) rehabilitation of Parking Lot and Construction of Concrete Drains-Thomas Lands was carried out.

201. Based on the completed works, measurements and calculations, overpayments totalling \$567,250 were discovered for one project namely, renovation of Storerooms Castellani Compound. However, at the time of reporting in September 2017, the full amount was recovered on 8 September 2017 and deposited into the Consolidated Fund.

202. The sum of \$8.002M was paid on 18 January 2017 to a supplier for repairs and maintenance of vehicles during the period January to June 2016. Audit examination of the payment voucher and other supporting documents revealed that all the invoices attached were unnumbered. In addition, the sum \$568,200 was overpaid to the supplier.

Ministry’s Response: The Head of Budget Agency explained it was based on the certification and recommendation of the former Transport Officer that these bills were approved for payment. The bills were examined by the current Transport Officer and the supplier had agreed to settle the amounts overpaid.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensures there is full compliance with the Stores Regulations 1993 and the Procurement Act 2003. In addition, action must be taken to recover the amount overpaid. (2016/86)

Subsidies and Contributions

203. The sum of \$728.762M was allotted for Subsidies and Contributions to Local Organisations during the year and amounts totalling \$718.786M were expended. Of this amount the sum of \$317.845M was released to four statutory entities that are under the control of the Ministry and are subject to separate financial reporting and audit. The table below summarises the status of related audit reporting, including details on the progress of outstanding audits. It should be noted that, at the time of reporting, the audited report for Guyana Lands & Surveys Commission for 2010, was not laid in the National Assembly.

Entity	Current Amount \$'000	Year of Last Audit	Years Laid in National Assembly	Remarks
Institute of Applied Science and Technology	167,793	2011	2011	2012 - 2014 Audit being finalised and 2015 – Audit Plan reviewed and returned to contracted auditor. 2016 - Financial Statements not received.
Guyana Lands & Surveys Commission	117,228	2010	2009	2011- Audit to be finalised 2012 - Interim Audit in progress 2013-2016 Financial Statements received.
Integrity Commission	18,877	2014	2014	No other Financial Statements received.
Guyana Energy Agency	13,947	2015	2015	2016 – Field work completed. Work paper files being reviewed.
Total	317,845			

Ministry's Response: The Head of Budget Agency explained that the Financial Statements for the Institute of Applied Science and Technology and Integrity Commission will be submitted to the Audit Office by end of September 2017, while 2010 audited Financial Statements for Guyana Lands & Surveys Commission will be submitted to the Clerk of the National Assembly to be laid.

Recommendation: The Audit Office recommends that the Head of Budget Agency follow-up with the Agencies to have the outstanding Financial Statements submitted for audit. In addition, all audited reports must be submitted to the Clerk of the National Assembly in order to have them laid. (2016/87)

Warrants Received

204. During 2016, the Ministry received seventeen Inter/Intra Departmental Warrants (IDWs) totalling \$520.222M and amounts totalling \$517.503M were expended as shown below:

Ministry/Department	No. of Warrants	Amount Issued \$'000	Amount Expended \$'000	Unspent Amount \$'000
Ministry of Finance	13	394,913	393,113	1,800
Ministry of Indigenous People's Affairs	2	59,600	59,600	Nil
Guyana Defence Force	1	55,709	55,187	522
Ministry of Education (Department of Culture Youth and Sport)	1	10,000	9,603	397
Total	17	520,222	517,503	2,719

205. In accordance with an Agreement dated 3 November 2016, between the Ministry of Indigenous People's Affairs and the Institute of Applied Science and Technology (IAST), the sum of \$59M was paid to the Institute for the establishment of a tomato drying facility at Paramakatoi Village Region No. 8. At the time of reporting in September 2017, amounts totalling \$42.512M were expended and, the difference of \$16.488M was verified as being retained in the Institute's Bank Account. It was explained that the balance will be expended on labour, operational cost and purchase of fresh fruits. Details on the expenditure are as follows:

Description	Amount \$'000
Procurement of fixtures and fittings, kitchen appliances, groceries etc.	9,390
Supplying, delivering, installation testing and commissioning of a solar panel system	7,641
Construction of dormitory	6,302
Construction of processing facility	6,277
Construction of fence, security hut and water trestle	5,809
Construction of solar dryer	3,857
Construction of base for black tank, concrete corridor, security shed, walkway and driveway	2,239
Transportation cost	997
Total	42,512

Stores and Other Public Property

206. The Ministry continues to breach Section 26 of the Stores Regulations 1993, which states that "The Permanent Secretary shall ensure that historical records of vehicles, plant and equipment in Form 16 are maintained". However, it was observed that the records kept for these vehicles were not in keeping with the prescribed Form. Given the circumstances, the Ministry would not be in a position to monitor the individual cost of repairs or determine whether it was economical to retain or dispose of certain vehicles.

Ministry's Response: The Head of the Budget acknowledged the audit findings and is in the process of implementing the system with the Transport Department to maintain Form 16 as prescribed.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensures that there is full compliance with the Stores Regulations 1993. (2016/88)

207. In addition, Master and Sectional Inventories were not updated with items purchased during the year and, Permanent Stores were not marked so as to be readily identified as Government property. Further, it was also noted that the register of Permanent Stores was not updated with items purchased during the year.

Ministry's Response: The Head of Budget Agency acknowledged this finding. The Ministry has commenced the marking of all assets and is updating the Master and Sectional Inventories and Permanent Stores register with details of assets acquired in 2016.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensures that there is full compliance with the Stores Regulations 1993. (2016/89)

Accounting for Expenditure

208. At the time of this report, three cheques totalling \$30.441M which has since become stale dated, was still on hand at the Ministry. These cheques should have been refunded to the Consolidated Fund and the necessary adjustments made to the Appropriation Accounts. As a result, the Appropriation Accounts was overstated by the said amount. This was not in keeping with the requirements of Section 43 of the Fiscal Management and Accountability (FMA) Act 2003, which requires any unexpended balance of public moneys out of the Consolidated Fund to be returned and surrendered to the Consolidated Fund at the end of each fiscal year.

Ministry's Response: The Head of the Budget Agency acknowledged the findings. The cheques were kept on hand pending the delivery of goods and services since the Ministry had committed to the purchase of these goods and services during 2016. The cheques have been sent to the Ministry of Finance to be updated.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensures that there is full compliance with FMA Act 2003. (2016/90)

Current Expenditure

Programme 4 - Natural Resources Management

Current year matters, with recommendation for improvement in the existing systems

209. Current expenditure for January and February 2016, in respect of Natural Resource Management were met from the Ministry of Presidency. However, effective March 2016, both capital and current expenditure were met from Agency 26 - Ministry of Natural Resources.

210. The sum of \$92.220M was allotted and transferred to four agencies under the control of the Ministry as subsidies and contributions during the year of audit. The amounts were verified as having been received by the respective agencies. These agencies are subject to separate financial reporting and audit. Nonetheless, it was noted that the Ministry did not take definitive action to have the audit reports issued laid in the National Assembly. The table below gives the status of related audit reporting, including details on the progress of Audit.

Entity	Current Amount \$'000	Year of Last Audit	Years Laid in National Assembly	Remarks
Environmental Protection Agency	40,950	2014	2014	Audit in progress for 2015. Financial Statements received for 2016.
Guyana Lands & Surveys Commission	21,834	2010	2009	2011 - Audit to be finalised 2012 - Interim Audit in progress 2013 - 2016 Financial Statements received.
National Parks Commission	19,034	2008	2007	Finalising 2009 - 2012. Financial Statements received for 2013-2016.
Protected Area Commission	10,402			2012 - 2013 Financial Statements to be redone by the Entity. 2014 - Management Letter in progress. 2015 audit to commence. No Financial Statements for 2016.
Total	92,220			

Ministry's Response: The Head of Budget Agency explained that the 2016 Financial Statements for Protected Areas Commission will be submitted by September 2017, while 2010 audited Financial Statements for Guyana Lands and Survey Commission and National Parks Commission will be submitted to the Clerk of the National Assembly to be laid.

Recommendation: The Audit Office recommends that the Head of Budget Agency follow-up with the Agency to have the outstanding Financial Statements submitted for audit. In addition, all audited reports must be submitted to the Clerk of the National Assembly in order to have them laid in the National Assembly. (2016/91)

Current Expenditure

Programme 5 - Citizenship & Immigration Services

Current year matter, with recommendations for improvement in the existing systems

211. Transactions relating to pay change directives for resignations and retirements were examined and it was observed that such directives were forwarded late to the Accounts Department of the Ministry. During the year, overpaid salaries were identified in five instances totalling \$593,554 which includes \$87,370 in respect of deductions not recovered from the respective agencies.

Ministry's Response: The Head of the Budget Agency acknowledged the audit findings. The Department of Citizenship was informed of the need to expedite their submissions to the Central Accounts Unit. Numerous attempts have been made to retrieve the overpaid sums from the former staff members, however, this has proven futile, but the Ministry continues to pursue the matter.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensure the overpayments are recovered and implement systems to prevent a recurrence. (2016/92)

212. In addition, it was noted that the contract for one Officer expired on 31 July 2016 and there was no evidence that it was renewed. However, payments in respect of salaries totalling \$1.637M which includes \$399,245 in respect of deductions were made during the period August to December 2016. At the time of this report, a further sum of \$2.295M which includes \$498,701 in respect of deductions was paid for the period January to June 2017. As a result, there was an apparent overpayment in the sum of \$3.932M which includes \$897,946 in respect of deductions paid to various agencies.

Ministry's Response: The Head of Budget Agency explained that instructions were given to the Accounts Department to withhold salary for the month of September. The Ministry is in the process of writing the Officer on this matter with a view of recovering the over payment.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensure the overpayments are recovered and implement systems to prevent a recurrence. (2016/93)

Capital Expenditure

Current year matter, with recommendation for improvement in the existing systems

213. On 15 December 2016, the Ministry and Guyana Energy Agency (GEA) signed a Memorandum of Understanding whereby it was agreed that GEA will: (a) procure, supervise and monitor the installation and operations of the energy efficiency and renewable energy installations at the State House; (b) prepare and publish tender documents for the supply and installation of energy efficiency and renewable energy systems for the identified location; (c) subject to completion of the installation of each system and verification by GEA that installation is in confirmation with the prescribed standards, the GEA shall hand over the asset to the respective Government entity for security and entry into the entity's assets register; and (d) provide technical oversight and support in monitoring the use and operation of the systems during the lifetime of the installation.

214. The sum of \$24.950M was deposited into GEA's bank account №. 688-108-0 held at Republic Bank Guyana Ltd. on 29 December 2016. At the time of reporting, amounts totalling \$14.395M were expended by GEA and the balance of \$10.555M was verified as being retained in the Agency's bank account. It was explained that this amount will be expended for "Procurement and installation of 22 kwp grid connected solar photovoltaic system, 45 kW hybrid inverter and 160 kWh energy storage system".

Minor Works

215. The sum of \$95M was allotted for provision for developmental, humanitarian and other activities and amounts totalling \$94.992M were expended as follows:

Description	Amount \$'000
Grants/donations/contributions	71,003
Rehabilitation of Hall at Ogle	22,402
Consultancy services	1,587
Total	94,992

216. With respect to the contract "Rehabilitation of Dilapidated GUYSUCO Staff Complex Club and canteen at Ogle to be used as Bertram Collins College of Public Service", it was explained that there was an oversight/error on the part of the Management of the Staff College and, in the enthusiasm and haste of executing the project approval was granted for the commencement of works on 15 August 2016, without complying with the requirements of the Procurement Act 2003. In this regard, the Head of Budget Agency wrote the NPTAB on 6 December 2016, recommending a cessation of the project and for the sum of \$22.402M be paid to the contractor.

217. It was also noted that the NPTAB granted the approval for the award of the contract and payment of the amount on 30 December 2016, and, Cabinet granted its "No Objection" on 30 December 2016. Notwithstanding this, the sum of \$22.402M was paid to the contractor on 18 January 2017.

Ministry's Response: The Head of the Budget Agency acknowledged the findings.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensure that there is full compliance with the Procurement Act 2003. (2016/94)

Land Transport

218. The sum of \$57.800M was allotted for the purchase of vehicles and amounts totalling \$57.584M were expended as follows:

Description	Amount \$'000
Procurement of three Toyota Crown Royal Saloon	25,940
Procurement of two Land Cruiser Prado	22,348
Procurement of two Toyota Premio	4,550
Procurement of one Toyota Voxy	4,000
Procurement of four Motor Cycles	746
Total	57,584

219. The NPTAB granted approval for the award of contract "Procurement of the three Toyota Crown Royal Saloons" in the sum of \$25.940M. Despite repeated requests, the requisite contract/agreement between the Ministry and the supplier was not presented for audit. However, it was stated on the quotation that "50% to be deposited on Firm Order and 50% upon delivery" with the delivery period being 3-4 months after Firm Order. At the time of reporting, the cheque which has since become stale dated was still on hand at the Ministry and the vehicles have not been delivered.

Ministry's Response: The Head of Budget Agency acknowledged the findings. The cheques were sent to the Ministry of Finance to be updated and will be paid to the supplier shortly, since the vehicles are on the wharf. The Ministry is still awaiting the waiver and the Value Added Tax (VAT) and the Duty Free letter from the Guyana Revenue Authority (GRA).

Recommendation: The Audit Office recommends that the Head of Budget Agency ensure there is full compliance with the requirements of the Procurement Act 2003. (2016/95)

Prior year matters, which have not been fully resolved

220. The Audit Office issues recommendations to the Ministry that are designed at improving systems and practices at the entity and improving the Government Governance and Accountability Mechanism. Twelve recommendations were made in my 2015 Audit Report. We reviewed each recommendation to determine what action, if any, was taken by the Accounting Officer. At the time of reporting, two or 17% were fully implemented, one or 8% was not implemented, and seven or 58% were partially implemented. The remaining two or 17% were no longer the responsibility of the Budget Agency.

221. The CCTV system with a cost of \$19.108M and, which was purchased during 2015 for the National Intelligence Center, has not been delivered and installed.

Ministry's Response: The Head of the Budget Agency explained that the matter was brought to the attention of the Minister of State.

Recommendation: The Audit Office recommends that the Head of Budget Agency follow-up with the supplier with a view to ensuring the items are delivered or the money refunded. (2016/96)

222. Financial Statements for the Integrity Commission for the year 2016 have not been submitted for audit.

Ministry's Response: The Head of Budget Agency explained that the Financial Statements for the Integrity Commission will be submitted to the Audit Office by end of September 2017.

Recommendation: The Audit Office recommends that the Head of Budget Agency follow-up with the Agency to have the outstanding Financial Statements submitted for audit. (2016/97)

223. Equipment with a total cost of \$25.768M which was purchased for the Rice Cereal Plant – Region 2 was not supplied.

Ministry's Response: The Head of Budget Agency explained that the equipment has since been supplied but has not been installed. However, the IAST is currently awaiting the land titling and connection of power supply from Guyana Power & Light (GPL) before the commissioning of the Plant. This matter was discussed with the Minister of State and is awaiting his intervention.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensures that the equipment is installed and the factory operationalised. (2016/98)

224. The Head of Budget Agency did not comply fully with the requirements of the Stores Regulations 1993. In this regard, register of Permanent Stores was not updated, Permanent Stores not marked for easy identification and Master & Sectional Inventories were not updated with items purchased during the year.

Ministry's Response: The Head of Budget Agency explained that steps have been taken and most of the assets were marked. This exercise is ongoing.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensures that there is full compliance with the Stores Regulations 1993. (2016/99)

225. Capital items with a total cost of \$10.522M which were purchased during 2015 have not been located and presented for physical verification.

Ministry's Response: The Head of Budget Agency indicated that the Ministry continues to have the items purchased in 2015 verified by the Auditors.

Recommendation: The Audit Office recommends that the Head of Budget Agency implement systems that will ensure strict compliance with the Stores Regulations 1993. (2016/100)

226. The Head of Budget Agency failed to recover overpayment in the sum of \$2.308M. This occurred on seven items in the bill of quantities for erecting of fence and security lights at building E Castellani Compound.

Ministry's Response: The Head of Budget Agency explained that the Ministry continues to engage the contractor on this matter with a view of finalising the payment and would take steps to engage the Guyana Police Force on this if it is not resolved.

Recommendation: The Audit Office recommends that the Head of Budget Agency take immediate action to recover the amount overpaid. (2016/101)

227. Matters involving expenditure totalling \$120.727M in respect of payments for Financial Assistance for Public Service Performance Evaluation in the ten Administrative Regions were attracting the attention of the Courts; whilst, the Audit Office was also conducting an investigation into a transaction in the sum of \$18.900M for the payment of Financial Assistance for students studying in Cuba.

Ministry's Response: The Head of Budget Agency explained that the matter is still engaging the attention of the Court.

Recommendation: The Audit Office recommends that the Head of Budget Agency pursue the matter to finality. (2016/102)

Status of Prior Year Issues

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2015/69	Non submission of Financial Statements		√	
2015/72	Non-Delivery of Items		√	
2015/73	Breach of Stores Regulations		√	
2015/74	Non-Delivery of Items			√
2015/75	Breach of Stores Regulations		√	
2015/76	Overpayment on contract		√	
2015/77	Loss of items	√		
2015/78	Court Matter		√	
2015/79	Update Register	√		
2015/80	Special Investigation		√	

AGENCY 17
MINISTRY OF INDIGENOUS PEOPLES' AFFAIRS

Current year matters, with recommendations for improvement in the existing system

Current Expenditure

Maintenance Works

228. The amount of \$46.684M was allocated for the repairs and maintenance of buildings and infrastructure within the Ministry. As at 31 December 2016, amounts totalling \$44.952M were expended under the various line items as follows:

Line Item	Description	Amount Allocated \$'000	Amount Expended \$'000
6242	Maintenance of Building	9,388	9,386
6255	Maintenance of Other Infrastructure	2,925	1,357
6264	Vehicles Spares & Maintenance	30,571	30,571
6282	Equipment Maintenance	3,800	3,638
Total		46,684	44,952

229. Approval dated 23 September 2016 was granted by NPTAB for the award of the contract for the resurfacing of Head Office compound in the sum of \$3.180M. As at 31 December 2016, amounts totalling \$2.862M were paid to the contractor. A physical verification of the project revealed the following:

- a) the expenditure vouchers which were presented for audit examination did not have a Bill of Quantities or any other details or documentation of the works which were completed, attached;
- b) an unpriced Bill of Quantity was presented by the Ministry at the time of the physical verification on site, however, it was noted that there were differences between the quantities and the actual works completed; and
- c) the completion date for the project and the defects liability period could not be determined from the documents examined.

Ministry's Response: The Head of Budget Agency has indicated that during this time the Ministry did not have an Engineer to deal with the technical aspect of contracts, however, the findings has been acknowledged and steps will be taken to have bill of quantities properly prepared and attached to payment vouchers.

Recommendation: The Audit Office recommends that the Ministry: (a) should submit a copy of the Contract Document with the Bills of Quantity, along with the measured work details so that a proper physical verification and assessment of the works completed and paid for under the contract can be done; and (b) should ensure that all final payments for works completed are properly prepared with the relevant details/breakdown/bills of quantity attached to the expenditure voucher. (2016/103)

Capital Expenditure

Buildings - \$19.375M

230. The sum of \$21M was budgeted for the: (a) construction of trestle and sewerage system at Amerindian Residence, Georgetown; (b) construction of store room at Student Dormitory, Liliendaal; and (c) provision for design of new Dormitory. As at 31 December 2016, amounts totalling \$19.375M were expended as follows:

Description of works	Amount \$'000
Installation of solar system, Student Dormitory	5,001
Construction of curbswall, MOIPA head office	2,631
Construction of laundry area, Student Dormitory	2,434
Consultancy services	2,405
Construction of storeroom, Student Dormitory	2,133
Capital grant (Kamwatta Village Council)	1,500
Construction of trestle at Hostel	1,126
Construction of two (2) guard huts	1,008
Repairs to bridge at Indigenous Residence	908
Supervision services	229
Total	19,375

231. A contract for the construction of curbswall and painting at the Ministry of Indigenous Peoples' Affairs head office was awarded by National Procurement and Tender Administration Board to the lowest of five bidders in the sum of \$2.631M. As at 31 December 2016, the entire contract sum was paid to the contractor. In addition: (a) it was noted that the retention cheque for the contract in the sum of \$263,070 was prepared and held at the end of December 2016; and (b) the retention period could not be determined from the documents examined. A physical verification of the project revealed that the works were completed and overpayments totalling \$508,800 were made to the contractor. However, at the time of reporting the amount overpaid was fully recovered.

Ministry's Response: The Head of Budget Agency has acknowledged the overpayment and has indicated that the full amount was recovered from the contractor.

Recommendation: The Audit Office recommends that the Ministry ensures that contractors are paid for actual measured works completed and that systems be put in place to avoid a recurrence. (2016/104)

232. The contract for the construction of two guard huts was awarded to the lowest of three bidders in the sum of \$1.008M. It should be noted that these projects were not included in the Project profile; however a change in program was seen. As at 31 December 2016, the full contract sum was paid to the contractor. A physical verification carried out on the projects on 14 June 2017 revealed that overpayments totalling \$172,110 were made to the contractor as shown below:

Description	Qty Paid	Qty Found	Unit	Diff.	Rate	Amount Overpaid \$
2 x 6 G/heart	40	27	bm	13	360	4,680
2 x 4 G/heart	203	130.5	bm	72.5	360	26,100
1 x 6 L/Edge	400	210	bm	190	360	68,400
1x6 S/Edge	110	53	bm	57	360	20,520
1 x 6 G/Tongue	175	76	bm	99	360	35,640
1x4 S/Edge	90	50	bm	40	360	14,400
Flashing	48	40.67	ft	7.33	323.33	2,370
Total						172,110

233. Further, it was observed that:

- a) 2" x 4" timber members were specified in the bills of quantities; however, only 2" x 3" timber members were used;
- b) the labour cost and transportation costs were \$440,000 and \$45,000, respectively totalling \$485,000 which represents 48.5% of the total contract sum; and
- c) the contractor was paid for four gallons oil primer, six gallons oil white, two gallons of floor green, fifteen pounds putty and two gallons thinners for the two guard huts all totalling \$70,820 however, based on the dimensions of the guard huts, we are of the view that these quantities of materials are excessive for the two guard huts.

Ministry's Response: The Head of Budget Agency has indicated that the overpayment was acknowledged and that efforts are being made to recover the overpayments from the contractor.

Recommendation: The Audit Office recommends that the Ministry recover the overpayment and should ensure that all quotations for works submitted in the future are properly prepared as per standard Bills of Quantities for the works, instead of a materials list and labour quotation. (2016/105)

Amerindian Development Projects - \$1.323B

234. The sum of \$1.323 billion was budgeted for the: (a) Hinterland Employment and Youth Service project; (b) subvention to Bina Hill Institute; (c) sports gear, musical instruments, sewing machines, radios and chainsaws; and (d) support to other programmes and projects. As at 31 December 2016, the full amount was expended as follows:

Description	Amount \$'000
Hinterland Employment and Youth Service	888,409
Support to other programmes and projects	370,516
Subvention to Bina Hill Institute	46,441
Purchase of musical instruments	7,154
Purchase of radios	5,469
Purchase of sports gear	2,331
Purchase of chainsaws	1,894
Purchase of sewing machines	882
Total	1,323,096

235. The Ministry did not present progress reports for these projects; therefore it could not be determined whether the funds were utilised for the intended purposes.

Ministry's Response: The Head of Budget Agency has acknowledged the finding and has promised to be more vigilant and efficient in collecting these reports.

Recommendation: The Audit Office recommends that the Ministry put systems in place to ensure that all such progress reports are prepared and submitted at the completion of each project. (2016/106)

Cheque Orders

236. The Ministry has still not taken the necessary steps to ensure that Cheque Orders are cleared within the stipulated time-frame of sixteen days through the submission of bills/receipts and other documents in support of payments made. Forty-one Cheque Orders totalling \$18.634M and eighty-nine totalling \$286.087M were outstanding for the years 2015 and 2016, respectively at the time of reporting in September 2017.

Ministry's Response: The Head of Budget Agency has acknowledged this finding and would put systems in place to improve the internal controls so as to better manage the system of accounting for cheque orders.

Recommendation: The Audit Office recommends that the Ministry take necessary action to locate these Cheque Orders and have them presented for audit examination. (2016/107)

Amerindian Purpose Fund

237. The Amerindian Purpose Fund (APF) was established in the year 2000 in keeping with Section 28 of the Amerindian Act Chapter 29:01. This Act was later repealed by Section 84 of the Amerindian Act 2006, which had not in itself provided for the operation of the Fund. Nonetheless, the original Act, at Section 29, required the preparation of financial statements and an audit by the Auditor General. These, even though not captured in the current Act, are best practice requirements of any accounting process, but were never satisfied since the establishment of the Fund.

238. Over the years, observations were made in relation to the significant sums of moneys which was received and expended from the APF and the Ministry's continued poor financial management of the Fund. While the current Act has no provision for the operation of the APF, the Ministry failed to put measures in place for the proper use, record keeping and management of the Fund.

239. For the period under review the Ministry's Cash Book reflected receipts and expenditure totalling \$175.907M and \$184.293M, respectively. The previous year Cash Book was written up to May 2015 and as such, an opening balance as at 1 January 2016 was not reflected in the records of the Ministry. The bank statements however, showed an opening balance of \$20.360M as at 1 January 2016 and an overdraft of \$716,252 as at 31 December 2016. The Ministry did not perform any reconciliation of the cash book balances with the bank statement balances in respect of the APF bank account. This bank account was last reconciled in November 2009. Details of the movement in the Fund are as follows:

BOG Account №. 01626004050	Bank Statements \$'000	Cash Book \$'000	Difference \$'000
Opening Balance – 01/01/2016	20,360	0	20,360
Total Receipts	178,184	175,907	2,277
Total Expenditure	(199,260)	(184,293)	(14,967)
Closing Balance – 31/12/2016	(716)	(8,386)	7,670

Ministry's Response: The Head of Budget Agency has indicated that the Fund is currently being reconciled and any unspent balance would be refunded to the Consolidated Fund.

Recommendation: The Audit Office recommends that the Ministry ensures that this Fund is reconciled, earliest. (2016/108)

Expenditure - \$184.293M

240. Listed below is a breakdown of the expenditure for the APF incurred for the period under review. See the table below:

Expenditure	Amount \$'000
Advances	93,664
Hururu Village expenses	26,938
Projects – Building and Rehab	22,800
Other Expenses	13,368
Assets Purchased	8,252
Refund - 2014 Uniform Sewing Fees	5,145
Pakaraimas Flavors Project	4,013
Projects – Other	3,448
Services	2,800
Royalties	2,241
Refund - HEYS Training Budget	1,504
CSO Stipend	120
Total	184,293

Advances - \$93.664M

241. During the year 2015, seventy-four advances granted for travelling and salaries and valued at \$39.652M were still to be recovered. Similarly, for the period under review advances totalling \$93.664M were issued from the Fund. Included in the figure of \$93.664M were amounts totalling \$78.634M representing 128 advances for travelling & subsistence by officers to various Regions, seventy-three salaries advances totalling \$4.580M and ten advances totalling \$10.450M given to contractors and suppliers, giving a total of 211 advances.

Ministry's Response: The Head of Budget Agency has indicated that efforts are ongoing to recover these advances. As at September 2017, sixty-five advances valued at \$64.727M remained outstanding in respect of 2016.

Recommendation: The Audit Office recommends that the Ministry make every effort to recover these advances. (2016/109)

Building and Rehabilitation Projects - \$22.800M

242. Amounts totalling \$22.800M were expended on Buildings and Rehabilitation Projects. As at 31 December 2016, no progress reports were submitted in respect of the completion of one multi-purpose building and the construction of a Village Shop in the sum of \$2M and \$1.8M respectively.

Ministry's Response: The Head of Budget Agency has indicated that efforts would be made to have these reports presented.

Recommendation: The Audit Office recommends that the Ministry make every effort to have the reports prepared and presented for audit examination. (2016/110)

243. Further, an examination of the records of the Amerindian Purposes' Fund revealed that amounts totalling \$1.891M were paid to Monkey Mountain Village Council on the 11 February 2016 to offset expenses as follows:

Type of Expenses	Amount \$
Heritage Activities	515,700
Vehicles Spares	875,000
Transportation	500,000
Total	1,890,700

244. An examination of the payment vouchers revealed that the relevant supporting documents were not attached to the expenditure vouchers. As such, the accuracy and propriety of the expenditures could not be verified.

Ministry's Response: The Head of Budget Agency has indicated that the Ministry failed to pay keen attention to some of these transactions; however, measures are being put in place to have senior officers scrutinize these payments to avoid such recurrence.

Recommendation: The Audit Office recommends that the Ministry ensures that all relevant supporting documents are attached to expenditure vouchers when payments are made. (2016/111)

245. The amount of \$2.087M was paid on the 12 July 2016 for the clearance of containers donated to the Ministry by Guyana Watch Foundation and Hope for the Nation Foundation, while \$303,716 were paid for the security of the containers on the wharf. The quantities, description and physical conditions of the items donated along with the estimated values of same were not stated on the expenditure vouchers. As a result, it could not be determined whether the cost of the items were less than the amount paid to clear the containers, hence the economical benefit to the Ministry. The items received were not recorded in the Gift Register nor were the invoices recorded in the name of the Ministry.

Ministry's Response: The Head of Budget Agency has explained that while the Ministry failed to seek technical advice before accepting the offer, the items were received and distributed. The failure to record the items in the Gift Register is due to an oversight and is sincerely regretted.

Recommendation: The Audit Office recommends that the Ministry in future ensures that all gifts and donations are properly accounted for. (2016/112)

246. Four payment vouchers valued at \$2.610M had no supporting documents attached to the payment vouchers while three payment vouchers valued at \$1.960M were not presented for audit examination.

Ministry's Response: The Head of Budget Agency has indicated that the Ministry has requested the suppliers to present copies of the bills/receipts and efforts are being made to locate these vouchers and have them presented for audit.

Recommendation: The Audit Office recommends that the Ministry ensures that all relevant supporting documents are attached to expenditure vouchers when payments are made and that action be taken to locate these vouchers and have them presented for audit. (2016/113)

Prior year matters, which have not been fully resolved

Current Expenditure

247. During 2014, the Ministry purchased five tractors, one trailer and implements for various Amerindian Villages. These assets were received and distributed to Itabac, Sand Creek, Rupanau, St. Cuthberts, Massara, Yarong Paru and Kwebanna. However, it was observed that two tractors and the trailer were still not registered with the Guyana Revenue Authority. Further, these assets were also not placed on the inventory of the Ministry in accordance with the requirements of Stores Regulations 1993.

Ministry's Response: The Head of Budget Agency explained that the supplier was supposed to provide the registration for the tractors and trailer at the time of the delivery, however, same has not been received to date.

Recommendation: The Audit Office recommends that the Ministry once again follow up with the supplier for the outstanding registrations so that the equipment could be registered with the Guyana Revenue Authority. (2016/114)

248. Two ATV's which were acquired prior to 2012 and issued to Region №. 9 remained unregistered by the Ministry up to the time of reporting in September 2017.

Ministry's Response: The Head of Budget Agency explained that the Ministry has engaged the Guyana Revenue Authority and a request was made to the Ministry to supply alternative documentation to have the ATV's registered. The Ministry is in the process of presenting the relevant documentation.

Recommendation: The Audit Office recommends that the Ministry follow-up this matter with the Guyana Revenue Authority. (2016/115)

Capital Expenditure

249. In relation to the amount of \$161.150M expended for CSOs stipend, it was observed that five payments totalling \$27.470M did not have any supporting documentation attached to verify that the amounts were fully accounted for. Also, payments relating to the sum of \$17.344M were made without any supporting documents attached to payment vouchers.

Ministry's Response: The Head of Budget Agency has indicated that efforts are continuing to locate the supporting documents and have same presented for audit examination.

Recommendation: The Audit Office once again recommends that the Ministry renew its efforts to locate the documents and ensures that supporting documents are attached to all payments made. (2016/116)

250. A contract for the excavation, land filling, construction of drains and concrete works at student dorms, Liliendaal was awarded in 2013 in the sum of \$14M and the full contract sum was paid to the contractor. Based on physical verification on site in April 2013, it was reported that the sum of \$7.869M was overpaid to the contractor. The competent officer for the project requested re-measurement of the works since the contractor disputed the amount stated as overpaid. A revisit and leveling exercise was conducted in April 2014 and physical measurements taken revealed that the sum overpaid has increased to \$8.597M. No recoveries were made by the Ministry.

Ministry's Response: The Head of Budget Agency explained that the Ministry wrote to the National Procurement and Tender Administration Board informing them of the contractor's indebtedness to the Ministry. The contractor was also written to but there has been no response. The Solicitor General was also written to seeking advice on the way forward.

Recommendation: The Audit Office once again recommends that the Ministry continue to follow-up this matter. (2016/117)

Status of Prior Year Issues

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2015/94	Outstanding Cheque Orders & missing vouchers		✓	
2015/95	Contract Register not properly maintained	✓		
2015/96	Breaches of the Stores Regulations		✓	
2015/97	Weak internal controls	✓		
2015/98	Misstatement of the Appropriation Account	✓		
2015/99	Weak internal controls	✓		
2015/100	Weak internal controls	✓		
2015/101	Weak internal controls	✓		
2015/102	Breaches of Procurement Act 2003 and Stores	✓		
2015/103	Breaches of the Stores Regulations	✓		
2015/104	Breaches of the Stores Regulations			✓
2015/105	Breaches of the Stores Regulations	✓		
2015/106	Breaches of the Stores Regulations	✓		
2015/107	Weak internal controls		✓	
2015/108	Unspent balances		✓	
2015/109	Weak internal controls		✓	
2015/110	Weak internal controls		✓	
2015/111	Weak internal controls		✓	
2015/112	Weak internal controls	✓		
2015/113	Missing voucher	✓		
2015/114	Overpayment on contract			✓
2015/115	Weak internal controls			✓

AGENCY 21
MINISTRY OF AGRICULTURE

Current year matters, with recommendations for improvement in the existing system

Current Expenditure

Employment Cost

251. According to the National Estimates, the Ministry was authorised to have 274 contracted employees. However, there were 268 contracted employees on the December payroll. The details of the contracted employees are as follows:

Salary Range	No. of Employees	Basic Salary \$'000
Below \$100,000	121	7,000
\$100,000 - \$250,000	139	26,076
\$250,000 - \$400,000	3	1,044
Above \$400,000	5	2,629
Total	268	36,749

Ministry's Response: The Head of Budget Agency explained that the Ministry is in the process of appointing contracted employees to the pensionable establishment, hence the reduction in the number of contracted employees.

Recommendation: The Audit Office recommends that the Ministry minimise the number of staff being employed on a contractual basis and continue the process of moving its current employees over to the permanent establishment in keeping with the circularised instructions. (2016/118)

Maintenance of Infrastructure

252. According to the Appropriation Account, amounts totalling \$35.174M was expended on maintenance of infrastructure by the Ministry for the year under review. A contract was awarded in the sum of \$3.942M by the Ministerial Tender Board to the lowest responsive of thirty-three bidders against an engineer's estimate of \$4.355M for the construction of concrete retaining wall and parking lot at the Ministry's compound. The contract was signed on the 22 April 2016 and the works were expected to be completed two months after the commencement date. There was an approved addendum on the 17 June 2016 for \$5.995M giving a revised contract sum of \$9.937M with an additional month for completion. As at 31 December 2016, amounts totalling \$9.688M was paid to the contractor. Based on a physical verification conducted it was noted that the new works under the addendum were of a capital nature, however, payment was made out of the current allocation.

Ministry's Response: The Head of Budget Agency explained that the Engineers comments have been noted, due care and diligence would be exercised by the Ministry to ensure no future recurrence.

Recommendation: The Audit Office recommends that the Ministry should ensure that payments for work are done in accordance with the respective line items and avoid paying for capital works from current allocation. (2016/119)

Subsidies and Contributions to Local Organisations

253. The sum of \$14.829 billion was released to nine statutory entities that are under the control of the Ministry of Agriculture. The entities are subject to separate financial reporting and audit. The following statutory entities as listed below are under the control of the Ministry of Agriculture. However, at the time of reporting in September 2017, those entities for which audit reports were issued in the years shown in the table were still to have their reports laid in the National Assembly.

No.	Entity	Year of Last Audit Report	Year Laid in National Assembly	Remarks
1	Guyana Livestock Development Authority	2011	-	2012 Financial Statements is to be redone. 2013 to 2016 Financial Statements were not submitted.
2	Guyana Marketing Corporation	2014	-	2015 audit in progress. 2016 Financial Statements not submitted.
3	Guyana School of Agriculture	2008	-	Financial Statements for the years 2009 to 2016 were received.
4	Hope Coconut Estate	-	-	Financial Statements for the years 2008-2010 were returned to entity for corrections. 2011- 2016 Financial Statements were not submitted.
5	Mahaica Mahaicony Abary Agricultural Development Authority	2007	-	Audits for 2008 & 2009 to be finalised. Audit for 2010 in progress. 2011-2014 Financial Statements were submitted. 2015-2016 financial statements were not submitted.
6	National Agricultural Research & Extension Institute	2015	2009	Financial Statement for 2016 not submitted.
7	Pesticide & Toxic Chemicals Control Board	2015	-	Finalising 2016 report.
8	Guyana Sugar Corporation	2016	2010-2015	-
9	National Drainage and Irrigation Authority	New entity effective 1 November 2013	-	November 2013 - December 2014 Financial Statements to be redone. 2015-2016 were not submitted.

Ministry's Response: The Head of Budget Agency explained that the Ministry is actively monitoring the progress of audit of the financial statements of the respective subvention agencies.

Recommendation: The Audit Office recommends that the Head of Budget Agency make a special effort to have the outstanding reports laid before the National Assembly as soon as possible and that the outstanding Financial Statements submitted for audit. (2016/120)

Capital Expenditure

National Drainage and Irrigation Authority

254. The sum of \$1.4 billion was allocated for: (i) payment of retention; (ii) completion of drainage structures and pump stations; (iii) construction and rehabilitation of structures, pumps and revetments in areas such as Three Friends, Herstelling, Good Hope, Pomeroon, Palomyra, Leguan, Paradise, Hogg Island and Triumph; (iv) rehabilitation of excavators, bulldozers, pontoons, pumps and access dams; (v) excavation of outfall channels; and (vi) provision for studies. According to the Appropriation Account, amounts totalling \$1.314 billion was expended as at 31 December 2016. This is a statutory body and is subject to separate financial reporting and audit.

Drainage and Irrigation

255. The sum of \$146.489M was allocated for the: (i) completion of outlet at East Demerara Water Conservancy; (ii) construction of quarters; and (iii) provision for revetment and approach to bridge. According to the Appropriation Account, amounts totalling \$91.949M was expended as at 31 December 2016. This project subject to separate financial reporting and audit.

Drainage and Irrigation – Pumps

256. The sum of \$10M was allotted for the provision of drainage pumps and institutional strengthening. According to the Appropriation Account, there was no expenditure as at 31 December 2016. However, the loan agreement was signed on 22 January 2017 by the Ministry of Finance. The project was re-budgeted for in the 2017 National Estimates.

East Demerara Water Conservancy

257. The sum of \$401.566M was allocated for: (i) rehabilitation of intake structure at Ann's Grove, Hope, Annandale and Nancy; (ii) rehabilitation of relief sluices at Maduni and Sarah Johanna; and (iii) provision for technical assistance, supervision and management for the year under review. According to the Appropriation Account, amounts totalling \$193.131M was expended under this account area. This project is funded by Japan and is subject to separate financial reporting and audit.

Flood Risk Management Project

258. The sum of \$500M was allotted for: (i) rehabilitation of sections of East Demerara Water Conservancy embankment including structures; (ii) construction of pump station at Hope, Buxton, Vigilance and Lusignan; and (iii) purchase of equipment. According to the Appropriation Account, the full sum was expended as at 31 December 2016. On 10 October 2014, The Government of the Co-operative Republic of Guyana (GOG) and the International Development Association (IDA) signed an agreement whereby the IDA agreed to provide the sum of \$7.700M Special Drawing Rights (SDR7.7M) or US\$11.890M to assist in the reduction of the risk of flooding in Region №. 4. According to the audited financial statements, amounts totalling US\$2.742M equivalent to approximately G\$56.233M were expended as at 31 December 2016. This project is funded by IDA and is subject to separate financial reporting and audit.

Sugar Industry Mechanisation Project

259. The sum of \$400M was allotted for: (i) purchase of machinery and equipment for semi-mechanical harvesting and land preparation; (ii) factory energy-efficient improvements at Albion, Rose Hall and Uitvlugt; and (iii) provision for institutional strengthening for the year under review. According to the Appropriation Account, there was no expenditure as at 31 December 2016. However, no budgetary allocation was made for this project in the 2017 National Estimates.

Civil Works - MMA

260. The sum of \$75M was allotted for rehabilitation of: (i) Abary Conservancy and control structure; (ii) primary and secondary drainage and irrigation system; and (iii) accesses and structures. According to the Appropriation Account, the full amount was expended as at 31 December 2016. This is a statutory agency and is subject to separate financial reporting and audit. At the time of reporting, the audit for the year 2007 was completed and the 2008 and 2009 audits are to be finalised shortly.

Access Dams/ Roads Improvement

261. The sum of \$535M was allocated for: (i) upgrading of farm access dams and roads in Parika, Ruby, Laluni and Onverwagt; and (ii) provision for supervision. A Supplementary Provision was approved in the sum of \$207.914M giving a revised sum of \$742.914M. According to the Loan Agreement №. GUY/L0001 signed on 6 July 2013 and amended on 11th November 2015 between the Government of Guyana (GOG) and CARICOM Development Fund (CDF), the CDF agreed to provide US\$9.725M to upgrade all weather access roads to all weather paved roads and fair weather access dams to all weather roads in Regions №. 3, 4 and 5 while the GOG agreed to provide an amount of US\$2.155M for monitoring and project management.

262. According to the audited financial statements, amounts totalling US\$6.596M equivalent to approximately G\$1.362 billion were expended as at 31 December 2015; whilst, the sum of US\$3.452M equivalent to approximately G\$712.838M were expended in 2016, bringing the total sum expended on the Project to US\$10.048M equivalent to approximately G\$2.075 billion as at 31 August 2016. The total expenditure represents 84.58% of the total project cost as at 31 August, 2016. This project is funded by the CDF in collaboration with the GOG and is subject to separate financial reporting and audit.

Rural Agriculture Infrastructure Development

263. The sum of \$200M was allotted for the provision for design and supervision of critical agricultural infrastructure interventions in selected communities. According to the Appropriation Account, there was no expenditure as at 31 December 2016. The sum of \$635M was re-budgeted for the rehabilitation of drainage and irrigation systems and access dams in Mocha, Triumph, Buxton and Ithaca, purchase of equipment and design and supervision in the 2017 National Estimates.

Agriculture Development - MMA

264. The sum of \$15M was allocated for the Agriculture Development for the provision for surveys. According to the Appropriation Account, the full amount was expended as at 31 December 2016. This is a statutory agency and is subject to separate financial reporting and audit. At the time of reporting, the 2007 audit was completed and the 2008 and 2009 audits are to be finalised shortly.

Status of Prior Year Issues

Rec. No.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2015/116	Overpayment of salaries	√		
2015/117	Incompletion of contractual work	√		
2015/118	Incompletion of contractual work	√		
2015/119	Outstanding reports laid before the National Assembly		√	
2015/120	Contractual Agreement	√		

AGENCY 25
MINISTRY OF BUSINESS

Current year matters, with recommendations for improvement in the existing system

Current Expenditure

Subsidies and Contributions to Local Organisations

265. During the year, subsidies totalling \$404.123M were released to five Statutory Agencies under the control of the Ministry. The amounts were verified as having been received by the respective agencies. The Agencies are subject to separate financial reporting and audit. However, as noted from the table below, audited financial reports were not laid in the National Assembly. The table below shows the audited status of each Agency:

Agency	Amount \$'000	Year of Last Audit	Last Report Laid in National Assembly	Remarks
Guyana National Bureau of Standards	148,231	2009	2001-2005	2010-2015 audits in progress. 2016-Financial Statement not received.
Guyana Office for Investment	159,029	2015	2013	2016 field work completed. ML for review.
Guyana Small Business Council and Bureau	49,248	2016	2013	Audit up to date
Competition and Consumers Affairs Commission	47,115	-		2012-2016 field work completed. Draft ML issued for 2012-2014
Guyana Consumers' Association	500			
Total	404,123			

Ministry's Response: The Head of Budget Agency explained that all reports will be laid in the National Assembly shortly.

Recommendation: The Audit Office recommends that the Ministry ensures that all Financial Statements are submitted for audit and all audited reports be laid in the National Assembly. (2016/121)

Outstanding Cheque Orders

266. As at September 2017, the Ministry still had one Cheque Order outstanding in the sum of \$837,702 for Guyana Power and Light for the year 2016 contrary to circularised instructions.

Ministry's Response: The Head of Budget Agency explained that systems are in place to clear Cheque Orders in a timely manner and that the delay is due to the Ministry's inability to locate the receipt to clear the Cheque Order.

Recommendation: The Audit Office recommends that the Ministry put measures in place to clear Cheque Orders in a timely manner and to comply with the circularised instructions. (2016/122)

Prior year recommendations which were implemented

267. The Ministry was still to recover two overpayments totalling \$1.424M for incomplete works on the pall-off to sections of the internal drains and the construction of the western perimeter fence at the National Exhibition Centre Sophia. It was explained that a letter was sent to the contractor in 2015 and a follow-up letter was sent in 2016.

Ministry's Response: The Head of Budget Agency explained that on the 30 June 2017 the contractor repaid the overpayment and the amount was deposited into the Consolidated Fund.

Prior year recommendations which were not fully implemented

268. The two chip machines which were procured for the Leguan and Wakenaam Chip factories were still at a store in Sophia.

Ministry's Response: The Head of Budget Agency explained that the Chip Machine identified for the Wakenaam Chip factory was transferred to the Ministry of Agriculture on the 8 December 2016 to be used at their Packaging facility at Parika since the Wakenaam Chip Factory project was discontinued in 2015. The other Chip machine will be moved to the Chip Factory at Leguan as soon as arrangements are formalized with the investor/operator of the facility.

269. The Ministry processed a cheque numbered 05-448982 dated 7 January 2014, for the sum of \$18.429M payable to the Guyana Power and Light Inc. (GPL) for the installation of electricity at the Belvedere Estate. In June 2014, the cheque became stale dated and the installation of electricity had not commenced. However, on 18 November 2014, the cheque was updated and paid to GPL for the commencement of the works. The Head of Budget Agency had explained that there is a need for the design and construction of a foundation and fencing for the two 750 KVA transformers to complete this project. This work was not provided for in the estimates by GPL Inc. and as such the Ministry was tasked with the construction of the foundation and fence in order to complete the project. In 2016, the transformer pad was constructed by the Ministry and this was physically verified on 29 August 2017 as completed. The work for the fencing is in progress as at September 2017. As soon as this is completed the GPL would install the transformers.

270. The audit for the Guyana National Bureau of Standards, GO INVEST, and the Small Business Bureau were in arrears and all audited financial statements were not laid in the National Assembly. The Ministry explained that the audits for the GO INVEST were done up to 2015 and the audit for the year 2016 was in progress. For the Guyana National Bureau of Standards, the last audit was up to 2009 and the audits for 2010 to 2015 were in progress, however the financial statements for 2016 was not submitted for audit. For the Small Business Bureau, this audit was up to date to 2016. In addition, as reported previously all audited financial statements were not laid in the National assembly.

271. In 2015, an examination of the contract documents and physical verification of the works for Infrastructure works at Lethem revealed several discrepancies such as:

- a) the contract specifies an advance payment of 10% of the contract price; however, the contractor was paid 32.61% of the contract price, which is in breach of contract;
- b) it was observed that a new contract agreement was being prepared and signed for every interim payment made to the contractor; and
- c) no completion certificate was seen to confirm the actual date of completion of the project.

272. As a result of poor supervision of the works, various sections of the finished road surface were not completed to the required thickness as per contract; and the carriageway and shoulders; however, our physical verification revealed that the thickness of the finished asphalt layer was inconsistent, with variances ranging from areas. There were areas where the asphalt layer was spread very thin and the sub base of the road could be seen through the aggregate in the asphalt mix. The Audit Office had recommended that the Ministry ensure that all works undertaken were done in accordance with the specifications outlined in the contracts. Follow up work revealed that some corrective actions were taken in 2016 with regard to interim payments which were no longer given a new contract number.

Prior year recommendations which were not implemented under Agency 23- Ministry of Tourism, Industry and Commerce and now included under the Ministry of Business

273. During 2013, the Ministry had awarded a contract in the sum of \$53.278M for the construction of roads, drains, structures and installation of pure water network at Belvedere/Hampshire, Region №. 6. Amounts totalling \$45.293M were paid and a physical verification of the measured works on the 15 September 2014 had revealed overpayments totalling \$4.783M. At the time of reporting, the retention amount in the sum of \$5.033M was not processed for payment and has not been paid to the contractor. Up to the time of reporting in September 2017, there has been no indication that the overpayments were recovered.

Ministry's Response: The Head of Budget Agency explained that the Ministry has held discussion with the contractor to recover the overpayment from the retention which was withheld for this project. As soon as this is concluded the Ministry will request approval from the Finance Secretary to treat the retention as unpaid account and once this is given the payment will be processed and refunded to the Consolidated Fund.

Recommendation: The Audit Office recommends that the Ministry inform the Audit Office when this plan of action is completed so that the recovery of the overpayment can be verified. (2016/123)

Status of Prior Year Issues

274. The table below shows the prior year matters as contained in the Auditor General's 2015 Report and action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office.

Rec. №.	Category of findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2015/122	Overpayment of construction works	√		
2015/123	Overpayment of construction works		√	
2015/124	Overpayment of construction works			√
2015/125	Outstanding financial statements		√	
2015/126	Overpayment of construction works		√	
2015/127	Overpayment of construction works		√	

AGENCY 26
MINISTRY OF NATURAL RESOURCES

Current year matters, with recommendations for improvement in the existing system

Current Expenditure

275. The sum of \$572.387M was transferred to three agencies under the control of the Ministry as Subsidies and Contributions and Capital Subventions during the year under review. The amounts were verified as having been received by the respective agencies. The agencies are subjected to separate financial reporting and audit. Nonetheless, there were efforts to have the audited reports laid in the National Assembly. The table below summarises the status and details of the progress of outstanding audits.

Agency	Amount \$'000	Last Audit Report	Last Report Laid in National Assembly	Remarks
Environmental Protection Agency	273,823	2014	2014	Finalising 2015 audit. Audit for 2016 in progress.
National Parks Commission	230,966	2008	2007	Finalising audits for 2009 to 2012. Financial Statements were not received for 2013 to 2016.
Protected Areas Commission	67,598	-	-	Finalising audits for 2012 & 2013. Awaiting response to management letter for 2014. Audit for 2015 to commence. Financial statements for 2016 to be submitted.
Total	572,387			

Ministry's Response: The Head of Budget Agency explained that efforts are being made to have the outstanding report laid in Parliament.

Recommendation: The Audit Office recommends that the Ministry make a special effort to have the outstanding audited report laid in the National Assembly. (2016/124)

Capital Expenditure

Environmental Protection Agency

276. The sum of \$47M was released to Environmental Protection Agency for: (i) provision for design and construction of building; and (ii) purchase of global positioning systems, noise meter, radiation monitoring system, cameras, environmental monitor, chairs, water dispenser, soil analyser, air conditioning units and photocopier. According to the Appropriation Account, the full amount of \$47M was expended. However, the records of the Agency revealed that amounts totalling \$13.725M were expended. The difference of \$33.275M was retained by the Agency and not refunded to the Consolidated Fund as required. This resulted in the Appropriation Account being overstated by this amount. The table below gives a breakdown of the expenditure:

№. of Payments	Description	Amount \$'000
1	Purchase metalyser heavy soil analyser	3,445
3	Consultancy for Engineering design and supervision	3,222
1	Purchase dust air monitor instrument	1,601
1	Purchase radiation monitor	956
5	Payment for advertisements (requesting bids)	942
1	Purchase photocopier	675
1	Purchase GPS	540
1	Purchase eight wooden office desks	520
1	Purchase air conditioning units	490
1	Purchase noise meters	380
1	Purchase digital cameras	366
1	Purchase executive chairs	336
1	Purchase office chairs	204
1	Purchase floor model dispenser	48
Total		13,725

Ministry's Response: The Head of Budget Agency indicated that the Agency retained and rolled over \$33.275M since approval was granted by the Finance Secretary for a multi-year contract in respect of payments to be made in 2017 for the construction and supervision of works of a new multi-floor building in Environmental Protection Agency Compound.

Recommendation: The Audit Office recommends that the Head of Budget Agency institute measures to ensure full compliance with Section 43 of the FMA Act, which requires unexpended balances to be refunded to the Consolidated Fund at the end of each fiscal year. (2016/125)

277. The National Procurement and Tender Administration Board granted approval for the construction of a new multi-floor office building in the Environmental Protection Agency's compound. The contract was awarded to the second lowest responsive bidder in the sum of \$235.414M. The lowest responsive bidder is currently in dispute with the Government of Guyana for questionable past projects. There was evidence that the Finance Secretary had granted approval for a multiyear contract in respect of payments to be made in 2017. At the time of reporting, amounts totalling \$68.006M were paid to the contractor.

Ministry's Response: The Head of Budget Agency indicated that there was evidence of approval from the Finance Secretary for multi-year contract in respect of payments to be made in 2017 for the construction of multi-floor office building in the Environmental Protection Agency Compound.

278. The contract for consultancy services for engineering designs and supervision of the construction of a new multi-floor building in the Environmental Protection Agency's compound was awarded by the NPTAB in the sum of \$6.130M. Variation in the sum of \$2.789M was approved giving a revised contract sum of \$8.919M. As at 31 December 2016, the sum of \$3.222M was paid to the consultant. There was evidence that the Finance Secretary granted approval for a multi-year contract in respect of payments to be made in 2017. At the time of reporting in September 2017, amounts totalling \$2.677M were paid bringing the total payment to the consultant to \$5.899M.

Ministry's Response: The Head of Budget Agency indicated that there was evidence of approval from the Finance Secretary for a multi-year contract in respect of payments to be made in 2017 for engineering designs and supervision of works construction of a new multi-floor office building in the Environmental Protection Compound.

AGENCY 32
MINISTRY OF PUBLIC INFRASTRUCTURE

Current year matters, with recommendations for improvement in the existing system

Current Expenditure

279. Cheque Orders are required to be cleared within sixteen days of their issue through the submission of bills/receipts and other documents in support of the payments made. However, the Ministry failed to adhere to this requirement, since an examination of the cheque order register revealed that seventeen Cheque Orders with an aggregate value of \$20.468M were cleared on an average of forty-four days.

Ministry's Response: The Head of Budget Agency has explained that the Ministry is one of the largest, with billions of dollars in allocation for infrastructure works. Materials may not be available at all times and in the quantities required, thus resulting in delays which entailed some waiting time for the supply of items. All Cheque Orders for 2016 have now been cleared.

Recommendation: The Audit Office recommends that the Ministry put systems in place to ensure that all Cheque Orders are cleared in a timely manner. (2016/126)

Revenue - \$106.958M

280. An examination of the Rent Register revealed that an amount of \$1.255M was outstanding for rent in respect of Government quarters for the period under review. In addition, an examination of tenancy agreements revealed that of the thirty-six tenancy agreements entered into between the Ministry and Government officials, four were not signed by the tenants.

Ministry's Response: The Head of Budget Agency has explained that efforts are being made to have the four tenancy agreements signed and that tenants with arrears would be written to demanding payment of outstanding balances.

Recommendation: The Audit Office recommends that the Ministry ensures that all tenancy agreements are signed by tenants and continue to pursue the recovery of outstanding rents from tenants. (2016/127)

Capital Expenditure

281. Amounts totalling \$2.659 billion were transferred during 2016 as capital releases to five statutory agencies. These agencies are subject to separate financial reporting and audit. The status of the audits is shown in the table below:

Entity	Subvention Amount \$'000	Last Audit Report Issued	Last Audit Report Laid in National Assembly	Remarks
Demerara Harbour Bridge Corporation	150,000	2013	2013	Audit for 2014 in progress. Financial statements for 2015 & 2016 have been submitted.
Guyana Civil Aviation Authority	532,000	2011	2009	Draft financial statements for the years 2012 – 2015 submitted to Audit Office on 4 September 2017. Financial statements not received for 2016.
Transport & Harbours Department	1,298,447	2009	2007	Audit for the year 2010 in progress & financial statements for the years 2011 & 2012 received by Audit Office. Financial Statements for 2013-2016 not received.
Cheddi Jagan International Airport	25,000	2013	2013	Audit for 2014 field work completed and audit report to be finalized. Interim audit for 2015 completed. No financial statements for 2016 received.
Maritime Administration Department	653,800	2005	2003	Audit for 2006 & 2007, draft management letter with Audit Director for review. Audit for 2008 & 2009 in progress and audits to be planned for 2010 to 2012. No financial statements received for 2013-2016.
Total	2,659,247			

Ministry's Response: The Head of Budget Agency has indicated that efforts are being made to have the outstanding financial statements prepared and submitted for audit.

Recommendation: The Audit Office recommends that the Ministry make a special effort to have the outstanding reports laid in the National Assembly as soon as possible and the outstanding financial statements to be submitted for audit. (2016/128)

282. The Standard Bidding Document (SBD) stipulates that 15% mobilisation advance should be granted to contractors for contracts undertaken in Regions №. 2 to 6, and 10, while 30% should be granted for contracts undertaken in Regions №. 1 and 7 to 9. However, an examination of contract documents and expenditure vouchers revealed that mobilisation advances were at a greater percentage than those stipulated in the SBD.

Infrastructure Development - \$478.079M

283. The sum of \$72.889M was allocated for Highway Lighting at Linden, Coverden, Corriverton and Ogle under this subhead. Two Contingencies Fund Advance Warrants totalling \$406.758M in respect of Durban Park Development Project were issued during the year bringing the total revised allocation to \$479.647M. As at 31 December 2016, amounts totalling \$478.079M were expended, as shown below:

Details	Amount Expended \$'000
Durban Park Development Project	408,874
Highway Lighting	48,861
Construction of Sidewalk	20,344
Total	478,079

284. Including in the amount of \$478.079M are amounts totalling \$408.874M which were expended on the Durban Park Development Project. At the time of reporting the Audit Office is conducting a special audit and a separate report would be issued on this expenditure. Further, the Audit Office wrote the Ministry of Public Infrastructure on 24 July 2017 requesting information in respect of the special purpose private company, Homestretch Development Inc. A response was received from the Ministry on 26 July 2017 stating that the Ministry was never involved in the documentation as it relates to the operation and formation of the said company.

285. The contract for the construction of sidewalk at Corriverton was awarded by NPTAB to the lowest bidder in the sum of \$14.952M against the Engineer's Estimate of \$22.043M. As at 31 December 2016, amounts totalling \$11.668M were paid to the contractor. A physical verification of the works on 22 August 2017 revealed that the works were completed and overpayments totalling \$172,800 were made to the contractor as shown below:

Item	Description	Paid	Qty Found	Unit	Diff.	Rate \$	Amount Overpaid \$
	Bill 5 Incidental Structural Works						
080201	Section 08020 - Concrete for Structures & Other Uses						
	Concrete used for all structural works in this section shall be of structural strength of 3500 psi as indicated in the drawings or as directed by the employer's representative and shall conform to the requirements of section 08020-concrete rates must be inclusive of formworks	111	107	m ³	4	40,000	160,000
Total							160,000

286. In addition, it was noted that the contract catered for the removal and relocating of utilities to facilitate the construction of the walkway and was being paid as a Provisional Sum in the amount of \$2M. However, a physical verification revealed that the Guyana Power and Light (GPL) poles and Guyana Water Inc. (GWI) valve chambers were not relocated and as a result, these utility poles and chambers have now become obstacles in the newly completed walkway.



Completed walkway with GPL Poles and GWI Valve Chambers which were not relocated

Ministry's Response: The Head of Budget Agency has explained that the quantities specified under the contract for items 050201 and 080201 were exhausted to the stipulated amount. No relocation of utilities was done since it was envisioned having the project to be completed prior to 26 May 2016 Independence Jubilee Celebrations. In addition the time was insufficient to facilitate the removal of all utilities. The construction of the sidewalk included additional works in the form of the construction of concrete access for residents within the project area.

Recommendation: The Audit Office recommends that the overpayment of \$160,000 should be recovered and that the Ministry should ensure that all completed works are accurately measured, quantified and paid for accordingly to avoid overpayments to contractors. The Ministry should also place greater emphasis on the planning phase in the execution of projects and adequately cater for the relocating of utilities which are in the project area. (2016/129)

Bridges - \$223.252M

287. The amount of \$223.416M was allocated for payment of retention; completion of bridges at Goedverwagting and Mon Repos, and rehabilitation of bridges at Liliendaal and №. 51 and 66 Villages, Corentyne. As at 31 December 2016, amounts totalling \$223.252M were expended as shown below:

Description	Amount Paid \$'000
Rehab. of Liliendaal Acrow Panel Bridge	50,460
Rehab. of №. 51 Bridge	57,494
Rehab. of Hope Canal Bridge	11,643
Rehab. of №. 66 Bridge	8,476
Rehab. of Delph Street Bridge	12,899
Rehab. of Atlantic Ville Bridge	11,196
Rehab. of Samantha Point Bridge	6,787
Rehab. of Water Street Bridge	13,190
Rehab. of Goedverwagting Bridge	12,938
Rehab. of North Sophia Bridge	10,546
Rehab. of Diamond Access Bridge	6,150
Retention	21,445
Advertisement	28
Total	223,252

288. Including in the sum of \$223.252M was the amount \$11.643M that was expended on the rehabilitation of Hope Bridge, East Coast Demerara. Approval was granted by NPTAB for the award of the contract in the sum of \$46.571M to the second lowest of three bidders against the Engineer's Estimate of \$37.384M. As at 31 December 2016, amounts totalling \$11.643M were paid to the contractor leaving a balance of \$34.928M. An examination of the contract documents revealed that the contract was signed on 9 December 2016 with duration of three months for completion and a defects liability period of twelve months. In addition, the Advance Payment Bond along with the Public Liability (Third Party) Insurance Policy and contractor's All Risk Policy expired since 21 March 2017 and has not been renewed. A physical verification of the project on 22 August 2017 revealed that no works were carried out on the bridge although nine months has elapsed since the signing of the contract.

Ministry's Response: The Head of Budget Agency has explained that he has agreed with the findings. The design done to remedy the problems associated with the bridge was inadequate since on inspection it was noticed that the bridge approach was still settling exponentially which raised major concerns. The Ministry after realising made a decision to have further investigation done to determine the full extent of the problem associated with settlement. The Ministry have since did some remedial works to ensure the safe and active use of the bridge. We have requested the contractor to submit to us a quotation which will enable us to align our decision to the real problems which will be determined from the investigation.

Recommendation: The Audit Office recommends that the Ministry should ensure that Bonds and insurances are valid in order to provide the requisite coverage and that the advance payment is refunded to the Consolidated Fund. (2016/130)

Urban Roads - \$1.339B

289. Amounts totalling \$1.164 billion were allocated for the payment of retention, completion/construction and rehabilitation of roads and drains in Regions №. 2, 4, 6 and 10. In addition, supplementary provision of \$174.586M was issued during the year, bringing the revised allocation to \$1.339 billion. As at 31 December 2016, the full amount allocated was expended.

290. The contract for the Urban renewal of Carifesta Avenue was awarded by NPTAB to the fourth lowest bidder in the sum of \$147.967M as against the Engineer's Estimate of \$158.818M. As at 31 December 2016, amounts totalling \$142.600M were paid to the contractor.

291. An examination of the contract documents revealed that the contract was signed on 16 May 2016 with a completion date of 30 June 2016 and a defects liability period of twelve months. A physical verification of the project revealed that the carriageway of the newly overlaid roadway developed several depressions close to the base of the newly installed light poles. These surface depressions are presumably as a result of the sub base of the road being disturbed during excavation to facilitate the installation of timber piles and reinforced concrete pile caps for the light pole foundations. The backfill material which was installed on completion of the foundation works for the light poles was not adequately compacted and as a result of settlement over time, the depressions have developed.



Depressions developing at the base of light poles along the roadway

Ministry's Response: The Head of Budget Agency has explained that the depression were caused due to poor compaction however, this had been corrected and will be overlaid shortly.

Recommendation: The Audit Office recommends that the Ministry should ensure that materials are adequately compacted before road surfaces are completed. (2016/131)

Road Improvement and Rehabilitation Project

292. On the 21 March 2010, Government of Guyana (GoG) and the Inter-American Development Bank (IDB) signed an agreement where the IDB agreed to provide a loan of US\$24.8M to support the Road Improvement and Rehabilitation Program. The aim of the Program is to support the GoG's effort to improve and rehabilitate the East and West Canje Roads, the Sheriff/Mandela Road, Access Road to the International Airport from the East Bank and prioritized interventions on the East Bank Road between the Providence Cricket Stadium and the Diamond/Grove Urban Area. The period of final disbursement of the resources was scheduled to expire five years from the effective date of the agreement, that is, on 20 March 2015. Approval was granted by the IDB to extend the agreement to 20 March 2017. This project is subject to separate reporting and audit. As a result, the IDB requested the sum of US\$4.400M be refunded to the Bank in keeping with article 4.08 of the project agreement. This amount was refunded by the project on 29 May 2015.

293. At the end of December 2016, six years and nine months after the commencement of the Program, amounts totalling US\$18.778M or 76% of the loan amount of US\$24.800M were expended by the Program. The table below shows the amount expended and available balance under the individual investment categories.

No.	Investment Category	Budget US\$	Amount Expended US\$	Available Balance US\$
01.01.00	Improvement and Rehab. of East & West Canje Roads	9,134,516	9,134,516	0
02.00.00	Improvement & Rehab. of Main Roads	14,045,996	8,558,151	5,487,845
04.00.00	Implementation Support	1,569,489	1,073,154	496,335
05.00.00	Financial audit	50,000	11,750	38,250
Total		24,800,001	18,777,571	6,022,430

Highway Improvement East Bank Demerara

294. On 8 December 2010, the Government of Guyana (GoG) and the Inter-American Development Bank (IDB) signed an agreement whereby the parties agreed to provide amounts of US\$2M and US\$20M respectively, to support the activities under the Project. The main objective of the Project is to enhance urban and suburban mobility and safety, through lowered transport costs and accident rates by expanding the East Bank Demerara Road (EBDR) south of Providence from two lanes to four lanes and improving road safety of the EBDR north of Providence. The period of final disbursement of the resources was scheduled to expire five years from the effective date of the agreement. However, IDB gave its no objection for the loan agreement to expire on 8 December 2017. This project is subject to separate reporting and audit. According to the financial statements of the Project, as at 31 December 2016, the Project expended sums of US\$19.418M and US\$430,711 from the IDB's financing and GoG's contribution respectively, under the following investment categories:

Investment Categories	Amount Budgeted IDB US\$	Amount Budgeted GoG US\$	Amount Expended IDB US\$	Amount Expended GoG US\$	Balance Available IDB US\$	Balance Available GoG US\$
Expansion of East Bank Demerara Four Lane Road Section	16,186,844	1,000,000	16,067,113	-	119,731	1,000,000
Implementation Support	3,313,156	-	3,313,123	-	33	-
Routine Maintenance Management System	350,000	1,000,000	264	430,711	349,736	569,289
Audit Monitoring and Evaluation	150,000	-	37,746	-	112,254	-
Total	20,000,000	2,000,000	19,418,246	430,711	581,754	1,569,289

Road Network Upgrade and Expansion Project

295. On the 15 March 2013, the Government of Guyana (GoG) and the Inter-American Development Bank (IDB) signed an agreement whereby the IDB agreed to provide financing in the sum of US\$66.200M and the GoG a contribution of US\$3M, to finance the execution of a Road Network Upgrade and Expansion Program. The aim of the Program is to enhance mobility and safety by reducing vehicle operating costs, travel times and road fatalities. The completion date for all activities under the Program was stated as five years from the effective date of the agreement. This project is subject to separate financial reporting and audit.

296. The Program planned to expend sums totalling US\$10.829M during the period under review. However, a scrutiny of the Annual Estimates revealed that only the sum of US\$5.905M or G\$1.240 billion was allocated from the IDB's contribution for: (a) upgrading of Sheriff Street to Mandela Avenue Road; (b) Studies; (c) Sustainable Urban Transport and Road Safety; and (d) Implementation Support and Institutional Strengthening. This resulted in a difference of US\$4.924M between the planned expenditure and the amount approved in the Estimates. An examination of the records of the Program revealed that sums totalling US\$775,837 were expended as follows:

Category №.	Investment Categories	Amount Allocated US\$	Amount Expended US\$	Variance US\$
01.00.00	Civil Works – Sheriff Street – Mandela Avenue Road	2,761,905	0	2,761,905
01.02.00	Other Civil Works Projects	1,523,810	0	1,523,810
02.00.00	Studies	714,286	91,280	623,006
04.00.00	Sustainable Urban Transport and Road Safety	333,333	159,521	173,812
06.00.00	Implementation Support & Institutional Strengthening	571,428	525,036	46,392
Total		5,904,762	775,837	5,128,925

Hinterland Roads - \$1.704B

297. Amounts totalling \$1.704 billion were allocated for the rehabilitation of hinterland roads in Regions №. 1 and 7 to 10. As at 31 December 2016, the full amount allocated was expended. The contract for the construction of Mahdia Community Roads was awarded by NPTAB in the sum of \$235.118M against an Engineer’s Estimate of \$283.100M. As at 31 December 2016, amounts totalling \$130.914M were paid to the contractor.

298. An examination of the contract documents revealed that the contract was signed on 18 December 2015 with duration of ten months for completion and a defects liability period of twelve months. A physical verification of the project on 29 August 2017 revealed that the works were incomplete and that overpayments totalling \$3.308M were made to the contractor as shown in the table below:

Item	Description	Qty Paid	Qty Found	Unit	Diff.	Rate \$	Amount Overpaid \$
	Bill 4 Pavement Rigid Concrete						
	Section 04010- Pavement						
4.2	Reinforced concrete pavement. Payment shall be made for construction of rigid pavement including for the supply of materials including cement and formworks in accordance with drawings	5,250	5,120	yd ²	130	24,500	3,185,000
04.3	Steel reinforced for concrete structures rate to include for the supplying of rebars to site cutting to length splice ,laps ,bending, hooking etc Section 08020 CL1.17&1.19	73,000	66,854	lbs	6,146	20	122,920
Total							3,307,920

299. In addition, no works were in progress at the site and the works should have been completed since November 2016. Further, no approval for the extension of the project was seen and the Performance Bond expired in October 2016 and was not renewed.

Photographs of the incomplete works



Ministry's Response: The Head of Budget Agency has indicated that the observations are correct and the Ministry is taking steps to terminate the contract and recover the overpayment of \$3.308M.

Recommendation: The Audit Office recommends that: (a) the Ministry should make payments for measured works completed so as to avoid overpayments to contractors; (b) the contractor should be urged to complete the works and liquidated damages should be applied to the contract for delayed completion of the works. Failing to expedite the completion of the works should result in termination; (c) the Ministry should ensure that Performance Bonds are in force so as to provide the requisite coverage for the contract period; and (d) the overpaid sum of \$3.308M should be noted by the Ministry and reconciliation must be made when the final account is prepared. (2016/132)

Hinterland/Coastal Airstrip - \$310.411M

300. The amount of \$241.586M was allocated for the completion of Mahdia airstrip, rehabilitation of airstrips at Eteringbang, Annai, Paramakatoi, Kurupung, Kato, Kopinang and Monkey Mountain. In addition, a supplementary provision of \$110M was issued, bringing the total revised allocation to \$351.586M. As at 31 December 2016, amounts totalling \$310.411M were expended.

301. The contract for the rehabilitation of Kato Airstrip was awarded by NPTAB in the sum of \$65.928M against the Engineer's Estimate of \$69.662M. An examination of the contract documents revealed that the contract was signed on 10 October 2016 with duration of forty weeks for completion and a defects liability period of twelve months. The works comprise of clearing of vegetation/debris from areas within the airstrip and obstacle limitation zone of the airstrip, excavation of soft spots, supplying and placing of granular sub base material, compacting and application of double bituminous surface treatment (DBST). The works also include the grading and compacting of the runway shoulder and installation of wind sack. As at 31 December 2016 amounts totalling \$22.970M were paid to the contractor.

302. A physical verification of the project carried out on 3 July 2017 revealed that: (a) the contractor was not mobilised on site and no works had commenced, however the advance bond is valid; and (b) it was noted that a large quantity of bituminous material was placed under a building in the Village and was not properly stored or secured. Further, our inspections revealed that several drums were perforated and leaking and will result in environmental issues if it comes in contact with the Village shallow water wells or waterways.

Ministry's Response: The Head of Budget Agency has indicated that the same Contractor was awarded both Kato and Kopinang Airstrips which had the same commencement and completion dates. In the formative stages of the project the Contractor presented a work plan which indicated that Kopinang airstrip will be rehabilitated first since the scope of works were considerably more than that of Kato (which was straightforward) and then commence works at Kato upon substantial completion of Kopinang. The intent was to deploy more resources and fast track construction at Kopinang. The Ministry's assessment at that time based on the Contractor's resources on site it was envisaged that the plan was achievable within the contract completion time. Especially considering that the contract duration of forty weeks was conservative. However the rainy season affected progress at Kopinang and also rendered the trail impassable. The Contractor's request for extension of time up to 30 October 2017 was approved. The advance payment was not recovered however the advance payment bond was still in effect at the time of audit inspection. Subsequent to storing the bitumen on site for sometime it became evident that a few of the drums were punctured most likely during transportation, and the Ministry was notified. The drums of bitumen are the property of the contractor, who was responsible for their safe storage, however the Ministry would raise this issue with the contractor. The leak was later contained by covering with sand and it was reported that there are no other leaking drums. We do acknowledge the grave environmental implications and the potential of the pollution of waterways, however, we believe that the mitigation measure will adequately contain the leak and prevent seepage into the ground or surface water.

Recommendation: The Audit Office recommends that: (a) the Ministry should explain why no action was taken against the contractor for failing to proceed with the works expeditiously; (b) copies of the Advance Payment Bond and Performance Bond be submitted for audit examination; and (c) all bituminous material should be properly stored to avoid spillage. (2016/133)

Kato Airstrip



303. The contract for the rehabilitation of Paramakatoi Airstrip was awarded by NPTAB in the sum of \$39.948M against the Engineer's Estimate of \$43.386M. An examination of the contract documents revealed that the contract was signed on 10 October 2016 with duration of forty weeks for completion and a defects liability period of twelve months. The works comprise of clearing of vegetation/debris from areas within the airstrip and obstacle limitation zone of the airstrip, excavation of soft spots, supplying and placing of granular sub base material, compacting and application of Double Bituminous Surface Treatment (DBST). The works also include the grading and compacting of the runway shoulder and installation of wind sack. As at 31 December 2016, amounts totalling \$13.982M were paid to the contractor.

304. A physical verification of the project carried out on 4 July 2017 revealed that: (a) the works had commenced; however, no works were in progress at the time. The site appeared to have been abandoned with no equipment, materials or contractor's workers on site; and (b) It was noted that the advance payment bond expired on the 1 September 2017. It must be noted that the Contract duration for the completion of the works was forty weeks and at the time of the physical verification on 4 July 2017, a total of nine months had already elapsed since the signing of the Contract and the works were still incomplete.

Ministry's Response: The Head of Budget Agency has indicated that because of the protracted rainy season access to materials pit and recovery of materials was almost impossible therefore no works could have been done and works were virtually suspended. The Contractor's request for extension of time up to 30 October 2017 was approved considering the circumstances as well as the major increase in the scope of works. The works were approximately 60% completed at the time of the visit. At the time of the inspection 50% of the mobilisation was recovered.

Recommendation: The Audit Office recommends that: (a) the Ministry should explain why no action was taken against the contractor for failing to proceed with the works expeditiously; and (b) copies of the Advance Payment Bond and Performance Bond is submitted for audit examination. (2016/134)

Highway Improvement - East Coast Demerara - \$12.906M

305. The sum of \$1.10 billion was allocated for construction of highway from Better Hope to Belfield and the supervision of the contract. As at 31 December 2016, amounts totalling \$12.906M were expended. It should be noted that a payment for Lot 7 upgrade from De Endgrat to Good Hope was conducted at a cost of \$450,000; however, this activity was not stated in the project profile. Further, the cadastral survey was conducted by a surveyor who was not on the prequalified list of surveyors as approved by National Procurement and Tender Administration Board for the year.

Ministry's Response: The Head of Budget Agency has acknowledged that proper procurement practice was not followed. This contractor has successfully completed many projects for the Ministry and is confident that value for money was received. Proper procurement practices would be followed in the future.

Recommendation: The Audit Office recommends that the Ministry confirms to the stipulations of the Procurement Act 2003. (2016/135)

Equipment/Tools - \$631.123M

306. The amount of \$231.700M was allocated for the purchase of equipment and tools. There was a supplementary provision of \$400M, bringing the total revised allocation to \$631.700M. As at 31 December 2016, amounts totalling \$631.123M were expended, as shown in the table below:

Description	No. of Transactions	Amount \$'000
Dump & canter trucks	10	189,127
Scales	4	77,383
Asphalt paver	4	71,200
Skid steer & back hoe loader	8	53,568
Rollers	4	51,811
Pickup	3	31,280
Cherry picker	1	25,927
Bitumen distributor	1	25,730
Excavators	2	25,500
Motor grader	1	25,404
Laboratory equipment	1	24,799
Propatch machine	1	10,450
Generator & light tower	3	5,600
Rotavators	2	5,000
Low bed trailer	1	4,950
Slasher & brush cutter	2	3,394
Total	48	631,123

307. Included in the sum of \$189.127M was the sum of \$64.575M expended for the purchase of two 15 ton dump trucks. Approval was granted by NPTAB for the award of the contract to the higher of two bidders in December 2016, with a delivery period of ninety days. The contract required the payment of an advance of 50% of the contract sum within thirty days of signing the contract and the remainder on delivery. However, as at 31 December 2016, the amount paid was \$58.877M which is 91% of the contract sum. The performance bond expired on the 20 June 2017 and was not renewed, while addendum to the contract №. 1 dated 28 June 2017 extended the contract by 147 days with a revised date of delivery of 31 July 2017. At the time of the audit in June 2017, the Ministry received one truck which was physically verified and marked as property of the Ministry. At the time of reporting in September 2017, one truck valued at \$32.287M was not yet delivered.

Ministry's Response: The Head of Budget Agency has acknowledged that the observations made are correct.

Recommendation: The Audit Office recommends that the Ministry follow-up with the supplier with regards to the delivery of the outstanding truck. (2016/136)

308. A contract was awarded by NPTAB in the sum of \$21.200M for the supply of four canter trucks. However, an audit examination revealed that a contract valued at \$26.500M was awarded by the Ministry for the supply and delivery of five canter trucks without the requisite approval from NPTAB. At the time of the audit in June 2017, three trucks were delivered to the Ministry and amounts totalling \$26.500M were paid to the supplier as at 31 December 2016.

Ministry's Response: The Head of Budget Agency has indicated that four canter trucks were determined to be needed and approval was obtained for the procurement of the four trucks. Bids were invited for the supply of the trucks by public tendering and after the closing of bids a decision was taken by the Ministry to purchase five canter trucks. This change in scope was not communicated to NPTAB. A contract was subsequently entered into between the Ministry and the supplier for the supply of the five trucks. The change of scope has since been communicated to NPTAB and the necessary approval is being sought.

Recommendation: The Audit Office recommends that the Ministry follow-up with NPTAB to obtain the relevant approval and the outstanding canter truck delivered by the supplier. (2016/137)

309. Approval was granted by NPTAB on 19 August 2016 for the award of the contract for the supply and delivery of two dump trucks in the sum of \$55.400M with a delivery period of ninety days. An audit examination revealed that the contract required the payment of an advance of 50% within thirty days of signing of the contract and the remainder on delivery. However, the advance bond expired on the 30 November 2016 and has not been renewed. While the trucks have been delivered, this was not to the specifications as per the contract. The contract specifies the delivery of right hand drive vehicles while the supplier delivered left hand drive. While the trucks are in the Ministry compound they have not been placed into official use. There has been no addendum to the contract although the delivery was not in compliance with the specifications of the contract.

Ministry's Response: The Head of Budget Agency has indicated that there was no addendum to this contract and that the Ministry has opted to levy on the bonds since the contract specifications were not attained. The Ministry has since dispatched reminder letters to the Contractor and the Bank dated 28 August 2017 under the caption "Termination of Contract" due to non-performance and demanded the repayment of the advance.

Recommendation: The Audit Office recommends that the Ministry follow-up this matter with the view of recovering the advance payment. (2016/138)

310. Including in the sum of \$77.383M is a contract awarded by NPTAB in December 2016 to the sole bidder in the sum of \$72.264M to an overseas supplier for the supply and delivery of three motion scales with a delivery period of ninety days. The contract provided for an advance payment of 50% of the contract sum within thirty days of signing of the contract and the balance on delivery. An audit examination revealed that the contract had no signature of witnesses, the contract was not dated and the NPTAB number was not stated. As at 31 December 2016, the full contract sum was paid. It was also observed that a performance bond was not presented for audit examination. Further, at the time of the audit in September 2017, the scales have not been delivered. There was no evidence to show that an addendum to this contract was prepared.

Ministry's Response: The Head of Budget Agency has indicated that the observations are correct and the Ministry is making every effort to have this corrected.

Recommendation: The Audit Office recommends that the Ministry pursue this matter with the supplier to ensure the scales are delivered. (2016/139)

Guyana Restoration Project - \$133M

311. Approval was granted by NPTAB on 6 December 2016 for the award of the contract for the supply and delivery of an electronic 120 ton truck scale in the sum of \$15.193M. As at 31 December 2016, amounts totalling \$7.597M were paid to the contractor. In addition, another contract was awarded for the supply and delivery of one mobile car crusher in the sum of \$40.800M. As at 31 December 2016, amounts totalling \$30.600M was paid to the contractor. These purchases were made outside of the Capital Profile and as such an approval for an inclusion in the programme should have been sought. The truck scale and car crusher were both received in 2017.

Ministry's Response: The Head of Budget Agency has indicated that the Ministry is in agreement with the observations.

Recommendation: The Audit Office recommends that the Ministry should seek the relevant approval from the Finance Secretary for these expenditures. (2016/140)

Central Transport and Planning Unit - \$97.095M

312. The amount of \$100M was allocated for the provision of a feasibility study for the new Demerara Harbour Bridge crossing. As at 31 December 2016 amounts totalling \$97.095M were expended. Including in this expenditure were other types of expenditure for which approval was seen for inclusion in the programme.

313. The contract for the supply, delivery and installation of a new telephone network at the Ministry of Public Infrastructure was awarded by NPTAB in the sum of \$12.470M with a delivery period of ninety days. The payments as per the contract stipulated that an advance of 50% shall be paid within thirty days of the signing of the contract and the balance on delivery and issuance of the provisional acceptance certificate. An audit examination revealed that the full contract sum was paid as at 31 December 2016, as shown below. Further, the performance bond expired on 28 March 2017 and was not renewed. An addendum to the contract was not presented for audit examination. At the time of the audit in September 2017 the work was not completed.

Description	No. of Transaction	Amount \$'000
Software	8	35,047
Vehicle SUV	2	18,863
Telephone network	2	12,470
Chairs & table	8	6,043
Security cameras	3	4,936
Printer & scanner	5	4,054
Desktop computers	1	3,726
AC units	2	3,044
Photocopiers	2	2,942
Laptops, monitor & smart tv	3	2,764
Ipad with smart keyboard	1	948
Maglock	1	765
Filing cabinets & tv stand	2	743
Water dispenser & microwave	2	401
Phone samsung galaxy S7 & fax machine	2	250
APC voltage regulator & hard drive	1	99
Total	45	97,095

Ministry's Response: The Head of Budget Agency has indicated that the Ministry is in agreement with the observations. The contractor was written to have the contract executed in accordance with the contract specifications, but to no avail. A follow-up letter was dispatched on 28 August 2017 and that it may be necessary to pursue legal options if resolution cannot be achieved.

Recommendation: The Audit Office recommends that the Ministry continue to pursue this matter with the contractor in order to have the project completed (2016/141)

Prior year matters, which have not been fully resolved

Current Expenditure

314. On 19 December 2013, Officers of the Ministry had just uplifted cash amounting to \$7.847M for the payment of salaries to the Force Account Unit staff for the month of December when it was reported that armed bandits attacked and robbed the officers in the compound of the Ministry and the payroll was stolen. At the time of reporting, this matter was engaging the attention of the Police. The last reminder was sent to the Commissioner of Police on the 25 November 2016.

Ministry's Response: The matter is still engaging the attention of the Police. Reminders have been sent to enquire about the present status in this matter.

Recommendation: The Audit Office recommends that the Head of Budget Agency continue to follow up with the Guyana Police Force on the status of the investigation in order to conclude this matter. (2016/142)

Capital Expenditure

315. According to Loan Agreement №. 2215/BL-GY, signed on 21 March 2010, between the Government of Guyana (GoG) and the Inter American Development Bank (IDB), the IDB agreed to provide a loan of US\$24.800M. This agreement does not have a stipulated counterpart contribution and pre-determined categories for payments made by the Government of Guyana. The project entails the: (i) completion of CJIA access road and revetment works at East Canje; and (ii) construction at drains at East Bank Demerara Highway. The Project is subject to separate financial reporting and audit. According to the audited Financial Statements, amounts totalling US\$14.201M equivalent to approximately G\$2.932 billion were expended as at 31 December 2014; whilst, the sum of US\$2.360M equivalent to approximately G\$487.351M were expended in 2015, bringing the total sum expended on the Project to US\$16.561M equivalent to approximately G\$3.420 billion as at 31 December 2015.

316. On 8 December 2010, the Government of Guyana and the Inter-American Development Bank (IDB) signed an agreement under the East Bank Demerara Four Lane Extension Program Loan Agreement №. 2454/BL-GY. The parties agreed to commit amounts of US\$2M and US\$20M, respectively to support the activities under the Program. The main feature of the Project is the expansion of a section of the East Bank Demerara Public Road from two lanes to four lanes between Providence and the entrance to the Diamond Housing Scheme. This project is subject to separate financial reporting and audit.

317. Three contracts totalling US\$17.250M were awarded on 3 October 2011 for the expansion of the East Bank Demerara Four Lane Road. The works under each contract commenced on 1 November 2011 and were scheduled to be completed on 30 April 2013, that is, eighteen months after the commencement date. The works remained incomplete as at 15 September 2016 and extensions of time were granted by the IDB to enable the completion of the outstanding works. There was one approved variation of US\$1.791M in 2015, bringing the total project cost to US\$19.041M. During 2015, amounts totalling US\$1.050M were paid, bringing the total amount paid on the contracts to US\$13.568M, or approximately G\$2.802 billion, as shown below:

Description	New Completion Date	Contract Sum US\$	Amount Paid as at 31/12/2014 US\$	Amount Paid in 2015 US\$	Amount Paid as at 31/12/2015 US\$
Lot 1 – Providence to Covent Garden	28/12/2014	8,003,265	5,062,517	137,697	5,200,214
Lot 2 – Vreed-en-Rust to Prospect	4/6/2015	5,802,640	5,205,643	49,632	5,255,275
Lot 3 - Diamond	24/08/2015	5,235,348	2,249,981	862,760	3,112,741
Total		19,041,253	12,518,141	1,050,089	13,568,230

Lot 1 - Providence to Covent Garden

318. A contract was awarded in the sum of US\$8.003M for the improvement of this Lot. Amounts paid as at 31 December 2015 was US\$5.2M. This project had a completion date of 28 December 2014. The following were observed:

- a) the contract was terminated on 23 November 2015 under the General Conditions of Contract, Clause 15.5-Contracting Agency’s Entitlement of Termination for Convenience. The incomplete works were subsequently awarded by the Ministry to two contractors; and
- b) the Performance Bond expired on the 1 May 2015 and was never renewed. As a result, the Ministry could not recover the sum of US\$800,326.54.

Ministry’s Response: The Head of Budget Agency has indicated that:

- a) this contract was terminated, with an amicable settlement; Ministry’s response remains the same as stated in the letter dated 7 December 2016.

Highway Improvement - East Coast Demerara

319. The amount of \$1.220 billion was budgeted for in 2015 under Government of Guyana Highway Improvement, East Coast Demerara Road Project which commenced in 2011. The project entails the: (i) upgrading of highway from Better Hope to Belfield; and (ii) supervision. The civil works component of this Project was separated and awarded in seven lots. Payments totalling \$2.656 billion were made as at 31 December 2014, while payments totalling \$95.575M were made during 2015. As at 31 December 2015, amounts totalling \$1.929 billion were expended on Lots 1 to 5 as shown below:

Description	Contract Sum \$'000	Amount Paid as at 31/12/2013 \$'000	Amount paid in 2014 \$'000	Amount paid in 2015 \$'000	Total payment as at 31/12/2015 \$'000
Preparatory Works Lot 1 - Better Hope to Montrose	468,215	207,900	Nil	Nil	207,900
Preparatory Works Lot 2- Montrose to La Bonne Intention	1,193,857	829,699	248,956	Nil	1,078,655
Preparatory Works Lot 3 - La Bonne Intention to Beterverwagting	349,007	226,141	52,205	Nil	278,346
Preparatory Works Lot 4 - Beterverwagting to Triumph	322,369	196,110	13,494	Nil	209,604
Preparatory Works Lot 5- Triumph to Mon Repos	328,499	136,575	17,897	Nil	154,472
Total	2,661,947	1,596,425	332,552	Nil	1,928,977

Lot 1 - Better Hope to Montrose

320. A contract to the value of \$468.215M was awarded for preparatory works for this lot. The contract was terminated by the Ministry on 31 July 2012, citing a breach in the contractual obligations contrary to Clause 15.6 "Corrupt or Fraudulent Practices" by the contractor, as recommended by the Attorney General. At the time of this report in September 2016, there was no evidence to confirm that the Ministry was able to recover the sum of \$81.570M which represents the contractor's indebtedness based on a valuation at the time of termination in accordance with Clause 15.3 of the contract. It was reported in my 2014 Report that the contractor has sued the Government for wrongful termination of contract, and that the matter was before the High Court.

Ministry's Response: The Head of Budget Agency explained that the Ministry has not recovered the outstanding sum of \$81.570M to date and that the matter is engaging the attention of the Court.

Recommendation: The Audit Office recommends that the Ministry continue to follow-up this matter to its conclusion. (2016/143)

Lot 3 - La Bonne Intention to Beterverwagting

321. A physical verification carried out on Lot 3 revealed that the works were incomplete and it was noted that there were changes/variations to the original scope of works. In addition, the following were observed:

- a) the site appears to have been abandoned with no equipment or personnel from the contractor on site while the contract completion date expired on 17 June 2015 and at the time of reporting the position remain the same;
- b) the contractor received three Advance payments totalling \$264.123M, which represents 76% of the contract sum, while the contract only allows for an Advance payment of 50%. This is a breach of contract where the contractor was paid Advances greater than that which is allowed for under the contract; and
- c) at the time of reporting, a valuation of the works completed was \$157.663M. However, the actual payments made to the contractor totalled \$278.346M. Therefore, the contractor received excess payments totalling \$120.683M. The contractor has since repaid the sum of \$10.683M on 28 December 2016 with the balance of \$110M still to be recovered.

Ministry's Response: The Head of Budget Agency explained that:

- a) the works were completed. There was a variation to the contract that resulted in the construction of timber revetment on the southern side of the road;
- b) the contractor has received three advance payments totalling \$264.123M (which is 75.7% of the contract sum), while the contract only allowed for one advance payment of 50% of the contract price. However, the contractor provided advance payment bond covering the sum of \$264.123M during the execution of the works, these bonds expired on the 31 October 2014; and
- c) the agreed completed value of the works was \$157.663M and the total payments made to the contractor was \$278.346M, resulting in the contractor being overpaid amounts totalling \$120.683M. The Ministry has written the contractor many times requesting that restitution be made for the outstanding sum of \$120.683M. To date the contractor has not repaid any of the amounts owed.

Lot 4 – Beterverwagting to Triumph

322. At the time of reporting the works at Lot 4 were incomplete and the site appears to be abandoned. Also the following were observed:

- a) the contractor received three Advance payments of \$209.603M, representing 65% of the contract sum, while the contract only allows for an Advance payment of 50%. This is a breach of contract where the contractor was paid advances greater than that which is allowed for under the contract. Further, the contractor submitted only one Advance Bond for the first advance payment of \$174.504M. This Bond expired since 2014. No Bond was seen for the second advance payment issued to the contractor; and
- b) at the time of reporting, a valuation of the works completed was \$76.954M. However, the actual payments made to the contractor amounted to \$209.603M. Therefore, the contractor received excess payments totalling \$132.649M at the time of the physical verification. The contractor has since repaid the sum of \$10.649M on 28 December 2016, leaving the balance of \$122M still to be recovered.

Ministry's Response: The Head of Budget Agency explained that:

- a) the contractor has received three advance payments totalling \$209.603M (which is 64.9% of the contract sum), while the contract only allowed for one advance payment of 50% of the contract price. However, the contract provided advance payment bond covering the sum of \$209.603M during the execution of the works, these bonds expired on the 31 October 2014; and
- b) The agreed completed value of works was \$76.954M and the total payments made to the contractor were \$209.603M. The contractor has received excess payments totalling \$132.649M. The Ministry has written the contractor many times requesting that restitution be made for the outstanding sum of \$132.649M. To date the contractor has not repaid any of the amounts owed.

Recommendation: The Audit Office recommends that the Head of the Budget Agency continue to pursue the matter with a view to recover the amounts overpaid. (2016/144)

Lot 5 - Triumph to Mon Repos

323. A contract was awarded in the sum of \$328.499M for this Lot. Payments totalling \$154.472M were made as at 31 December 2015. The following were observed in relation to Lot 5:

- a) the contract completion date expired on 17 June 2015 and at the time of reporting the works were incomplete and the site appears to have been abandoned. No equipment or personnel from the contractor were on site;

- b) the advance payment was not fully recovered at the time of reporting; however the Advance Payment Bond expired on 12 December 2015. As a result, the amount of \$14.806M was outstanding at the time of reporting in September 2016; and
- c) the Performance Bond no longer provides the required period of coverage for the works. This Bond expired in December 2015 and as a result of this expiration, the Ministry can no longer recover the amount of \$32.892M covered by this bond.

Ministry's Response: The Head of Budget Agency explained that:

- a) the works were incomplete;
- b) that is true, the contractor has received advance payments totalling \$98.677M; the agreed value of works to date is \$139.667M. The total payment made to the contractor was \$154.472M. Therefore a part of the advance payment totalling \$14.806M has not been recovered. The Ministry has written the contractor several times requesting that restitution be made for the outstanding sum owed. To date the contractor has not repaid any of the amounts owed. It is true that the advance payment bond was valid until 12 December, 2015; and
- c) this is true that the Performance Bond expired in December, 2015.

Road Network Upgrade and Expansion Project

324. On 15 March 2013, the Government of Guyana and the Inter-American Development Bank (IDB) signed a loan agreement №. 2741/BL-GY, whereby IDB agreed to provide financing in the sum of US\$66.20M and Government of Guyana contribution of US\$3M, to finance the execution of a Road Network Upgrade and Expansion Project. The Project entails enhanced mobility and safety by reducing vehicle operating costs, travel time and road fatalities. The completion date for all activities under the programme was stated as five years from the effective date of the agreement.

325. The sum of US\$8.024M or G\$1.685 billion was budgeted for in 2015 for: (i) upgrading of road from Rupert Craig Highway to Public Road Junction at Houston; (ii) studies, design, upgrading and construction of East Bank Berbice, Canals Nos. 1 and 2, West Bank Demerara and Grove to Timehri roads; and (iii) road safety. As at 31 December 2015, amounts totalling US\$98,432 or approximately G\$20.326M were expended under this programme. The project is subject to separate financial reporting and audit. The following were observed:

- the Project received one advance of funds on 18 December 2013 in the amount of US\$5.810M. During 2014, amounts totalling US\$355,523 were expended leaving a balance of US\$5.442M. In keeping with the Annual Operations Plan for the year 2015, the Project planned to expend a total of US\$13.258M from the proceeds of the loan. However, the IDB's review of the Annual Operations Plan along with two administrative visits to the Project in February 2015 and April 2015 revealed that the cash flow needs of the Project for the next six months was estimated to be US\$1M, while the balance in the Project's bank account was US\$5.403M. As a result, the IDB requested that the sum of US\$4.4M be refunded to the Bank in keeping with Article 4.08 of the Project Agreement. This amount was refunded by the Project on 29 May 2015.
- two contracts were awarded in 2014 to the same contractor for consultancy services. The first contract was awarded in the sum of US\$586,800 for such services to the West Bank Demerara and Canal Polder Roads Design Project. The contract which commenced on 27 May 2014 had a stated duration of twenty-four weeks, and was expected to be completed by 11 November 2014. At the time of reporting the contract had expired and the works remained incomplete; and
- the second contract was awarded in the sum of US\$397,450 for such services to the East Bank Berbice Road Design Project. The contract which commenced on 27 May 2014 had a stated duration of sixteen weeks, and was expected to be completed on the 15 September 2014. The sum of US\$99,385 or 25% of the contract sum was paid. At the time of reporting the contract had expired and the works remained incomplete.

Ministry's Response: The Head of Budget Agency explained that:

- based on the Loan agreement, the Advance of Funds to the tune of US\$5.81M was paid to the Ministry. A significant part of this sum was to be paid against the Mobilisation Advance of the rehabilitation of the Sheriff Street – Mandela Avenue Road Project, however this project suffered significant delays as such the Bank requested that the sum of US\$4.4M to be refunded;
- as the disbursement of the loan increases, this sum will be made available to the Ministry; and
- no further works have been completed. The Ministry is presently exploring options either: (i) to terminate the existing contract or continue with a new contractor; or (ii) to extend the duration of the existing contract.

Recommendation: The Audit Office recommends that the Head of the Budget Agency continue to take the necessary action to ensure that monitoring of contracts are undertaken with due consideration to the implementation and/or enforcement of terms and conditions affecting both parties to the contract. (2016/145)

Status of Prior Year Issues

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
128/2015	Payroll stolen by armed bandits		✓	
129/2015	Audited Reports laid in National Assembly		✓	
130/2015	Supervision services for East Bank four lane extension		✓	
131/2015	Lot 1 Better Hope/Montrose four lane, termination of contract			✓
132/2015	Recovery of overpayment		✓	
133/2015	Upgrade of Rupert Craig Highway, construction of East Bank Berbice and Canal №. 1 & Canal №. 2 Roads		✓	
134/2015	Delivery of transformer to Port Kaituma	✓		

AGENCY 33
MINISTRY OF PUBLIC TELECOMMUNICATIONS

Current Expenditure

Current year matters, with recommendations for improvement in the existing system

326. The Ministry did not take the necessary steps to ensure that all employees have permanent National Insurance numbers. In 2016, four employees had temporary NIS number. It should be noted that the failure to have employees fully registered with the scheme has implications for Social Security and other benefits for the employees.

Ministry's Response: The Head of Budget Agency indicated that the Ministry will ensure that these employees secure permanent NIS numbers.

Recommendation: The Audit Office recommends that the Ministry put systems in place to have all employees properly registered with the NIS. (2016/146)

327. The sum of \$12.407M represented the total amount expended on fuel and lubricants for the period under review. Included in the amount is the sum of \$7.09M which was spent on the supply of fuel and lubricants to the E-Government Unit for the period. However, audit checks carried out on the fuel slips, charged bills and invoices revealed that:

- a) a fuel register was not maintained ;
- b) charge bills and invoices for the months of May and August were not presented for audit; and
- c) reconciliation with GUYOIL statements was not carried out for the period January- December 2016.

Ministry Response: The Head of Budget Agency explained that the register is now being maintained and the reconciliation is in process.

Recommendation: The Audit Office recommends that the Ministry ensure that the register is maintained and amounts expended are reconciled with charge bills and invoices to properly account for amounts expended on fuel. (2016/147)

328. A comparison of the IFMAS report and the electricity register revealed that there was a difference of \$4.734M between the amount of \$52.470M recorded in IFMAS and the amount of \$47.736M recorded in the electricity register for the year 2016.

Ministry's Response: The Head of Budget Agency explained that reconciliation is in progress.

Recommendation: The Audit Office recommends that the Ministry reconcile the payments recorded in IFMAS with the electricity register every quarter so that differences will be identified and corrected promptly. (2016/148)

329. Amounts totalling \$72.759M was expended on security charges. However, a security register to record charges incurred for the E-Government Unit was not maintained for the period under review.

Ministry's Response: The Head of Budget Agency explained that this register will be implemented.

Recommendation: The Audit Office recommends that the E-Government Unit maintain a security register to record the charges for each security firms employed by the Unit. (2016/149)

Other Matters

330. The E-Government Unit maintained an Escrow Account held at a commercial bank previously held under the E-Government project. This account had an opening balance of \$164.949M at as 1 January 2016. During the year amounts totalling \$136.323M were expended and amount of \$13.312M was deposited into the account taking the closing balance to \$41.937M as at 31 December 2016. The amounts were expended as follows:

Description	Amount \$'000
Purchase of fibre optic cable	23,758
Wifi services	22,925
Upgrading software	13,825
Consultancy services	11,758
Rental of Egov building	9,001
Microsoft licence	4,797
Insurance for laptop	4,203
Printing of colored artwork on laptop bag	3,133
Other payments	42,923
Total	136,323

331. Audit checks revealed that the amounts held in the escrow account are not part of the budgetary allocations for the E-Government Unit which is now under the Ministry of Public Telecommunications and as such should not have been expended without approval of the Ministry of Finance and Cabinet.

Ministry Response: The Head of Budget Agency explained that budgetary allocations for the operation of the E-Government Unit were insufficient in 2016 since this was a new programme under the Ministry. The Ministry was advised to utilise the sums held in the Escrow Account until funds were made available via Supplementary Provision to fulfill its mandate.

Stores and Other Public Property

332. A stock count conducted on 2 May 2017 on the Great Wall Laptops which were received in February 2016 by the E-Government Unit revealed a difference of 45 laptops between the bin card balance and physical count.

Description	Bin Card Balance	Physical Count	Difference
Great Wall laptops	368	413	45

Ministry Response: The Head of Budget Agency explained they are in the process of rechecking the records and the adjustment will be made.

Recommendation: The Audit Office recommends that the Ministry reconcile the records to identify the difference and to conduct periodic checks on the stores so as to avoid anomalies in the records and the physical count. (2016/150)

Prior year matter, which have not been fully resolved

333. Nine thousand six hundred and nine laptops were paid for in 2015 and were received in February 2016. Physical verification in 2016 revealed that there were 2,959 damaged laptops which were on hand at the E-Governance Unit. Further, we had reported previously that a police report was still being awaited in relation to the 103 stolen laptops.

AGENCY 40
MINISTRY OF EDUCATION

Current year matters, with recommendations for improvements in the existing system

Current Expenditure

Employment Costs

334. According to the National Estimates, the Ministry was authorised to have a total of six hundred and ninety-one contracted employees. However, according to the Ministry's December 2016 payroll, there were four hundred and ninety-nine contracted employees. Below are details of the payments:

Salary Range	№. of Employees	Amounts \$'000
Below \$100,000	231	15,668
\$100,000 - \$250,000	179	27,347
\$250,000 - \$400,000	48	14,477
Above \$400,000	41	35,978
Total	499	93,470

Ministry's Response: The Head of Budget Agency indicated that the Ministry had since started the process of moving staff to the permanent establishment.

Recommendation: The Audit Office recommends that the Ministry minimise the number of staff being employed on a contractual basis and continue the process of moving current employees to the permanent establishment in keeping with circularised instruction. (2016/151)

335. The Ministry again did not fully comply with the Ministry of Finance Circular No. 3/2003 dated 29 September 2003 which urged that cash payment of salaries be minimised and that employees be paid under the Bank deposit system. An examination of the December 2016 payroll revealed that cash payments amounting to \$3.571M was made to forty one employees.

Ministry's Response: The Head of Budget Agency explained that the Ministry took corrective action in 2017.

Recommendation: The Audit Office recommends that the Ministry ensures that there is strict adherence to Finance Circular №. 3/2003. (2016/152)

Goods and Services

336. The sum of \$2.105 billion was allocated for Dietary. According to the Appropriation Account, amounts totalling \$1.668 billion were expended as at 31 December 2016. Included in this figure were amounts totalling \$600.312M which were expended on the provision of hot meals to 21,379 students of Nursery and Primary Schools. The details of expenditure were as follows:

Region №.	№. of Schools	№. of Students	Amount Received \$'000
1	42	7,666	250,915
2	11	1,132	4,991
4	8	1,265	12,154
7	27	3,920	131,699
8	18	2,244	71,019
9	34	5,152	129,534
Total	140	21,379	600,312

337. An audit inspection carried out on the records maintained by two schools in Region №. 9 revealed the following discrepancies:

- a) at Karasabai Primary School, the sum of \$1.802M was stolen by nine students in 2017. At the time of reporting in September 2017, \$700,000 was repaid leaving the sum of \$1.102M to be recovered. The parents of the students had entered into an agreement to repay the amount stolen on a monthly basis commencing from April 2017;
- b) at Maruranau Primary School, the sum of \$1.524M was misappropriated by the former Head Master in 2012. However, the sum of \$230,200 was recovered leaving amount totalling \$1.294M still to be recovered;
- c) for all the schools visited the receipts and payments cash books were not properly written up and maintained;
- d) there was a lack of segregation of duties in relation to the storekeeping procedures;
- e) Stock Ledgers and Goods Received Books were not properly written up and maintained;
- f) there was no evidence of the records being checked by any member of the Management Committee of the school;
- g) meetings were not held by the Management Committee;
- h) the Treasurers' kept unspent balances in their personal possession; and
- i) the Bank Accounts were not reconciled for the period under review.

Ministry's Response: The Head of Budget Agency has indicated that:

- a) the matter in relation to the stolen money is presently engaging the attention the court;
- b) the Ministry of Finance has been informed of the matter with the former Head Master and action has been taken to have deductions made from the officer's gratuity; and
- c) corrective action has been taken.

Recommendation: The Audit Office recommends that the Ministry ensures strict adherence to the financial instructions and requirements of the Stores and Financial Regulations. (2016/153)

Fuel and Lubricants

338. Circularised instructions requires that historical records and Log Books be kept for each vehicle owned and/or operated by the Ministry in order to record maintenance costs and other pertinent information. During the year under review, Log Books were not submitted for thirty-six serviceable vehicles. The Log Books presented were not properly written up and maintained and fuel collected from the gas stations was not always recorded. In addition, the Ministry did not maintain a fuel consumption register for the period under review. In the circumstances, it could not be ascertained whether all journeys undertaken over the period were for official use, and whether journeys were properly authorised or whether proper control was exercised over the vehicles.

Ministry's Response: The Head of Budget Agency explained that the Ministry will provide the outstanding Log Books for examination and will endeavour to have all Log Books properly maintained.

Recommendation: The Audit Office recommends that the Ministry comply with the Stores and Financial Regulations. (2016/154)

Security Grants

339. Amounts totalling \$302.819M was expended on security services for Nursery, Primary, Secondary and Post-Secondary/Tertiary Education. Audit examination carried out on a sample of eighteen schools revealed the following:

- the Bank Accounts were not reconciled;
- security services were paid in advance by the schools;
- no contractual agreements were entered into with the security firms; and
- cash books were not properly maintained by the schools.

Ministry's Response: The Head of Budget Agency explained that corrective action has been taken in 2017.

Recommendation: The Audit Office recommends that the Ministry comply with Financial Regulations. (2016/155)

340. In addition, amounts totalling \$322.829M were paid to eight private security firms for security services provided to thirty-four locations. However, contract documents and Tender Board awards were not presented for audit examination. Therefore it could not be determined whether tender procedures were followed to select the security firms and also whether payments were made in accordance with the conditions of the contract.

Ministry's Response: The Head of Budget Agency explained that contract documents would be made available for examination.

Recommendation: The Audit Office recommends that the Ministry comply with the financial instructions and tender procedures. (2016/156)

Maintenance of Buildings

341. In 2016, NPTAB granted approval for the award of a contract in the sum of \$6.151M for the repair and maintenance works at Book Distribution Unit. The contract was awarded to the lowest of eight bidders. According to the contract, all works were expected to be completed by 20 September 2016. The entire contract sum was paid to the contractor in 2016. Physical verification carried out in July 2017 revealed that the works were practically completed and overpayments totalling \$354,300 were made to the contractor as shown below:

Item	Description	Qty Paid	Qty Found	Unit	Diff.	Rate \$	Amount Overpaid \$
1	1" Surface	498	0	ly	498	150	74,700
2	6" Surface	699	0	ly	699	400	279,600
Total							354,300

Ministry's Response: The Head of Budget Agency explained that the Ministry will make every effort to have overpaid sums recovered.

Recommendation: The Audit Office recommends that the Ministry follow-up these matters to ensure that the overpayments are recovered and the matters brought to closure. (2016/157)

342. In 2016, NPTAB granted approval for the award of a contract in the sum of \$9.003M for the repair and maintenance works at Book Distribution Unit. The contract was awarded to the lowest of ten bidders. According to the contract, all works were expected to be completed by 29 September 2016. The entire contract sum was paid to the contractor in 2016. Physical verification carried out in July 2017 revealed that the works were practically completed and overpayments totalling \$155,500 were made to the contractor and several discrepancies were observed as shown below:

Item	Description	Qty Paid	Qty Found	Unit	Diff.	Rate \$	Amount Overpaid \$
21	Encase 6"x6" Gh post with 1"x4" V-joint GH and crown moulding at the top post	5	0	No	5	12,500	62,500
22	Encase 6"x6" Gh post with 1"x4" V-joint GH and crown moulding	40	0	lin. ft	40	1,450	58,000
23	Remove and reinstall all electrical points and cables from beams and post. Rate must include provision for new trunking and clip	1	0	sum	1	35,000	35,000
Total							155,500

- a) performance Bond in the value of \$2.701M, representing 30% of the contract sum was furnished for the works however; it is unclear why the sum was used since the required value for the performance bond could not be determined from the documents examined;
- b) the contractor did not provide the requisite insurances as per Item 2 of Bill No.1- Preliminaries of the contract;
- c) the scope of works under the original contract was changed. However, no variation order or approvals was seen for the changes;
- d) the changes in the scope of works totalling \$5.373M represents 59.6% of the contract sum and was paid under a new Bill No. 9 - Additional Works, which was not part of the original bills of quantities of the contract; and
- e) the contractor bid \$2,700 per sq. ft. for 60" x 40" windows. However, this item was omitted under the original Bills of Quantities of the contract and payments were actually made at an increased rate of \$3,700 per sq. ft. for a smaller 48" x 30" standard size window under the additional works Bill which was inserted into the contract.

Ministry's Response: The Head of Budget Agency stated that the Ministry will seek to recover the overpaid sums and ensure that the relevant officers follow the required guidelines when overseeing the implementation of projects.

Recommendation: The Audit Office recommends that the Ministry follow-up these matters to ensure that the overpayments are recovered and the matters brought to closure. (2016/158)

Project Account

343. The Ministry continued to operate a special project Bank Account №. 01626004000 into which funds from various sources such as Guyana Lotteries Commission, DIGICEL and refunds from Permanent Secretary were placed. The bank balance on this account as at 31 December 2015 was \$29.952M while the cash book balance was \$11.023M. Similarly, the bank balance as at 31 December 2016 was \$46.621M and the bank balance as per the cash book was \$44.825M.

344. During 2016, amounts totalling \$177.080M were received and deposited into this account. Included in this amount, were sums totalling \$28.474M which was related to revenue received for the rental of the National Stadium and which the Ministry deposited into the Consolidated Fund. However, it was observed that the Ministry inappropriately met unrelated expenditure totalling \$173.703M from this account. The following gives a breakdown of the expenditure:

Description	Amount \$'000
Equipment & Furniture	54,286
Anniversary Celebrations	48,046
Salaries & Overtime	13,280
Vehicle Parts	12,000
Construction & Rehabilitation	9,552
Sports Gear	9,394
Stationery	7,427
Rental	5,150
Advertisement	4,378
Staff Welfare	4,163
Others	3,470
Airfare	2,557
Total	173,703

345. An analysis of the expenditure revealed that a significant portion was related to the normal activities of Ministry. This expenditure should have been met from budgetary allocations and approved by the National Assembly. In addition, the Ministry breached Section 8 of the Procurement Act as there was no evidence that tender board procedures were adhered to in the procurement process. Further, payment vouchers and relevant supporting documents were not presented for audit examination.

346. The following observations were made in relation to payments from the Special Projects bank account:

- a) the sum of \$98.616M was collected as revenue from the Guyana Lottery Commission for the year 2016. As at 31 December 2016, amounts totalling \$44.256M was expended on the purchase of two pianos, airfare and out of pocket allowance for on overseas visits. However, the unspent balance of \$54.360M was not refunded to the Consolidated Fund;
- b) an examination of the payment voucher revealed that one upright piano and one concert grand piano to the value of US\$204,690 equivalent to \$42.162M was purchased based on the NPTAB approval dated 17 November 2015. However, there was no evidence that an amendment to the approval granted was sought to facilitate the procurement of the pianos to be made in 2016;
- c) four payments totalling \$1.595M were made to meet expenditure of the Ministry for national celebrations and the payment vouchers were not presented for audit examination; and
- d) two payments totalling \$525,300M were expended on salaries and overtime for staff at National Stadium, National Cultural Centre, Sophia Training Centre and Kuru Kuru Training College. The payment vouchers were not presented for audit examination.

Ministry's Response: The Head of Budget Agency indicated that the payment vouchers will be made available for examination. In relation to having relevant approvals for purchases corrective action has been taken to avoid future occurrences.

Recommendation: The Audit Office recommends that the Ministry take immediate action to ensure that all unspent balances are refunded to the Consolidated Fund. The Ministry should also take all necessary measures to locate the missing payment vouchers while reviewing the system in place for storing and retrieving vouchers and to ensure vouchers are properly secured for audit and the retention period. (2016/159)

Stores and Other Public Property

347. In 2016, the Ministry, specifically the Department of Culture did not comply with the requirements of the Stores Regulations 1993 in relation to the following:

- a) assets distributed to various Institutions, Departments, Colleges and Schools were not marked to readily identify them as Government property;
- b) a Master Inventory was not maintained for the assets purchased; and
- c) serviceable and unserviceable stores were not stored separately.

Ministry's Response: The Head of Budget Agency explained that

- a) the marking of assets is an on-going process;
- b) the master inventory is maintained and is available for scrutiny; and
- c) due to space limitations the separation of serviceable and unserviceable store items is not always possible. However, the Ministry was granted approval to have a Board of Survey and therefore efforts will be made to dispose of the unserviceable items. In addition, efforts are being made to have the full complement of staff in the stores to carry out these functions in an efficient manner.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensures that periodic checks are carried out to identify non-compliance with the Stores Regulations. (2016/160)

348. A Gift Register was maintained by the Ministry in accordance with Section 34 of the Stores Regulations №. 6 of 1993. However, there was no evidence that the Ministry had furnished the Finance Secretary with information relating to gifts received for the year under review. Your attention is hereby drawn to Section 34 of the Stores Regulations of 1993.

Ministry's Response: The Head of Budget Agency explained that action will be taken to have information on gifts received forwarded to the finance Secretary.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensures that periodic checks are carried out to identify non-compliance with the Stores Regulations. (2016/161)

Capital Expenditure

University of Guyana Science and Technology Support Project

349. In 2016, the sum of \$906M was allocated for: (a) curriculum reform, instructional design and research; (b) infrastructure rehabilitation, equipping of science laboratories, drainage, internet network, multimedia equipment; and (c) institutional capacity building. In addition, a supplementary provision totalling \$411M was approved giving a revised allocation of the sum of \$1.317 billion.

350. The University of Guyana Science and Technology Support Project was funded by the Government of Guyana and the International Development Association (IDA) under Credit Agreement No. 4969-GY and was subject to separate financial reporting and audit. According to the Appropriation Accounts, amounts totalling \$1.311billion were expended during the period under review. However, the records of the Project reflected expenditure totalling \$1.102billion giving a difference of \$209M.

Secondary Education Improvement Project

351. On 10 October 2014, the Government of Guyana and the International Development Association (IDA) signed a Credit Agreement No. 54730-GY whereby the IDA agreed to provide the sum of SDR 6.500M or US\$10M to assist in strengthening the capacity of Secondary Schools. The aim of the project was to strengthen the capacity of Secondary School Mathematics Teachers' nationwide and increase enrolment in General Secondary Schools in targeted Regions. The project commenced on 25 November 2014, with a completion date of 31 March 2020. The project is subject to separate financial reporting and audit.

352. In 2016, the sum of \$520M was allocated for: (a) construction of Secondary Schools; (b) strengthening capacity of Secondary School mathematics teachers; and (c) institutional strengthening. According to the Appropriation Accounts, amounts totalling G\$73.347M were expended. However, according to the records of the project amounts totalling G\$168.205M were expended at 31 December 2016, giving a difference of \$94.858M.

Early Childhood Education Project

353. The sum of \$160M was allocated for: (a) capacity building; (b) supply of teaching and learning materials; and (c) parental/caregiver education. According to the Appropriation Accounts, amounts totalling \$158.607M were expended. However, according to the records of the project amounts totalling G\$160.606M were expended as at 31 December 2016, giving a difference of \$1.999M.

354. On 5 June 2015, the Government of Guyana and the International Development Association (IDA) signed a Grant Agreement No. TF019053-GY whereby the IDA agreed to provide the sum of US\$1,700M to improve emergent literacy and numeracy for children at the Nursery Level and Primary Grade One in Hinterland Regions and targeted remote riverine areas. The project commenced operations from 5 June 2015, with a completion date of 30 September 2018, and is subject to separate financial reporting and audit.

School Furniture and Equipment

355. The sum of \$268.146M was allocated for the purchase of furniture and equipment for Nursery and Primary Schools, Information Technology Laboratories, Practical Institution Centres and Secondary Schools. According to the Appropriation Accounts, amounts totalling \$267.508M were expended as at 31 December 2016.

356. NPTAB awarded thirteen contracts totalling \$142.519M for the supply and delivery of various categories of school furniture. The Ministry entered into contracts with eight suppliers. As at 31 December 2016, amounts totalling \$92.648M was paid to the suppliers. However, only delivery notes to the value of \$30.582M were presented for examination. An audit examination on the contracts revealed that a penalty of 0.5% of the contract sum should be deducted for each day of untimely execution of the contract. In addition, delivery schedules were not included with documents submitted for examination so it could not be accurately determined whether payments were made after the furniture was delivered.

Ministry's Response: The Head of Budget Agency explained that the delivery notes will be made available for examination. In relation to not applying the penalty clause, the identified suppliers provided furniture for the Kato Secondary School. Due to the current situation and space limitations at the Ministry these contracts could not have been completed within the stipulated timeframe. All payments have not been effected because of same.

Recommendation: The Audit Office recommends that the Ministry comply with the requirements of NPTAB and that payment must be made after services are rendered. (2016/162)

357. The sum of \$53.800M was paid to Guyana Energy Authority (GEA) for the supply and installation of solar systems to seven Secondary Schools in Regions №. 2, 3, 4 and 5. However, there is no evidence that approval was granted by Cabinet. The Ministry did not enter into a formal contract with the GEA; instead, the Ministry signed a Memorandum of Understanding with GEA on the 10 October 2016 and a cheque the value of \$53.800M was drawn 26 October 2016 and payable to the GEA's Republic Bank account. In addition, adequate supporting documents were not attached to the payment voucher examined, hence it could not be determined whether the solar PV system was supplied and installed prior to the payment which was made sixteen days after the signing of the MOU. Below is the description of the project as set out in the MOU.

Description	Amount \$'000
Supply and installation of 10Kw grid solar PV system	45,000
Replace 210 lights with 96 sensors	5,000
Replace 362 lights with 125 sensors	3,800
Total	53,800

Ministry's Response: The Head of Budget Agency explained that in keeping with the mandate that was given to have the GEA undertake the greening initiatives as it relates to the procurement of energy efficient equipment, the Ministry entered into a Memorandum of Understanding (MOU) with GEA to facilitate same. The MOU clearly states that the GEA would undertake all the procurement which included tendering for the supplies and supervising the installation of same. Hence, no supplies would have been received before handing over the sums to GEA. GEA is currently in the process of preparing to handover the completed works to the Ministry.

Recommendation: The Audit Office recommends that the Ministry comply with the requirements of Procurement Act and put systems in place to ensure payments are made after services are rendered. (2016/163)

Other Matters

358. In 2016, eleven expense vouchers totalling \$17.622M were not presented for examination. In the circumstances, the propriety, accuracy and validity of the expenditure charged to the Appropriated Accounts could not be validated.

Ministry's Response: The Head of Budget Agency explained that the payment vouchers would be made available for the auditors.

Recommendation: The Audit Office recommends that the Ministry make the payment vouchers available for audit examination. (2016/164)

359. Audit examination conducted on a sample of payment vouchers for rehabilitation and maintenance works done revealed the following unsatisfactory features:

- a) date of approval of payment not stated;
- b) certification of 'Work Satisfactorily Completed' was not seen;
- c) site visit reports was not seen;
- d) approval date for commencement of works not stated;
- e) duration of works was not stated in the contracts attached to the payment vouchers; and
- f) the signature of the Head Mistress/Master attesting to work completed was not seen.

360. Thirty-one warrants totalling \$125.309M were issued to Region №. 2 and Regions №. 5 to 10 for payment for teachers' upgrade Foundation Programme at Charity and St. Francis Mission, upgrading of Community Centre grounds, land filling and construction of small stands, rolling and resurfacing of basket ball courts and installation of lights in the various regions. However, financial returns for eighteen warrants totalling \$70.123M issued by the Ministry as well as thirteen warrants totalling \$55.186M issued by the Department of Culture were not received up to the time reporting. As a result, it could not be determined whether sums were expended for the purposes intended.

Ministry's Response: The Head of Budget Agency explained that the financial returns will be made available for examination.

Recommendation: The Audit Office recommends that the Ministry follow-up with the defaulting Regions to have the financial returns submitted. (2016/165)

361. In 2016, the Ministry had not taken the necessary steps to ensure that Cheque Orders are carefully monitored and cleared within the sixteen days stipulated time-frame through the submission of bills, receipts and other supporting documents. At the time of reporting in September 2017, forty Cheque Orders to the value of \$114.284M of which fourteen valued at \$4.196M which related to capital purchases were still not cleared. Cheque Orders were cleared on average of thirty days later than the date required to be cleared.

Ministry's Response: The Head of Budget Agency explained that the Ministry issued reminders to the relevant officers in relation to the timely clearance of cheque and has instituted a system to reduce the reoccurrence.

Recommendation: The Audit Office recommends that the Ministry make efforts to have the outstanding Cheque Orders cleared. (2016/166)

Prior year matters, which have not been fully resolved

362. The Audit Office issued recommendations to the Ministry that are designed at improving systems and practices at the entity and improving the Government governance and accountability mechanisms. Forty-two recommendations were made in my 2015 Audit Report. We reviewed each recommendation to determine what action, if any, was taken by the Accounting Officer. At the time of reporting, twenty-eight (65%) were fully implemented, twelve (28%) were partially implemented and three (7%) were not implemented.

Recommendations Partially Implemented - Education

363. Overpayment of net salaries to employees due to pay change directives not being forwarded in a timely manner for 2010 to 2015 totalled \$4.895M with the related deductions totalling \$1.464M were still to be recovered.

Ministry's Response: The Head of Budget Agency explained that efforts are still on-going to have the overpaid sums recovered.

Recommendation: The Audit Office recommends that the Ministry initiate a review of the system to ensure that the measures in place are updated to provide more efficient, effective and timely advice to the Central Accounting Unit. (2016/167)

364. Financial statements for President's College and Queen's College were not presented in a timely manner to be audited. In addition, these entities were still to have their audited reports laid in the National Assembly.

Ministry's Response: The Head of Budget Agency explained that the Ministry is working on having the outstanding financial statements completed.

Recommendation: The Audit Office recommends that the Ministry institute measures to ensure full compliance with financial and other requirements. (2016/168)

365. Overpayment of \$1.484M to three contractors for the construction of IT Laboratory at Secondary Schools namely Charity, Central Corentyne and New Wing to Patentia remained outstanding.

Ministry's Response: The Head of Budget Agency explained that efforts are still on-going to have the overpaid sums recovered.

Recommendation: The Audit Office recommends that the Ministry continue to monitor the proceedings in this matter. (2016/169)

366. The Ministry breached the requirements of the Stores and Financial Regulations as it regards to not maintaining proper records at schools.

Ministry's Response: The Head of Budget Agency explained that efforts are being made to have the full complement of staffing to reduce these occurrences.

Recommendation: The Audit Office recommends that the Ministry put system in place to fully comply with the Stores Regulations. (2016/170)

Recommendations Partially Implemented – Department of Culture

367. In 2015, the Ministry again deposited revenues totalling \$367.192M into a Special Project Bank Account instead of the Consolidated Fund of which \$22.052M, \$176.530M, \$164.610M and \$4M were from the rental of Guyana National Stadium, refund to Permanent Secretary of the Ministry, Guyana Lottery Commission and Digicel respectively.

Ministry's Response: The Head of Budget Agency explained that the Ministry is in the process of reconciling the account. However, only revenue collected for rental of the Guyana National Stadium is being paid to the Consolidated Account.

Recommendation: The Audit Office recommends that the Ministry take immediate action to ensure Revenues collected are deposited into the Consolidated Fund. (2016/171)

368. Circularised instruction requires that historical records and Log Books be kept for each vehicle owned and /or operated by the Ministry in order to record maintenance cost and other pertinent information. As at September, 2017 the Ministry is still to submit for one vehicle log book for examination.

Ministry's Response: The Head of Budget Agency explained that all efforts would be made to have the log book presented.

Recommendation: The Audit Office recommends that the Ministry adhere strictly to the requirements of the Stores Regulations at all times. (2016/172)

369. The Ministry breached Section 27 of the Procurement Act. There was no evidence that tender board meetings were held in relation to twenty-seven payments totalling \$26.733M for the supply of dietary to various training centres.

Ministry's Response: The Head of Budget Agency explained that corrective action has since been taken.

Recommendation: The Audit Office recommends that the Ministry adhere strictly to the requirements of the Procurement Act 2003. (2016/173)

370. The Ministry breached the storekeeping procedures as required by the Stores Regulations of 1993 since it was observed that the receipt and delivery of items were not documented by the suppliers or the Ministry and substitute items were delivered without approval when original items were unavailable.

Ministry's Response: The Head of Budget Agency explained that corrective action has since been taken.

Recommendation: The Audit Office recommends that the Ministry adheres to the requirements of the Stores Regulations 1993. (2016/174)

371. The Ministry operate a Bank Account №. 6886006 kept at a Commercial Bank into which funds from the National Culture Centre were deposited instead of the Consolidated Fund and from which related expenditure was facilitated. In 2015, revenue totalling \$52.675M was not deposited into the Consolidated Fund and expense vouchers and bank statements were not presented.

Ministry's Response: The Head of Budget Agency explained that the proceeds from the National Cultural Centre are being deposited in the Consolidated Fund.

Recommendation: The Audit Office recommends that the Ministry ensures that: (a) all revenues collected should be deposited intact into the Consolidated Fund in accordance with the FMA Act; (b) all relevant documents are properly secured and presented for audit examination; and (c) all outstanding bank reconciliations be brought up to date. (2016/175)

372. Overpayment totalling \$4.114M was made to one contractor for installation of Water Distribution Line and System at Synthetic Track and Field Facility. At the time of reporting in September 2017 the Ministry is still to recover the sum overpaid.

Ministry's Response: The Head of Budget Agency explained that efforts are still being made to recover the overpaid amount.

Recommendation: The Audit Office recommends that the Ministry make every effort to recover the overpaid amount, while implementing stricter supervisory controls over the execution and certification of works done. (2016/176)

373. Overpayments totalling \$4.767M was made to one contractor for installation of Night Lighting System at Synthetic Track and Field Facility. At the time of reporting in September, 2017 the Ministry is still to recover the sum overpaid.

Ministry's Response: The Head of Budget Agency explained that efforts are still being made to recover the overpaid amount.

Recommendation: The Audit Office recommends that the Ministry make every effort to recover the overpaid amount, while implementing stricter supervisory controls over the execution and certification of works done. (2016/177)

374. The Ministry continued not to take the necessary steps to ensure that all Cheques Orders are cleared within the sixteen days stipulated time-frame through the submission of bills, receipts and other supporting documents. At the time of reporting sixty-eight Cheque Orders valued \$6.991M remained outstanding. The date cheques orders were cleared was not recorded in the register.

Ministry's Response: The Head of Budget Agency explained that the Ministry is in the process of locating the supporting documents to clear the cheque orders.

Recommendation: The Audit Office recommends that the Ministry adheres to circularized instructions. (2016/178)

375. Twenty-nine payment vouchers totalling \$24.601M were still to be presented for examination at the time of reporting in September, 2017.

Ministry's Response: The Head of Budget Agency explained that the Ministry is still in the process of locating the vouchers.

Recommendation: The Audit Office recommends that the Ministry ensures that systems are in place to have all vouchers available for audit examination. (2016/179)

Recommendations Not Implemented – Education

376. Suppliers were in breach of the conditions of the contracts for late delivery. The Ministry failed to enforce contractual penalty on the suppliers for the late delivery.

Ministry's Response: The Head of Budget Agency explained that corrective action has since been taken in 2017.

Recommendation: The Audit Office recommends that the Ministry ensure that suppliers strictly adhere to the contractual clauses. (2016/180)

377. Several breaches of the Stores Regulations were observed during survey conducted during the audit namely Bin Cards were not maintained by the Storekeeper for the receipt and issue of the goods, serviceable and unserviceable stores were not separated and differences were observed between the Stock Ledger balances and the physical count.

Ministry's Response: The Head of Budget Agency explained that the Ministry is in the process of having its full complement of staff for the stores to have these matters corrected. In addition, due to space limitations the separation of serviceable and unserviceable store items is not always possible. However, the Ministry was granted approval to have a Board of Survey and therefore efforts will be made to dispose of the unserviceable items.

Recommendation: The Audit Office recommends that the Ministry put system in place to fully comply with the Stores Regulations. (2016/181)

Recommendations Not Implemented - Department of Culture

378. Financial return for one Inter-Department Warrant totalling \$500,000 issued to Region №. 8 for 2015 Mash Celebrations were not returned to the Ministry.

Ministry's Response: The Head of Budget Agency explained that the Agencies were written to with the view of having the warrants collected.

Recommendation: The Audit Office recommends that the Ministry ensures that all financial returns in respect of warrants issued are submitted. (2016/182)

Status of Prior Year Issues

MINISTRY OF EDUCATION				
Rec. №.	Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2015/135	Overpayment of salaries totalling \$4.895M for 2010 to 2015 was still not recovered.		✓	
2015/136	Twenty –two employees of the Ministry were still with temporary NIS numbers.	✓		
2015/137	Financial statement for President's College and Queen's College were not presented in a timely manner.		✓	
2015/138	Monthly distribution reports were not returned by the Divisional Officers to the Book Distribution Unit.	✓		
2015/139	Assets were not marked thus Stores Regulations of 1993 was breached.	✓		
2015/140	Since 2008, the Ministry has not received equipment valued at \$10.545M from a contractor to whom full payment was made.	✓		
2015/141	Overpayment of \$1.485M to three contractors remained outstanding.		✓	
2015/142	The drawing of three cheques valued at \$200M breached the provision of the FMA Act.	✓		
2015/143	Management of the Project did not adhere to	✓		

MINISTRY OF EDUCATION

Rec. №.	Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
	requirements of the Procurement Act.			
2015/144	New employee's personal file had no evidence that the positions filled were advertised.	✓		
2015/145	The payment of cash salaries totalling \$3.829M to thirty-four employees were breach of Circular №. 3/2003 of 2003.	✓		
2015/146	The Ministry failed to enter into contract for the writing text books Atlantic Readers for Grade Four to Six.	✓		
2015/147	The Ministry failed to enforce contractual penalty on the contractors for late delivery.			✓
2015/148	Five Log Books were not presented for examination. A fuel consumption register was not maintained.		✓	
2015/149	The Ministry breached the requirements of the Stores and Financial Regulations.		✓	
2015/150	The payment of security grants revealed non-compliance to regulations.		✓	
2015/151	Physical verification of the construction of Zeeburg Secondary School revealed discrepancies.	✓		
2015/152	Overpayment of \$312,300 to a contractor remained outstanding for the construction of Cummings Park Nursery School.	✓		
2015/153	Several breaches of the Stores Regulations were observed during survey conducted during the audit.			✓
2015/154	Twenty-nine payment vouchers totalling \$106.184M were not presented for examination.	✓		
2015/155	One hundred and thirty Cheque Orders valued \$144.618M remained uncleared.	✓		
2015/156	Failure to refund five cheques valued \$1.548M to the Consolidated Fund constituted a breached of the Section 43 of the FMA Act.	✓		
2015/157	Minutes of the Tender Board meeting for awards of contracts was not kept by the Ministry for the year 2015.	✓		

DEPARTMENT OF CULTURE, YOUTH & SPORTS

Rec. No.	Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2015/201	There were fifteen employees of the Ministry still without NIS numbers. Nine of which were from 2014 and six in 2015.	✓		
2015/202	It was difficult to determine whether deductions were paid over to NIS within the stipulated time.	✓		
2015/203	Audited reports were not laid in the National Assembly in a timely manner.	✓		
2015/204	All revenues collected were not deposited into the Consolidated Fund.		✓	
2015/205	The Ministry did not take immediate action to ensure that all unspent balances are refunded to the Consolidated Fund.	✓		
2015/206	There was no evidence that one Seiko Track & Field Electronic System and one Start Gun RG valued at US\$2,985 and US\$159 respectively were received.	✓		
2015/207	Historical records and Log Books were not submitted for five vehicles.	✓		
2015/208	Assets to the value of \$337,560 purchased in 2014 for the Youth Department were not verified as having been received by the Department.	✓		
2015/209	Fifty-six expenses vouchers totalling \$53.066M for the years 2014 and 2015 were not presented for audit examination.		✓	
2015/210	The authorised staff list for contracted employees was 291, however, according to August 2015 payroll there were 294 employees, three above the limit.	✓		
2015/211	Personal files of new employees showed no evidence that positions filled, were advertised. Certificates of Character were not placed in personal files.	✓		
2015/212	The Ministry did not maintain a fuel consumption register, nor was reconciliation done with GUYOIL statements.	✓		

DEPARTMENT OF CULTURE, YOUTH & SPORTS

Rec. №.	Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2015/213	The Ministry breached Section 27 of the Procurement Act in relation to twenty-seven payments totalling \$26.733M for the supply of dietary.		✓	
2015/214	The Ministry was in violation of the Stores Regulations of 1993.	✓		
2015/215	Revenue totalling \$52.675M was not deposited into the Consolidated Fund and expense vouchers and bank statements were not presented.	✓		
2015/216	Contract documents for the construction of the warm down pool and two expense vouchers totalling \$39.526M was not presented.	✓		
2015/217	Overpayment totalling \$4.114M was made to one contractor for installation of Water Distribution Line and System at Synthetic Track and Field Facility.		✓	
2015/218	Overpayments totalling \$4.767M was made to one contractor for installation of Night Lighting System at Synthetic Track and Field Facility.		✓	
2015/219	Financial returns for three Inter-Department Warrants totalling \$4M was not returned to the Ministry.			✓
2015/220	Sixty-eight Cheque Orders valued \$6.991M remained outstanding and the date cheques orders were cleared was not recorded in the register.		✓	

AGENCY 42
MINISTRY OF COMMUNITIES

Current year matters with recommendations for improvement in the existing system

Current Expenditure

379. The sum of \$400M was released to Guyana Water Incorporated (GWI) under the control of the Ministry and is subject to separate financial reporting and audit. The table below summarises the status of audits and details on the progress of outstanding audits.

Name of Entity	Amount Received in 2016 \$'000	Year Last Audited	Last Report Laid in National Assembly	Remarks on Financial Statements
Guyana Water Incorporated (GWI)	400,000	2015	2015	2016 audit is in progress; the audit is contracted out
Central Housing and Planning Authority (CH&PA)	0	2015	2015	Audit for 2016 in progress; the audit is contracted out.
	400,000			

Ministry's Response: The Head of Budget Agency explained that the 2015 Audit Report for GWI and CH&PA was laid in the National Assembly on 15 June 2017.

Capital Expenditure

380. The Ministry for the year under review budgeted \$5.317 billion for capital expenditure under its two programmes Sustainable Community Management and Sustainable Community Development. During the year the Ministry was also allotted supplementary provision in the sum of \$108.974M increasing total capital expenditure to \$5.426 billion. According to the Appropriation Accounts, amounts totalling \$3.512 billion were expended, resulting in a shortfall in expenditure of \$1.914 billion on the projects planned for 2016. The projects were under the Solid Waste Disposal Programme, Water Supply and Infrastructure Improvement Programme and the Hinterland Sustainable Housing Programme. The details are reflected in the table below:

Programme №.	Programme Title	Amount Budgeted \$'000	Supplementary Allotment \$'000	Revised Budget \$'000	Amount Expended \$'000	Shortfall in Expenditure \$'000
421	Sustainable Community Management	724,190	0	724,190	695,136	29,054
422	Sustainable Community Development	4,593,084	108,974	4,702,058	2,816,790	1,885,268
Total		5,317,274	108,974	5,426,248	3,511,926	1,914,322

Project Development and Assistance

381. The Ministry for the year under review budgeted \$401M for Capital Subvention to Municipalities and Neighbourhood Democratic Councils to enhance the environment and improve community services. As at 31 December 2016, amounts totalling \$396.541M were expended by the nine Municipalities and sixty-two Neighbourhood Democratic Councils (NDCs). The difference of \$4.459M represented unspent Inter-Departmental Warrant (IDW) which were refunded by the Ministry to the Consolidated Fund. At the time of reporting, the status reports presented for audit verification revealed the following:

Municipalities

Region №.	Municipality	Amount Received \$'000	Amount Spent \$'000	Balance \$'000
1	Mabaruma Town Council	15,000	4,184,	10,816
2	Anna Regina Town Council	15,000	12,271	2,729
4	Georgetown City Council	24,000	No status report presented	
6	New Amsterdam Town Council	16,000	8,470	7,530
6	Rose Hall Town Council	15,000	3,655	11,345
6	Corriverton Town Council	16,000	10,768	5,232
7	Bartica Town Council	15,000	15,000	0
9	Lethem Town Council	15,000	13,939	1,061
10	Linden Town Council	16,000	3,198	12,802
Total		147,000		

Neighbourhood Democratic Council (NDC)

Region №.	№. of NDCs	Amount Received \$'000
1	1	4,000
2	5	20,000
3	14	56,000
4	15	66,000
5	10	40,000
6	16	64,000
10	1	4,000
	62	254,000

382. Fifty-eight Neighbourhood Democratic Councils (NDCs) each received Subvention in the sum of \$4M whilst Cane Grove, Buxton/Foulis, Beterverwagting/Triumph and Industry/Plaisance, received Subvention of \$5.687M, \$4.106M, \$7.562M and \$4.646M respectively. The financial statements of the Neighbourhood Democratic Councils (NDCs) are subject to separate financial reporting and audit.

383. The budget speech of 2016 in paragraph №. 4.70 made provision for \$4.2 billion to assist in upgrading of four communities namely Mabaruma, Bartica, Mahdia and Lethem townships. However, Mahdia was not upgraded up to the time of reporting.

Ministry's Response: The Head of Budget Agency concurred that the upgrading of Mahdia to township was delayed because of the incompleteness of the demarcation process.

Recommendation: The Audit Office recommends that the Ministry follow up on the demarcation process of Mahdia to ensure that it is re-budgeted for and upgraded to township in keeping with Government's policies and plans. (2016/183)

384. The Mabaruma Town Council for the year under review received \$15M as Subvention by way of two payments. Audit examination carried out in March of 2017 revealed that \$4.184M was expended whilst \$10.816M was unspent. The shortfall in the sum of \$10.816M was as a result of the Town Council not being able to complete the projects for the construction of 5 acre playground at Hosororo and volleyball court 60'x 30', construction of sanitary block at Hosororo playground, construction of sanitary block at Mabaruma settlement playground, purchase of equipment and furniture for Mabaruma Town Hall and the construction of a guard hut. The financial statements of the Council are subject to separate financial reporting and audit. However, at the time of reporting financial statements for 2016 were not submitted.

Ministry's Response: The Head of Budget Agency resubmitted a status report dated 4 August 2017 stating Mabaruma Town Council received \$15M and expended \$8.576M to date.

Recommendation: The Audit Office recommends that the Ministry ensure that there is compliance with Section 43 of the Fiscal Management and Accountability Act 2003 which requires any unexpended balance of public moneys be returned to the Consolidated Fund at the end of each fiscal year. (2016/184)

385. The Anna Regina Town Council for the year under review received \$15M from the Ministry of Communities by way of two payments. Audit examination revealed that amounts totalling \$12.271M were expended whilst \$2.729M remained unspent. The financial statements of the Council are subject to separate financial reporting and audit. However, at the time of reporting financial statements for the years 2012 to 2016 were submitted and the audits for those years were being planned.

Ministry's Response: The Head of Budget Agency resubmitted a status report showing savings on the projects undertaken amounting to \$2.729M.

Recommendation: The Audit Office recommends that the Ministry ensure that there is compliance with Section 43 of the Fiscal Management and Accountability Act 2003 which requires any unexpended balance of public moneys be returned to the Consolidated Fund at the end of each fiscal year. (2016/185)

386. The Georgetown City Council for the year under review received \$24M from the Ministry of Communities by way of two payments. However, the City Council failed to submit a status report or details on the Subvention received. The financial statements of the Council are subject to separate financial reporting and audit. However, at the time of reporting, financial statements were not submitted for the year 2016.

Ministry's Response: The Head of Budget Agency explained that efforts were made for all Municipalities to submit their updated responses for the audit queries. However, Georgetown Municipality had failed in submitting a status update on the subvention. The Ministry noted the Treasurer's failure to act in accordance with Section 177-183 of the Municipal Act which establishes a direct relationship between the Treasurer and the Audit Office of Guyana.

Recommendation: The Audit Office recommends that the Ministry monitor the subvention issued to the Georgetown Municipality and the works undertaken thereby and ensure that there is strict adherence to Section 43 of the Fiscal Management and Accountability Act 2003 which requires all unspent money be returned to the Consolidated Fund at the end of each fiscal year. (2016/186)

387. The New Amsterdam Town Council for the year under review received \$16M from the Ministry of Communities by two payments. Audit examination revealed that amounts totalling \$8.470M were expended whilst \$7.530M remained unspent. The unspent amount of \$7.530M represented a shortfall in expenditure due to the Town Council not being able to complete the projects for the fabrication of 15 Skip bins (12'x5'), re-construction of First Street - Mayor and Town Council Housing Scheme, re-construction of street - Lot 41 Stanleytown East, re - construction of street - Lot 38 Stanleytown East, 2nd Phase construction of Back Street Errolsville and purchase of Ransom Cement Mixer. The financial statements of the Council are subject to separate financial reporting and audit. However, at the time of reporting, financial statements were not submitted for the year 2016.

Ministry's Response: The Head of Budget Agency resubmitted a status report for the year 2016 showing expenditure amounting to \$14.612M.

Recommendation: The Audit Office recommends that the Ministry ensure that there is compliance with Section 43 of the Fiscal Management and Accountability Act 2003 which requires any unexpended balance of public moneys be returned to the Consolidated Fund at the end of each fiscal year (2016/187)

388. The Rose Hall Town Council for the year under review received \$15M from the Ministry of Communities via two payments. Audit examination revealed \$3.655M was expended whilst \$11.345M remained unspent. The unspent balance of \$11.345M represents a shortfall in expenditure due to the Town Council not being able to complete the projects for the construction of walkway - Beharry Street, South, construction of walkway - Wickham Street, construction of drain - Independence Ave. South, construction of reinforced concrete tarmac, construction of public convenience, construction of reinforced concrete drain - Graham Street North half, construction of reinforced concrete footpath at Bajan Street, South half and construction of reinforced concrete footpath at Bajan Street, North half. The financial statements of the Council are subject to separate financial reporting and audit. However, at the time of reporting financial statements were submitted for the years 2008, 2009 and 2014. The audits for the years 2008 - 2009 and 2014 were being planned.

Ministry's Response: The Head of Budget Agency resubmitted a status report for the year 2016 showing expenditure amounting to \$6.016M.

Recommendation: The Audit Office recommends that the Ministry ensure that there is compliance with Section 43 of the Fiscal Management and Accountability Act 2003 which requires any unexpended balance of public moneys be returned to the Consolidated Fund at the end of each fiscal year. (2016/188)

389. The Corriverton Town Council for the year under review received \$16M from the Ministry of Communities via two payments. The Subvention made provision for: (i) road works in Corriverton; and (ii) purchase of a plate compactor, bobcat, a 4 ton dump truck and a low bed trailer. Amounts totalling \$11.768M were expended whilst \$5.232M remained unspent. The unspent balance of \$5.232M represents a shortfall in expenditure due to the Town Council not being able to complete the projects and purchase the bobcat. The financial statements of the Council are subject to separate financial reporting and audit. However, at the time of reporting financial statements were submitted for the years 2008 to 2010, 2014 and 2015. The audits for the years 2008 to 2010, 2014 and 2015 were in the planning stage.

Ministry's Response: The Head of Budget Agency resubmitted status report for the year 2016, showing expenditure amounting to \$10.768M.

Recommendation: The Audit Office recommends that the Ministry ensure that there is compliance with Section 43 of the Fiscal Management and Accountability Act 2003 which requires any unexpended balance of public moneys be returned to the Consolidated Fund at the end of each fiscal year. (2016/189)

390. The Bartica Town Council for the year under review received \$15M from the Ministry of Communities by way of two payments. Audit examination revealed that the full amount was expended. The financial statements of the Council are subject to separate financial reporting and audit. However, at the time of reporting financial statements were not submitted for the year 2016.

391. The Lethem Town Council for the year under review received \$15M from the Ministry of Communities via two payments. Audit examination revealed that amounts totalling \$13.939M were expended whilst \$1.061M remained unspent. The unspent balance of \$1.061M represents a shortfall in expenditure. The financial statements of the Council are subject to separate financial reporting and audit. However, at the time of reporting financial statements were not submitted for the year 2016.

Ministry's Response: The Head of Budget Agency resubmitted status report for the year 2016 in July 2017 showing expenditure amounting to \$14.466M.

Recommendation: The Audit Office recommends that the Ministry ensure that there is compliance with Section 43 of the Fiscal Management and Accountability Act 2003 which requires any unexpended balance of public moneys be returned to the Consolidated Fund at the end of each fiscal year. (2016/190)

392. The Linden Town Council for the year under review received \$16M from the Ministry of Communities by way of two payments. Audit examination revealed that amounts totalling \$3.198M were expended whilst \$12.802M remained unspent. The unspent balance of \$12.802M represents a shortfall in expenditure due to the Town Council not being able to complete projects for the rehabilitation of Verlin Brittlebank Day Care centre, extension of Cemetery, rehabilitation of perimeter drains, rehabilitation of markets, patching of roads, rehabilitation of Wismar Day Care Centre, construction & relocation of Huts-Bus Parks, desilting of drains & culverts and the purchase of one Bedford truck. The financial statements of the Council are subject to separate financial reporting and audit. At the time of reporting, the audit for the years 2008 to 2010 was completed. However, financial statements for the years 2011 to 2016 were still outstanding.

Ministry's Response: The Head of Budget Agency resubmitted status report for the year 2016, showing expenditure amounting to \$3.198M.

Recommendation: The Audit Office recommends that the Ministry ensure that there is compliance with Section 43 of the Fiscal Management and Accountability Act 2003, which requires any unexpended balance of public moneys be returned to the Consolidated Fund at the end of each fiscal year. (2016/191)

393. The Municipal and District Councils Act, Chapter 28:01 of the Laws of Guyana, requires "all accounts of Municipal and District Councils be made up yearly to the end of the financial year by the Treasurer of the Council and shall be so made up not later than four months after the end of such year to which they relate and for those accounts to be audited by the Auditor as soon as practicable". Despite this legal requirement, a number of the Municipal and District Councils were still in violation of Section 177 of the Municipal and District Councils Act Chapter 28:01. Shown below is the status of audits in respect of the nine Municipalities at the time of reporting:

Municipalities	Financial Statement Last Audited	Financial Statement On Hand	Financial Statement Not Submitted for Audit	Remarks
Georgetown City Council	2004	2005, 2012 - 2015	2006 - 2011, 2016	Audit for the years 2005 and 2012 to 2015 in progress.
Linden Town Council	1984	2008 - 2010	1985 - 2007 & 2011 -2016	Audit for the years 2008 - 2010 completed and Opinion to be issued
New Amsterdam Town Council	1996	2014	1997 - 2005, 2012 - 2013 & 2015 - 2016	Audit Opinions to be issued for the years 2006 - 2011.
Rose Hall Town Council	1998	1999 - 2014	2015 - 2016	1999 - 2014 Audits to be planned
Corriverton Town Council	2001	2012-2016	-	2012-2016, Audits to be planned.
Anna Regina Town Council	2010	2012-2016	2011	2012-2016, Audits to be planned.

Municipalities	Financial Statement Last Audited	Financial Statement On Hand	Financial Statement Not Submitted for Audit	Remarks
Mabaruma Town Council	-	-	2016	Townships were officially gazetted on 21 October 2015 Financial statements are to be submitted
Lethem Town Council	-	-	2016	
Bartica Town Council	-	-	2016	

Ministry's Response: The Head of Budget Agency explained that according to the Municipal and District Councils Act, Chapter 28:01 of the Laws of Guyana, requires "all accounts of Municipal and District Councils be made up yearly to the end of the financial year by the Treasurer of the Council and shall be so made up not later than four months after the end of such year to which they relate and for those accounts to be audited by the Auditor as soon as practicable". It further states in Section 177(2) that if a treasurer neglects to make up the accounts as required in subsection (1) he/she shall be guilty of an offence. It was confirmed that some Councils did act in accordance with the Law.

Recommendation: The Audit Office recommends that the Ministry make every effort to have all outstanding financial statements prepared and submitted for audit. (2016/192)

Solid Waste Disposal Programme

394. The amount of \$319.390M was budgeted for Solid Waste Disposal Programme for the year under review for improved sanitation. The project entails provision for: (i) final payment for tractors and loaders; (ii) National Solid Waste Strategy; (iii) design and construction of landfill at Bartica; and (iv) access road, management system and expansion of landfill Haags Bosch Landfill Site. An adjustment of programmes was made on the 23 June 2016 for roll over and new projects as detailed below:

Projects	Amount \$'000
<i>Roll Over Projects</i>	
Final payment for tractors for the Municipalities	26,356
Final payment for Skip Bin Loaders on trailers for the Municipalities	21,263
<i>New Projects</i>	
Consultancy for National Solid Waste Strategy Consultations– National	12,390
Public Awareness for Solid Waste Management-National	12,372
Inventory and surveys of future landfill sites - National	12,000
Construction of Cell №.1, Leachate Management System, etc at Haags Bosch Sanitary Landfill Site	85,000

Projects	Amount \$'000
Rehabilitation of Access Road at Haags Bosch Sanitary Landfill Site	85,009
Construct Access Road to New Landfill Site at Kara Kara, MacKenzie, Linden	15,000
Upgrade of Byderabo Dump Site at Bartica	20,000
Soil Testing for new landfill site Bartica	10,000
Closure of Dakaura Creek Dump Site at Wismar, Linden	5,000
Payment for low bed trailer	700
Supervision of Activities	12,668
Financial Audit	1,632
Total	319,390

Ministry's Response: The Head of Budget Agency concurred with this statement.

395. On the 3 November 2016, there was a further approval for an inclusion of programme to utilise the sum of \$40M to facilitate the rehabilitation of access road Lusignan landfill site, East Coast Demerara and for soil testing at Regional Sanitary Landfill sites, Linden, Mahdia and Lethem.

Ministry's Response: The Head of Budget Agency concurred with this statement.

Community Infrastructure Improvement Projects

396. The Ministry for the year under review budgeted \$1.076 billion for the: (i) completion of projects in Regions №. 2, 4, 5, and 9; (ii) construction and rehabilitation of community roads in Regions №. 3, 4, 5, 6, 7 and 10; and (iii) rehabilitation and maintenance of community infrastructure projects including drains, bridges and parapets. Approval was granted on the 8 July 2016 for an inclusion of programme in the sum of \$161.791M. The details can be seen on the table below:

Projects	Amount \$'000
Construction of bus sheds at Kortberaad, Region №. 6	809
Construction of community roads, Yarrowkabra, Linden - Soesdyke, Region №.4,	111,066
Rehabilitation of multipurpose centre, Good Hope, Region №.2.	1,989
Rehabilitation of Wismar Market Roof, Region №.10.	7,927
Consultancy service to develop a Renewable Energy Strategy and Action Plan for Capital Towns.	10,000
Development of a playground at Baracara, Region №.6.	30,000
Total	161,791

Ministry's Response: The Head of Budget Agency concurred with this statement.

397. In addition, on the 12 October 2016, approval for inclusion of programme was granted to utilise amounts totalling \$191.107M as detailed in table below:

Projects	Amount \$'000
Construction of reinforced concrete market tarmac and stalls at Kumaka Region №. 1.	27,294
Construction of sanitary block at Mabaruma Settlement Ground, Region №. 1.	6,625
Rehabilitation of Mabaruma Town Hall, Region №. 1	29,565
Rehabilitation of bridges in Woodley/ Bel Air Neighbourhood Democratic Council, Region №. 5.	3,357
Rehabilitation of children's playground in Blairmont/ Gelderland Neighbourhood Democratic Council, Region №. 5.	3,982
Construction of a concrete trestle at Baracara Health Centre, Canje River, Region №. 6.	3,427
Construction of community centre ground and pavilion at Baracara, Canje River Region №. 6.	41,871
Upgrading of Whim community centre ground Region №. 6.	5,889
Construction and rehabilitation of roads in New Amsterdam Region №. 6.	46,022
Rehabilitation of Juman Street, Corriverton Region №. 6	9,358
Rehabilitation of West Indian Housing Scheme Access Road Bartica Region №. 7.	13,717
Total	191,107

Ministry's Response: The Head of Budget Agency concurred with this statement.

398. According to the Appropriation Account, the full amount was expended as at 31 December 2016. Audit examination of the records of the Community Infrastructure Improvement Program (CIIP) revealed that the project received \$1.076 billion and deposited same into the project's bank account №. 600313003 held at the Bank of Guyana. Further checks of the project cash book revealed that amounts totalling \$745.100M were expended. This resulted in the Appropriation Account being overstated by \$330.900M.

Ministry's Response: The Head of Budget Agency explained that approval was given for the project account to open beyond 31 December 2016.

399. As at 31 December 2016, the bank statement reflected a balance of \$538.815M, whilst the cash book indicated a balance of \$493.354M giving a difference of \$45.461M. The difference represented unrepresented cheques.

Sustainable Livelihood and Entrepreneurial Development (SLED) Projects

400. The sum of \$40M was provided for the community driven entrepreneurial projects and programmes. According to the Appropriation Account, the full amount was expended as at 31 December 2016. However, at the time of audit in June 2017 there were four cheques on hand totalling \$18.600M. These cheques were dated 3 February 2017 although the payment vouchers were processed for payment on the 30 December 2016. This resulted in the Appropriation Account being overstated by \$18.600M. The table below shows the details of the cheques on hand:

Date	Cheque №.	Payee	Amount \$'000
3/02/2017	05-879326	Kawanaru Women's Group	4,275
3/02/2017	05-879329	South Central People Development Association	5,000
3/02/2017	05-868391	Hope Foundation	5,050
3/02/2017	05-879327	New Horizons Farming Organisation	4,275
Total			18,600

Ministry's Response: The Head of Budget Agency concur with the statement and explained that these cheques have since been deposited except for cheque №. 05-868391 for Hope Foundation which was paid to the foundation on 9 June 2017.

Georgetown Restoration Programme

401. The Ministry for the year budgeted \$200M for Georgetown restoration initiatives. According to the Appropriation Account, the full amount was expended as at 31 December 2016. According to the Integrated Financial Management Accounting System (IFMAS) the full amount was paid to the Mayor and City Council of Georgetown via three vouchers in 2016. As at 22 December 2016, the Council submitted a report on capital works with expenditure amounting to \$173.505M. This resulted in the Appropriation Accounts being overstated by \$26.495M. The amount of \$173.505M was expenditure on five projects and \$42.123M for the purchase of office equipment and furniture. Although some of the capital projects were completed, contract documents and the related payment vouchers were still not presented for audit examination. The expenditure are detailed in the table below:

Projects	Amount \$'000
Kitty Market	60,121
Constabulary Training School	23,096
City Engineer's Building	13,594
Constabulary (Headquarters) Building	12,991
Albouystown Clinic	21,580
Office Equipment & Furniture	42,123
Total	173,505

Ministry's Response: The Head of Budget Agency concurred and explained that the Ministry noted that the Treasurer's failure to act in accordance with Section 177-183 of the Municipal Act which establishes a direct relationship between the Treasurer and the Audit Office of Guyana.

402. The payment vouchers for the purchase of office equipment and furniture to the value of \$42.123M were still not presented for audit examination. The office equipment and furniture are still to be physically verified.

Ministry's Response: The Head of Budget Agency explained that vouchers and related documents were presented and are with the auditors for verification. The list of capital items (office equipment and furniture) are available for physical verification by the auditors for the various locations/departments and sections.

Recommendation: The Audit Office recommends that the Ministry ensure that the Council locate all contracts and related documentation and capital items purchased and inform the Audit Office in order to facilitate audit verification. (2016/193)

Hinterland Water Supply

403. The sum of \$195.400M was allocated for the completion and upgrading of water systems at Mahdia, Mabaruma and Paramakatoi for the year under review. However, on the 29 December 2016, an approval for an adjustment of programme was seen for the amount of \$195.400M. According to the Appropriation Account, the full amount was expended as at 31 December 2016. The audit of the Guyana Water Inc. (GWI) is currently in progress. The details of expenditure are as follows:

Projects	Amount \$'000
Water Supply Improvement Kamwatta Mabaruma, Region №. 1	852
Water Supply Improvement Monkey Mountain Section 2, Region №. 8	6,627
Water Supply Improvement Princeville, Region №. 8	7,534
Water Supply Improvement Campbelltown, Region №. 8	8,108
Water Supply Improvement Koko Moruca, Region №. 1	1,327
Water Supply Improvement Port Kaituma, Region №. 1	8,864
Water Supply Improvement Mahdia, Region №. 8	20,282
Water Supply Improvement Mabaruma, Region №. 1	15,763
Water Supply Improvement Installation of Mains and reconfiguration of system Paramakatoi	7,036
Procurement of Life Saver C2 tanks	19,152
Procurement of Life Savers water bottles and Jerry cans	16,700
Procurement of Photovoltaic systems	18,311
Procurement of engines and pumps	18,500
Procurement of pipes and fittings	9,700
Water Supply Improvement Tassarene, Region №. 7	26,644
Supervision	10,000
Total	195,400

Ministry's Response: The Head of Budget Agency concurred with the statement.

Coastal Water Supply

404. The Ministry for the year under review budgeted \$585.863M for: (i) completion of wells, water treatment plants and distribution mains at Esau and Jacob, Port Mourant, Eccles, Timehri, Wakenaam and №. 66 - 69 Villages; (ii) drilling of Wells at Lima Sands and Noitgedacht; (iii) Installation of transmission and distribution lines from Hubu to Naamless; (iv) installation of water supply system and distribution network at Friendship, Yarrowkabra and Waia Kabra; (v) installation of distribution mains at Soesydyke, Ann's Grove, Mocha, Dazzell Housing Scheme, Golden Grove, Victoria, Lusignan, Le Ressenouvir and Vryheid's Lust Housing Scheme; and (vi) rehabilitation and upgrading of Cotton Tree and Bartica Water Treatment Plants. According to the Appropriation Account, the full amount was expended as at 31 December 2016. The audit of the Guyana Water Inc. (GWI) is currently in progress.

Ministry's Response: The Head of Budget Agency concurred with the statement.

Linden Water Supply

405. The sum of \$150.293M was budgeted for the: (i) completion of interconnection at MacKenzie Bridge Crossing and mains on East and West Bank of Linden; (ii) upgrading of water supply transmission and distribution network at Blue Berry Hill and One Mile Extension; (iii) rehabilitation of tank at Richmond Hill and water treatment plant at West Watooka; and (iv) provision for non-revenue water intervention. According to the Appropriation Account, amounts totalling \$150.260M was expended as at 31 December 2016. The audit of the Guyana Water Inc. (GWI) is currently in progress.

Ministry's Response: The Head of Budget Agency concurred with the statement.

Georgetown Sanitation Improvement Programme

406. The amount of \$88.526M being savings on the project in 2015 was allotted by means of a Supplementary Provision to complete works in 2016. According to the Appropriation Account, amounts totalling \$88.525M was expended as at 31 December 2016. This project is funded by the Inter-American Development Bank (IDB) and is subject to separate financial reporting and audit.

Ministry's Response: The Head of Budget Agency explained that this audit was completed in March 2017.

Water Supply Rehabilitation - Linden -2802500

407. The sum of \$79M was budgeted for the: (i) construction of treatment plants including ground and elevated storages at Wisroc and Amelia's Ward; (ii) laying of distribution/transmission network; (iii) institutional strengthening; (iv) water quality monitoring; and (v) non - revenue Water Programme to improve water supply and institutional capacity and service delivery during the year. The project was allotted a supplementary provision of \$20.448M, giving a revised sum of \$99.448M. According to the Appropriation Account, as at 31 December 2016 the full amount of \$99.448M was expended. The project is funded by the Inter-American Development Bank (IDB) and is subject to separate financial reporting and audit.

Ministry's Response: The Head of Budget Agency explained that this audit was completed in November 2016.

Urban Sewerage and Water

408. The sum of \$226.100M was allocated for: (i) completion of distribution and transmission mains, wells, tank and sludge removal intervention; (ii) upgrading of transmission and distribution mains - Albouystown, West La Penitence, Meadow Bank and Sophia; and (iii) provision for frequency conversion project at Shelter Belt, for the year under review. According to the Appropriation Account, the full amount was expended as at 31 December 2016. The audit of the Guyana Water Inc. (GWI) is currently in progress.

Ministry's Response: The Head of Budget Agency concurred with the statement.

Water Supply and Infrastructure Improvement Programme

409. The amount of \$2 billion was budgeted for the Water Supply and Infrastructure Improvement Programme for the year under review for: (i) construction of water treatment plants-Cornelia Ida to De Kinderen, Diamond to Herstelling and Cumberland to Williamsburg; (ii) installation of distribution and transmission networks; (iii) upgrading of sanitation infrastructure; and (iv) institutional strengthening. According to the Appropriation Account, amounts totalling \$128.716M were expended as at 31 December 2016. The project is funded by Inter-American Development Bank (IDB) and the European Union (EU) and is subject to separate financial reporting and audit.

Ministry's Response: The Head of Budget Agency explained that this audit was completed on 30 April 2017.

Hinterland Sustainable Housing Programme

410. The Ministry budgeted \$40M for the year 2016 to improve housing in the hinterland communities. The project entails provision for housing subsidies in Regions 1 and 9. According to the Appropriation Account, amounts totalling \$26.050M were expended as at 31 December 2016. The project is funded by the Inter-American Development Bank (IDB) and is subject to separate financial reporting and audit.

Ministry's Response: The Head of Budget Agency concurred that the audit was completed.

Status of Prior Year Issues

Capital Expenditure

Solid Waste Disposal Programme

411. The amount of \$267.922M was allocated for: (i) institutional strengthening and capacity building; (ii) public awareness and community participation; (iii) construction and operation of Haags Bosch Sanitary Landfill; (iv) waste collection and disposal from NDCs; (v) treatment and disposal of health care and hazardous waste; and (vi) provision for Lusignan site. During the year, amounts totalling \$178.274M were expended under this account area to improve sanitation. This project was funded by IDB and is subject to separate financial reporting and audit. According to the Appropriation Account, amounts totalling \$178.274M were expended as at 31 December 2015. An examination of the IFMAS report revealed that the sum of \$100M was paid to Mayor and City Council (M&CC) of Georgetown for firefighting activities and temporary storage of waste at Haags Bosch Sanitary Landfill, restoration of Le Repentir Access road and Lusignan Access road and Landfill. At the time of reporting amounts totalling \$52.550M were expended, whilst the sum of \$47.450M remained unspent. Further the Ministry paid \$1.188 billion via three Inter Departmental Warrants (IDWs) to a contractor after settlement/negotiation was done by the Ministry of Legal Affairs.

Ministry's Response: The Head of Budget Agency explained that the settlement/negotiation was done by the Ministry of Legal Affairs. Moneys were warranted to the Ministry where payments were made.

Georgetown Restoration Programme

412. The sum of \$300M was allotted for Georgetown restoration initiatives for environmental improvement and improved health and well-being. According to the Appropriation Account, the full amount was expended as at 31 December 2015. Audit examination revealed that \$6.200M was expended for the purchase of a double cab pick-up for the City Police, \$52.163M for the de-bushing of the Le Repentir Cemetery and \$241.637M for the restoration of Georgetown. Two hundred and twelve payment vouchers were examined and the following discrepancies were observed:

- a) there were 167 instances totalling \$159.968M where there was no evidence of the payment vouchers being certified by the Accountant or any other authorized officer;
- b) approval by the City Treasurer was not seen on 140 payment vouchers totalling \$143.682M;
- c) there was no evidence of the Finance Committee approving fifty-eight payments totalling \$48.404M on fifty-eight instances;
- d) there was no evidence of receipt or payee acknowledgement for a payment of \$750,000 to a contractor; and
- e) the basis of award of several contracts for the weeding of parapet, desilting of drains and cutting down of trees in various areas around Georgetown could not be determined due to the unavailability of the relevant supporting documents. As a result, it could not be ascertained whether transparency and accountability was exercised in the awarding of the contracts.

Ministry's Response: The Head of the Budget Agency explained that the query is noted and currently being investigated. A follow-up response will be given.

Recommendation: The Audit Office of Guyana recommends that the Ministry ensure that there is adherence to the financial instructions and Regulations and Tender Procedures set out in the Procurement Act 2003. (2016/194)

Status of Prior Year Issues

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2015/158	Overpayment of construction works	√		
2015/159	Status of statutory audits	√		
2015/160	Outstanding financial statements		√	
2015/161	Not submitting records in a timely manner	√		
2015/162	Not submitting financial returns for audit		√	
2015/163	Breaches of the Procurement Act 2003		√	

AGENCY 43

MINISTRY OF PUBLIC HEALTH

Current year matters, with recommendations for improvement in the existing system

Current Expenditure

Employment Cost - \$4.984B

413. During the year 2016, amounts totalling \$1.784M were overpaid as net salaries to sixteen employees due to pay change directives not being forwarded in a timely manner to the Central Accounting Unit of the Ministry. The related deductions totalling \$453,644 were also overpaid to the relevant agencies.

Ministry's Response: The Head of Budget Agency has concurred with the findings and efforts are being made to recover the overpayments.

Recommendation: The Audit Office recommends that the Ministry ensure that efforts are made to have all outstanding overpayments recovered and put systems in place to prevent recurrences. (2016/195)

414. According to the National Estimates the Ministry was authorised to have a total of 1,362 contracted employees. However, according to the Ministry's December 2016 payroll, there were 879 contracted employees, as shown below:

Salary Range	No. of Employees	Amount Paid in 2016 \$'000
Below \$100,000	174	11,689
\$100,000-\$250,000	330	70,915
\$250,000-\$400,000	363	95,829
Above \$400,000	12	6,309
Total	879	184,742

415. Details of the shortage of 483 employees, as shown below:

Programme	National Estimates	December 2016 Payroll	Shortage
431- Policy Development & Administration	139	121	18
432- Disease Control	87	73	14
433- Family Health Care Services	55	33	22
434- Regional & Clinical Services	971	588	383
435- Health Sciences Education	28	11	17
436- Standards & Technical Services	31	27	4
437- Disability Rehabilitation Services	51	26	25
Total	1,362	879	483

Ministry's Response: The Head of Budget Agency explained that the transition of contracted employees to the pensionable establishment started in July 2016 and the process is continuing, thus reducing the number of contracted employees.

Recommendation: The Audit Office recommends that the Ministry minimise the number of staff being employed on contractual basis in keeping with circularised instructions. (2016/196)

416. The Ministry of Finance urged that cash payments of salaries be minimised after the introduction of the Integrated Financial Management and Accounting System (IFMAS) in 2004, and that employees be paid under the bank deposit system as stipulated by Circular No. 3/2003 dated 29 September 2003. The Ministry had not fully complied with this instruction, as it relates to cash payments, since amounts totalling \$1.897M were made to twelve permanent and three contracted employees during the period under review.

Ministry's Response: The Head of Budget Agency explained that steps are being taken to have the staff moved to bank payments.

Recommendation: The Audit Office recommends that the Ministry comply with the requirements of the Circular. (2016/197)

417. An examination of the December 2016 payroll revealed that there were sixty-four employees who were without Taxpayer Identification Numbers (TIN). This situation may have implications when paying over the related deductions and filing of income tax returns.

Ministry's Response: The Head of Budget Agency has agreed with the findings and action is being taken to have these employees issued with TIN numbers. A letter dated 1 June 2017 was sent to the Guyana Revenue Authority requesting the Authority's help in the issuing of the TIN numbers to the employees.

Recommendation: The Audit Office recommends that the Ministry ensures that all employees are in possession of their TIN numbers. (2016/198)

Drugs and Medical Supplies- \$1.635B

418. The sum of \$1.723 billion was allocated for drugs and medical supplies for the period under review. According to the Appropriation Accounts, amounts totalling \$1.635 billion were expended as at 31 December 2016. The National Procurement and Tender Administration Board (NPTAB) approvals were seen for the procurement of drugs and medical supplies in relation to suppliers other than the New GPC Inc. In this regard, payments totalling \$1.026 billion were made to twenty-two local and overseas suppliers. As at September 2017, six suppliers with payments totalling \$318.015M did not fully honour their obligations, in that goods valued at \$168.462M, still remained outstanding, as shown below:

Suppliers	Payments \$'000	Deliveries Received During 2016 \$'000	Deliveries Received During 2017 \$'000	Outstanding Deliveries as at Sept. 2017 \$'000
IDA Foundation	198,640	358	47,502	150,780
PAHO	85,221	79,483	0	5,738
Inter-Continental Pharma Inc.	25,431	18,791	0	6,640
Scientific Supplies & Technology	5,893	3,419	0	2,474
One World Accuracy Inc.	2,768	0	0	2,768
King Dental Supplies	62	0	0	62
Total	318,015	102,051	47,502	168,462

Ministry's Response: The Head of Budget Agency has agreed with the findings and that reconciliation is currently being done to verify all outstanding drugs and medical supplies and to recover any outstanding payments. In addition, a new Procurement Unit was established in July 2017 to better monitor contracts.

Recommendation: The Audit Office recommends that the Ministry take immediate action to have contractors fulfill their contractual obligations under contracts awarded and to introduce a system to record all outstanding drugs and medical supplies. (2016/199)

419. Including in the sum of \$1.635 billion are three contracts valued at \$44.010M that were awarded to two local suppliers for the supply of drugs and medical supplies. Three bank guarantees valued at \$12.570M were issued in respect of these contracts. However, the bank guarantees expired and were not renewed at the time of reporting in September 2017, although goods valued at \$1.498M were still to be delivered as shown below. As a result of the expiration of the bank guarantees, the Ministry is not protected if the supplier fails to fulfill its obligations.

Contract №.	Contract Sum \$'000	Payments \$'000	Bank Guarantee				O/Standing Deliveries \$'000
			Date	Reference №.	Amount \$'000	Validity Period	
3-2016P2(4)	8,352	8,352	02/01/2017	2077/2017	432	03/05/2017	317
4-2016P2	16,199	16,199	30/09/2016	K152/2016	9,729	29/12/2016	560
10-2016P2	19,459	5,838	14/12/2016	K213/2016	2,409	12/03/2017	621
Total	44,010	30,389			12,570		1,498

Ministry's Response: The Head of Budget Agency explained that the Ministry will follow-up with the supplier to have the outstanding drugs and medical supplies delivered and will ensure that advance payments are covered by valid bank guarantees.

Recommendation: The Audit Office recommends that the Ministry follow-up with the supplier to have the outstanding drugs and medical supplies delivered and ensure that the bank guarantees are renewed. (2016/200)

420. Section 43 of the Fiscal Management and Accountability Act 2003 states that at the end of each fiscal year, any unexpended balance of public moneys issued out of the Consolidated Fund shall be refunded to the Fund. During the period under review, twenty-four contracts valued at \$167.062M were awarded to six suppliers for the supply of drugs and medical supplies. As at September 2017, twenty-four cheques valued at \$167.062M were processed and printed in November and December 2016; however, the cheques were still on hand as at September 2017. Further, drugs and medical supplies valued at \$6.891M were delivered during 2016; hence the sum of \$160.171M was still to be delivered as at September 2017 as shown below. These cheques should have been refunded to the Consolidated Fund and the necessary adjustments made to the books and accounts. However, since this was not done, the Appropriation Accounts would be overstated by the said amount.

Supplier	№. of Cheques	Value of Cheques \$'000	Value of Deliveries in 2016 \$'000	Value of Deliveries in 2017 \$'000	Value of Outstanding Deliveries as at Sept. 2017 \$'000
Productos Roche Panama	2	76,331	0	0	76,331
Western Scientific Company Ltd.	4	31,270	0	0	31,270
Meditron Inc.	6	25,985	1,021	0	24,964
International Pharmaceutical Agency	5	22,122	5,870	0	16,252
Caribbean Medical Supplies Inc.	6	7,608	0	0	7,608
Ansa McAl Trading Ltd.	1	3,746	0	0	3,746
Total	24	167,062	6,891	0	160,171

Ministry's Response: The Head of Budget Agency explained that the Ministry is pursuing the supply of the outstanding drugs and medical supplies from the suppliers.

Recommendation: The Audit Office recommends that the Ministry take immediate steps to have the suppliers' honour their contractual obligations. (2016/201)

421. Included in the amount of \$167.062M is the sum of \$12.324M which represents two contracts that were awarded to an overseas supplier for the procurement of drugs and medical supplies. As at September 2017, no deliveries were made on these contracts and the two cheques valued at \$12.354M were still on hand at the Ministry. Examination of the payment vouchers, contracts, price schedules and other related records revealed that the price schedules were overstated by \$3.938M as shown below.

Contract №.	Cheque №.	Contract Sum (A) \$'000	Cheque Amount (B) \$'000	Price Schedule (C) \$'000	Audit Recalculation (D) \$'000	Difference (E)=(C)-(D) \$'000
10-2016 P2	05-858706	4,710	4,746	4,720	3,057	1,663
14-2016 P2	05-844762	7,614	7,608	7,612	5,337	2,275
Total		12,324	12,354	12,332	8,394	3,938

Ministry's Response: The Head of Budget Agency explained that these cheques will be refunded to the Consolidated Fund.

Recommendation: The Audit Office recommends that the Ministry ensure that all price schedules are correctly calculated and all unspent moneys at the end of the year are refunded to the Consolidated Fund. (2016/202)

422. Further, suppliers were not in keeping with the condition of the contracts, since deliveries were not made according to the contract specifications and delivery schedules. In addition, the Ministry failed to enforce the penalty of 0.5% on the contract sum for each day of untimely execution of the contract. As a result, the suppliers were not penalised for the failure to adhere to the specifications of the contract.

Ministry's Response: The Head of the Budget Agency explained that systems will be put in place to ensure suppliers are in keeping with the condition of contracts.

Recommendation: The Audit Office recommends that the Ministry adhere to the specifications outlined in the contract. (2016/203)

423. Examination of the payment vouchers, contracts, invoices, price schedules and other related documents in relation to drugs and medical supplies revealed the following observations:

- a) on 27 April 2016, NPTAB granted approval for the awarded of a contract valued at \$2.4M for the supply of medical equipment. This payment was incorrectly debited to line item 6221-Drugs & Medical Supplies instead of 2509000- Medical Equipment. However, checks revealed that the amount was credited twice to line item 6221 via journal voucher 4301/2017 dated 27 January 2017. As a result, the Current Appropriation Accounts would be understated by this amount;
- b) on 31 December 2016, NPTAB granted approval for the award of a contract valued at US\$162,997 equivalent to G\$34.229M for the procurement of dental supplies. Examination of the documents revealed that there were differences between the amounts awarded, contract sum, price schedules and payments as shown below. Also, there were over deliveries on five items with quantities of 194 totalling G\$804,989 and one item valued G\$35,692 was outstanding on the contract. As a result, reliance could not be placed on the accuracy and validity of the amounts stated; and

Currency	Awarded Sum	Contract Sum	Price Schedule	Payment
US\$	162,997	161,856	162,744	161,856
GUY\$	34,229,433	33,991,348	34,176,179	33,991,348

- c) on 18 April 2016, NPTAB granted the approval for the award of a contract valued at \$4.558M for the purchase of reagents from a local supplier. The full contract sum was paid to the supplier on 20 April 2016. However, another payment valued at \$2.305M was made on 20 September 2016 on this contract, although the full contract sum was already paid. Examination of the payment vouchers revealed that the original delivery notes, tax invoices and SRN's were attached to the payment valued at \$2.305M and photocopies were attached in respect of the payment of \$4.558M. As a result, the contractor was overpaid the sum of \$2.305M which was recovered on the 29 May 2017. This is a serious breach of internal controls and should be thoroughly investigated to determine how it was possible to bypass the various levels of controls.

Ministry's Response: The Head of Budget Agency explained that the Ministry is (a and b) investigating this matter and would put systems in place to avoid a recurrence, and (c) with the establishment of a new Procurement Unit, systems will be put in place to better monitor contracts.

Recommendation: The Audit Office recommends that the Ministry: (a) ensure that expenditure are properly classified; (b) ensure that all relevant contract documents are accurately calculated and are in agreement; and (c) put systems in place to monitor contracts. (2016/204)

Field Materials and Supplies - \$74.647M

424. The sum of \$86.594M was allocated for Field Materials and Supplies for the period under review. According to the Appropriation Accounts, amounts totalling \$74.647M were expended as at 31 December 2016, resulting in a difference of \$11.947M.

425. Examination of the payment vouchers, contracts, stores records and other related records revealed that on 6 September 2016, NPTAB granted approval for the awarded of a contract valued at \$79.590M for the procurement of pharmaceutical, medical, laboratory consumables and field materials. A cheque dated 28 October 2016 valued at \$23.877M or 30% of the contract sum was paid under this line item to the supplier on 1 November 2016. The balance of \$55.713M or 70% was paid under Inter-Departmental Warrants on 10 January 2017. The payment was covered by a bank guarantee valued at \$39.795M with a validity period of 29 December 2016. However, the bank guarantee had expired at the time of reporting in September 2017, although goods valued at \$1.581M were still to be delivered. According to the contract "On Delivery: One Hundred (100%) percent of the contract price shall be paid to the supplier within thirty days on receipt of the goods and upon submission of the documents". As a result, there was a breach in the contract, since an advance payment was made without an addendum to the contract.

Ministry's Response: The Head of Budget Agency has agreed to the findings and has indicated that reconciliation to determine the outstanding deliveries is ongoing.

Recommendation: The Audit Office recommends that the Ministry ensures that deliveries are made in accordance with the stipulations of the contract. (2016/205)

Utility Charges - \$265.845M

426. The sum of \$403.544M was allocated for utility charges for the period under review. According to the Appropriation Accounts, amounts totalling \$265.845M were expended as at 31 December 2016. Examination of the Utility Registers revealed differences in the amounts recorded when compared to the IFMAS statements, as shown below:

Description	IFMAS Amount \$'000	Register Amount \$'000	Difference \$'000
Telephone Charges	38,560	36,428	2,132
Electricity Charges	200,137	80,449	119,688
Water Charges	27,148	24,199	2,949
Total	265,845	141,076	124,769

Ministry's Response: The Head of Budget Agency explained that reconciliations are ongoing to address these differences.

Recommendation: The Audit Office recommends that the Ministry reconcile the differences and the registers are submitted for verification when the reconciliation is completed. (2016/206)

427. Examination of the payment vouchers, registers and other related records revealed the following discrepancies:

- a) a comparison of the official telephone listing with the register revealed that eight telephone numbers were not recorded on the official listing. However, amounts totalling \$310,673 were reflected in the telephone register as expenditure incurred for the said numbers for the period under review;
- b) a comparison of the official listing of water meters with the register revealed that fifteen meters were not recorded on the official listing. However, amounts totalling \$4.425M was reflected in the GWI register as expenditure incurred for the said meters for the period under review; and
- c) four payments totalling \$104.532M for utility charges did not have supporting documentation attached such as, bills and receipts. As a result, the accuracy and validity of the payments could not be verified.

Details	No. of Payments	Amount \$'000
Electricity Charges	2	97,600
Water Charges	2	6,932
Total	4	104,532

Ministry's Response: The Head of Budget Agency explained that the Ministry (a-b) will ensure that all telephone and water meter numbers are recorded on the official listing, and (c) efforts will be made to locate the supporting documents.

Recommendation: The Audit Office recommends that the Ministry (a-b) ensure that all telephone and water meter numbers are recorded on the official listing and (c) present all outstanding documentation for audit verification. (2016/207)

Fuel and Lubricants-\$50.969M

428. The Stores Regulations require that Log Books and historical records be kept for each vehicle owned and/or operated by the Ministry to record the cost of maintenance and other pertinent information. For the year 2016 a total of ninety-eight serviceable vehicles were owned and controlled by the Ministry. The Ministry presented seventy-six Log Books for the period under review, leaving twenty-two still to be presented for examination. As a result, it could not be verified if journeys were properly authorised.

Ministry's Response: The Head of Budget Agency explained that efforts are being made to have the outstanding Log Books presented.

Recommendation: The Audit Office recommends that Ministry make every effort to locate these Log Books and have same presented for audit examination. (2016/208)

Rental of Building- \$187.630M

429. The sum of \$55.740M was allocated for Rental of Buildings for the period under review. A supplementary provision of \$126.041M was received by the Ministry and inter-programme Virements totalling \$6.725M resulting in a revised allocation of \$188.506M. According to the Appropriation Accounts, amounts totalling \$187.630M were expended as at 31 December 2016.

430. Including in the amount of \$187.630M was an approved provision of \$31.080M for line item 6241- Rental of Buildings under Programme 434-Regional and Clinical Services for the period under review. On the 26 July 2016 a Supplementary Provision of \$62.500M was approved for the leasing of warehouse facility to be used by the Ministry. In addition, on the 27 July 2017, a Contingency Fund Advance of \$63.541M was approved for the leasing of the warehouse facility at Sussex Street for use by the Ministry for the storage of pharmaceutical for the month July 2016 and one month security deposit totalling \$25M and the rental of warehouse facility at Ruimveldt totalling \$38.541M. As at 31 December 2016, amounts totalling \$156.495M were expended, leaving a balance of \$626,000 on the revised allocation. See details below:

Type	No.	Date	Amount \$'000
Approved Allotment	-	-	31,080
Supplementary Provision	08/2016	26/07/2016	62,500
Contingency Advance	2/2016	27/07/2016	63,541
Total Revised Allocation			157,121

431. Further, included in the sum of \$187.630M is the sum of \$100M which was expended for the rental of the Sussex Street Warehouse for the period under review. The contract for the rental of the warehouse dated 1 June 2016 and signed by the two parties on the 20 July 2016 for a period of three years which concludes on the 30 June 2019. The monthly rental was set at the sum of \$12.500M per month. Cabinet approved the leasing of the warehouse facilities to serve as offsite medical storage facility for the Ministry of Public Health and the Georgetown Public Hospital Cooperation on the 12 July 2016. This approval considered the following:

- a) warehouse being leased for the use by the Ministry of Public Health for the storage of Pharmaceuticals etc.;
- b) to allow for the savings from the agreement to be used to acquire consultancy services for the construction of a building within those three years;
- c) rental of \$12.500M a month effective from 1 July 2016.

432. Physical verification carried out on 11 April 2017 at the Sussex Street Warehouse and examination of the stores records, reports and other related documents revealed the following observations:

- a) the contract stipulated that the building be equipped with sixteen stand-up refrigerators. However, only fourteen refrigerators were seen at the time of the physical verification on 11 April 2017;

- b) the contract stipulated that there should be central air condition on both levels and back up of twelve 18,000 BTU air conditioning units. However physical verification revealed that ten of the units were 18,000 BTU, while two were 12,000 BTU;
- c) the agreement was entered into on the 20 July 2016, whilst the contract period commenced on 1 July 2016. As such, the Ministry entered into an agreement despite the fact that it did not have sufficient funds at the time the agreement was entered into; and
- d) the sum of \$25M was paid for rental of the Sussex Street Warehouse for the months of July and August 2016. However, the warehouse was not utilised for storage during the said months by the Ministry. The Ministry's first delivery to the warehouse was on 1 September 2016 as reflected on the report generated by MAC's software with movements from Diamond Warehouse to Sussex Street Warehouse as shown below. In the circumstance, the Ministry paid the sum of \$25M for the rental of the warehouse which was not utilised by the Ministry;

Months	Description	Quantity	Movement to MMU Diamond	Movement Date	Stock Balance as at 8/5/2017
July	-	-	-	-	-
August	-	-	-	-	-
September	IUD kit and intersection & removable Umbilical cord clamps	472 1,200	-	-	472 1,200
October	-	-	-	-	-
November	-	-	-	-	-
December	Amphotericin b 50mg injection Chlorophan expectorant bottle 120mls Condoms	2,130 21,966 8,300	- 21,966 -	- 4/2017 -	2,130 - 8,300
Total		34,068	21,966	-	12,102

- e) the Warehouse was shared by the Ministry of Public Health and the Georgetown Public Hospital Corporation (GPHC). The two entities have separate sections in the building and are the holders of their own keys. The following should be noted;
- the Ministry of Public Health keys are kept at MMU Diamond Warehouse by the Warehouse Manager;
 - the keys for the GPHC are kept at the GPHC Pharmacy by the Pharmacy Manager; and

- the MMU Diamond Warehouse does not maintain a record for the uplifting and lodging of the keys.
- f) deliveries can be made directly to the Sussex Street Warehouse or by movements from Diamond Warehouse to the Sussex Street Warehouse. The following should be noted:
- direct deliveries are verified by the Warehouse Manager;
 - movement tasks are prepared for any movement of items from Diamond or Sussex Street Warehouse; and
 - all Bin Cards are maintained at Diamond Warehouse electronically via the MAC's software.
- g) the Sussex Street Warehouse was only used for storage or (overflows) for drugs and medical supplies, all issuing are done at MMU Diamond Warehouse; and
- h) it was observed that the landlord provided one un-uniformed, unarmed/no baton guard stationed at the Warehouse on a twenty-four hour basis. However, the building is equipped with sixteen cameras with monitors in the guard hut and office. Also, there are fire alarms and sprinklers installed.



Sussex Street Warehouse (Photo taken on 11 April 2017, at the time of physical verification)

Ministry's Response: The Head of Budget Agency explained that letters were sent to the former Permanent Secretary and contractor to address this matter.

Recommendation: The Audit Office recommends that the Ministry: (i) put mechanism in place to ensure all approvals are received before contractual agreement are entered into; (ii) put systems in place to avoid a recurrence where amounts are expended and value is not received for the amounts expended; and (iii) ensure all clauses in the contract are enforced. (2016/209)

Stores and Other Public Property

433. The Ministry did not adhere fully to Section 24 of the Stores Regulations 1993 in that the Ministry failed to maintain an updated Master Inventory of all assets of the Ministry. In addition, sectional inventories were not properly maintained for all departments and/or sections within the Ministry, since pertinent information such as location and date of acquisition were not reflected therein. As a result, we were unable to accurately verify the existence of the assets.

Ministry's Response: The Head of Budget Agency explained that a letter was written to Public Service Ministry seeking the employment of an Asset Inventory Officer, who will assist in the maintenance of Inventories.

Recommendation: The Audit Office recommends that the Ministry ensure that the Stores Regulations with regards to the maintenance of Master and Sectional Inventories is complied with at all times. (2016/210)

434. Section 39 of the Stores Regulation of 1993 states that “It shall be the duty of the Permanent Secretary to ensure that each item of stores is checked at least once a year. All shortages or other discrepancies shall be investigated immediately and a report submitted to the Secretary to the Treasury, copied to the Auditor General. All surpluses shall be written back to the Bin Cards in Form 1 and to the Stores Ledger in Form 7.” In this regard, validation exercises were carried out on a sample of 186 items of stock, including pharmaceutical and other medical supplies, stationery, dietary, electrical and janitorial items. Overall, shortages were identified in 5% of the instances examined, while overage was 7% as shown in the table below. The respective values of the shortages and excesses identified could not be readily determined.

Location of Store	Items Checked	Shortage	Overage
Kingston Bond	48	5	3
MMU Diamond	36	4	10
Sussex Street Warehouse	16	0	0
Linden Pharmacy	53	0	0
Linden Stores	33	0	0
Total	186	9	13

435. A physical verification exercise conducted at Kingston Bond during the month of May 2017, revealed the following:

- a) Section 23 of the Stores Regulations 1993 in respect of Permanent Stores states that “the storekeeper shall make appropriate entries in the Permanent Stores Register in Form 5 indicating clearly the location to which the stores are sent and the custodian thereof.” In this regard the Ministry did not maintain a Permanent Stores Register to record the receipt and issue of assets for the period under review as required by the Stores Regulations; and
- b) eight instances were observed where there were differences between the Stock Ledger and Bin Card balances.

Ministry's Response: The Head of Budget Agency explained that an investigation would be carried out to determine the overages and shortages and systems will be put in place to have a stock count carried out annually.

Recommendation: The Audit Office recommends that the Ministry ensures that the records at these facilities are reconciled periodically in order to identify and account for differences. (2016/211)

436. Checks carried out at MMU Kingston Stores on yellow fever vaccines revealed that 9,890 vaccines were issued to the Vaccination Centre within the Ministry of Public Health for the period under review. However, the Vaccination Centre records reflected 5,730 vaccines as being received. As a result, a difference of 4,160 vaccines could not be verified to the stores records.

437. Further, examination of the yellow fever invoices and other related records revealed that revenue totalling \$6.183M were received from the sale of 7,729 yellow fever vaccines for the period under review. A comparison of the records at MMU Kingston, Vaccination Centre and the Accounts Department reflected variances. However, it could not be determined if the vaccines were from the 2016 acquisitions, since the batch numbers were not recorded on the invoices. In the circumstances, it could not be determined if the total sale were inclusive of yellow fever vaccine received during 2016 by the Vaccination Centre.

Ministry's Response: The Head of Budget Agency explained that when the rush for yellow fever vaccines started there was an overcrowding at the Vaccination Centre daily, as such; Bin Cards were not updated in a timely manner. Efforts would be made to employ a clerical staff to assist in the writing up of the relevant records.

Recommendation: The Audit Office recommends that the Ministry put systems in place so that all vaccines received are properly accounted for. (2016/212)

438. Verification exercises were also conducted at MMU Diamond Warehouse during the month of September 2017 and the following were observed:

- a) Section 46 of the Stores Regulations states that “the Permanent Secretary shall ensure that all Forms and other documents relating to store-keeping and stores accounting are properly safeguarded. A register of forms in Form 21 shall be maintained and issues shall be made in numerical sequence based on the pattern of usage. Care shall be taken to ensure that the minimum number of forms is issued. Forms shall be issued on the authority of the Permanent Secretary.” In this regard, a Control Forms Register was not maintained by the Warehouse to record the receipt and issue of Stores Receive Notes (SRN's) and other controlled forms used by the facility. As a result, it could not be determined if proper control was exercised over the issue and use of these books; and
- b) a list of 134 expired items with a total quantity of 660,877 units was generated from the Management Accounting Computerised Software (MACS) system as at August 2016. However, the value of the expired items could not be determined, due to the absence of pricing information from MMU Diamond Warehouse. Physical checks carried out in August and September 2017, revealed that twenty-two items had differences when compared to the expired drugs and medical supplies listing provided by the warehouse. As a result, reliance could not be placed on the accuracy and validity of the listing of expired drugs provided for verification.

Ministry's Response: The Head of Budget Agency explained that (a) efforts are being made to implement a register of controlled forms, and (b) measures are being put in place to capture expired drugs data in the Electronic Warehouse Management Systems.

Recommendation: The Audit Office recommends that the Ministry adheres to the Stores Regulations, that renewed efforts are made to have a value placed on the expired drugs and that the listing of expired drugs should be investigated to determine its accuracy. (2016/213)

Other Matter

439. Cheque Orders are required to be cleared within sixteen days of their issue through the submission of bills/receipts and other documents in support of the payments made. However, examination of the cheque order register for the period under review revealed that thirty-five Cheque Orders valued at \$17.968M were outstanding as at September 2017.

440. Also, included in the amount of \$17.968M is the sum of \$4.319M for advances taken by five officers for the period under review for which multiple advances were outstanding simultaneously as shown below:

№. of Advances Outstanding Simultaneously	№. of Officers	Amount \$'000
2	3	953
4	1	2,596
6	1	770
Total	5	4,319

Ministry's Response: The Head of Budget Agency explained that efforts are being made to have the outstanding Cheque Orders cleared and that the Ministry is working with programme managers to correct the situation in respect of advances in 2017.

Recommendation: The Audit Office recommends that the Ministry (a) ensures that the outstanding Cheque Orders are cleared; (b) ensure that an advance granted be cleared before another one is issued; and (c) provide details to the Audit Office for scrutiny when outstanding Cheque Orders are cleared. (2016/214)

441. There was a breach of the provisions of Section 43 of the Fiscal Management and Accountability Act 2003 where the Ministry failed to refund to the Consolidated Fund 941 cheques valued at \$2.144 billion for the year 2016. As at September 2017, 702 cheques valued at \$1.572 billion and forty-eight cheques valued at \$6.996M were paid out to various payees and refunded to the Consolidated Fund, respectively. As at September 2017, 191 cheques valued at \$565.529M were still on hand. Included in the amount of \$565.529M, are twenty-four cheques valued at \$167.062M in respect of payments for drugs and medical supplies. Further, the Appropriation Accounts would have been overstated by the amount of \$565.529M.

Ministry's Response: The Head of Budget Agency explained that efforts are being made to address this matter and have the cheques refunded to the Consolidated Fund.

Recommendation: The Audit Office recommends that the Ministry institute measures to ensure full compliance with Section 43 of the FMA Act which requires unexpended balances to be returned and surrendered to the Consolidated Fund at the end of each fiscal year. (2016/215)

442. The Ministry did not provide "Delivery Notes" and/or "Stores Received Notes" to evidence the receipt of goods valued at \$4.583M in relation to thirteen payments for the year 2016. As a result, it could not be determined if the items were received and properly accounted for in the records of the Ministry.

Ministry's Response: The Head of Budget Agency explained that reconciliation is being done to address this issue.

Recommendation: The Audit Office recommends that the Ministry put systems in place to ensure that there is adequate accountability for payment vouchers and supporting documents, and that these should be provided in a timely manner. (2016/216)

Motor Car Advance

443. Examination of the motor car advance register for the year 2016 revealed that an employee had taken an advance amounting to \$514,288 inclusive of interest. However, as at 31 December 2016 the employee was no longer employed by the Ministry. As a result, the amount of \$385,668 was outstanding as at September 2017.

Ministry's Response: The Head of Budget Agency explained that the former employee has promised the repay the amount but to date has not done so.

Recommendation: The Audit Office recommends that the Ministry makes every effort to have the outstanding amount recovered. (2016/217)

Warrants

444. The Ministry received fourteen warrants totalling \$1.838 billion, from all the Administrative Regions in 2016, as shown in the table below. The warrants were intended for the procurement of drugs and medical supplies for the various health facilities in the Regions. The sum of \$1.434 billion was expended by the Ministry for the procurement of medical supplies for Regions №. 1 to 7 and 9 and 10 during the period under review. The balance of \$403.274M was retained in the Consolidated Fund Account.

Region	Warrant №.	Warrant Dated	Amount \$'000	Amount Expended \$'000	Balance \$'000
1	1/16	23/5/16	75,000	70,380	4,620
2	1/16,4/16	7/7/16,16/11/16	165,410	130,501	34,909
3	1/16,2/16	22/7/16,5/12/16	298,100	86,182	211,918
4	2/16,3/16	29/5/16,29/8/16	578,000	541,997	36,003
5	4/16,7/16	18/8/16,18/10/16	135,000	60,000	75,000
6	1/16	30/5/16	320,525	320,525	0
7	1/16	25/5/16	50,000	46,899	3,101
8	1/16	11/11/16	27,722	0	27,722
9	3/16	8/8/16	58,000	48,000	10,000
10	1/16	22/3/16	130,000	130,000	0
Total			1,837,757	1,434,484	403,273

445. In relation to the amount totalling \$1.434 billion that was expended by the Ministry for the procurement of drugs and medical supplies on behalf of the Regions, examination of the payment vouchers revealed the following observations:

- a) eight contracts were awarded by both NPTAB and MTB valued at \$1.434 billion and cheques were prepared and processed through IFMAS. A schedule of the drugs procured for the total contract sums were attached to the vouchers, however there were no breakdown to show the value and quantity of drugs and medical supplies procured for each Region. As a result, the accuracy and validity of the amounts expended on behalf of the Regions could not be determined; and
- b) included in the sum of \$1.838 billion is the sum of \$320.525M which represents warrants received by the Ministry for Region №. 6. According to the IFMAS Report and financial returns the full sum was expended by the Ministry on behalf of the Region for the period under review. Checks revealed that the sum of \$114.277M was expended on the purchase of drugs and medical supplies while the sum of \$206.248M was expended on the Ministry's payroll for October 2016. As a result, the moneys were not utilized for the purpose intended.

Ministry's Response: The Head of Budget Agency explained that: (a) a breakdown of the value and quantity of the drugs and medical supplies procured would be done in future; and (b) the Ministry is engaging the Ministry of Finance to have the issue with the amount expended on the payroll resolved.

Recommendation: The Audit Office recommends that the Ministry ensures that: (a) the amounts received via warrants are expended for the purposes intended and any unspent amounts are returned to the relevant Budget Agencies/Regions with the necessary financial returns; and (b) that it is in receipt of all financial returns in respect of warrants issued. (2016/218)

446. Approval was granted by NPTAB on 10 May 2016 for the award of a contract to an overseas supplier in the sum of US\$1,548,192 equivalent of G\$325.128M for Drugs and Medical Supplies. Four cheques for the full contract sum were processed and paid via wire transfer on 24 May 2016. Two payments totalling \$195.128M were paid under line item 6221-Drugs and Medical Supplies and two payments totalling \$130M were paid via Inter Departmental Warrants. The payments were not covered by a bank guarantee, although goods valued at \$277.260M were still to be delivered as at September 2017. As a result, the Ministry is not protected if the supplier fails to fulfill its obligations.

Ministry's Response: The Head of Budget Agency explained that systems will be put in place to ensure bank guarantees are in place to ensure the Ministry is protected.

Recommendation: The Audit Office recommends that the Ministry follow-up with the supplier to have the outstanding drugs and medical supplies delivered and that advance payments are covered by a bank guarantee. (2016/219)

Tender Board Minutes

447. During the period under review the Ministry did not keep Minutes of the Ministerial Tender Board meetings at which contracts were awarded. As a result, the basis of award of contracts could not be determined.

Ministry's Response: The Head of Budget Agency explained that Minutes were not kept in 2016; however, measures were put in place to prevent such re-occurrence in 2017.

Recommendation: The Audit Office recommends that the Ministry adhere to the requirements of the Procurement Act of 2003. (2016/220)

Linden Hospital Complex

448. During 2016, the Ministry of Public Health transferred to the Linden Hospital Complex amounts totalling \$296.763M from its current provisions. The sum was to have met the operational costs of the Hospital. The utilisation of the current appropriation to fund the Hospital was questioned, because funding for that entity was included under Programme 434-Regional and Clinical Services in the budget of the Ministry, as though it was a department, while funding was disbursed as if it was a subvention agency under the Ministry. The Linden Hospital Complex was approved by Cabinet Decision dated 24 November 2015 to function as a board during the period 1 December 2015 to 30 November 2016. However, as at 1 December 2016 the board was non-operational and no documented evidence was submitted to show the closure or if a new Board was appointed. The following was also evident:

- a) the Linden Hospital Complex was not an autonomous or semi-autonomous body regulated under an Act of Parliament; and
- b) the entity was managed by a Board of Directors and was not required to provide the Ministry with financial or other reports that would indicate that some form of Ministerial supervision was exercised over its processes

Ministry's Response: The Head of Budget Agency explained that no requests was seen for the extension of the life of the Board.

Recommendation: The Audit Office recommends that the Ministry take affirmative action to discuss this matter with the subject Minister and, if necessary, the Office of the Budget of the Ministry of Finance, with a view to having definitive decisions and action towards regularizing the status of the Linden Hospital Complex. (2016/221)

449. In addition, during the year under review, audit checks carried out at the Linden Hospital Complex revealed the following discrepancies:

- a) an examination of payroll and other related documents at the Linden Hospital Complex revealed that pay change directives for the termination of employment in respect of one employee and maternity benefits to one employee were forwarded late to the Central Accounting Unit of the Hospital. As a result, the employees were overpaid net salaries totalling \$33,344 and deductions totalling \$5,073;
- b) a physical verification of drugs conducted in July 2017, revealed that forty items with quantities of 2,543 were expired in relation to Linden Hospital Complex. It should be noted that twenty-seven items with quantities of 2,004 were expired in relation to donations received. The expired items were quarantined and awaiting disposal; and
- c) amounts totalling \$296.763M were transferred to the Linden Hospital Complex from its current provisions for the period under review. As at 31 December 2016 the sum of \$284.038M was expended as reflected on the financial statements presented. The unspent balance of \$12.725M was paid over to the Ministry on 12 January 2017 and was refunded to the Consolidated Fund on 13 January 2017.

Ministry's Response: The Head of Budget Agency explained that all efforts are being made to recover the overpayments.

Recommendations: The Audit Office recommends that (a) action be taken to recover the salaries overpaid; and (b) ensure that the expired drugs are properly disposed of and that all certificates are presented to the Audit Office for verification. (2016/222)

Capital Expenditure

450. The sum of \$2.061 billion was allocated under the capital programs for the period under review. According to the Appropriation Accounts the sum of \$1.541 billion was expended as at 31 December 2016, resulting in a difference of \$519M. The shortfall in expenditure is as a result of the Ministry's projects either not undertaken or not completed during the period, as shown below:

Line item	Description	Total Funds Available \$'000	Total Expenditure \$'000	Difference \$'000
1216200	Ministry of Public Health - Buildings	487,243	460,689	26,554
1216300	Georgetown Public Health Corp.	559,938	559,938	0
1217500	Doctors' Quarters	45,000	45,000	0
12171600	Specialty Hospital Project	350,000	0	350,000
2405600	Land and Water Transport	80,040	79,027	1,013
2508900	Office Furniture and Equipment	21,845	21,060	785
2509000	Equipment - Medical	142,187	40,180	102,007
2509100	Equipment	34,380	15,749	18,631
4402800	Modernisation of Primary Health Care	15,000	4,090	10,910
4504300	Technical Assistance	10,000	0	10,000
4402700	HIV/TB/Malaria Programmes	315,747	315,747	0
Total		2,061,380	1,541,480	519,900

Georgetown Public Hospital Corporation - \$559,938M

451. The sum of \$559.938M was allocated under Programme 434 - Regional and Clinical Services for Georgetown Public Hospital Corporation which entails: (i) payment of retention; (ii) completion of maternity building and operation theatre; (iii) construction of day care centre, canteen and facility to house computerised tomography (CT) scan machine; and (iv) purchase of vehicle, medical and non-medical equipment. As at 31 December 2016, the full allocation was expended, as shown below. The accounts of the Corporation are subjected to separate financial reporting and audit.

Particulars	No. of Payments	Amount \$'000
CT Scanning Machine	3	177,717
Medical and Non-Medical Equipment	100	156,212
Extension of Maternity Building	6	87,401
Neurosurgical Tools	1	35,560
Washing Machine	2	30,000
Construction Works	9	24,968
Refunds	6	21,080
Ventilators	2	21,000
Minibus	2	6,000
Total	131	559,938

452. Examination of the payment vouchers, invoices, contracts and other supporting documents presented revealed the following observations:

- a) on 5 December 2016, NPTAB granted the approval for the award of a contract valued at \$177.717M for the procurement of Computer Tomography (CT) scan machine for the period under review. An advance payment of \$44.429M or 25% of the contract sum was paid to the supplier on 20 December 2016, for which a guarantee with a validity period of 7 March 2017 was seen to cover the full payment. Further, two cheques with total value of \$133.288M or 75% of the contract sum were processed through IFMAS. As at September 2016, the two cheques were still on hand and the guarantee had expired although the machine was still to be received by the Corporation; and
- b) on 13 October 2016, NPTAB granted approval for the award of a contract valued at \$10.540M for the procurement of medical equipment (ECG machines, cardiac monitors, crash carts, ECG leads, infusion pumps and pulse oximeters). The sum of \$3.200M was paid on 5 December 2016 and a cheque valued at \$7.340M which represents the outstanding balance on the contract was still on hand as at September 2017. Audit checks revealed that equipment valued at \$10.060M were received by the Corporation during November 2016 and January 2017 as shown below, leaving two infusion pumps valued at \$480,000 still to be delivered as at September 2017.

Date Received	Details	Qty	Amount \$'000
18/01/2017	ECG Machine	3	3,300
18/01/2017	Crash Carts	2	2,400
18/01/2017	ECG leads	6	360
18/01/2017	Pulse Oximeters	4	800
16/11/2016	Cardiac Monitors	2	3,200
Total		17	10,060

Ministry's Response: The Head of Budget Agency explained that the Computer Tomography (CT) scan machine is at the wharf to be cleared and the two infusion pumps are expected to be in the country by the end of September 2017.

Recommendation: The Audit Office recommends that the Corporation pursue with the supplier the delivery of the CT scan machine and the two infusion pumps and also ensure that the bank guarantee is renewed. (2016/223)

Ministry of Health (Buildings) - \$460.689M

453. The sum of \$487.243M was allocated for Ministry of Public Health Buildings, which entailed: (i) remodelling and equipping of office; (ii) upgrading of electrical system; (iii) provision for Mental Health Secretariat parking lot and screen; (iv) payment of retention; (v) completion of Port Kaituma Hospital Complex; (vi) construction of nurses hostel and furnace at Port Kaituma Hospital and training centre at West Demerara Regional Hospital; (vii) upgrading of diagnostic centres at Diamond and Leonora; (viii) upgrading of Linden Hospital Complex; (ix) extension of Kwakwani Hospital; (x) completion of annex at Kingston Nursing School and sanitary block at hostel West Demerara Hospital; and (xi) construction of nurses hostel and extension of building - New Amsterdam School of Nursing. As at 31 December 2016, amounts totalling \$460.689M were expended, as shown below:

Particulars	No. of Payments	Amount \$'000
Construction/consultancy of Port Kaituma Hospital& Supply Incinerator	27	221,218
Extension of Leonora Diagnostic Centre	3	44,693
Construction/extension of New Amsterdam School of Nursing	6	42,047
Training Centre of Disabilities-Cyril Potter College of Education	7	36,361
Construction/Rehab of Linden Hospital Complex &Supply Incinerator	6	33,592
Upgrading of Diamond Hospital	3	17,280
Rehab of Mental Health Institute	5	16,382
Extension of Kwakwani Hospital	6	14,576
Upgrading & electrical works at Kingston Nursing School	3	10,909
Electrical works Food & Drugs Dept.	1	9,275
Electrical works & construction of canteen at MMU Diamond Warehouse	2	5,251
Upgrading washroom Community Health Worker Building	1	3,778
Upgrading of Minister Secretariat	4	3,191
Upgrading TB Step Drive	2	2,136
Total	76	460,689

454. Included in the sum of \$460.689M are amounts totalling \$221.218M which were expended in relation to eleven contracts for the construction of Port Kaituma Hospital during the period under review, as shown below:

NPTAB №.	Contract №.	Description of Works	Amount \$'000
3634/15	1058/15	Generator Building and Equipment	67,696
1317/16	0669/16	Construction of Nurses Hostel	36,939
3617/15	1054/15	Construction of infectious In-Patient Facility	31,746
3615/15	1057/15	Completion of Admin. Service Building	23,054
3616/15	1056/14	Site Development Works	12,795
2453/16	1145/16	Installation of Special Systems	12,578
3633/15	1055/15	Mortuary Building & Equipment	10,887
3720/13	1088/13	Construction of Hospital	9,376
2452/16	1417/16	Supply & Install Waste Incinerator	9,018
3854/16	1419/16	Consultancy for Hospital, Hostel & Doctors Quarters	4,448
3720/13	0296/13	Consultancy for construction of Hospital	2,681
Total			221,218

455. In addition, to the sum of \$460.689M are seven contracts valued at \$575.846M which were approved by NPTAB during 2013-2015 for the construction of Port Kaituma Hospital, Region №. 1. Payments totalling \$158.235M were made on the contracts during the period under review, as shown below. Multi-year approvals were not presented by the Ministry to validate the roll over payments made on the contracts.

NPTAB №.	Contract №.	Contract Sum \$'000	Payments				Total Payments \$'000	Balance on Contract \$'000
			2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000		
3634/15	1058/15	79,876	0	0	10,183	67,696	77,879	1,997
3617/15	1054/15	40,963	0	0	8,193	31,746	39,939	1,024
3615/15	1057/15	35,796	0	0	7,159	23,054	30,213	5,583
3616/15	1056/15	16,510	0	0	3,302	12,795	16,097	413
3633/15	1055/15	14,047	0	0	2,809	10,887	13,696	351
3720/13	1088/13	375,113	64,273	214,591	86,873	9,376	375,113	0
3720/13	0296/13	13,541	0	4,844	6,016	2,681	13,541	0
Total		575,846	64,273	219,435	124,535	158,235	566,478	9,368

456. Approval was granted by NPTAB for the award of the contract for the construction of a new generator building and installation of generator, electrical cabling and main distribution and control at Port Kaituma Hospital Complex to the lowest evaluated bidder in the sum of \$50.915M against the Engineer's Estimate of \$42.603M. Approval was granted by NPTAB for an increase in the price of the contract in the sum of \$28.961M, giving a revised contract sum of \$79.876M. The contract was signed on 29 December 2015 with duration of six months and defects liability period of twelve months. The start date was noted as twenty-one days after the signing of the contract. The contractor received an advance payment of \$10.183M representing 20% of the contract sum. As at 31 December 2016, amounts totalling \$77.879M were made to the contractor. A physical verification carried out on 30 August 2017 revealed the following:

- a) the works were incomplete; however physical verification of the generator supplied could not be verified since the building was locked;
- b) the contractual start date of the project was 19 January 2016 with contract duration of six months, resulting in a completion date of 19 July 2016;
- c) no Performance Bond or Advance/Mobilisation Bond was seen; and
- d) it was noted that the contractor was paid a second advance in the sum of \$36.404M representing 45.6% of the revised contract sum; however the Bond provided for this second advance expired since 30 March 2017 and was not renewed since. This is a breach of contract since only one advance payment was specified in the contract.

Ministry's Response: The Head of Budget Agency explained that the outstanding works was put on hold awaiting the construction of the other buildings, since the electrical cables will be connected to the generator via underground networks.

Recommendation: The Audit Office recommends that the Ministry (a) ensure that liquidated damages are applied to errant contractors for tardiness in completing works in a timely manner (b) desist from certifying and making payments for works which have not been completed (c) ensure that Performance and Mobilisation Bonds are valid as required under the contract, and (d) should immediately desist from making multiple advance payments and breaching the Conditions of Contract, when the contract only allows for one advance. (2016/224)

457. Approval was granted by NPTAB for the award of the contract for the construction of Infectious In-Patient Facility, Port Kaituma Hospital Complex to the lowest evaluated bidder in the sum of \$40.963M against the Engineer's Estimate of \$47.527M. The contract was signed on 29 December 2015 with duration of six months and defects liability period of six months. The start date was noted as twenty-one days after the signing of the contract. The contractor received an advance payment of \$10.183M representing 20% of the contract sum. As at 31 December 2016, amounts totalling \$39.938M were made to the contractor. A physical verification carried out on 30 August 2017 revealed the following:

- a) the intended completion date for the works was July 2016, however, at the time of the physical verification on 30 August 2017, approximately one year since the contractual completion date expired, the works were still incomplete and the contractor has demobilised from the site;
- b) no approval for extensions of time was granted;
- c) it was discovered that the contractor received a total payment of \$39.938M or 97.5% of the contract sum for incomplete works. According to the scope of works, works totalling \$8.631M were not completed, as stated below:
- wall protector;
 - windows :3'-0" x 4'-6" (casement);
 - flexible Tiles;
 - mirror and cupboards;
 - air Extraction /Injection (isolation rooms and bathrooms fans);
 - bathroom exhaust fan;
 - A/C Units;
 - Landscaping;
 - water storage;
 - paved walkway;
 - smoke detectors and fire extinguishers;
 - installation of cupboards/shelves;
 - construction of nurse station fixture; and
 - construction of stainless steel rails to ramp.
- d) there was no breakdown/ details attached to the payment voucher submitted for audit examination;
- e) there is no evidence that liquidated damages were deducted from the payments made to the contractor, despite the fact that the works have been significantly delayed; and
- f) the warranty certificate for Termite Treatment was not seen.



The newly constructed Building (Photo taken on 30 August 2017, at the time of physical verification)

Ministry's Response: The Head of Budget Agency explained changes were made to the initial designs and the final valuation is to be prepared highlighting all additional works done.

Recommendations: The Audit Office recommends that the Ministry: (a) should ensure that payments are prepared with all supporting breakdown/ details attached showing clearly what the contractor is being paid for. A copy of such breakdown should be submitted for audit examination; (b) should ensure that liquidated damages are applied to errant contractors for tardiness in completing works in a timely manner; and (c) desist from certifying and making payments for works which have not been completed. (2016/225)

458. Approval was granted by NPTAB for the award of the contract for the completion, of Administration Building, Port Kaituma Hospital Complex to the lowest evaluated bidder in the sum of \$35.796M against the Engineer's Estimate of \$44.301M. The contract was signed on 29 December 2015 with duration of four months and defects liability period of six months. The start date was noted as twenty-one days after the signing of the contract. The contractor received an advance payment of \$7.159M representing 20% of the contract sum. As at 31 December 2016, amounts totalling \$30.213M were made to the contractor. A physical verification carried out on 30 August 2017 revealed that the contractual start date of the project was 19 January 2016 with a completion date of 19 May 2016; however the works are in progress at the time of the verification.

Ministry's Response: The Head of Budget Agency explained that the contractor is on site and the works are progressing.

Recommendations: The Audit Office recommends that the Ministry: (a) ensure that liquidated damages are applied to errant contractors for tardiness in completing works in a timely manner; and (b) desist from certifying and making payments for works which have not been completed. (2016/226)

459. Approval was granted by NPTAB for the award of the contract for the Site Development, Port Kaituma Hospital Complex to the lowest evaluated bidder in the sum of \$16.510M against the Engineer's Estimate of \$23.377M. The contract was signed on 29 December 2015 with duration of two months and defects liability period of three months. The start date was noted as twenty-one days after the signing of the contract. The contractor received an advance payment of \$3.302M representing 20% of the contract sum. As at 31 December 2016, amounts totalling \$16.097M were made to the contractor. A physical verification carried out on 30 August 2017 revealed that:

- a) the works were incomplete at the time of the verification, although the intended duration for the completion of the works was two months;
- b) no extensions of time were granted; and
- c) no Performance Bond was seen.

Ministry's Response: The Head of Budget Agency explained that the works are now completed and the final valuation is to be prepared.

Recommendations: The Audit Office recommends that the Ministry (a) ensure that liquidated damages are applied to errant contractors for tardiness in completing works in a timely manner (b) must desist from certifying and making payments for works which have not been completed and (c) should ensure that Performance and Mobilisation Bonds are valid as required under the contract. (2016/227)

460. Approval was granted by NPTAB for the award of the contract for the construction of Mortuary Building and Equipment, Port Kaituma Hospital Complex in the sum of \$14.047M. The contract was signed on 29 December 2015 with duration of four months and defects liability period of six months. The start date was noted as twenty-one days after the signing of the contract. As at 31 December 2016, amounts totalling \$13.696M were made to the contractor. A physical verification carried out on 30 August 2017 revealed that:

- a) our physical verification revealed that the works were incomplete. The contractor was on site and works were in progress;
- b) it was discovered that the contractor received a total payment of \$13.696M or 97.5% of the contract sum for incomplete works. According to the scope of works under the contract, works totalling \$5.300M are still to be completed, as shown below:
 - Electrical installations;
 - The supply and installation of freezing equipment;
 - Landscaping ;

- Septic tank ;
- Concrete drain;
- Paved pathways; and
- Acquisition of chiller equipment, fire extinguishers and cupboards/shelves.

c) the contractual start date of the project was 19 January 2016 with duration of four months, thus giving the project completion date as 19 May 2016; however at the time of the physical verification on 30 August 2017, the works were still in progress.



The incomplete building (Photo taken on 30 August 2017, at the time of physical verification)

Ministry's Response: The Head of Budget Agency explained that the freezer is to arrive in the country in September 2017 and that the additional works are expected to be completed and the final valuation is to be prepared.

Recommendations: The Audit Office recommends the Ministry (i) ensure that liquidated damages are applied to errant Contractors for tardiness in completing works in a timely manner (ii) desist from certifying and making payments for works which have not been completed and (iii) ensure that Performance and Mobilisation Bonds are valid as required under the contract. (2016/228)

461. Also included in the sum of \$460.689M are four contracts valued at \$81.021M that were approved by NPTAB during 2016 for consultancy and construction works done at Port Kaituma Hospital, Region №. 1. Payments totalling \$62.983M were made on these contracts during the period under review, as shown below:

NPTAB №.	Contract №.	Description of Works	Cont. Sum \$'000	2016 Payments \$'000	Balance on contract \$'000
1317/16	0669/16	Construction of Nurses Hostel	52,771	36,939	15,832
2453/16	1145/16	Installation of Special Systems	12,900	12,578	322
2452/16	1417/16	Supply & Install Waste Incinerator	9,250	9,018	232
3854/16	1419/16	Consultancy for Hospital, Hostel & Doctors Quarters	6,100	4,448	1,652
Total			81,021	62,983	18,038

462. Approval was granted by NPTAB for the award of the contract for the construction of Nurses Hostel, Port Kaituma Hospital Complex to the lowest evaluated bidder in the sum of \$52.771M against the Engineer's Estimate of \$56.030M. The contract was signed on 9 August 2016 with duration of four months and defects liability period of six months. The start date was noted as fourteen days after the signing of the contract. The contractor was granted an advance payment of \$13.193M, representing 25% of the contract sum. As at 31 December 2016, amounts totalling \$36.939M were made to the contractor. A physical verification carried out on 30 August 2017 revealed that:

- a) the works were incomplete and the contractor was not mobilised on site. It was further noted that there were changes to the design and layout for the buildings;
- b) only preparatory works for the pouring of concrete for the foundation was completed at the time of the verification. Further, the steel reinforcement which was installed to the foundation is currently unprotected and exposed to the weather;
- c) the contractor received payments totalling \$36.939M or 70% of the contract sum to date, however, based on our assessment, the actual value of works completed at the time of the physical verification was only \$2.686M; a difference of \$34.253M;
- d) at the time of the physical verification, the following works were still to be completed:
 - pouring of concrete for the foundation;
 - pouring of concrete for columns, beams, floor slab;
 - construction of kerb wall and sand filling;
 - construction of internal and external walls, roof ,electrical and plumbing installations;
 - installation of windows; and
 - external works and finishes.
- e) it was discovered that only one 'L' shaped building is being constructed instead of two independent buildings, as per original contract. Further, no Variation Order (s)/ revised designs/ costing were seen for these changes; and
- f) it was discovered that the Performance Bond expired since 2 July 2017 and not renewed, while the Mobilisation Bond expired since 2 January 2017 and was not renewed.



The works executed on the foundation-Photo taken on 30 August 2017, at the time of physical verification.

Ministry's Response: The Head of Budget Agency explained that a letter was sent to the contractor on 4 July 2017 terminating his services and a final valuation is to be prepared for the works executed to date.

Recommendations: The Audit Office recommends that the Ministry: (i) ensure that payments are prepared with all supporting breakdown/ details attached showing clearly what the Contractor is being paid for. A copy of such breakdown should be submitted for audit examination; (ii) ensure that liquidated damages are applied to errant contractors for tardiness in completing works in a timely manner; (iii) desist from certifying and making payments for works which have not been completed; (iv) ensure that Performance and Mobilisation Bonds are valid as required under the contract; and (v) all changes to the design/ scope of works should be well documented all relevant approvals should be obtained. (2016/229)

463. Approval was granted by NPTAB for the award of the contract for the installation of Special Systems, Port Kaituma Hospital Complex via single sourcing in the sum of \$12.900M. The contract was signed on 3 November 2016 with duration of six weeks and defects liability period of six months. The start date was noted as fourteen days after the signing of the contract. The contractor was granted an advance payment of \$3.870M, representing 30% of the contract sum. As at 31 December 2016, amounts totalling \$12.577M were made to the contractor. A physical verification carried out on 30 August 2017 revealed that:

- a) the works were incomplete and the contractor was on site and works were still in progress;
- b) based on the contract, the contractual completion date for the works was 29 December 2016; however, at the time of our physical verification on 30 August 2017, eight months after the contractual completion date expired, the works were still in progress;
- c) no approved extensions of time were seen;
- d) it was discovered that the Performance Bond issued expired since 13 July 2017 and was not renewed; and

- e) there was no breakdown/ details attached to the payment voucher submitted for audit examination and as such, at this time we are unable to determine whether or not overpayments have occurred or if there were any contractual irregularities.

Ministry's Response: The Head of Budget Agency explained that the works have now been completed; however, the final testing of the system is yet to be done to troubleshoot the system.

Recommendations: The Audit Office recommends that the Ministry: (i) if liable, the contractor should be charged liquidated damages in accordance with the Conditions of Contract; (ii) ensure that the Performance Bond remains valid for the period specified in the contract; and (iii) ensure that payments are prepared with all supporting breakdown/ details attached showing clearly what the contractor is being paid for. A copy of such breakdown should be submitted for audit examination. (2016/230)

464. Further, included in the sum of \$460.689M are amounts totalling \$13.616M which was expended on consultancy fees, storage containers and generator. However, the expenditure was not budgeted for by the Ministry for the period under review. In the circumstances, the Ministry did not present an inclusion of program to verify this expenditure.

Ministry's Response: The Head of Budget Agency explained that the Ministry regrets such occurrence and will put systems in place to prevent any such reoccurrence in the future.

Recommendation: The Audit Office recommends that the Ministry seek the necessary approval before moneys are expended on projects not budgeted for. (2016/231)

465. According to the Capital Profile the Ministry had budgeted for the construction of a training centre at West Demerara Regional Hospital for the period under review. However, no expenditure was incurred for this activity as at 31 December 2016. Further, the construction of the training centre was not re-budgeted in the Ministry's 2017 budget.

Ministry's Response: The Head of Budget Agency explained that the project was reprioritised giving the ministries program objective at the said time.

Recommendation: The Audit Office recommends that the Ministry carefully plan its activities before budgeting for same. (2016/232)

466. According to the Standard Bidding Document (SBD) which stipulates that mobilisation/advance payment of 15% is to be provided with the exception of Regions 1, 7, 8 and 9. However, seven contracts were approved by NPTAB valuing \$176.958M in relation to works done in Regions 4, 6 and 10 for the period under review. Examination of the contracts, payment vouchers and other related records revealed that advance payments of 20% totalling \$35.392M were paid on these contracts which were approved in the contracts, as shown below. As a result, the contractors were overpaid 5% on the mobilisation/advance payments with an aggregated value of \$8.848M on said contracts.

NPTAB №.	Description of Works	№. of Bids	Contract Sum \$'000	20% Mobilisation as per Contract \$'000	15% Mobilisation as per SBD \$'000	Difference \$'000
1319/16	Extension/Remodeling of Kwakwani Hospital Region №. 10	9	14,951	2,990	2,243	748
1320/16	Training Centre for the Treatment of Disabilities Region №. 4	9	37,294	7,459	5,594	1,865
1877/16	Extension of School Building, New Amsterdam School Nursing Region №. 6	13	25,510	5,102	3,826	1,275
1878/16	Construction of Nurses Hostel New Amsterdam School of Nursing Region №. 6	14	49,179	9,836	7,377	2,459
1921/16	Supply and installation of one general purpose waste incinerator Linden Hospital Region №. 10	Single Source	13,500	2,700	2,025	675
1318/16	Upgrading and rehab of Mental Health Building Region №. 4	8	15,044	3,009	2,257	752
2239/16	Upgrading works to Diamond Hospital Region №. 4	8	21,480	4,296	3,222	1,074
Total			176,958	35,392	26,544	8,848

Ministry's Response: The Head of Budget Agency has explained that NPTAB has approved the award of these contracts based on the relevant bid documents supplied; also the Standard Bidding Document provides specific sections in the document that facilitates customisation for specific project.

Recommendation: The Audit Office recommends that the Ministry complies with the stipulations of the SBD and that all documentations are presented for audit verification. (2016/233)

HIV/TB/Malaria Programme-\$315.747M

467. The sum of \$280M was allocated under Programme 432-Diseases Control to the HIV/TB/ Malaria Programme for Grant №.GYA-M-MOH. The Programme had a supplementary provision of \$35.747M bring the total revised allocation to \$315.747M. The full sum was expended under the programme for the financial year 2016. This Programme is subject to separate financial reporting and audit. The Programme was last audited for the financial year 2015.

Land and Water Transport-\$79.027M

468. The sum of \$80.040M was allocated for Land and Water Transport in relation to four Programmes for the period under review, as shown below:

Programme	Description	Amount \$'000
431-Policy Development and Admin.	Purchase of Vehicles	12,400
432-Disease Control	Purchase of vehicle, trailer & outboard engine	18,140
434-Regional and Clinical Services	Purchase of river ambulance and ATV's	40,500
437-Disability and Rehab. Services	Purchase of Vehicle	9,000
Total		80,040

469. According to the Appropriation Accounts the sum of \$79.028M were expended as at 31 December 2016, as shown below:

Particulars	№. of Payments	Amount \$'000
River Ambulance	2	30,028
Hilux Double cab pick-up	3	20,002
Prado Motor Vehicle	1	12,099
Mini Bus (30 Seat)	1	8,745
All Terrain Vehicles	1	5,985
Outboard Engine	1	1,169
Aluminum Boat	1	1,000
Total	10	79,028

470. According to the Capital Profile, the Ministry had budgeted for the purchase of a trailer under Programme 432 - Disease Control for the period under review. However, no expenditure was incurred for this activity as at 31 December 2016. Further, the trailer was not re-budgeted for in the Ministry 2017 budget.

Ministry's Response: The Head of Budget Agency explained that because of assistance granted by Regional and International partners in respect of the cost of travelling in the respective Regions, the Ministry was no longer in immediate need for the trailer, hence the non-acquisition of the trailer in 2016.

Recommendation: The Audit Office recommends that the Ministry carefully plan its activities before budgeting for same. (2016/234)

471. Included in the sum of \$79.028M is the sum of \$1M which was expended on the purchase of one aluminum boat for Programme 432 - Disease Control for the period under review. Examination of the payment voucher, contract and other supporting documentation revealed the following observations:

- a) the cheque dated 19 September 2016 was still on hand as at September 2017. The boat was not received by the Ministry although, the contract stipulated that delivery is to be made immediately after the signing of the contract which dated 10 August 2016;
- b) one photocopy quotation was attached to the voucher;
- c) the payment was not approved by the Department Head; and
- d) the expenditure was not budgeted for by the Ministry and an inclusion of programme was not presented for verification.

Ministry's Response: The Head of the Budget Agency explained that the cheque will be refunded to the Consolidated Fund.

Recommendation: The Audit Office recommends that the Ministry (i) adheres to the contract stipulations (ii) ensure that quotations are valid (iii) have all payments properly approved; and (iv) present all documentation for audit verification. (2016/235)

472. Approval was granted by NPTAB for the award of a contract for the procurement of an outboard engine in the sum of \$1.169M under Programme 432 - Disease Control. As at September 2017, a cheque dated 19 December 2016 for the full contract sum, had become stale dated and was still on hand. The engine was yet to be received by the Ministry although, the contract specified that the delivery period be immediately after the signing of the contract which was dated 2 December 2016. As a result, the Appropriation Accounts would be overstated by this amount and the Ministry did not present a multi-year approval to validate the expenditure.

Ministry's Response: The Head of Budget Agency explained that the cheque will be refunded to the Consolidated Fund.

Recommendation: The Audit Office recommends that the Ministry follow-up with the supplier to have the engine delivered and to adhere to the contract stipulations. (2016/236)

Doctor's Quarters - \$45M

473. The sum of \$45M was allocated under Programme 434 - Regional and Clinical Services, Doctors' Quarters, which entailed the construction of doctors' quarters at Port Kaituma Hospital Complex. As at 31 December 2016, amounts totalling 45M were expended.

474. Approval was granted by NPTAB for the award of a contract for the construction of Doctors' Accommodation, Port Kaituma Hospital Complex to the lowest evaluated bidder in the sum of \$58.341M against the Engineer's Estimate of \$62.291M. The contract was signed on 19 July 2016 with duration of eighteen weeks and defects liability period of six months. The start date was noted as fourteen days after the signing of the contract. The contractor received an advance payment of \$14.585M representing 25% of the contract sum. As at 31 December 2016, amounts totalling \$45M were paid to the contractor. A physical verification of the project carried out on 30 August 2017 revealed the following:

- a) the works were incomplete and the contractor was on site and works were in progress;
- b) the contractual start date was 2 August 2016 with duration of eighteen weeks, resulting in a completion date of 6 December 2016, however at the time of the physical verification the works were still in progress;
- c) at the time of the physical verification, the following works were still to be completed:
 - installation of internal walls & rendering;
 - construction of roof;
 - electrical and plumbing works and accessories;
 - installation of windows; and
 - external works and finishes.
- d) the contractor received payments totalling \$45M or 77% of the contract sum to date, however, based on our assessment, the actual value of works completed at the time of the physical verification was only \$14.768M, a difference of \$30.232M; and
- e) that both the Performance Bond and Advance Mobilisation Bond expired since 5 February 2017 and were not renewed.



The works executed on the building (Photo taken on 30 August 2017, at the time of physical verification)

Ministry's Response: The Head of Budget Agency explained that a letter was sent to the contractor on 20 July 2017 terminating his services and a final valuation to be prepared for the works executed to date.

Recommendations: The Audit Office recommends that the Ministry: (i) ensure that payments are prepared with all supporting breakdown/ details attached showing clearly what the contractor is being paid for. A copy of such breakdown should be submitted for audit examination; (ii) ensure that liquidated damages are applied to errant contractors for tardiness in completing works in a timely manner; (iii) desist from certifying and making payments for works which have not been completed; and (iv) ensure that Performance and Mobilisation Bonds are valid as required under the contract. (2016/237)

Equipment (Medical) - \$40.180M

475. The sum of \$142.187M was allocated for Equipment-Medical, which entailed: (i) purchase of mercury analyser and spectrophotometer; (ii) purchase of delivery beds, monitors, dental chairs, height boards, scales, sterilisers, autoclaves, incubators, infant cots, dopplers, blood pressure apparatus and dental x-ray unit; (iii) purchases of anaesthesia machine, haematology analyser, ultrasound machine, ECG machines, defibrillators, oxygen cylinders, gauges, nebulisers, masks, trolleys, operation tables and lights; (iv) purchase of analysers, vortex mixers, rotator, microscopes, pipettes and stands; and (v) purchase of tympanometer, auditory brainstem response machine, heat therapy pads, ultrasound machine, lamps, lumbar traction unit, stimulators and therapeutic laser machine. According to the Appropriation Accounts, the sum of \$40.180M were expended as at 31 December 2016, as shown below:

Particulars	No. of Payments	Amount \$'000
New Born Hemoglobin System	1	15,990
Becton Dickinson BactecMgit Machine	1	14,000
Beckman Coulter Haematology Analyzer	1	5,990
HemoCue HB 201 Machine and Accessories	1	4,200
Total	4	40,180

476. Approval was granted by NPTAB for the award of a contract to a local supplier for the purchase of New Born Haemoglobin System in the sum of \$19.990M. The contract was signed between the Ministry and the supplier on the 21 December 2016 in the sum of \$15.990M. A cheque dated 31 December 2016 and valued at \$15.990M was paid to the supplier on 21 June 2017. Audit checks revealed that the System was received by the Ministry on 19 June 2017 although; the delivery period specified 30-40 days after the signing of the contract which was approximately twenty weeks after the specified delivery period. As a result, there was a breach in the contract.

477. Further, approval was granted by NPTAB for the award of a contract to the same supplier for the training, installation and supplies for the New Born Haemoglobin System in the sum of \$4.090M. On the 30 December 2016 the Ministry entered into a contract with the supplier for the amount of \$4.090M. A cheque dated 4 January 2017 for the full contract sum was prepared, however at the time of reporting, the cheque was still in the possession of the Ministry. Audit checks revealed that the items and related services were received by the Ministry in June and August 2017, respectively. The following observations were made:

- the contract for the training and installation was entered into before the equipment was procured;
- approval was granted by NPTAB for the procurement of the New Born Haemoglobin System in the sum of \$19.990M, however, the contract was prepared for the sum of \$15.990M;
- physical verification revealed the equipment were brought into operation in August 2017;
- according to a senior official one UPS battery backup valued at \$250,000 delivered in June remained non-functional from the time of delivery; and
- one FISKAR hand punch - 1/8" circle was procured at a value of \$450,000, audit checks revealed that the same punch could be procured for approximately \$2,000.

Ministry's Response: The Head of Budget Agency explained that an investigation is being carried out into these matters.

Recommendation: The Audit Office recommends that the Ministry be more vigilant in the preparation and execution of contracts. (2016/238)

Equipment - \$15.753M

478. The sum of \$34.380M was allocated for equipment, which entailed the purchase of air conditioning units, refrigerators, cabinets, pallet jacks, freezer, cameras, scales, generator, washer, dryer, chairs, cupboards, stools, bed, projectors, photocopiers, printers, ice flaking and crushing machine, bicycle, treadmills, dumbbells, television and fans. According to the Appropriation Accounts amounts totalling \$15.753M were expended as at 31 December 2016 as shown below:

Particulars	No. of Payments	Amount \$'000
Walk-in Refrigerator	1	4,700
Air Conditioning Units	7	4,447
Bedside cupboards	1	1,440
Scales	2	1,329
Refrigerator	4	1,199
Filing cabinets	1	990
Foot stools	1	720
Treadmill and bike	2	554
Fans	2	137
Pallet jacks	1	115
Dumbbells	1	77
Wall mount	1	30
DVD Player	1	15
Total	25	15,753

479. Examination of the payment vouchers, contracts, stores records and other related records revealed that on 30 December 2016, NPTAB granted approval for the award of a contract for the purchase of one walk-in cooler valued at \$4.7M. Checks revealed that the contract was signed on 20 January 2017 and a cheque dated 4 January 2017 was prepared and paid to the supplier on 11 April 2017. This cheque was prepared before the contract was signed. According to the contract documents, delivery should be “90 days after the signing of the contract”. However, as at September 2017, the cooler was still to be supplied, although the full contract sum was paid to the supplier. In the circumstances, the supplier was not in keeping with the contract stipulation.

Ministry's Response: The Head of Budget Agency explained that the cooler is on the wharf awaiting clearance.

Recommendation: The Audit Office recommends that the Ministry follow-up with the supplier to have the outstanding deliveries received and properly accounted for in the records. (2016/239)

Modernisation of Primary Health Care System - \$4.090M

480. The sum of \$15M was allocated for Modernisation of Primary Health Care System, which entailed provision for Modernisation of Primary Health Care Facilities - West Demerara, Bartica and Suddie Hospitals. As at 31 December 2016, amounts totalling \$4.090M were expended during the period under review.

481. Approval was granted by NPTAB for the award of a contract for the selection of a consultant for the project Modernise Hospitals: West Demerara Regional, Bartica and Suddie Hospitals in the sum of \$4.090M. As at 31 December 2016, the full contract sum or 27% of the budgeted amount were expended. As result, the Ministry over budgeted for this project.

Ministry's Response: The Head of the Budget Agency explained that the designs and the drawings for the projects in Regions №. 2, 3, and 7 are being completed and checked along with the bills of quantities. The projects are still in the design phase.

Recommendations: The Audit Office recommends that the Ministry should be more prudent when preparing budget. (2016/240)

Specialty Hospital Project

482. According to the Capital Profile, the Ministry had budgeted the sum of \$350M under Programme 434 - Regional and Clinical Services for: (i) the design, construction and equipping of the Specialty hospital; (ii) consultancy services; and (iii) site development. However, no expenditure was incurred under this line item for the period under review. As a result, amounts budgeted for was not utilized.

Ministry's Response: The Head of Budget Agency explained that the Ministry decided to reprioritised and look at upgrading Primary Health Care facilities with guidance from the Ministry of Finance.

Recommendation: The Audit office recommends that the Ministry should carefully consider their priorities in the preparation of their budget. (2016/241)

Technical Assistance

483. According to the Capital Profile, the sum of \$10M was budgeted for under Programme 433- Family Health Care Services for the provision of study to address maternal, infant and child mortality. However, no expenditure was incurred under this line item for the period under review. As a result, amounts budgeted for was not utilised.

Ministry's Response: The Head of Budget Agency explained that consultant that was identified for the provision of study to address maternal, infant and child mortality commenced work but left and never returned due to illness, thus the technical assistance was not utilised.

Recommendation: The Audit office recommends that the Ministry should carefully consider their priorities in the preparation of their budget. (2016/242)

Status of Prior Year Issues

484. The Audit Office issues recommendations to the Ministry that are designed at improving systems and practices at the entity and improving the Government governance and accountability mechanism. Thirty-seven recommendations were made in my 2015 Audit Report. We reviewed each recommendation to determine what action, if any, was taken by the Accounting Officer. At the time of reporting, 16 or 43% were fully implemented, 11 or 30% were partially implemented, while 10 or 27% were not implemented.

Recommendations Partially Implemented

485. Late pay change directives resulted in overpayment of net salaries and deductions totalling \$2.655M and \$1.047M respectively for the years 2011, 2012, 2014 and 2015. The sum of \$1.123M was recovered during 2016 and 2017. The total overpayment for the years 2011, 2012, 2014 and 2015 was reduced to \$2.917M as at September 2017.

Year	Net Salaries Overpaid (A) \$	Deductions Overpaid (B) \$	Total Net Salaries and Deductions Overpaid (C) \$	Total Net Salaries and Deductions Recovered (D) \$	Gross Salaries O/standing (E)=(C-D) \$
2011	757,371	345,867	1,103,238	0	1,103,238
2012	205,299	74,169	279,468	0	279,468
2014	1,193,451	416,423	1,609,874	1,013,508	596,366
2015	908,639	138,434	1,047,073	109,614	937,459
Total	3,064,760	974,893	4,039,653	1,123,122	2,916,531

Ministry's Response: The Head of Budget Agency explained that the next course of action is to write Guyana elections Commission to provide last known addresses and registered letters would be sent to those former employees in efforts to recover amounts overpaid.

Recommendation: The Audit Office recommends that the Ministry renew its efforts to have all outstanding overpayments recovered and put systems in place to prevent recurrences. (2016/243)

486. New GPC Inc. was still to deliver drugs totalling \$11.863M for the year 2011 while six other suppliers were still to deliver drugs totalling \$15.252M. Deliveries totalling \$7.941M were cleared during 2016 and 2017, resulting in the sum of \$7.369M still outstanding as at September 2017 in relation to other suppliers.

Supplier	Contract Sum \$'000	Delivered as at 30/09/2015 \$'000	Outstanding as at 30/09/2015 \$'000	Deliveries as at Sept.2017 \$'000	Outstanding as at Sept.2017 \$'000
Productos Roche	105,285	32,929	72,356	72,356	0
Caribbean Medical Supplies	30,038	8,860	21,178	21,120	58
Trans Continental Ltd	24,577	7,177	17,400	13,157	4,243
Henry Schien Inc.	2,218	0	2,218	0	2,218
PAHO	468	0	468	0	468
SHIMADZU	382	0	382	0	382
Total	162,968	48,966	114,002	106,633	7,369

Ministry's Response: The Head of Budget Agency explained that reconciliations are continuing and efforts are being made to have the outstanding drugs delivered.

Recommendation: The Audit Office recommends that the Ministry renew its efforts to engage the suppliers as a matter of urgency to have the outstanding drugs delivered. (2016/244)

487. In 2013, outstanding deliveries in relation to other suppliers amounted to \$75.453M. Deliveries were made during 2017 totalling \$19.260M, hence reducing the balance to \$56.193M as at September 2017, as shown below:

Supplier	Payments (A) \$'000	Handling Charges (B) \$'000	Cost of Drugs (C)=(A-B) \$'000	Deliveries as at March 2017 (D) \$'000	Outstanding as at 10/09/2017 (E)=(C-D) \$'000
International Pharm. Agency	42,702	0	42,702	12,795	29,907
Meditron Scientific Sales	23,115	97	23,018	12,660	10,358
PAHO	142,458	5,590	136,868	128,591	8,277
Bryden PILtd.	13,173	3	13,170	13,170	0
Caribbean Medical Supplies	72,683	864	71,819	68,444	3,375
Henry Schien	34,219	0	34,219	31,629	2,590
PattersonMedical	1,688	2	1,686	0	1,686
Eureka Laboratory	16,819	0	16,819	16,819	0
Total	346,857	6,556	340,301	284,108	56,193

Ministry's Response: The Head of Budget Agency explained that as supplies are received, reconciliations are being done and the amount to be delivered reduced accordingly.

Recommendation: The Audit Office recommends that the Ministry continue to engage the suppliers as a matter of urgency to have the outstanding drugs delivered. (2016/245)

488. In 2013, the outstanding deliveries for New GPC Inc. amounted to \$44.997M. Deliveries totalling \$42.297M were made during 2016 and 2017; as a result amount totalling \$2.7M was still outstanding on contract №. 2/13 as at September 2017.

Ministry's Response: The Head of Budget Agency has agreed with the findings and efforts are being made to have the supplier deliver the outstanding drugs.

Recommendation: The Audit Office recommends that the Ministry should continue to engage the suppliers as a matter of urgency to have the outstanding drugs delivered. (2016/246)

489. In 2014, obligations under thirteen suppliers were not fully satisfied in that goods valued at \$26.133M still remained outstanding at the time of reporting in September 2016. Deliveries were made during 2016 totalling \$8.976M and refunds totalling \$7.156M, hence reducing the balance to \$10.001M as at September 2017 as shown below:

Supplier	Cost of Drugs (A) \$'000	Handling Charges (B) \$'000	Payments (C)=(A+B) \$'000	Deliveries as at Sept,2017 (D) \$'000	Refunds as at Sept,2017 (E) \$'000	Outstanding as at Sept, 2017 (F)=(A-E-D) \$'000
Patterson Medical	4,265	462	4,727	0	0	4,265
PAHO	132,629	26,270	158,899	130,888	0	1,741
Trans Continental Med. Pro.	56,222	0	56,222	54,489	0	1,733
Diamed Caribbean Inc.	9,242	397	9,639	7,892	193	1,157
One World Accuracy Inc.	1,052	685	1,737	0	0	1,052
Meditron Scientific Sales	333	0	333	302	0	31
Biomed Energy Ent.	45,621	2,995	48,616	45,599	0	22
Total	249,364	30,809	280,173	239,170	193	10,001

Ministry's Response: The Head of Budget Agency explained that efforts are still being made to have the outstanding drugs delivered.

Recommendation: The Audit Office recommends that the Ministry should continue to engage the suppliers as a matter of urgency to have the outstanding drugs delivered. (2016/247)

490. In 2015, the Ministry had ninety-three cheques valued at \$156.029M at the time of reporting in September 2016. The Ministry was able to pay thirty-nine cheques valued at \$140.620M and refunded forty-one cheques valued at \$9.755M, hence a total of thirteen cheques valued at \$5.654M still remained on hand as at September 2017, as shown below:

Years	№. of Cheques as at Sept, 2016	Total Value of Cheques \$'000	№. of Cheques		Value of Cheques \$'000		Total Paid and Refunded \$'000	Cheques on Hand as at Sept. 2017	
			Paid	Refund	Paid	Refund		№. of Cheques	Amount \$'000
2013	5	2,607	2	3	1,042	1,565	2,607	0	0
2014	1	123	0	1	0	123	123	0	0
2015	87	153,299	37	37	139,578	8,067	147,645	13	5,654
Total	93	156,029	39	41	140,620	9,755	150,375	13	5,654

Ministry's Response: The Head of Budget Agency explained that these cheques will be refunded to the Consolidated Fund.

Recommendation: The Audit Office recommends that the Ministry institute measures to ensure full compliance with Section 43 of the FMA Act which requires unexpended balances to be returned and surrendered to the Consolidated Fund at the end of each year. (2016/248)

491. One hundred and forty-eight employees were without taxpayer identification numbers (TIN) at the time of reporting in September 2016. As at September 2017 ten employees TIN registration was presented and five had resigned resulting in a total of one hundred and thirty-three employees without TIN numbers as at September 2017.

Ministry's Response: The Head of Budget Agency explained that the Ministry has written the Guyana Revenue Authority to have the employees TIN processed in batches.

Recommendation: The Audit Office again recommends that the Ministry ensures that all employees are in possession of TIN numbers. (2016/249)

492. In 2015, drugs and medical supplies totalling \$208.745M were outstanding in relation to suppliers other than the New GPC Inc. as at September, 2016. Deliveries were made during 2016 and 2017 totalling \$103.681M, hence reducing the balance to \$147.245M as at September 2017.

Suppliers	Payments \$'000 (A)	Outstanding as at Sept 2016 \$'000 (B)	Deliveries as at Sept. 2017 \$'000 (C)	Outstanding Deliveries as at Sept. 2017 \$'000 (D)=(B-C)
Caribbean Medical Supplies Inc.	290,623	79,052	11,156	67,896
Supply Chain Man. Systems	49,531	49,531	0	49,531
Western Scientific Co.	43,873	43,873	16,288	27,584
PAHO	157,581	34,056	34,056	0
One World Accuracy Inc.	1,887	1,887	0	1,887
Technology Transfer Marbury (TTM)	346	346	0	346
Total	543,841	208,745	61,500	147,245

Ministry's Response: The Head of Budget Agency explained that continuous efforts are being made to have the outstanding drugs delivered.

Recommendation: The Audit Office again recommends that the Ministry take immediate action to have contractors fulfill their contractual obligations under contracts awarded and to introduce a register to record all outstanding drugs and medical supplies to be delivered. (2016/250)

493. Six cheques valued at \$74.166M were on hand as at September 2016 for the supply of Drugs and Medical Supplies that were outstanding. The Ministry paid one cheque valued at \$48.474M on the 2 June 2017, hence three cheques valuing \$1.154M still remained on hand as at September 2017 as shown below:

Supplier	Nº. of Cheques	Total \$'000
Caribbean Medical Supplies	1	162
New GPC Inc.	1	647
International Pharmaceutical Agency	1	345
Total	3	1,154

Ministry's Response: The Head of Budget Agency explained that these cheques will be refunded to the Consolidated Fund.

Recommendation: The Audit Office recommends that the Ministry take immediate steps to have suppliers honour their contractual obligations. (2016/251)

494. Physical verification exercise conducted at MMU Diamond Bond during August 2016 revealed the following:

- a) a Control Forms Register was not maintained;
- b) a list of fifty-three expired items with a total quantity of 11,899 units was generated from the Management Accounting Computerized Software (MACS) system as at August 2016. However, the value of the expired items could not be determined, due to the absence of pricing information however a Physical check, revealed that seven of the items had differences when compared to the expired listing provided by MMU. As a result, reliance could not be placed on the accuracy and validity of the listing of expired drugs; and
- c) the listings of expired drugs did not reflect the manufacturer and market value. Further, three destruction certificates were seen for the disposal of 515 expired drugs with total quantity of 1,566,620 units as at August 2016.

Ministry's Response: The Head of Budget Agency explained that: (a) efforts will be made to have the register implemented; (b) reconciliation will be done to account for the differences; and (c) MOPH system were not geared to capture the cost of expired drugs. Measures are being put in place to capture this data in the electronic warehouse management system.

Recommendation: The Audit Office recommends that the Ministry ensures compliance with the Stores and Food and Drugs Regulations for the removal, accounting, storage, security and destruction of expired items and that all relevant records are kept and properly maintained. (2016/252)

495. The Ministry was still to clear thirty-five Cheque Orders valuing \$6.308M as at September 2017.

Ministry's Response: The Head of Budget Agency explained that all efforts are being made to have these outstanding Cheque Orders cleared.

Recommendation: The Audit Office recommends that the Ministry: (a) ensures that the outstanding Cheque Orders are cleared; (b) put systems in place to ensure Cheque Orders are cleared within the stipulated time frame; and (c) provide details to the Audit Office for scrutiny when outstanding Cheque Orders are cleared. (2016/253)

Recommendations Not Implemented

496. The Ministry was still to provide “Delivery Notes” and/or “Stores Received Notes” to evidence the receipt of goods valued at \$10.658M in relation to one payment totalling \$6.340M and four payments totalling \$4.318M for the years 2012 and 2013 respectively.

Ministry’s Response: The Head of Budget Agency explained that efforts are being made to locate the relevant documents and have same presented for audit examination.

Recommendation: The Audit Office again recommends that the Ministry put systems in place to ensure that there is adequate accountability for payment vouchers and supporting documents, and that these should be provided in a timely manner. (2016/254)

497. The master inventory was not updated to reflect acquisitions and disposals of the Ministry’s assets. Further, a sectional inventory was not properly maintained for all department/sections.

Ministry’s Response: The Head of Budget Agency explained that the master inventory was kept but was not updated, however, sectional inventories are being updated and the Ministry is in the process of seeking approval to employ an Asset and Inventory Clerk.

Recommendation: The Audit Office recommends that the Ministry compile as soon as possible the master inventory in order to properly account for all assets of the Ministry. (2016/255)

498. During 2015, verification exercises conducted at New GPC Inc. Ruimveldt offsite Bond revealed an amount of 7,764,116 units could not be traced to the listing provided by MMU Diamond Warehouse as having been moved from the GPC Inc. Rumiveldt offsite to MMU, Diamond. As a result, it could not be determine if the items were received and properly accounted for.

Ministry’s Response: The Head of Budget Agency explained that the Food and Drug Department is still to provide the destruction certificates.

Recommendation: The Audit Office recommends that the Ministry locate and present all relevant documentation to the Audit Office for audit scrutiny. (2016/256)

499. The contract for the construction of an Acute Care Psychiatric Hospital Region №. 6 was awarded in 2011 in the sum of \$112.739M. Payments totalling \$91.923M was made to the contractor of which \$15.722M was for unexecuted works. At the time of reporting in June 2014, there was no evidence that works was completed and the amount of \$15.722M recovered from the contractor. A revisit was done on 29 January 2016 on the above project and based on the examination of the works, the items identified as overpayments remained.

Ministry's Response: The Head of Budget Agency explained that efforts are continuing to recover the overpayment from the contractor.

Recommendation: The Audit Office recommends that the Ministry follow-up this matter with the relevant authority in order to bring closure. (2016/257)

500. Bank Guarantees in relation to two contracts with an aggregate value of \$87.956M had expired at the time of reporting in September 2016, although goods valued at \$78.156M were still to be delivered. The amount of \$78.156M was still outstanding as at September 2017, however the Ministry did not present renewed bank guarantees for verification.

Ministry's Response: The Head of Budget Agency explained that a procurement unit was established to oversee contract administration, including checking on bonds and guarantees.

Recommendation: The Audit Office recommends that the Ministry ensures that the outstanding drugs and medical supplies are delivered by the suppliers and that the bank guarantees are renewed. (2016/258)

501. Georgetown Public Hospital Corporation (GPHC) is required to produce audited accounts not later than six months after the expiry of each calendar year, and have same laid in to National Assembly not later than nine months after the expiry of the calendar year to which it relates. At the time of reporting, Financial Statements for GPHC for the period September to December 2015 have not been submitted for audit.

Ministry's Response: The Head of Budget Agency has indicated that efforts are being made to have the Financial Statements prepared and submitted for audit.

Recommendation: The Audit Office again recommends that the Ministry ensures that all outstanding Financial Statements are prepared and presented for audit. (2016/259)

502. The Ministry of Health transferred to the Linden Hospital Complex amounts totalling \$261.129M from its current provisions. This was question since:

- a) the Linden Hospital Complex was not an autonomous or semi-autonomous body regulated under an Act of Parliament; and
- b) the entity was managed by a Board of Directors and was not required to provide the Ministry with financial or other reports that would indicate that some form of Ministerial supervision was exercised over its processes.

Ministry's Response: The Head of Budget Agency explained that Linden Hospital was approved by Cabinet to function as a board in 2015 and that the Hospital provides receipts and statements to cover all expenditure incurred.

Recommendation: The Audit Office again recommends that the Ministry take affirmative action to discuss this matter with the subject Minister and, if necessary, the Office of the Budget of the Ministry of Finance, with a view to having definitive decisions and action towards regularising the status of the Linden Hospital Complex. (2016/260)

503. Physical verification exercise conducted at Kingston Bond during the month of August 2016 revealed the following:

- a) the Ministry did not maintain a Permanent Stores Register to record the receipt and issue of assets; and
- b) twenty-six instances were observed where there were differences between the Stock Ledger and Bin Cards balances.

Ministry's Response: The Head of Budget Agency explained that (a) efforts are being made to have this register implemented, and (b) with the employment of an asset inventory clerk, reconciliation would be done to identify these differences.

Recommendation: The Audit Office recommends that the Ministry adheres to the Stores Regulations as it relates to the maintenance of a Permanent Stores Register and that reconciliations are carried out periodically on the registers. (2016/261)

504. Validation exercises were carried out on a sample of two hundred and nineteen items of stock, including pharmaceutical and other medical supplies, stationery, dietary, electrical and janitorial items. Overall, shortages were identified in 16% of the instances examined, while overage was 8%. No investigation and corrective actions have been taken to clear the issue to date.

Location of Store	Items Checked	Shortage	Overage
Kingston Bond	29	17	2
MMU Diamond	103	17	9
Linden Hospital	38	0	2
Linden Pharmacy	49	0	4
Total	219	34	17

Ministry's Response: The Head of Budget Agency has explained that with the employment of an asset inventory clerk, reconciliations would be done to identify these differences.

Recommendation: The Audit Office recommends that the Ministry ensures that the records at these facilities are reconciled in order to identify and account for the differences. (2016/262)

505. Five contracts totalling \$158.231M were awarded by NPTAB during December 2015 for works at the Port Kaituma Hospital with payments totalling \$31.647M made during the period under review, giving the balance of \$126.584M, physical verification carried out on 10th September 2016 revealed the following:

- a) the contract for the construction of Infectious In-patient Facility, verification on 10 September 2016, the building was incomplete and no works were in progress at the time and approximately nine months had elapsed. No documentation to validate an extension provided. Further, the performance and advance payment bonds were valid as at 10 September 2016; however, the bonds will have to be extended, since the completion of the works has been significantly delayed;
- b) the contract for the completion of Administrative Services Building, the works were still in progress and approximately nine months had elapsed. The Ministry did not provide documentation to validate an extension. Further, the mobilisation bond had a validity period of 29 March 2016, and it is unclear if the advance payment was fully recovered;
- c) the contract for site development works, the works were still in progress and approximately nine months had elapsed. The Ministry did not provided documentation to validate an extension. Further, the mobilisation bond expired since 29 March 2016, and it is unclear if the advance payment was fully recovered; and
- d) the contract for the construction of mortuary building, the building was incomplete and no works were in progress at the time and the final accounts were still to be prepared. Approximately nine months had elapsed and no documentation to validate an extension provided. Further, the mobilisation bond expired on 29 March 2016, and it is unclear if the advance payment was fully recovered.

Ministry's Response: The Head of Budget Agency explained that the advance payments were not recovered in respect of the above projects and the works were incomplete in 2015 since contracts were entered into in December 2015 and the works continued in 2016.

Recommendation: The Audit Office recommends that the Ministry (a) submit the final accounts after the final payment is made to the contractor; (b) to (e) ensure that all bonds remain valid for the respective periods specified in the contract and for any extensions granted. (2016/263)

506. The table below shows the prior year matters as contained in the Auditor General's 2015 Report and action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office.

Rec. No.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2015/164	Overpayment of Salaries		√	
2015/165	Non-delivery of Items		√	
2015/166	Non-delivery of Items		√	
2015/167	Non-delivery of Items		√	
2015/168	Non-delivery of Items		√	
2015/169	Weak Internal Controls			√
2015/170	Breach of FMA Act		√	
2015/171	Breaches of Stores Regulation			√
2015/172	Weak Internal Controls			√
2015/173	Overpayment on contracts			√
2015/174	GPHC Cauterisation Machine	√		
2015/175	Overpayment on contracts	√		
2015/176	Cash Payments	√		
2015/177	No TIN Numbers		√	
2015/178	Non-Submission of records	√		
2015/179	Non-delivery of Items		√	
2015/180	Expired Guarantee & Non delivery of Items			√
2015/181	Non Delivery of Items	√		
2015/182	Cheques on Hand & Non delivery of Items		√	
2015/183	Breach of Procurement Act	√		
2015/184	Weak Internal Controls	√		
2015/185	Weak Internal Controls	√		
2015/186	Non-Submission of Financial Statement			√
2015/187	Linden Hospital Complex			√
2015/188	Overpayment of salaries & Breach of Stores Regulation	√		
2015/189	Breach of Stores Regulation			√
2015/190	Breach of Stores Regulation		√	
2015/191	Weak Internal Controls		√	

Rec. No.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2015/192	Misstatement of the Appropriation Accounts	√		
2015/193	Weak Internal Controls	√		
2015/194	Weak Internal Controls			√
2015/195	Non delivery of Items	√		
2015/196	Breach of Procurement Act			√
2015/197	Non-delivery of Items	√		
2015/198	Non-delivery of Items	√		
2015/199	Non-delivery of Items	√		
2015/200	Breach of Procurement Act	√		

AGENCY 49
MINISTRY OF SOCIAL PROTECTION

Current Expenditure

Current year matters, with recommendations for improvement in the existing system

Maintenance Works

507. The sum of \$135M was allotted for Maintenance Works and amounts totalling \$133.695M were expended during the year. Details of the expenditure are summarised in the table below:

Description	Amount Expended \$'000
Maintenance of Building	82,667
Maintenance of Other Infrastructure	11,568
Vehicle Spares and Services	23,423
Equipment Maintenance	16,037
Total	133,695

508. The contract for Repairs and Maintenance Works being done at Ward 2 Palms Geriatric Institution was awarded to the lowest of three bidders in the sum of \$1.240M and the full amount was paid. Based on our physical verification of the completed works, measurements and calculations, the following overpayment was discovered:

Item	Description	Qty Paid	Qty Found	Unit	Diff.	Rate \$	Amount Overpaid G\$
	WARD №. 2						
18	Ditto Closet to Nurses Room - Eight Compartment	228	80	cf	148	1000	148,000
20	Ditto Linen Closet	228	116.2	cf	111.8	1000	111,800
26	Ditto 2"x2"x10 Guage Mesh to opening of top of Western wall	190	58	sf	132.5	215	28,488
27	Ditto Mortise Lock to Nurses Room	3	0	no	3	5000	15,000
29	Supply & install bars to windows	200	124	lft	76	175	13,300
30	Ditto Night latch to linen closet	1	0	no	1	4000	4,000
32	Ditto to Floor	75	37	sy	38.5	1200	46,200
Total Overpaid							366,788

Ministry's Response: The Head of the Budget Agency explained that the Ministry met with the contractor and he has agreed to do corrective work on items 27 and 30. In addition, he has agreed to repay the balance of \$347,788 in four monthly installments commencing 25 September 2017.

Recommendation: The Audit Office recommends that the Ministry take immediate action to recover the overpayment while ensuring that completed works are accurately measured and quantified before payments are made. (2016/264)

Other Matters

509. The Ministry continued to depend on the General Registrar's Office for the death return reports which is now submitted electronically monthly in a disaggregated form. In addition, the Ministry has also engaged the Ministry of Public Health for assistance as it relates to providing timely death returns to update the Old Age Pension Database. Also, the Ministry is engaging the funeral parlours for information on deceased persons aged sixty-five years and older.

Ministry's Response: The Head of the Budget Agency explained that the Ministry currently receives death returns from the General Registrar's Office and several funeral parlours and this information is used to update/cleanse the database on a monthly basis. Additionally, the issue sheets are also used.

Recommendation: The Audit Office again recommends that the Ministry continues to update the database in a timely manner. (2016/265)

510. The Old Age Imprest Bank Account №. 3191 was established to facilitate the operations of the Old Age Pension (OAP) Scheme and the Public Assistance (PA) Programme. The summary of the Account as at 31 December 2016 totalled \$1.160 billion, according to the cash book, is reflected in the table below:

Description	Amount \$'000
Cash at Bank	2,972
Cash in Hand (cheques)	212,178
Vouchers at Acct. General 2016	70,607
Vouchers to process	18
Vouchers to enter	104,531
Advance Outstanding	13,020
Un-reconciled Difference	156,246
GPOC	600,428
Total	1,160,000

511. According to the cash book summary as shown in the table above, the sum of \$600.428M was indebted by GPOC to the Ministry. It should be noted, that an examination of the corrected reconciliation statements from GPOC for the period June to December, 2016 revealed that the Corporation was indebted to the Ministry the sum of \$532.407M. As a result, there is a difference of \$68.021M between the records kept at the Ministry and GPOC reconciliation statement.

Ministry's Response: The Head of the Budget Agency explained that a reconciliation statement between GPOC and the Ministry of Social Protection for the year 2016 was prepared and submitted to the Auditors. As such the Cash Book has now been adjusted in 2017 to reflect the sum of \$640.742M due by GPOC as at 31 December 2016 and the unreconciled difference reduced to \$115.932M. In addition, the GPOC statements are reconciled on a monthly basis by this Ministry.

Recommendation: The Audit Office recommends that the Head of Budget Agency continues to reconcile GPOC's indebtedness to the Ministry and the appropriate corrections made to the cash book. (2016/266)

Capital Expenditure

Capital Buildings

512. The sum of \$98M was allotted for: (i) construction of Domestic Violence Centre at Cornelia Ida; (ii) construction of guard hut, completion of driveway; (iii) rehabilitation of building at Cornhill Street; (iv) construction of fence and resurfacing of compound at Brickdam, payment of Retention; (v) extension of building at Child Care and Protection Agency, Rehabilitation; and (vi) extension of building at Drop-in-Centre and Rehabilitation of Sophia Care Centre. Amounts totalling \$72.454M were expended during the year. As a result, the Ministry failed to achieve its anticipated levels of capital expenditure activities during 2016 by \$25.546M or 26% as shown below:

Description	Amount Budgeted \$'000	Amount Expended \$'000	Shortfall \$'000
Buildings-Social Services	43,000	19,833	23,167
Buildings-Labour Administration	20,000	18,881	1,119
Buildings-Child Care and Protection Agency	35,000	33,740	1,260
Total	98,000	72,454	25,546

Ministry's Response: The Head of the Budget Agency explained that Labour Administration and CCPA expenditures are not shortfall but savings, since contractors' bids were less than the amount budgeted under these two items. Regarding Social Services buildings, there was a roll over amount of \$17M for the Disability Home at Mahaica.

Recommendation: The Audit Office recommends that the Head of Budget Agency put systems in place to ensure that budgeted targets are achieved. (2016/267)

Status of Prior Year Issues

513. The Audit Office issues recommendations to the Ministry that are designed at improving systems and practices at the entity and improving the Government governance and accountability mechanism. Twelve recommendations were made in my 2015 Audit Report. We reviewed each recommendation to determine what action, if any, was taken by the Accounting Officer. At the time of reporting, 11 or 92% were fully implemented and 1 or 8% was partially implemented.

Recommendation Partially Implemented

514. According to the cash book summary, the sum of \$594.778M was indebted by GPOC to the Ministry. However, it should be noted that an examination of the reconciliation statement from GPOC for December 2015 revealed that the Ministry was indebted to the Corporation in the sum of \$187.201M. Included in the sum of \$594.778M was the sum of \$990,000, which was in respect of fraudulent coupons. In addition, the reconciliation statement of the Imprest Bank Account №. 3191 continued to reflect an unreconciled difference of \$156.246M as at 31 December 2015.

Ministry's Response: The Head of the Budget Agency explained that reconciliation is currently being done for the year 2011, while reconciliation for the years 2012 to 2015 was submitted to the Audit Office for verification.

Recommendation: The Audit Office recommends that the Head of Budget Agency continues to reconcile the Old Age Pension Account with a view of having the unreconciled difference cleared and ascertaining the GPOC's indebtedness to the Ministry. It is also recommended that the Ministry obtain approval for the closure of the account and the opening of a new account to facilitate the payment of the Old Age Pension. (2016/268)

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2015/231	Old Age Pension Database	√		
2015/232	Overpayment on contract	√		
2015/233	Reconciliation of OPA		√	
2015/234	Outstanding cheque orders	√		
2015/235	Breach of Stores Regulations	√		
2015/236	Vouchers not cancelled	√		
2015/237	Utilities Register	√		
2015/238	Breach of Stores Regulations	√		
2015/239	Record not maintained	√		
2015/240	Segregation of duties	√		
2015/241	Breach of Stores Regulations	√		
2015/242	Breach of Stores Regulations	√		

AGENCY 52

MINISTRY OF LEGAL AFFAIRS

Current year matters, with recommendation for improvement in the existing systems

Current Expenditure

Other Matter

Stores

515. The Ministry did not entirely adhere to the stores accounting procedures, specifically Sections 5, 6 (2), 24 and 28 of the Stores Regulations 1993. Audit examinations of the Stores and related records revealed the following unsatisfactory observations:

- a) there was a lack of segregation of duties since the Storekeeper performed all the duties as it relates to the Stores;
- b) a Stores Ledger in Form 7 was written up by the Storekeeper and not by personnel of the Accounting Department;
- c) a Master Inventory in Form 11 was not kept for the period under review; and
- d) a unique numbering system was not in place for the numbering of assets. Instead all assets purchased were labeled with MOLA/2016.

Ministry's Response: The Head of Budget Agency explained that:

- a) the Ministry has requested for an additional staff for the Stores Department.

- b) staff in the Accounts Department has since been identified to write up and maintain the Stores Ledger.
- c) a Master Inventory is kept at the Ministry and this was submitted to the auditor for scrutiny. However, the recommended format, Form 11, is being addressed.
- d) the Ministry's assets are usually marked, however the sequence of marking will be improved.

Recommendation: The Audit Office recommends that the Ministry adhere strictly to the requirements of the Stores Regulations 1993. (2016/269)

Capital Expenditure

Buildings

516. An amount of \$40.750M was allocated for the rehabilitation of roof and acquisition of land. As at 31 December 2016, amounts totalling \$0.733M were expended. The Departmental Tender Board awarded a contract in the sum of \$732,910 for the rehabilitation of the Ministry's roof to the contractor whose bid was closest to the Engineer's Estimate. As at 31 December 2016, the project was completed and the full contract sum was paid to the contractor. The acquisition of land was not done as budgeted for, since the land was not accessible for purchase by the Ministry. As a result, there was a shortfall of \$40M in expenditure under this line item.

Ministry's Response: The Head of Budget Agency explained that the land was not accessible for purchase and therefore no expenditure incurred for this purpose.

Recommendation: The Audit Office recommends that the Ministry ensure that all relevant assessment is done before allocating funds. (2016/270)

Justice Sector Programme (IDB LOAN)

517. An amount of \$10M was allocated for the: (i) revision of laws and law reform commission; (ii) training for judges, magistrates and prosecutors; (iii) cybercrime legislation and training; (iv) backlog reduction initiative; and (v) voice verbatim system for courts. The planned duration of this project was three years commencing 1 January 2016 to 31 December 2018. However, loan agreement №. 3876/BL-GY between the Co-operative Republic of Guyana and the Inter-American Development Bank was signed on the 21 February 2017. As at 31 December 2016, there was no expenditure. As a result, there were setbacks since the activities budgeted for were not executed for the year under review and there was also a shortfall in expenditure under this line item.

Ministry's Response: The Head of Budget Agency explained that the loan agreement was not signed in 2016 and as such there were no expenditure.

Recommendation: The Audit Office recommends that the Ministry ensure loan agreement is signed before making budgetary allocation. (2016/271)

Strengthening the Criminal Justice Service (CANADA GRANT)

518. A Memorandum of Understanding (MOU) was signed between the Ministry of Public Security and Justice Education Society (JES) for the Strengthening the Guyanese Criminal Justice System in Guyana. The overall goal of the project was to identify needs and providing training, mentoring and ongoing monitoring and evaluation to the Criminal Investigation Division (CID) of Guyana Police Force, Police Prosecutors, the Director of Public Prosecution, and Magistrates in technological advances in the area of forensic crime scene investigation. The project was funded by the Canadian Government, Anti-Crime Capacity Building Fund, Department of Foreign Affairs, Trade and Development. The project with budgeted expenditures amounted to CAD\$750,000.

519. During 2016, an amount of G\$75M was allocated for: (i) training, coaching, and quality control systems for crime scene, criminal case preparation and forensic video procedures and analysis; and (ii) seminars and coaching in legal knowledge, trial management and use of forensic video evidence for judges, magistrates and prosecutors and provision for equipment and administrative expenses. There was a supplementary provision of G\$40.319M to facilitate institutional strengthening, training and procurement of equipment, bringing the total allocation under this line item to G\$115.319M. The project was monitored by the Justice Education Society's representative in Guyana. According to the Appropriation Account, the full amount of G\$115.319M which equivalent to CAD\$721,650 was expended.

Prior year matters, which have not been fully resolved

Current Expenditure

520. Part 11, Section 3 of Act No. 4 of 2013 made provision for the Deeds Registry to be established as the Deeds and Commercial Registries Authority, a corporate body with a Governing Board. The operation of the Authority commenced from 1 May 2014. Prior to this date, funds were allocated for the Deeds Registry under the Ministry of Legal Affairs. The Financial Statements for the period 1 May 2014 to 31 December 2015 and for the years 2015 and 2016 have been submitted to the Audit office. At the time of reporting, the audit was completed and the corrected financial statements for the years 2014 and 2015 is still to be submitted to the Audit Office while the field work has been completed for the year 2016.

Ministry's Response: The Head of Budget Agency explained that Financial Statements for the Deeds and Commercial Registries Authority for the years 2014 and 2015 were submitted in the required format to the Audit Office. Subsequently as recent as May 2017, the financial statement for 2016 was also submitted. The Ministry awaits recommendations from the Audit Office in this regard.

Recommendation: The Audit Office recommends that the Ministry resubmit the corrected Financial Statements for the years 2014 and 2015 so that the audit can be finalised. (2016/272)

521. At the time of reporting, amounts totalling \$3.445M representing rent owed by the occupants of the First Federation Building were still outstanding for the years 2010 to 2012 as shown below:

Year	Amount Outstanding \$'000
2010	917
2011	1,161
2012	1,367
Total	3,445

Ministry's Response: The Head of Budget Agency explained that one occupant filed Notice of Appeal in 2015, and since then, the Ministry awaits a court date for hearing of the matter.

Recommendation: The Audit Office recommends that the Ministry engage the Court with the view of having an early court date set in order to bring closure to this matter. (2016/273)

522. The Ministry has still been unable to recover net salaries and deductions totalling \$254,000 overpaid to ten officers for the years 2009 and 2012. At the time of reporting, it was observed that the Ministry had strengthened its efforts to recover net salaries overpaid by publishing the names of persons over paid in the daily newspapers.

Year	No. of Officers Overpaid	Net Salaries Overpaid \$'000	Deductions Overpaid \$'000	Total \$'000
2009	6	142	22	164
2012	4	81	9	90
Total	10	223	31	254

Ministry's Response: The Head of Budget Agency explained that having published the names of persons in the newspapers and reviewed the requisite documentation at the Audit Office the table has since been revised to reflect overpayments of \$164,257 for 2009 and \$90,353 for 2012.

Recommendation: The Audit Office recommends that the Ministry continue to take stringent follow-up actions to recover the remaining amounts outstanding. (2016/274)

Status of Prior Year Issues

Rec. No.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2015/243	Court Matter		√	
2015/244	Overpayment of Salary		√	
2015/245	Overstatement of Appropriation Account	√		

AGENCY 53
GUYANA DEFENCE FORCE

Current Expenditure

Current year matters with recommendations for improvement in the existing system

Goods and Services

523. The sum of \$4.287 billion was allotted for the procurement of goods and services and amounts totalling \$4.284 billion were expended during the year. Included in this amount is the sum of \$539.940M, which was expended on the purchase of Fuel and Lubricants. Circularized instructions and Section 29 of the Stores Regulations 1993, require that “Log Books in Form 17 shall be maintained for all motor vehicles, plant, machinery and equipment.” However, Log Books were not presented for all the vehicles under the control of the Force which required such records to be maintained. A similar situation existed in 2014 and 2015. As a result, we were unable to determine whether:

- a) the journeys undertaken were properly authorised;
- b) effective control was exercised over their use; and
- c) the quantity of fuel and lubricants utilised and the repairs and maintenance costs expended on each vehicle.

Defence Force’s Response: The Head of Budget Agency explained that some Log Books were not returned to the MT Pool. However, systems have been put in place to correct the discrepancies. In 2017 books were issued to such machinery and equipment.

Recommendation: The Audit Office recommends that the Administration of the Defence Force put systems in place to ensure that all Log Books are submitted for audit. (2016/275)

524. The sum of \$662.118M was expended for Other Transport, Travel and Postage. Included in this amount is the sum of \$592.547M which was expended on the hire of vehicles. An examination of payment vouchers and other supporting documents revealed that there was duplication of payments to five contractors totalling \$3.380M in respect of hire of private vehicle by the Force. This will result in an overpayment to the contractors.

Defence Force’s Response: The Head of Budget Agency explained that contractors with overpayment were asked to sign a promissory note in agreement to repay.

Recommendation: The Audit Office recommends that the Administration of the Defence Force take immediate action to recover the amount overpaid. (2016/276)

525. In addition, during the period 5 May 2016 to 3 November 2016, 7,413 yards of uniform material was issued to one contractor for sewing of 4,700 camouflage suits and, amounts totalling \$23.218M were paid. However, there was no evidence to indicate that the suits were delivered and properly brought to account in the stores records.

Defence Force's Response: The Head of Budget Agency explained that contract is based on quantity and amount of moneys. There is no time limit to sewing of uniforms on the contracts. Uniforms are requested based on Force activities. However, all the uniforms mentioned in this paragraph were delivered to the Stores and stores documentation was done for them.

Recommendation: The Audit Office recommends that the Administration of the Defence Force ensure there is full compliance with the Stores Regulations 1993. (2016/277)

526. Amounts totalling \$374.881M were expended on Vehicle Spares and Maintenance. Included in this amount is the sum of \$290.054M which was expended on maintenance of vehicles. Examination of the payment vouchers and other supporting documents revealed that;

- a) there was duplication of payment for six invoices totalling \$2.706M; and
- b) the sum of \$239.659M was expended on repairs and maintenance to sixty-four vehicles. It was also noted that the average cost to repair and maintain each vehicle was in excess of \$3.744M and the highest amount paid for one vehicle was \$8.531M. In the view of the fact that the historical records were not maintained, the Force would not be in a position to monitor the individual cost of repairs or determine whether it was economical to retain or dispose of certain vehicles.

Defence Force's Response: The Head of Budget Agency explained that:

- a) contractors were verbally notified. Official letters will be sent formerly through the Legal Service Department; and
- b) stricter record keeping is being practiced. Recommendations were made to dispose of unserviceable and high maintenance cost vehicles. Bills are photocopied and placed in vehicles personal files.

Recommendation: The Audit Office recommends that the Administration of the Defence Force ensure the overpayment is recovered. (2016/278)

527. Amounts totalling \$686.018M were expended on the purchase of equipment. Audit examination of the payment vouchers together with the supporting documents and a physical verification exercise revealed that, one start pac with trolley and connector with a total cost of \$1.489M was not supplied.

Defence Force's Response: The Head of Budget Agency explained that the Guyana Defence Force is awaiting the delivery of the start pac with trolley.

Recommendation: The Audit Office recommends that the Administration of the Defence Force ensure that the items are delivered and submitted for audit. (2016/279)

Maintenance

528. The contract for Rehabilitation of Medical Corp Building at Camp Ayanganna was awarded by National Procurement and Tender Administration Board (NPTAB) to the lowest of three bidders in the sum of \$4.965M and amounts totalling \$4.624M were paid. The works comprise the installation of PVC ceiling to various sections of the building, installation of new windows, painting to various rooms, installation of ceramic tiles, minor concrete works, kitchen cupboards and plumbing works. Based on the physical measurements taken on site, inspection and calculations, our quantities generally correspond with all quantities listed and paid for under the contract. However, audit examination of the payment vouchers and other supporting documents revealed the following:

- a) the contractor received an advance payment of \$1.490M, representing 30% of the contract sum. This is in breach of General Conditions of Contract (GCC) Clause 3 – Mobilisation Advance, Sub Clause 3.1, which clearly states that “payment of the mobilisation advance is subject to submission of a mobilisation advance bond guarantee to cover the advance and the amount is 15% of the contract sum”;
- b) there were additions and omissions from the Bills of Quantities of the Contract and that works to the value of \$1.970M were executed and paid for under Bill AW.3 – Additional/Alternative Works, and the requisite approval(s) was not presented for audit; and
- c) the Performance Bond as stated in Item 1.6.2 of Bill №. 1 – Preliminaries and the Insurance as stated in Item 1.6.1 of Bill №. 1 – Preliminaries were not presented for audit.

Defence Force’s Response: The Head of Budget Agency explained that with regards to the payment of the mobilisation sum, the GDF will ensure that payments are in keeping with the contract. Though the additional or alternative work executed were all within the scope of works for the specific contracts and were executed within the contract sums. The GDF will ensure that such practice is corrected and that when necessary the procedures are followed for changes in the scope of works. The GDF will also ensure that all relevant documents are presented for audit when required.

Recommendation: The Audit Office recommends that the Administration of the Defence Force ensure that there is full compliance with the Procurement Act 2003 and Regulations. In addition, all changes to the scope of work must be approved by the relevant Tender Board and, the requisite Bonds and Insurances submitted for audit. (2016/280)

Stores

529. Circularised instructions and Section 29 of the Stores Regulation 1993, require that “Log Books in Form 17 shall be maintained for all motor vehicles, plant, machinery and equipment, except motor vehicles assigned to Ministers of the Government, holders of Constitutional offices and persons of similar status”. Audit examination of the Force’s vehicles listing revealed that there are 159, of which forty-two were listed as unserviceable. However, Log Books for thirty-two vehicles that required such record were not presented for audit examination for the period under review. As such, it could not be ascertained whether all journeys undertaken were authorised and were in the public interest.

Defence Force’s Response: The Head of Budget Agency explained that some Log Books were not returned to the MT Pool. Systems have been put in place to correct the discrepancies. Some machinery and equipment never had Log Books. In 2017 Log Books were issued to such machinery and equipment

Recommendation: The Audit Office recommends that the Administration of the Defence Force ensure that there is full compliance with the Stores Regulations 1993. (2016/281)

530. The Force continues to breach the Stores Regulations 1993, more specifically Section 26, which states that “The Permanent Secretary shall ensure that historical records of vehicles, plant and equipment in Form 16 are maintained”. Despite the fact that the Force presented some historical records for audit, it was observed that the records kept were not updated with repairs and maintenance costs incurred during the year. Given the circumstances, the Force would not be in a position to monitor the individual cost of repairs or determine whether it was economical to retain or dispose of certain vehicles.

Defence Force’s Response: The Head of Budget Agency explained that there are historical records which are now being updated.

Recommendation: The Audit Office recommends that the Administration of the Defence Force ensure that there is full compliance with the Stores Regulations 1993. (2016/282)

531. The Guyana Defence Force continued to be in breach of the Stores Regulations. Examination of the Stores records and a physical verification exercise at the Stores revealed several unsatisfactory features as follows:

- a) stores ledgers were not updated with the receipt and issue of items;
- b) several differences were observed between the bin card balances and a physical count carried out at the Ration Store; and
- c) several items were delivered in piece meal manner but, there was no record to determine if and when the total quantities were delivered.

Defence Force's Response: The Head of Budget Agency explained that:

- a) some Stores Ledgers were updated.
- b) some items were accounted for and proper stores documentation was done according to the Stores Regulations; and
- c) some items were accounted for and proper stores documentation was done according to the Stores Regulations.

Recommendation: The Audit Office recommends that the Administration of the Defence Force ensure that there is full compliance with the Stores Regulations 1993. (2016/283)

Cheques on hand

532. At the time of reporting, there were thirteen cheques totalling \$12.069M which has since become stale dated. These cheques should have been refunded to the Consolidated Fund and the necessary adjustments made to the Appropriation Accounts. As a result, the Appropriation Accounts would be overstated by the said amount. This was not in keeping with the requirements of Section 43 of the Fiscal Management and Accountability Act 2003, which requires any unexpended balance of public moneys out of the Consolidated Fund to be returned and surrendered to the Consolidated Fund at the end of each fiscal year.

Defence Force's Response: The Head of Budget Agency explained that the thirteen cheques totalling \$12.069M were sent to the Ministry of Finance to be updated and refunded to the Consolidated Fund.

Recommendation: The Audit Office recommends that the Administration of the Defence Force ensure that these cheques are updated and refunded to the Consolidated Fund. (2016/284)

Capital Expenditure

533. Audit examination of the payment vouchers and other supporting documents for: (i) Rehabilitation of Administrative Building, Base Camp Stephenson; (ii) Rehabilitation of Broilers Pen, Agri Corps, Garden of Eden; and (iii) Extension of Male and Female Accommodations Phase 2 revealed that the contractors were paid advance payments equivalent to 30% of the contract sums. In this regard, the Force is in breach of GCC Clause 3 – Mobilisation Advance, Sub Clause 3.1, which clearly states that “payment of the mobilisation advance is subject to submission of a mobilisation advance bond guarantee to cover the advance and the amount is 15% of the contract sum”.

Defence Force's Response: The Head of Budget Agency explained that with regards to the payment of the mobilisation sum, the GDF will ensure that payments are in keeping with the contract. Though the additional or alternative work executed were all within the scope of works for the specific contracts and were executed within the contract sums. The GDF will ensure that such practice is corrected and that when necessary the procedures are followed for changes in the scope of works. The GDF will also ensure that all relevant documents are presented for audit when required.

Recommendation: The Audit Office recommends that the Administration of the Defence Force ensure that there is full compliance with the Procurement Act 2003 and Regulations. (2016/285)

Buildings

534. The sum of \$138M was allotted for: (i) completion of facilities-Base Camp Ayanganna and Camp Stephenson; (ii) construction of barrack room- Camp Seweyo; (iii) construction of gym, rehabilitation of helicopter maintenance area and extension of building-Base Camp Ayanganna; and (iv) rehabilitation of headquarters and hanger roof-Timehri. Amounts totalling \$137.991M were expended.

Description	Amount \$'000
Supply of building material for All Ranks BCA Mess and SNCO Mess BCA	57,018
Electrical installation and supplies for SNCO Mess	21,418
Construction and repairs to fence BCS, CG and BCA	13,143
Upgrade and maintain pool	12,155
Rehabilitation to Admin building Base Camp Stephenson	10,482
Construction of Band Corps building BCA	9,019
Rehabilitation of hanger roof Air Corps Timehri	5,000
Rehabilitation of G6 building BCA	4,442
Rehabilitation of wash room-Defence Head Quarter	1,937
Rehabilitation of walkway Base Camp Stephenson	1,798
Rehabilitation of benab Base Camp Stephenson	1,579
Total	137,991

535. The contract for “Rehabilitation of Administrative Building, Base Camp Stephenson was awarded by NPTAB to the second lowest of thirteen bidders in the sum of \$10.011M and amounts totalling \$10.011M were paid. The works comprise the installation of new ply board ceiling, timber walls, ceramic tiles, electrical installations, replacing of roofing sheets and repairs to existing guttering and painting to various sections of the building. However, a physical verification of the project was carried out and it was revealed that there were significant additions to and, omissions from the Bills of Quantities and works totalling \$7.497M were paid for under Bill AW.3-Additional / Alternative Works, without the requisite approval(s).

Defence Force’s Response: The Head of Budget Agency explained that with regards to the additional or alternative works executed, they were all within the scope of works for the specific contracts and were executed within the contract sums. The GDF will ensure that such practice is corrected and that where necessary the procedures are followed for changes in the scope of works. The GDF will also ensure that all relevant documents are presented for audit when required.

Recommendation: The Audit Office recommends that the Administration of the Defence Force ensure that there is full compliance with the Procurement Act 2003 and Regulations. (2016/286)

536. Further, it was noted that the requisite Performance Bonds as stated in Item 1.6.2 of Bill №. 1-Preliminaries and, the Insurances as stated in Item 1.6.1 of Bill №. 1-Preliminaries were not presented for audit.

Defence Force's Response: The Head of Budget Agency explained that the Guyana Defence Force will ensure that all relevant documents are presented for audit when required.

Recommendation: The Audit Office recommends that the Administration of the Defence Force ensure that all documents are presented for audit. (2016/287)

Marine Development

537. The sum of \$90M was allotted for: (i) provision for dredging and surveillance system; (ii) construction of docks and slipway; and (iii) purchase of solar systems and boats and the full amount was expended. Details of the expenditure are shown in the table below:

Description	Amount \$'000
Supply and installation of surveillance systems	23,491
Supply and install jet docks	25,218
Supply of aluminum boats	11,400
Construction of slipway Coast Guard	11,020
Dredging of berth New Amsterdam	3,399
Repairs to building, roof, fence and fuel bay Fort Island	3,422
Supply of solar batteries, panels and stand	5,944
Supply of inverters, shredder and diagnostic kit	4,325
Install cluster piles and welding	1,830
Refund	(49)
Total	90,000

538. The contract for the supply and installation of surveillance systems was awarded by NPTAB to the sole bidder in the sum of US\$183,825.60 equivalent to G\$38.419M and, amounts totalling G\$17.872M were paid from the 2016 Appropriations. In addition, the sum of \$14.928M which was drawn on the 2015 appropriations was paid in February 2016, bringing the total payments to G\$32.800M. However, at the time of this report, two cheques totalling G\$5.619M were still on hand at the GDF Finance Office and have since become stale dated. It was explained that the Force has retained the two cheques pending the installation of the system.

Defence Force's Response: The Head of Budget Agency explained that the Force is in possession of the cheques which has since become stale dated.

Recommendation: The Audit Office recommends that the Administration of the Defence Force ensure that these cheques are updated and refunded to the Consolidated Fund. (2016/288)

539. The contract for supply and installation of three Jet Docks was awarded to the sole bidder in the sum of US\$120,658.20 equivalent to G\$25.218M and the full amount was paid. Item 7 (a & b) of the contract stipulates that 75% should be paid on issuing of the Purchase Order and remaining 25% on the receipt of the Bill of Laden. However, at the time of this report, the items were physically verified as having been received by the Force but, they were not installed.

Defence Force's Response: The Head of Budget Agency explained that one Jet dock each for Coast Guard Headquarters, Fort Island and New Amsterdam. The Guyana Defence Force has requested that the company send workers to install two by the 31 October 2017. The New Amsterdam jet dock cannot be installed because construction has not been completed for installation work to be carried out.

Recommendation: The Audit Office recommends that the Administration of the Defence Force take immediate action to ensure that the construction is completed and the Jet Docks installed. (2016/289)

Air, Land and Water Transport

540. The sum of \$139M was allotted for the provision for vehicles, tractors, trucks, motorcycles, ATV's, boats and outboard engines and amounts totalling \$138.960M were expended as follow:

Description	Quantity	Amount \$'000
Purchase of 4x4 truck	2	37,856
Purchase of Toyota Hilux pick up	5	37,243
Purchase of Toyota Land cruiser	2	23,997
Purchase of Toyota bus	1	12,800
Purchase of ATV and accessories	3	11,999
Purchase of Outboard engine	5	5,943
Purchase of tractor and slasher	1	4,504
Purchase of Dirt bikes	8	3,093
Purchase of aluminum and wooden boats	2	1,525
Total	29	138,960

541. On 16 May 2016, NPTAB granted approval for the award of contract "Procurement of Two Brand New Smart Cab 4x4 Pickups" to the sole bidder in the sum of \$13.653M. Audit checks revealed that the full amount was paid on 7 March 2017. However, despite repeated request a copy of the contract/purchase agreement between the Force and the supplier was not presented for audit. In addition, at the time of this report, the Pickups have not been supplied.

Defence Force's Response: The Head of Budget Agency explained that to date the vehicles have not been received.

Recommendation: The Audit Office recommends that the Administration of the Defence Force ensure that the vehicles are supplied. In addition, the Force must ensure that a copy of the contract/purchase agreement is submitted for audit. (2016/290)

Contingency Fund Advance Warrant (CFAW)

542. During the year the Guyana Defence Force received five Contingencies Fund Advance Warrants totalling \$185M. Details of the warrants and the reasons are shown in the table below:

Date	CFAW №.	Line Item	Reasons	Amount \$'000
27/07/2016	3/2016	6223	Procurement of maps and other related materials and Operation DRAGNET.	20,000
27/07/2016	4/2016	6264	Repairs and maintenance of vehicles for continued mobility of the Force during heighten period of Operation DRAGNET.	35,000
27/07/2016	5/2016	6265	Hiring of air, sea and land transportation and Operation DRAGNET.	46,000
27/07/2016	6/2016	6284	Rental of tent and equipment and laundering of uniforms in support of Republic day and 50 th Independence Anniversary celebration.	30,000
27/07/2016	7/2016	6294	Procurement of equipment, uniforms and medical treatment and Operation DRAGNET.	54,000
Total				185,000

Status of Prior Year Issues

543. The Audit Office issues recommendations to the Force that are designed at improving systems and practices at the entity and improving the Government governance and accountability mechanism. Seventeen recommendations were made in my 2015 Audit Report. We reviewed each recommendation to determine what action, if any, was taken by the Accounting Officer. At the time of reporting, thirteen or 76% were fully implemented while four or 24% were partially implemented.

Recommendations Partially Implemented

544. At the time of this report, four Cheque Orders totalling \$6.868M for the year 2015 are still outstanding.

Defence Force's Response: The Head of Budget Agency explained that these four Cheque Orders are still outstanding.

Recommendation: The Audit Office recommends that the Administration of the Defence Force continue the process of having these Cheque Orders cleared and ensure all items paid for are supplied in a timely manner. (2016/291)

545. During the years 2011 to 2013 and 2015, net overpayment of salaries totalling \$697,000 and \$325,000 in respect of deductions were not recovered from the respective agencies. At the time of this report, the amounts have not been recovered. Details are shown in the table below:

Year	Overpayment		
	Net Salaries \$'000	Deductions \$'000	Total \$'000
2011-2012	424	188	612
2013	253	71	324
2015	20	66	86
Total	697	325	1,022

Defence Force's Response: The Head of Budget Agency explained that the Guyana Defence Force has since brought a few persons in informing them of the overpayment. Some of them have agreed to repay the moneys.

Recommendation: The Audit Office recommends that the Administration of the Defence Force continue to pursue the recovery of the amounts overpaid. (2016/292)

546. Thirty-five logs books for vehicles owned and operated during 2015 have not been submitted for audit verification.

Defence Force's Response: The Head of Budget Agency explained that some Log Books were not returned to the MT Pool. Systems have been put in place to correct the discrepancies. Some machinery and equipment never had Log Books. In 2017 books were issued to such machinery and equipment.

Recommendation: The Audit Office recommends that the Administration of the Defence Force put systems in place to ensure that all Log Books are submitted for audit. (2016/293)

547. A revisit of the Project on 23 May 2017 revealed that the plastering, the main Roof and the roofing were completed. In addition, it was observed that the windows were not properly installed. In the circumstance, the overpayment was reduced to the sum of \$3.095M as detailed in the table below:

Item №.	Description	Amount \$'000
6.1-6.3	Timber first floor	335
6.11-6.12	Ceiling	612
6.13-6.15	Doors	275
7.1-7.4	Cold water installation	188
7.5-7.10	Sanitary installation	460
8.1-8.12	Electrical installation	1,025
9.1-9.2	Windows	200
Total		3,095

Defence Force's Response: The Head of Budget Agency explained that with regards to the overpayment of \$6.574M, the contractor has since completed 80% of the works. The GDF is working with the contractor to have the works completed. The Force has in its possession one paver and one low bed truck belonging to the contractor and will seek legal action so as to recuperate the outstanding sum.

Recommendation: The Audit Office recommends that the Administration of the Defence Force take immediate action to recover the amount overpaid. In addition, the Force must ensure that completed works are accurately measured and quantified before payments are made to contractors for works completed. (2016/294)

Status of Prior Year Issues

Rec. No.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2015/246	Outstanding Cheque Orders		√	
2015/247	Overpayment of Salaries		√	
2015/248	Overpayment on contract	√		
2015/249	NIS	√		
2015/250	TIN	√		
2015/251	Outstanding Log Books		√	
2015/252	Cheques on hand	√		
2015/253	Breach of Stores Regulations	√		
2015/254	Breach of Stores Regulations	√		
2015/255	Overpayment on contract	√		
2015/256	Overpayment on contract	√		
2015/257	Overpayment on contract	√		
2015/258	Breach of Procurement Act	√		
2015/259	Unpresented Records	√		
2015/260	Overpayment on contract	√		
2015/261	Overpayment on contract		√	
2015/262	CFAW	√		

AGENCY 54
MINISTRY OF PUBLIC SECURITY

Current Expenditure

Current year matters with recommendations for improvement in the existing system

Employment Cost

548. Transactions relating to pay change directives for resignations and dismissals were examined and it was observed that such directives were forwarded late to the Accounts Department of the Ministry. During the year, overpaid salaries were identified in fourteen instances totalling \$2.501M which included \$380,260 in respect to deductions not recovered from the respective agencies. At the time of reporting, amounts totalling \$472,312 were recovered leaving a balance of \$2.029M.

Ministry's Response: The Head of Budget Agency has indicated that the Personnel Department is in the process of notifying these individuals of the overpayment in an effort to recover the money.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensures that the amounts overpaid are recovered. In addition, systems must be implemented to prevent a recurrence. (2016/295)

Goods and Services

549. Amounts totalling \$999.760M were expended for the procurement of goods and services during the year. Included in this amount, is the sum of \$145.643M which was expended on the purchase of Drugs & Medical Supplies and Field Material. On 15 December 2016, the Ministry signed a written agreement with an overseas supplier in the sum of \$21.922M for the procurement of forensic laboratory materials for the Guyana Forensic Science Laboratory.

550. According to the payment term "fifty (50%) percent advance payment will be paid within seven days of the signing of the contract providing that the supplier supplied an advance bond to cover same from a recognized financial institution. A final fifty (50%) percent will be paid upon delivery of the item(s) after inspection of the item and certified by the relevant agency personnel". In addition Liquidated Damages were to be applied at a rate of 0.03 for untimely execution of order per week to a maximum of 10% of contract sum.

551. However, on 27 June 2017, the sum of \$9.974M was paid to the supplier and at the time of reporting, forensic laboratory materials to the value of \$3.191M was supplied. As a result, materials to the value of \$6.783M have not been delivered. In addition, the remaining three cheques in the sum of \$11.955M were still on hand at the Ministry. It should be noted that two of these cheques totalling \$10.961M have since become stale dated while the other cheque in the sum of \$994,457 was updated. This is in breach of the FMA Act and the Procurement Act 2003.

Ministry's Response: The Head of Budget Agency explained that efforts will be made to contact the supplier to have the items delivered.

Recommendation: The Audit Office recommends that the Head of Budget Agency take legal action for non delivery of items and the cheques should be updated and refunded to the Consolidated Fund. (2016/296)

Maintenance Cost

552. Amounts totalling \$260.851M were expended for various maintenance works during the year. Included in this amount was the sum of \$33.781M which was expended on equipment maintenance. Audit checks revealed that, the Ministerial Tender Board awarded a contract for the purchase one chassis for Toyota Hilux Pick - Up in the sum of \$1.255M to the higher of two bidders on the grounds that the lower bidder failed to provide the requisite National Insurance and Guyana Revenue Authority (GRA) compliance. According to the contract, the item shall be supplied within two months. However, it was observed that the sum of \$627,500 which represents 50% of the total contract price was paid on 24 November 2016 and, at the time of reporting in September 2017, the item was not delivered.

Ministry's Response: The Head of Budget Agency has indicated the Chassis is now available and will be supplied to the Prison Service shortly.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensures that there is full compliance with the Procurement Act 2003. (2016/297)

Deposit Fund

553. Section 42 of the FMA Act states that the Minister may establish one or more Deposit Funds into which public moneys shall be paid pending repayment or payment for the purpose for which the moneys were deposited. According to information from the Ministry of Finance, there were three Deposit Fund Accounts in respect of the Ministry with balances as detailed below:

Name of Account	Balance at 31/ 12/ 2016 \$'000
Ministry of Home Affairs - General	131,905
Ministry of Home Affairs - General	6,438
Death Benefits	680
Total	139,023

554. However, according to the records kept by the Ministry there were three accounts with balances as detailed in the table below:

Name of Account	Balance at 31.12.2016 \$'000
Sundries	7,877
Dead Benefits	680
Professional Fees	174
Total	8,731

Ministry's Response: The Head of Budget Agency explained that the Ministry will reconcile the Accounts and balances with the records kept at the Ministry of Finance

Recommendation: The Audit Office recommends that the Head of Budget Agency ensures that there is full compliance with established Government Accounting Procedures. (2016/298)

Accounting for Expenditure

555. At the time of reporting in September 2017, nine cheques totalling \$21.671M which has since become stale dated, was still on hand at the Ministry. These cheques should have been refunded to the Consolidated Fund and the necessary adjustments made to the Appropriation Accounts. As a result, the Appropriation Accounts would be overstated by the said amount. This was not in keeping with the requirements of Section 43 of the FMA Act 2003, which requires any unexpended balance of public moneys out of the Consolidated Fund to be returned and surrendered to the Consolidated Fund at the end of each fiscal year.

Ministry's Response: The Head of Budget Agency explained that the cheques on hand would be updated and paid to the suppliers upon delivery of goods/services.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensures that there is full compliance with the requirements of the FMA Act. (2016/299)

556. Examination of the contract register revealed that all contracts awarded during 2016 were not recorded in the register. As a result, the total number of contracts awarded by the Ministry could not be ascertained.

Ministry's Response: The Head of Budget Agency acknowledged the findings and will ensure that all contracts are recorded in the register.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensures that there is full compliance with circularised instructions. (2016/300)

Capital Expenditure

Current year matters with recommendations for improvement in the existing system

Citizen Security Strengthening Programme

557. On 19 February 2015, the Government of Guyana (GoG) and the Inter-American Development Bank (IDB) signed an agreement whereby the IDB agreed to provide a loan of US\$15M for the reduction in the level of crime and violence (homicides, burglaries, robberies and domestic violence) in Guyana. The completion date for all activities under the Program is five years after the date of the agreement to 18 February 2020. The sum of G\$250M was allotted: and according to the Appropriation Account, the amounts totalling \$85.256M were expended for (i) community crime and violence prevention; (ii) strengthening Guyana Police Force crime prevention and investigation capacity; and (iii) strengthening Guyana Prison Services rehabilitation and social reintegration services. The project is subjected to separate financial reporting and audit and the Audit Report was issued on 28 April 2017.

Citizen Security Programme II

558. According to the Non-Reimbursable Technical Cooperation №. ATN/OC-14259-GY, signed on 13 March 2014, between the Government of Guyana (GoG) and the Inter American Development Bank (IDB), the IDB and GoG entered into an agreement whereby the IDB agreed to provide the sum of US\$1.671M and GoG the sum of US\$167,000 bringing the total commitment to US\$1.838M. The aim of the Program is to support the preparation for security strategy. In 2016, the sum of \$160M was allotted for: (i) Institutional strengthening and modernisation of administrative structures of the security sector; and (ii) skills training. According to the Appropriation Account amounts totalling \$69.156M were expended. The project is subjected to separate financial reporting and audit at the end of the project. The period of execution was stipulated as thirty-six months from the effective date of the Agreement. On 12 December 2016, IDB granted approval for extension to the period of last Disbursement.

Buildings

559. The sum of \$875.055M was allotted for the construction and rehabilitation of buildings for the Ministry's Secretariat, Guyana Police Force, Prison Services and Fire Services and, amounts totalling \$545.748M were expended during 2016. As a result, the Ministry failed to achieve its anticipated levels of capital activities during 2016 by \$329.307M or 38% as shown in the table below:

Description	Budgeted \$'000	Total expenditure (IFMAS) \$'000	Differences \$'000
Buildings-Home Affairs	7,000	5,022	1,978
Police Station and Buildings-Police	427,189	316,635	110,554
Buildings-Prisons	371,000	159,510	211,490
Fire Ambulance & Stations-Fire	69,866	64,581	5,285
Total	875,055	545,748	329,307

560. This shortfall in the above expenditure was due mainly to: (i) the late start of the projects namely, the rehabilitation of Band Room and the Central Police Station – New Amsterdam; and (ii) the completion of the brick and wood Prison at Camp Street.

Ministry's Response: The Head of Budget Agency explained that the amounts stated do not represent shortfall but savings. The Ministry was able to complete all the projects that were included in the budget. However, since contractors' bids were less than the budgeted amounts under the line items the savings occurred.

Recommendation: The Audit Office recommends that the Head of Budget Agency put systems in place to ensure that budgeted targets are achieved. (2016/301)

561. The sum of \$316.635M was expended on Buildings – Police Force. The table below gives details of the expenditure.

Description	Amounts \$'000
Construction & Rehabilitation of Police Stations, Outposts and Lockups	131,484
Rehabilitation of Quartermaster stores and Arm stores	36,549
Rehabilitation of Admin. Building, Special Admin. and TSU Barracks	35,135
Rehabilitation of fences and trestles	32,323
Rehabilitation of Mount Branch & Lethem stables and Kennel at Eve Leary	31,666
Rehabilitation of living quarters	18,347
Design and consultancy	18,275
Pile diving - Waini River	6,300
Repairs to patrol base & officers mess and painting of armory	5,578
Installation of grill – SOCU	978
Total	316,635

562. A physical verification of seven projects namely, rehabilitation works at Anna Regina, Cane Grove and Enmore Police Stations, living quarters at Providence Police Station, completion of fence at Aurora Police Station, rehabilitation Anna Regina Police Station lock-ups and rehabilitation of Special Administration building at Eve Leary was carried out.

563. Based on the completed works, measurements and calculations, overpayments totalling \$1.078M were discovered for one project namely, completion of External Fence, Aurora Police Station. In addition, it was observed that the works are incomplete and the contractor was demobilized from the site.

Ministry's Response: The Head of Budget Agency explained that the works have since been completed.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensure that there is full compliance with the requirements of the Procurement Act 2003. In addition, systems should be implemented to prevent a recurrence. (2016/302)

564. In addition, audit examination of the payment vouchers, contracts and other documents revealed the following:

- a) the contractor was paid in full for the construction of a reinforced concrete parking lot however, a physical verification revealed that the parking lot has not been constructed; and
- b) the commencement date, completion date and defects liability period were not recorded in all of the contract documents examined.

Ministry's Response: The Head of Budget Agency explained that:

- a) the parking lot has since been completed.
- b) this was an oversight and information will be included in the contract documents.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensure that there is full compliance with the requirements of the Procurement Act 2003. In addition, systems should be implemented to prevent a recurrence. (2016/303)

565. With respect to the rehabilitation of Cane Grove Police Station it was observed that the actual works identified at the time of the physical verification were different from the works specified in the Bills of Quantities. However, the requisite approved variation orders were not seen for the changes in the scope of works.

Ministry's Response: The Head of Budget Agency explained that a decision was taken to rehabilitate the Station under the Citizen Security Strengthening Programme, hence the Ministry decided to utilise the funds for the construction of the fence. The approved variation order and approval for Change in Programme has since been obtained and was submitted for audit.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensure that there is full compliance with the requirements of the Procurement Act 2003. In addition, systems should be implemented to prevent a recurrence. (2016/304)

566. The table below gives details of the expenditure in respect of the construction, rehabilitation and upgrading of buildings for the Prison and Fire Services.

Description	Amounts \$'000
Construction & rehabilitation of Prisons, living quarters and fence	70,447
Upgrading of electrical & CCTV systems	57,520
Completion of Training school Tarmac	33,411
Construction of Fire Stations & Appliance shed	27,134
Designs and consultancy service	19,644
Cubicles and cell locks etc.	15,935
Total	224,091

567. A physical verification of six projects namely, maintenance works at Mazaruni Boundary Fence, construction of fence at Sibley Hall, Mazaruni Prison, renovation of Officer-in-Charge quarters and Prison Headquarters, construction of Tarmac Leonora Training Facility and Fire Station at Melanie Damishana were carried out. Based on the completed works, measurements and calculations, overpayments were discovered for two projects as detailed below:

Description of Works	Amounts \$'000
Maintenance works at Boundary Fence, Mazaruni Prison	3,104
Construction of Tarmac at Leonora Training Facility	7,808
Total	10,912

Ministry's Response: The Head of Budget Agency explained that the overpayment for the Boundary Fence at Mazaruni Prison will be investigated with a view to having the overpayment recovered. The Consultant that was hired to supervise the Tarmac at Lenora Training Facility will be engaged to have the overpayment recovered.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensure that there is full compliance with the requirements of the Procurement Act 2003. In addition, the amounts overpaid should be recovered and systems implemented to prevent a recurrence. (2016/305)

568. The contract for renovation works at Prison Headquarters was awarded by the Ministerial Tender Board to the second lowest responsive of nine bidders in the sum of \$3.119M and the full amount was paid. The works comprised the removal and replacement of defective internal and external timber walls, installation of PVC ceiling, sheetrock panelling to walls, minor plumbing, electrical works and painting works. A physical verification revealed that the entire scope of works were changed and the actual works completed were the installation of carpet to the floor, electrical installations, and construction of TV and book shelf and fabrication of an aluminum awning shed.

Ministry's Response: The Head of Budget Agency explained that there was urgent need for the change in the scope of works and an approved variation order was prepared.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensure that there is full compliance with the requirements of the Procurement Act 2003. In addition, the overpaid amount should be recovered and systems implemented to prevent a recurrence. (2016/306)

Land and Water Transport

569. The sum of \$405.640M was allotted for the purchase of vehicles, water tenders, trucks, motorcycles, ATVs, outboard motors, bicycles and boats. Amounts totalling \$384.156M were expended as shown in the table below:

Description	Amounts \$'000
Purchase of vehicles, motor cycles, outboard motors, boats – Police	209,910
Purchase of Pick-ups, mini buses, tractors/trailers, - Prison	37,400
Purchase of water & fire tenders, ambulances, trailers pumps - Fire	122,950
Purchase of vehicles – Secretariat	9,450
Purchase of ATVs & Engines – Community Policing	4,446
Total	384,156

570. Included in the sum of \$37.400M shown as expended on the procurement of vehicles for the Prison Services is the sum of \$3.300M which represents the cost for one minibus. At the time of reporting, the cheques were returned to the Ministry of Finance to be updated and refunded to the Consolidated Fund.

Ministry's Response: The Head of Budget Agency explained that the cheques were submitted to the Ministry of Finance to be updated and refunded to the Consolidated Fund.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensure that there is full compliance with the requirements of the FMA Act. (2016/307)

Equipment

571. The sum of \$425.017M was allotted for the purchase of Office, Agricultural, Communication, Furniture, Tools, and other equipment for the Ministry's Secretariat, Guyana Police Force, Prison Service, Fire Service, Police Complaint Authority and CANU. Amounts totalling \$361.166M were expended during the year. Details of the expenditure are shown in the table below:

Description	Amounts \$'000
Purchase of Communication and other Equipment -Police	260,000
Purchase of Tools, Agricultural and Other Equipment -Prison	50,227
Purchase of Tools, Office and Communication-Fire	32,721
Purchase of Furniture and Equipment-CANU	12,694
Purchase of Equipment and Furniture-Secretariat	4,446
Purchase of Equipment-Police Complaints Authority	1,078
Total	361,166

572. At the time of reporting in September 2017, several transactions pertaining to 2016 expenditures were incomplete. In this regard it was noted that three cheques totalling \$12.412M representing part payment on the procurement of equipment were still on hand at the Ministry. In addition, equipment with a total cost of \$11.140M was not delivered from four suppliers. Details of the outstanding equipment are shown in the table below:

Description	Qty	Cost \$'000
HF base radio Icom78	6	2,380
Pelton contact 11 adapter	10	1,800
P 25 compliance VHF handheld radio	5	1,500
Pelton contact 11 headset	5	1,500
Pelton contact	5	1,500
Pelton contact 11 standard adapter	5	900
VHF base radio with antenna	4	671
VHF mobile radio complete	4	548
Battery operated smoke detectors	50	232
PA mixer	1	109
Total		11,140

Ministry's Response: The Head of Budget Agency explained that the equipment is expected shortly. The Ministry is currently processing the payment of the Value Added Tax which was not a requirement at the time of procurement.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensures that all items purchased are delivered and properly brought to account in the records of the Ministry. (2016/308)

573. On 17 June 2016, the NPTAB granted approval for the award of contract "Procurement of Musical Equipment" in the sum of \$8.255M to an overseas supplier. Despite repeated requests, the contract/purchase agreement was not presented for audit. It was noted that, the Ministry by way of a letter dated 22 March 2017, requested the Accountant General to facilitate the payment through the Crown Agents. However, at the time of reporting the items are still to be delivered.

Ministry's Response: The Head of Budget Agency explained that the contracts will be signed for future purchases. In addition, the instruments are manufactured when payment is received. However, they are expected to be delivered by December 2017.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensures that the contract/purchase agreement is submitted for audit. In addition, all items purchased must be received and properly brought to account. (2016/309)

574. The receipt of several items with a total cost of \$2.246M which was purchased for the Prison Service could not be verified. Details of these items are as follows:

Description	Quantity	Cost \$'000
Smoke detectors	84	798
Work stations with cabinets	13	689
Fire extinguishers	25	488
Hand held radios	10	240
Executive chairs	1	31
Total		2,246

Ministry's Response: The Head of Budget Agency explained that these items were destroyed in the fire on 9 July 2017 at the Camp Street Prison.

Special Investigation

575. The Audit Office in collaboration with the Guyana Police Force was conducting an investigation into twenty-three transactions amounting to \$22.556M for the year 2015. Up to the time of this Report, the Ministry did not submit thirteen payment vouchers related to the twenty-three transactions and which amounted to \$15.671M. The following two tables provide summaries of the transactions by type based on the payment description and month, respectively:

№.	Description of Transactions	Payment Vouchers				Total	
		Seen	Amount \$'000	Not Seen	Amount \$'000	PVs	Amount \$'000
1.	Purchase of items for Community Policing	-	0	2	5,036	2	5,036
2.	Payment for printing and binding of documents	5	2,936	2	1,529	7	4,465
3.	Purchase of items for Ministry	-	0	3	3,332	3	3,332
4.	Miscellaneous	-	0	2	2,876	2	2,876
5.	Payment for advertisements	2	2,522	-	0	2	2,522
6.	Purchase of items for Holding Centre	-	0	1	1,815	1	1,815
7.	Refunds	2	1,095	-	0	2	1,095
8.	Purchase of refreshments	1	332	3	1,083	4	1,415
Total		10	6,885	13	15,671	23	22,556

№.	Months	Payment Vouchers				Total	
		Seen	Amount \$'000	Not Seen	Amount \$'000	PVs	Amount \$'000
1.	April	3	2,390	-	0	3	2,390
2.	May	2	1,892	1	193	3	2,085
3.	June	3	1,508	-	0	3	1,508
4.	July	-	0	1	739	1	739
5.	November	1	919	8	12,507	9	13,426
6.	December	1	176	3	2,232	4	2,408
Total		10	6,885	13	15,671	23	22,556

Ministry's Response: The Head of Budget Agency explained that the Ministry is still awaiting the outcome of the Investigation.

Status of Prior Year Issues

576. The Audit Office issues recommendations to the Ministry that are designed at improving systems and practices at the entity and improving the Government Governance and Accountability Mechanism. Nine recommendations were made in my 2015 Audit Report. We reviewed each recommendation to determine what action, if any, was taken by the Accounting Officer. At the time of reporting, two or 22% were fully implemented; five or 56% were partially implemented, while two or 22% were not implemented.

Recommendations Partially Implemented

577. A total of forty-five transactions were examined in 2009 in relation to pay change directives for new entrants, resignation, retirement, dismissal and transfer for three of the five accounting areas. Of these, there were five instances where such directives were forwarded late to the Central Accounting Unit of the Ministry, resulting in overpaid salaries totalling \$604,020 to six employees. The Ministry has been successful in recovering \$374,899 from four employees during the year 2012 and 2013. However, the death of the other two in September 2009 and July 2010 to whom salaries totalling \$347,833 were overpaid, forestalled the recovery of the sum.

578. On 19 September 2016, the Ministry wrote the Finance Secretary requesting the write-off of the sum of \$100,733 overpaid to one of the deceased on the grounds that , Probate passed since 10 May 2010 in the High Court of Supreme Court of Judicature stated that the assets of the deceased amounted to \$200,000, which was bequeathed to his wife. The Ministry has since submitted copies of the death certificate of the other individual mentioned to the Finance Secretary.

Ministry's Response: The Head of Budget Agency explained the Ministry has been following up with the Finance Secretary and is still awaiting a response on the matter.

Recommendation: The Audit Office recommends that the Ministry continue to pursue the matter with the Finance Secretary. (2016/310)

579. The Ministry was unable to finalise the 2005 matters concerning payments made to acquire two stallions which had a total value of \$1.022M. Although the Registrar of the Supreme Court was engaged, the attempts proved futile. The supplier was criminally charged and the sum of \$50,000 was recovered. The supplier subsequently died on 6 June 2011, thus a letter was written to the Ministry of Finance on 1 October 2013 requesting the outstanding balance of \$971,800 to be written off. However, in February 2016, the Finance Secretary denied the request for write off on the grounds that there was no supporting documentation to verify that all avenues were explored to recover the amounts owed. The Ministry has since submitted a copy of the death certificate of the individual mentioned to the Finance Secretary.

Ministry's Response: The Head of Budget Agency explained the Ministry has been following up with the Finance Secretary and is still awaiting a response on the matter.

Recommendation: The Audit Office recommends that the Ministry continue to pursue the matter with the Finance Secretary. (2016/311)

580. The National Procurement and Tender Administration Board (NPTAB) awarded the contract for the construction of the New Capital Dormitory at the Georgetown Prisons to the lowest bidder in the sum of \$24.654M in 2007. However; the contract was terminated on 31 October 2008 after amounts totalling \$21.423M were paid to the contractor. The reason for the termination of the contract was stated as extreme lack of diligence on the part of the contractor. An assessment of the completed works revealed that the contractor was overpaid \$10.410M.

581. In this regard, the Ministry levied on a Performance Bond of \$12.237M, which was held with the now defunct insurance firm Colonial Life General Company Limited (CLICO). However, the Performance Bond Agreement had expired on 7 June 2009. On 17 January 2011 the Ministry was able to recover the sum of \$7.008M from the proceeds of the \$12.237M Bond and the balance on the overpayment in the sum of \$3.402M was sought. Evidence was seen where the Ministry wrote the Ministry of Legal Affairs seeking assistance and advice for the institution of legal proceedings against the contractor. A reminder was sent to the Ministry of Legal Affairs on 12 February 2015 in an effort to conclude this matter. No further action was taken since by the Ministry.

Ministry's Response: The Head of Budget Agency explained the matter went to Court in 2015 and the Ministry was advised that by accepting the claim for the sum \$7.008M initially offered, the Ministry forfeited the right to any further claims. The Ministry was advised that that matter should be dealt with by the Finance Secretary, Ministry of Finance.

Recommendation: The Audit Office recommends that the Ministry continue to pursue the matter with the Finance Secretary. (2016/312)

582. The Ministry is still to recover overpayments made on the remedial works to the floor, walls, roof, windows and doors at the Albion Police Station in 2010 in the sum of \$3.504M, as shown in the table below. The Ministry had written to the project consultant for a resolution of the matter, and the contractor has accepted liability. During 2015, 2016 and in January 2017, the Ministry had recovered a total of \$750,000 from the contractor leaving an amount of \$2.754M still to be recovered. A letter was also written to the Ministry of Legal Affairs on 11 February 2015 for legal advice in recovering the amount. However, on 2 July 2015 the contractor wrote the Ministry accepting the overpayment and gave commitment that the sum overpaid would be repaid soon. At the time of reporting, the sum of \$2.754M still remained outstanding.

Ministry's Response: The Head of Budget Agency explained the Ministry is awaiting the contractor for the completion of Promissory Note.

Recommendation: The Audit Office recommends that the Ministry continues to pursue the matter and ensure the sum overpaid is recovered. (2016/313)

583. The contract for the rehabilitation of Kamarang Police Station was awarded in 2010 in the sum of \$3.348M and during that year amounts totalling \$2.391M were paid on certified works. A subsequent payment of \$697,150 in the year 2012 increased disbursements under the contract to \$3.088M. An inspection of the works in that year revealed that a total overpayment of \$1.273M had occurred as a result of twenty discrepancies in measured works. The Ministry was able to clear to the satisfaction of Audit Office an amount of \$272,750, leaving a balance of \$1M to be recovered.

584. In that regard, a letter was written by the contractor stating that the outstanding balance owed by him will be settled by the Guyana Defence Force. On 24 July 2015, the Accounting Officer of the Guyana Defence Force wrote the Ministry indicating that the sum owing would be repaid when liability is approved from the Ministry of Finance. Notwithstanding this, during September 2016, the Guyana Defence Force wrote the Ministry stating that the Force has honoured all outstanding indebtedness to the contractor. At the time of reporting, the balance of \$1M is still to be recovered.

Ministry's Response: The Head of Budget Agency has indicated that the Ministry is still pursuing the matter in an effort to recover the overpayment.

Recommendation: The Audit Office recommends that the Ministry continues to pursue the matter and ensure the sum overpaid is recovered. (2016/314)

Recommendation Not Implemented

585. Capital items valued \$78.271M were purchased under various accounting areas during 2014. However, at the time of reporting, one industrial washer and one industrial dryer valued at \$6.452M which was purchased for the Guyana Prison Service were still not received.

Ministry's Response: The Head of Budget Agency explained that a letter was sent to the Ministry of Foreign Affairs for its intervention in this matter and is still awaiting a response.

Recommendation: The Audit Office recommends that the Ministry continues to pursue the matter and ensure the items delivered. In addition, systems should be put in place to ensure there is no reoccurrence. (2016/315)

Status of Prior Year Issues

Rec. No.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2015/263	Overpayment of Salaries		√	
2015/264	Non-Delivery of Items		√	
2015/265	Overpayment on contract		√	
2015/266	Overpayment on contract		√	
2015/267	Overpayment on contract		√	
2015/268	Non-Delivery of Items			√
2015/269	Cheques on Hand	√		
2015/270	Non delivery of Items	√		
2015/271	Breach of FMA Act	√		

Programme 2 – Guyana Police Force

Status of Prior Year Issues

586. The Audit Office issues recommendations to the Force that are designed at improving systems and practices at the entity and improving the Government Governance and Accountability Mechanism. Three recommendations were made in my 2015 Audit Report. We reviewed each recommendation to determine what action, if any, was taken by the Accounting Officer. At the time of reporting, 2 or 67% were fully implemented, 1 or 33% were partially implemented:

Recommendations Partially Implemented

587. The Guyana Police Force is still to recover outstanding amounts totalling \$2.264M, which were over-paid to employees of the Force for the years 2010, 2011 and 2012. The process of recovering the overpaid amounts was exceedingly slow, even though there was evidence of efforts being made to recover the amounts. Details of the overpayment are shown in the table below:

Year	Net Salaries \$'000	Deductions \$'000	Total \$'000
2012	896	363	1,259
2011	238	75	313
2010	692	0	692
Total			2,264

Police Force's Response: The Guyana Police Force is making every effort to recover the outstanding moneys.

Recommendation: The Audit Office recommends that the Administration of Guyana Police Force continue to take the necessary follow-up action to recover the overpayments. (2016/316)

Status of Prior Year Issues

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2015/272	Overpayment of Salaries		√	
2015/273	Breach of Stores Regulations	√		
2015/274	The Office did not comply with the purchase agreement.	√		

AGENCY 71
REGION 1 - BARIMA/WAINI

Current year matters, with recommendations for improvement in the existing system

Current Expenditure

Employment Cost

588. Amounts totalling \$739.872M were expended for Employment Cost. According to the National Estimates during 2016 the Regional Administration had an authorised staffing structure of 811, however, the actual staff of the Regional Administration exceeded the authorised strength by twenty-three, as shown in the table below:

Line Item	Description	Authorised 2016	Actual 2016	Shortage/ Excess 2016
6111	Administrative	68	63	(5)
6112	Senior Technical	189	192	3
6113	Other Technical and Craft Skilled	130	126	(4)
6114	Clerical and Office Support	8	20	12
6115	Semi-Skilled Operatives and Unskilled	321	361	40
6116	Contracted Employees	91	69	(22)
6117	Temporary Employees	4	3	(1)
Total		811	834	23

589. As can be noted from the table above, contracted employees accounted for 8.3% of the total employees. The table below gives the salary range of the sixty-nine contracted employees.

Salary Range	No. of Employee	Amount \$'000
Below \$100,000	64	3,778
\$100,000 - \$250,000	5	651
\$250,000 - \$400,000	0	0
Total	69	4,429

Region's Response: The Head of Budget Agency indicated that the Regional Administration has since started the process of moving staff over to the permanent establishment.

Recommendation: The Audit Office recommends that the Regional Administration continue the process of moving all eligible employees over to the permanent establishment in keeping with circularised instructions. (2016/317)

590. A further analysis of the employment details revealed that the Regional Administration had a total of sixty-six vacancies as advertised in the Public Service Commission Staff Vacancy Circular. These vacancies included critical posts such as one Regional Health Officer, six Medex three Assistant Health Administrators and one Education Officer. As a result, these critical vacancies would have an adverse effect on the operations of the Regional Administration.

Line Item	Description	Vacancies
6111	Administrative	2
6112	Senior Technical	8
6113	Other Technical and Craft Skilled	18
6114	Clerical and Office Support	4
6115	Semi-Skilled Operatives and Unskilled	34
Total		66

Region's Response: The Head of Budget Agency stated that a number of vacancies had been advertised and the applications were sent to the Public Service Commission, while some internal interviews were also conducted and approval from the Department of Public Service is being awaited.

Recommendation: The Audit Office recommends that the Regional Administration follow-up this matter with the respective agencies since the level of staffing would obviously have an adverse effect on the operations of the Regional Administration and in particular the level of control needed to ensure adequate checks and balances. (2016/318)

591. An examination of a sample of ten transactions relating to resignations and dismissals for 2016 revealed that three officers were overpaid net salaries totalling \$80,290 whilst the related deductions of \$6,543 and \$30,003 were overpaid to the National Insurance Scheme and Guyana Revenue Authority respectively.

Region's Response: The Head of Budget Agency indicated that the overpayments were as a result of pay changes directives not being forwarded in a timely manner to the Regional Accounting Unit. However, letters were written to two Health Workers while the bank (Republic Bank Guyana) where the salary was deposited into was sent a reminder letter with a view of recovering the overpaid sums.

Recommendation: The Audit Office recommends that the Regional Administration follow-up this matter with the view of recovering the overpayments and ensure that pay change directives are effectively and efficiently communicated in a timely manner to the Regional Accounting Unit. (2016/319)

592. An examination of the December 2016 payroll revealed that there were sixty-eight employees who were without Taxpayer Identification Numbers. It should be emphasised that this situation may have implications when filing tax returns.

Region's Response: The Head of Budget Agency indicated that the Regional Administration will be assisted these Officer in their application process.

Recommendation: The Audit Office recommends that the Regional Administration ensure that all employees have a Taxpayer Identification Number. (2016/320)

Office and Field Supplies

593. The sum of \$80.877M was budgeted for the procurement of Drugs and Medical Supplies under the Health Services Programme - Line Item 6221 for 2016. The Regional Administration issued an Inter-Departmental Warrant (IDW) to the Ministry of Public Health (MOPH) for the Ministry to procure drugs and medical supplies on behalf of the Regional Administration.

594. The warrant was issued on 23 May 2016 for \$75M and a financial return was received from the MOPH indicating that the sum of \$70.380M was expended. The unexpended sum of \$4.620M was credited to the Appropriation Account. However, although drugs and medical supplies were received by the Regional Administration, the cost was not stated on the documentation that accompanied the deliveries. In addition, at the time of the audit, no system was in place to reconcile supplies received by the respective health facilities with the essential drugs list initially submitted to the MOPH. As a result, it could not be determined whether the full value was received for the sum warranted to the MOPH.

Region's Response: The Head of Budget Agency indicated that although drugs and medical supplies were received by the respective health facilities base on request done on Combine Requisition and Issuing Vouchers (CRIVs), there is no tool to confirm the supplies received is of the value of the sum warranted. The Regional Executive Officer had written to the Permanent Secretary, MOPH for a breakdown of same; but to date a response was not given. Presently, the Department of Health has reinforce the use of the six registers (Stock Ledger, Daily Issue Register, Inter Facility Transfer Vouchers, Expiry Ledger, Donation and Grants Registers, Combine Requisition and Issuing Vouchers), to reconcile the supplies received by the respective health facilities in accordance with the essential drugs list initially submitted to the MOPH.

Recommendation: The Audit Office recommends that the Regional Administration put systems in place to reconcile supplies received by the respective health facilities with the drugs list initially submitted, and obtain the cost of the drugs and medical supplies from the MOPH so as to reconcile the value of the drugs and medical supplies received with that of the sum warranted to the MOPH. (2016/321)

595. During the period under review, the Regional Accounting Unit expended the sum of \$8.627M under the four programmes to purchase drugs and medical supplies. However, in June 2017 the Goods Received Book only reflected goods worth \$6.547M leaving an outstanding amount of \$2.080M unaccounted for.

Region's Response: The Head of Budget Agency indicated that the Regional Administration had rechecked the Stores Ledgers (Goods Received Book) and discovered that due to an oversight some entries were omitted.

Recommendation: The Audit Office recommends that the Regional Administration ensure that the Goods Received Book is updated promptly with all goods received. (2016/322)

596. According to the Appropriation Accounts, amounts totalling \$181.212M were expended on Fuel and Lubricant for 2016. However, there was no reconciliation of the quantity of fuel received from the supplier against the total amounts paid for in 2016. As a result, it could not be determined whether the Regional Administration was in receipt of the full amount of fuel purchased. In addition, a Fuel Register was not maintained for the period under review, however, checks of the Goods Received Books revealed that fuel and lubricants totalling \$180.439M, were received at Mabaruma, Matarkai and Moruca resulting in a difference of \$772,780.

Region's Response: The Head of Budget Agency indicated that payments were processed and fuel to the value of \$772,780 was still owed to the Regional Administration by the supplier.

Recommendation: The Audit Office recommends that Regional Administration ensure the timely reconciliation of fuel purchased and received, and the implementation and maintenance of a Fuel Register to monitor same. (2016/323)

Maintenance Works

597. Amounts totalling \$231.820M were allocated for repairs and maintenance works within the Region. As at 31 December 2016, amounts totalling \$231.736M were expended under the various Line Items as shown in the table below:

Line Item	Description	Total Funds Available \$'000	Amount Expended \$'000
6242	Maintenance of Buildings	112,920	112,840
6251	Maintenance of Roads	32,500	32,500
6252	Maintenance of Bridges	14,900	14,900
6253	Maintenance of Drainage & Irrigation	18,500	18,500
6254	Maintenance of Sea and River Defense	18,000	17,996
6255	Maintenance of Other Infrastructure	35,000	35,000
Total		231,820	231,736

598. A sample of twenty-eight projects for maintenance works with contract sums totalling \$93.241M were selected for physical verification and the observations in the following paragraphs were noted.

599. The contract for repairs to Baramita Teacher's Quarter's, Matarkai was awarded to the sole bidder by the Regional Tender Board in the sum of \$7.001M. The full contract sum was paid to the contractor. Physical verification revealed that the works were incomplete and an overpayment of \$2.537M was discovered as shown in the table below:

Item	Description	Amount Overpaid \$'000
1	Foundation	113
3	Columns	28
4	Beams	224
5	Floor	136
6	Sole Plate	459
7	Uprights/Corner Posts/Perimeter Beam	69
8	Walls	335
9	Washroom Areas (4'x6'x5' high)	149
15	Construction of Water trestle 10'x10'x14'	428
-	18 nr 450 gal water tanks	280
-	Electrical Installation	316
Total		2,537

Region's Response: The Head of Budget Agency indicated that the contractor has since done some additional works and as such, a revisit of this project is requested.

Recommendation: The Audit Office recommends that the Regional Administration ensure that completed works are accurately measured and quantified before payments are made to contractors. (2016/324)

600. The Regional Tender Board awarded a contract for repairs to Kariako Primary School in the sum of \$4.994M to the sole bidder. As at 31 December 2016, amounts totalling \$4.994M were paid to the contractor. Physical verification revealed an overpayment of \$463,000 on the contract. In addition, it was observed that a new school building was constructed and paid for under Line Item 6242 - Maintenance of Buildings. This expenditure should have been met from capital expenditure. Further, no contract document or contract agreement was presented for audit examination.

Region's Response: The Head of Budget Agency indicated that efforts will be made to recover the amount overpaid.

Recommendation: The Audit Office recommends that the Regional Administration: (a) take immediate steps to recover the overpayment; (b) ensure that completed works are accurately measured and quantified before payments are made to contractors; (c) desist from paying for capital works from current expenditure; and (d) present the contract document for audit examination. (2016/325)

601. The Regional Tender Board awarded a contract in the sum of \$2.356M to the lowest of four bidders for the repairs to DREO Living Quarters, Mabaruma. The Engineer's estimate was \$2.500M. The contract was signed on 7 September 2016 with a duration of eight weeks, however, the defects liability period could not be determined from the documents examined. The full contract sum was paid to the contractor. Physical verification on 21 June 2017 revealed that the works were incomplete and an overpayment of \$385,000 was discovered.

602. Further, the following observations were noted:

- a) the contract document submitted for audit examination in the project file did not contain any general or special conditions of contract nor technical specifications; only the contractor's bid was seen in the file;
- b) in one instance, it was revealed that Item 2.7 of Bill №. 2 specifies "Provide for supply and install corrugated aluzinc sheet, finished with galvanised cup head nails and sealed with white silicon, allow for three corrugations side laps and 18" end laps" at a rate of \$2,850 / sq yd. It was however, discovered that this description was changed in the measured works valuation to read "Provide for service roof complete (sealing nails head and holes with Euroband). Cater for dismantle and replace any damaged zinc and make completely functional" at a rate of \$2,500 / sq yd;
- c) there were no Variation Orders/approvals for these changes to the scope of works and it is unclear how the new rates were arrived at for the new scope of works; and
- d) the Bill of Quantity was poorly prepared and lumped together items to be paid for as one Job item, namely Item 9.5 of Bill №. 2 which states "Provide all tools, materials, labour to dismantle and reconstruct bathroom and make completely functional. Cater for install shower, pies, etc Cater to install 2" x 12" tarred Bullet wood, Cast 4" thick concrete reinforce with check mesh on floor, install ¼" wonder board on finished g&t wall, install 12" non-skid porcelain tiles 5' high around and 5,x5, floor and sealing same with white cement, cleaning ,etc colour to be off-white or as directed."

Region's Response: The Head of Budget Agency indicated that a revisit of this project is required.

Recommendation: The Audit Office recommends that the Regional Administration: (a) take immediate steps to recover the overpayment; (b) ensure that completed works are accurately measured and quantified before payments are made to contractors; (c) ensure that proper contract documents are prepared for works being executed; (d) desist from modifying the scope of works and changing the rates for Items in the Bill of Quantity of the contract; (e) ensure that all additional works/ variations are approved by way of Variation Order and that all relevant details and justifications are attached to such orders; and (f) ensure items which are quantifiable and are of varying nature are priced and paid for individually and not lumped together as one "Job" item for payment. (2016/326)

603. The contract for the repairs to St. Anslem's Primary School was awarded by the Regional Tender Board in the sum of \$2.500M to the lowest of three bidders against the Engineer's estimate of \$3M. The contractor received a total sum of \$2.250M for works completed. Physical verification revealed that the works were incomplete and an overpayment of \$397,800 was discovered.

Region's Response: The Head of Budget Agency indicated that a revisit of this project is required.

Recommendation: The Audit Office recommends that the Regional Administration take immediate steps to recover the overpayment and ensure that completed works are accurately measured and quantified before payments are made to contractors. (2016/327)

604. The contract for the repairs to Health Post, Baramita was awarded by the Regional Tender Board in the sum of \$2.806M to the sole bidder. The Engineer's estimate was \$3M. The contract was signed on 19 August 2016 with duration of eight weeks; however, the defects liability period could not be determined from the documents examined. The full amount was paid to the contractor for completed works. Physical verification revealed that the works were incomplete and an overpayment of \$252,500 was discovered.

Region's Response: The Head of Budget Agency indicated that a revisit of this project is required.

Recommendation: The Audit Office recommends that the Regional Administration take immediate steps to recover the overpayment and ensure that completed works are accurately measured and quantified before payments are made to contractors. (2016/328)

605. The Regional Tender Board awarded the contract for the repairs to North West Secondary School Male Dormitory in the sum of \$3.370M to the third lowest of five bidders. The contract was signed on 19 August 2016 with duration of eight weeks; the defects liability period could not be determined from the documents examined. Amounts totalling \$3.370M were paid to the contractor. Physical verification of the completed works, revealed an overpayment of \$100,200.

Region's Response: The Head of Budget Agency indicated that efforts will be made to recover the amount overpaid.

Recommendation: The Audit Office recommends that the Regional Administration take immediate steps to recover the overpayment, and ensure that completed works are accurately measured and quantified before payments are made to contractors. (2016/329)

606. The contract for repairs to St. Anslem's Teacher's Quarter was awarded by the Regional Tender Board in the sum of \$2.526M to the lowest of three bidders. The Engineers' estimate was \$3M. The contractor received a total sum of \$2.526M for works completed. Physical verification revealed that the works were incomplete and an overpayment of \$273,475 was discovered.

607. In addition, the following observations were noted:

- a) the Bill of Quantity was poorly prepared and lumped together items to be paid for as one Job item, namely Item 9.1 which states “Provide for all tools, labour and materials to construct elevated Bullet wood trestle with concrete base to accommodate 2 nr. 450 gal water tanks. As directed by Engineer. Cater for RC Pad foundation, bedded with mangrove and supply 2nr 450 gal water tanks. Must be able to deliver water to toilet and bathroom.”; and
- b) the contractor was paid for 2nr 450 gals tank in Item 9.1, however only one tank was supplied.

Region’s Response: The Head of Budget Agency indicated that the amount overpaid will be recovered.

Recommendation: The Audit Office recommends that the Regional Administration: (a) take immediate steps to recover the overpayment; (b) ensure that completed works are accurately measured and quantified before payments are made to contractors; and (c) ensure items which are quantifiable and are of varying nature are priced and paid for individually and not lumped together as one “Job” item for payment (2016/330)

608. The contract for repairs to Lower Kaituma Primary School was awarded by the Regional Tender Board to the lowest of four bidders in the sum of \$2.652M. The Engineer’s estimate was \$3M. As at 31 December 2016 amounts totalling \$2.386M were paid to the contractor and physical verification revealed an overpayment of \$281,350.

Region’s Response: The Head of Budget Agency indicated that a revisit of this project is required.

Recommendation: The Audit Office recommends that the Regional Administration take immediate steps to recover the overpayment and ensure that completed works are accurately measured and quantified before payments are made to contractors. (2016/331)

609. The contract for repairs to Katchikamo Teacher’s Quarter was awarded by the Regional Tender Board in the sum of \$2.873M to the more responsive of two bidders. The contract was signed on 19 August 2016 with duration of eight weeks; the defects liability period could not be determined from the documents examined. Amounts totalling \$2.846M was paid to the contractor for works completed. A physical verification of the works revealed that the contractor was overpaid the sum of \$448,800 as shown in the table below:

Item	Description	Qty Paid	Qty Found	Unit	Diff.	Rate \$	Amount Overpaid \$'000
2	Roof and Roof Components						
2.9	Dismantle existing, supply and install new 8" O-G type guttering to building	1	0	Job	1	80,000	80
4	Walls						
4.2	Provide for dismantle all damage external wall boards, supply and install new 1"x6" lap edge	510	58	sq. ft.	452	400	181
5	Window, Doors, Sills ,Frames and Facing						
5.3	Servicing all damaged windows and make functional.	24	22	nr.	2	3,500	7
5.4	Install new 2" sq mesh to windows	24	22	nr.	2	4,000	8
P	Provisional Breakdown						
P4	Construct elevated Bullet wood trestle to accommodate 2 nr 450 gal water tanks. Cater for supply 2nr 450 gal water tanks.	1	0	Job	1	173,000	173
Total Overpaid							449

Region's Response: The Head of Budget Agency indicated that a revisit of this project is required.

Recommendation: The Audit Office recommends that the Regional Administration take immediate steps to recover the overpayment, and ensure that completed works are accurately measured and quantified before payments are made to contractors. (2016/332)

610. The contract for the repairs to Kwebana Health Centre, Moruca was awarded by the Regional Tender Board in the sum of \$3.852M to the lowest of six bidders. The Engineer's estimate was \$4M. The contract was signed on 11 July 2016 with contract duration of eight weeks; the defects liability period could not be determined from the documents examined. Amounts totalling \$3.851M were paid to the contractor. A physical verification of the works revealed that the contractor was overpaid the sum of \$190,000.

Region's Response: The Head of Budget Agency indicated that efforts will be made to recover the amount overpaid.

Recommendation: The Audit Office recommends that the Regional Administration take immediate steps to recover the overpayment and ensure that completed works are accurately measured and quantified before payments are made to contractors. (2016/333)

611. In relation to the repairs to fence at the Regional Guest House, Mabaruma, a contract was awarded by the Regional Tender Board in the sum of \$1.751M to the lowest responsive of four bidders. The Engineer's estimate was \$2M. The contract was signed on 16 June 2016 with duration of eight weeks; however, the defects liability period could not be determined from the documents examined. As at December 2016 the entire amount was paid to the contractor for completed works. A physical verification of the works revealed that the contractor was overpaid the sum of \$84,500.

612. In addition, the following observations were noted:

- a) the contract document submitted for audit examination in the project file did not contain any General or Special Conditions of Contract nor technical specifications; only the contractor's bid was seen in the file;
- b) it was noted that the rate for concrete was increased from \$55,000/Cu. Yd. to \$65,000 / Cu. yd. in the measured works valuation; and
- c) the Bill of Quantity was poorly prepared and lumped together items to be paid for as one Cu Yd item, namely Item P2 of the provisional breakdown which states "Provide for all labour, tools and materials to excavate level and cast reinforced concrete pavement using 1:2:4 mixtures with 3/4" minus granite stone and №. 65 BRC."

Region's Response: The Head of Budget Agency indicated that efforts will be made to recover the amount overpaid.

Recommendation: The Audit Office recommends that the Regional Administration: (a) take immediate steps to recover the overpayment; (b) ensure that completed works are accurately measured and quantified before payments are made to contractors for works completed; and (c) ensure items which are quantifiable and are of varying nature are priced and paid for individually and not lumped together as one "Job" item for payment (2016/334)

613. A contract for repairs to fence at the Regional Office, Mabaruma was awarded by the Regional Tender Board in the sum of \$2.091M to the lowest of six bidders. The Engineer's estimate was \$2.500M. The contract was signed on 10 June 2016 with duration of eight weeks, however, the defects liability period could not be determined from the documents examined. Amounts totalling \$1.882M was paid to the contractor, however, at the time of the physical verification the final payment of \$209,127 was not issued to the contractor. Physical verification on 19 June 2017 revealed that the works were incomplete and the contractor has demobilised from the site; no materials, tools or equipment were noted on site. In addition, the following observations were also noted:

- a) no Advance Payment Bond was seen for the Advance Payment which was paid to the contractor;
- b) the contract document submitted for audit examination in the project file did not contain any general or special conditions of contract nor technical specifications; only the contractor's bid was seen in the file;
- c) the contractor received a total payment of \$1.882M, representing 90% of the contract sum, however, only the mobilisation payment was presented for audit scrutiny, no other payment voucher was provided for the interim payments made to the contractor; and

- d) based on the eight weeks duration for the contract, the contractual completion date would have expired since 8 July 2016, however, at the time of physical verification on 19 June 2017, the works were still to be completed. No extensions of time were noted.

Region's Response: The Head of Budget Agency indicated that the contractor has since mobilise again to complete these works.

Recommendation: The Audit Office recommends that the Regional Administration should ensure that: (a) completed works are accurately measured and quantified before payments are made to contractors for works completed; (b) proper contract documents are prepared for works being executed. Contract documents should contain all relevant terms and conditions of contract along with technical specifications and all other pertinent information and clauses as may be required to properly administer the contract; and (c) all the payment vouchers are submitted for audit examination. (2016/335)

614. Ten current projects totalling \$30.293M were also selected for physical verifications however, despite our requests, the relevant records/ documentation were not presented by the Regional Administration and as such, we were unable to determine whether or not overpayments have occurred or if there were any contractual irregularities with each respective contract.

Region's Response: The Head of Budget Agency indicated that these records/documentation will be located and presented to the Audit Office.

Recommendation: The Audit Office recommends that the Regional Administration make every effort to locate and present all records/documentation for verification. (2016/336)

Stores and Other Public Property

615. The Stores Regulations 1993 require the Regional Administration to maintain several forms, registers, books and ledgers to manage items of stores under their control. However, an examination of the records for Mabaruma Regional Hospital Bond revealed that no Bin Cards were maintained. As a result, vital control mechanisms to ensure proper accountability for stock were not in place.

Region's Response: The Head of Budget Agency indicated that due to severe staffing deficiencies the Department of Health was unable to implement same. Amidst the above mentioned constraint, the Department of Health will remain committed to the implementation of a Bin Cards system according to the Stores Regulation for all pharmaceuticals by the end of the year 2018 as personnel are undergoing trainings.

Recommendation: The Audit Office recommends that the Regional Administration ensures that Bin Cards are maintained and updated in keeping with the requirements of the Stores Regulations at all times. (2016/337)

616. It was noted that there were still thirty-seven unserviceable vehicles/equipment in the Region's compound. In 2015, a valuation report was received from the Chief Mechanical Engineer of the Ministry of Public Infrastructure and the Regional Administration was in the process of writing the Finance Secretary for approval to dispose of the unserviceable vehicles/equipment.

Region's Response: The Head of Budget Agency indicated that efforts will be made to follow-up this issue with the Finance Secretary.

Recommendation: The Audit Office recommends that the Regional Administration pursue this matter to ensure the disposal of these unserviceable vehicles/equipment. (2016/338)

617. Physical verification exercises conducted on drugs and medical supplies at various locations listed in the table below revealed that there were 315 items that were expired during the period under review at these locations as shown in the table below. However, the value of the expired drugs could not be determined from the records examined.

Location	No. of Items
Mabaruma Regional Hospital	178
Kumaka District Hospital	21
Port Kaituma Hospital	38
Arakaka Health Centre	21
Sebai Health Post	3
Carul Bank Health Hut	10
Hosororo Health Post	3
Falls Top Health Hut	24
Sacred Heart Health Hut	12
Lower Kaituma Health Post	5
Total	315

Region's Response: The Head of Budget Agency indicated that the Laboratory Information Management System (LIMS) is a well-structured system with the mandate to maintain the supply chain. At present the Material Management Unit is quantifying the list of expired supplies, thus, as soon as the information is available, same will be provided.

Recommendation: The Audit Office recommends that the Regional Administration undertake a survey to determine the realistic needs of pharmaceuticals and other medical supplies at the various institutions in order to reduce losses through the expiration of drugs. (2016/339)

Other Matters

618. Section 43 of the Fiscal Management and Accountability Act 2003 states that at the end of each fiscal year, any unexpended balance of public moneys issued out of the Consolidated Fund shall be returned and surrendered to the Consolidated Fund. However, an inspection of the Sub-Treasury's safe revealed that there were 116 cheques valued at \$35.526M on hand. Included, in the 116 cheques were thirty-four cheques totalling \$12.478M without supporting payment vouchers. These cheques should have been refunded to the Consolidated Fund and the necessary adjustments made to the Appropriation Accounts. As a result, the Appropriation Accounts was overstated by the said amount.

Region's Response: The Head of Budget Agency indicated that the Regional Administration has commenced an investigation into this issue and when completed a copy of the report will be provided to the Auditor General.

Recommendation: The Audit Office recommends that the Regional Administration institute measures to ensure full repayment to the Consolidated Fund of all amounts remaining unpaid at the end of each financial year in compliance with the FMA Act and to ensure that before a payment is process through the IFMAS there is an approved payment voucher. (2016/340)

619. Cheque Orders are required to be cleared within sixteen days of their issue through the submission of bills/receipts and other documents in support of the payments made. However, the Regional Administration failed to adhere to this requirement, since an examination of the records revealed that fifty-six Cheque Orders valued at \$74.149M remained outstanding. As a result, it could not be ascertained whether the Regional Administration received full value for all sums expended.

Region's Response: The Head of Budget Agency indicated that the Regional Administration is in the process of clearing the outstanding Cheque Orders.

Recommendation: The Audit Office recommends that the Regional Administration ensure that all outstanding Cheque Orders are cleared and submit the necessary information to the Audit Office for verification. (2016/341)

620. During the period under review, a sample of 103 vouchers totalling \$118.885M relating to Other Charges under current expenditure was requested for audit examination. However, only seventy-four vouchers totalling \$79.310M or 71.8% were presented for audit. Similar, for capital expenditure of the 177 vouchers requested totalling \$314.928M only 113 totalling \$185.060M or 64% were presented. As a result, the scope of the audit was limited and a determination could not be made as to the propriety of the payments or whether value was received for the moneys spent.

Region's Response: The Head of Budget Agency indicated that there was a Temporary Officer at the Sub-Treasury at the time of the audit. Nevertheless, the Regional Administration is assisting the Accountant General Department (Sub-Treasury Region 1) and has commenced an exercise to locate and have these vouchers presented as the Sub-Treasury is the sole custodian of paid vouchers.

Recommendation: The Audit Office recommends that the Regional Administration in collaboration with the Sub-Treasury take steps to locate and present the outstanding payment vouchers for audit examination. (2016/342)

Capital Expenditure

621. The sum of \$325M was budgeted for in 2016 to execute the capital programme of the Region. According to the Appropriation Account the sum of \$314.256M was expended leaving an unspent amount of \$10.744M. Shown in the table below is the shortfall in capital expenditure per programme for 2016:

Programme	Description	Budgeted Amount \$'000	Expenditure \$'000	Shortfall \$'000
1	Regional Administration & Finance	6,150	6,135	15
2	Public Works	92,146	82,754	9,392
3	Education Delivery	103,472	103,428	44
4	Health Services	123,232	121,939	1,293
Total		325,000	314,256	10,744

622. The shortfall in the above expenditure of \$10.744M was mainly as a result of the Regional Administration not being able to complete the projects as shown in the table below:

Projects	Contract Sum \$'000	Budgeted Sum \$'000	Expenditure \$'000	Shortfall \$'000
DBST Road from Mabaruma Nursery School to North West Secondary School	15,699	15,699	9,111	6,588
0.5 DBST Road Kumaka to Kwebana Road Moruca	7,897	7,897	5,846	2,050
Health Post and Living Quarter at Katchikamo	7,716	7,716	7,391	325
Savings under various projects				1,781
Total				10,744

Region's Response: The Head of Budget Agency indicated that these projects were completed in 2017 and final payments are pending.

Recommendation: The Audit Office recommends that the Regional Administration undertake projects during the earlier part of the year so that any problem or issues encountered can be detected in a timely manner, so as to avoid delays and ensure amounts are expended as budgeted. (2016/343)

623. A sample of thirty capital projects valued at \$232.733M under the various programmes was selected for physical verification and the observations in the following paragraphs were noted.

Buildings

624. Three contracts totalling \$5.468M as shown in the table below which were awarded during 2015 were still not completed at the time of reporting in July 2017:

Date of Contract	Details	Contract Sum \$'000
20 Nov 2015	Rehabilitation of X-ray room at Kumaka District Hospital	1,997
09 Nov 2015	Construction of sanitary block at Kariako Health Hut	1,996
09 Nov 2015	Installation of well at North West Secondary School	1,475
Total		5,468

Region's Response: The Head of Budget Agency indicated that the Regional Administration had encountered difficulties with the installation of Well at North West Secondary School and therefore this project was terminated.

Recommendation: The Audit Office recommends that the Regional Administration ensures that all projects are completed in a timely manner and institute liquidated damages where contractors fail to complete works within the agreed time frame. (2016/344)

625. The contract for the construction of Administrative Building at Mabaruma Regional Hospital was awarded by the Regional Tender Board to the lowest of five bidders in the sum of \$8.300M. The Engineer's estimate was \$8.500M. The contract was signed on 23 May 2016 with duration of sixteen weeks; however, the defects liability period could not be determined from the documents examined. Amounts totalling \$8.296M were paid to the contractor. A physical verification of the works revealed that the contractor was overpaid the sum of \$335,000.

626. In addition, the following observations were noted:

- a) the contract document submitted for audit examination in the project file did not contain any general or special conditions of contract nor technical specifications; only the contractor's bid was seen in the file;
- b) it was discovered that Item 11.1 states "Provide for supply and install following as directed by Engineer. English made low level toilet set with matching lavatory basins with pedestals" at a rate of \$50,000, however the Item was omitted from the original contract Bill of Quantity and paid for separately under the increased provisional sum as (a) English made low level toilet set - \$40,000 / Nr.; and (b) English made lavatory basin - \$25,000 / Nr. Thus resulting in a cumulative increase of \$15,000 more being paid to the contractor for the supply of the same toilet and sink; and

- c) the Bill of Quantity was poorly prepared and lumped together items to be paid for as one Job item, namely Item 9.1 which states “All rainwater goods shall be of Poly Vinyl Chloride .Gutter shall be 8” O-gee type inclusive of matching brackets placed at 18” centres; slip joints, stop ends and 4 nr down spout & square to round adaptor, connected to rainwater storage system or as directed, complete with 2” dia down pipes. As directed by Engineer”.

Region’s Response: The Head of Budget Agency indicated that the contractor will complete the unfinished works.

Recommendation: The Audit Office recommends that the Regional Administration: (a) ensure that completed works are accurately measured and quantified before payments are made to contractors for works completed; (b) immediately desist from modifying the scope of works and changing the rates for Items in the Bill of Quantity of the contract. Any changes to the scope and rates must follow due procedure in accordance with the conditions of contract; (c) should ensure that all additional works/variations are approved by way of Variation Order and that all relevant details and justifications are attached to such orders; (d) ensure items which are quantifiable and are of varying nature are priced and paid for individually and not lumped together as one “Job” item for payment; and (e) should not pay for unauthorised changes in works and those responsible for instructing and recommending payments for same should be sanctioned. (2016/345)

627. The Regional Tender Board awarded a contract for the construction of Health Post at Warapoka in the sum of \$6.010M to the most responsive of five bidders. The Engineer’s estimate was \$6.500M. The contract was signed on 17 July 2016 with duration of twelve weeks. The defects liability period could not be determined from the documents examined. Amounts totalling \$6.005M were paid to the contractor for works completed. A physical verification of the works revealed that the contractor was overpaid the sum of \$151,000.

628. In addition, the following observations were noted:

- a) the contract document submitted for audit examination in the project file did not contain any general or special conditions of contract nor technical specifications; only the contractor’s bid was seen in the file; and
- b) it was discovered that the following rates for Items in the Bill of Quantity were increased while no justifications or reasons for these increases were seen.

Description in Original Contract	Unit	Rate \$	Description in Provisional Sum	Unit	Rate \$
Excavate, spread and level clay, cart away excess as directed by Regional Engineer / representative. 3nr. 1'x25'x18".	cu yd	3,000	Provide for all labour, tools and materials to excavate, spread and level clay ,cart away excess soil to construct a flat terrain for structure as directed by Regional Engineer.Size:41'x26' x 2.5 avg	cu yd	7,200
Provide for supply and cast Mass concrete 1:2:4 mix with 3/4" nominal sized aggregate,3000 PSI @ 28 days 3nr.30" x25'x10"	cu yd	75,000	Provide for all labour, tools and materials to cast 4nr 24"x24"x10";2nr 7'x1'x10" & 2nr 3'x1'x10" reinforce concrete foundations (Items 14.1, 14.2, 14.3, 14.4, 14.5, 8.1, 8.2, 8.2, 8.2)	cu yd	110,000
Provide for supply & lay in position 4"x8"x16" hallow concrete blocks to walls,1/2" thick sand/cement mortar joints 1:4 mix	sq yd	3,000	Provide for supply & lay in position 4"x8"x16" hallow concrete blocks to walls,1/2" thick sand/cement mortar joints 1:4 mix	sq yd	3,500

Region's Response: The Head of Budget Agency indicated that a revisit of this project is required.

Recommendation: The Audit Office recommends that the Regional Administration: (a) take immediate steps to recover the overpayment; (b) ensure that completed works are accurately measured and quantified before payments are made to contractors for works completed; (c) immediately desist from modifying the scope of works and changing the rates for Items in the Bill of Quantity of the contract. Any changes to the scope and rates must follow due procedure in accordance with the conditions of contract; (d) should ensure that all additional works/variations are approved by way of Variation Order and that all relevant details and justifications are attached to such orders; and (e) should not pay for unauthorised changes in works and those responsible for instructing and recommending payments for same should be sanctioned. (2016/346)

Public Works

629. A contract for the construction of reinforced concrete bridge at Arocuro, Mabaruma was awarded by National Procurement and Tender Administration to the sixth lowest of ten bidders in the sum of \$16.377M. The Engineer's estimate was \$17.128M. The contract was signed on 19 September 2016, with duration of four months for completion. The defects liability period could not be determined from the documents examined. Amounts totalling \$16.377M were paid to the contractor. A physical verification of the works revealed that the contractor was overpaid the sum of \$851,420 as shown in the table below:

Item	Description	Qty Paid	Qty Found	Unit	Diff.	Rate \$	Amount Overpaid \$'000
1	End Abutments & Wing Foot Foundation						
1.8	Supply and cast concrete to abutment foot foundation using 1:2:4 mixture with 3/4" stone.	15.3	10.96	cu.yd	4.34	93,000	404
2	End Abutments & Wing wall						
2.3	Cast concrete to abutment wall using 1:2:4 mixture with 3/4" stone	11.6	10.5	cu.yd	1.1	93,000	102
3	Beams						
3.4	Cast concrete to 3 №. 8"x12"x32' beams using 1:2:4 mixture with 3/4" stone	2.3	1.7	cu.yd	0.6	93,000	56
4	Slab (to be cast with together with beam)						
4.1	32nr 5/8" dia x 31' corrugated steel bar @ 6" c/c .	2,069	1,134	lbs	935	280	262
4.3	Cast concrete to 1 №. 32'long x16' wide x 6"slab using 1:2:4 mixture with 3/4" stone	9.5	9.2	cu.yd	0.3	93,000	28
Total Overpaid							852

630. In addition, a complete signed contract document was not presented for audit examination. However, only a copy of the priced Bill of Quantity from the contractor, the signed contract agreement and a valuation was presented. As a result, the terms and conditions of the contract as well as the technical specifications could not be determined.

631. Further, it was discovered that the rates paid for the Items in the Bill of Quantity (provisional sum) were increased while no justifications or reasons for these increases were seen as shown below:

Description in Original Contract	Unit	Rate \$	Description in Provisional Sum	Unit	Rate \$
Provide for supply, shape and drive tarred Green Heart Timber pile equipped with butt diameter of 12" and tip diameter of 6" driven to refusal to end abutment (16 №. 30ft long to cut-off). Note: Engineer MUST verify before installing	nr	140,000	Provide for supply, shape and drive tarred Bullet wood timber pile equipped with butt diameter of 12" and tip diameter of 6" driven to refusal to end abutment (12 №. 35ft long to cut-off) Note: Engineer MUST verify before installing	nr	230,000
Provide for and to cast mass concrete to abutment wall using 1:2:4 mix with ¾" minus granite stone	cu. yd	93,000	Provide for and to cast reinforce concrete to 12nr 28"x8"x30" as support to beam with 1:2:4 mix .Cater for 5/8 dia HTS as reinforcement	cu. yd	140,000
Provide for and to cast mass concrete to 6nr 12"x12"x6" as rail foundation with 1:2:4 mix	cu. yd	1,000	Provide for and to cast reinforce concrete to 10nr 5"x5"x36" as rail post with 1:2:4 mix .Cater for 1/2dia HTS as reinforcement	cu. yd	120,000

632. It was also discovered that twelve additional piles at a total cost of \$2.998M were installed to the bridge and paid for at a significantly higher rate using the provisional sum. It was noted that there were no approvals for these additional works while the cost per pile was increased from \$140,000 in the original priced Bill of Quantity, to \$230,000. In addition, physical verification and assessment of the completed bridge revealed that the twelve additional piles are not serving any purpose in supporting the bridge structure and, as such, the unauthorised payment of \$2.998M to the contractor for additional piles is therefore questionable.

633. Further, the overall finished quality of concrete works was very shoddy, with exposed steel reinforcement visible in some section of the reinforced concrete rails to the bridge. It must be noted that the rails to the bridge were to be constructed using galvanised pipe, however, the rails were actually completed with reinforced concrete and no approvals for this change was seen.

Region's Response: The Head of Budget Agency indicated that project will be investigated and the overpayment recovered.

Recommendation: The Audit Office recommends that the Regional Administration: (a) take immediate steps to recover the overpayment; (b) ensure that completed works are accurately measured and quantified before payments are made to contractors for works completed; (c) must immediately desist from modifying the scope of works and changing the rates for Items in the Bill of Quantity of the contract. Any changes to the scope and rates must follow due procedure in accordance with the conditions of contract; (d) submit a copy of the complete contract document for audit examination; (e) ensure that all additional works are approved by way of Variation Order and that all relevant details and justifications are attached to such Orders; and (f) should not pay for unauthorised works and those responsible for instructing and recommending payments for same should be sanctioned. (2016/347)





Additional piles installed to bridge at a total cost of \$2,998,000 that are wedged to the underside of the beams and are bearing no loads from the bridge structure.



Shoddy works to reinforced concrete bridge rails



634. The contract for the construction of DBST road from Kumaka Junction to Bridge №. 3, Hosororo Swamp Road Mabaruma, was awarded by the Regional Tender Board in the sum of \$6.962M to the lowest responsive of two bidders. The Engineer's estimate was \$7M. The amount of \$6.961M was paid to the contractor for completed works. A physical verification of the works revealed that the contractor was overpaid the sum of \$737,100.

635. In addition, the following observations were noted:

- a) no advance payment bond was seen for the advance payment which was paid to the contractor;
- b) the contract document submitted for audit examination in the project file did not contain any general or special conditions of contract nor technical specifications; only the contractor's bid was seen in the file; and
- c) the contract period was noted as eight weeks, however, the date of the contract agreement, the start and completion date for the works as well as the defects liability period could not be determined from the documents examined.

Region's Response: The Head of Budget Agency indicated that a revisit of this project is required.

Recommendation: The Audit Office recommends that the Regional Administration: (a) take immediate steps to recover the overpayment; (b) ensure that completed works are accurately measured and quantified before payments are made to contractors for works completed; (c) ensure that proper contract documents are prepared for works being executed; and (d) contract documents should contain all relevant terms and conditions of contract along with technical specifications and all other pertinent information and clauses as may be required to properly administer the contract. (2016/348)

636. The Regional Tender Board awarded a contract for the construction of Tarmac at Port Kaituma Secondary School, Matarkai to the lowest responsive of four bidders in the sum of \$3.905M. The defects liability period could not be determined from the documents examined. Amounts totalling \$3.514M were paid to the contractor. Our physical verification on 22 June 2017 revealed that the works were incomplete and the contractor had demobilised from the site; no materials or equipment were on site. In addition, physical verification of the works revealed that the contractor was overpaid the sum of \$1.642M as shown in the table below:

Item	Description	Qty Paid	Qty Found	Unit	Diff.	Rate \$	Amount Overpaid \$'000
	Surface						
1.7	Supply, place and compact structural concrete 1:2:4 mix 4" thk, cater for placing into position BRC fabric №. 65	28	24.3	cu. yds	3.7	48,000	178
4	Works that was not included in Bill of Quantity						
1.9	Sand filling 50' x 40' x 3' high average.	222	0	cu. yds	222	6,000	1,332
	Construction of concrete drain from tarmac to connect to the main drain of the school building	42	0	yds	42	3,150	132
Total Overpaid							1,642

637. Further, the following observations were made:

- a) no contract document was presented for audit examination; and
- b) the Bill of Quantity was poorly prepared and lumped together items to be paid for as one Cu Yd item, namely Item 1.7 of the provisional breakdown which states "Provide for supply, place and compact structural concrete 1:2:4 mix to tarmac 4" thk, cater for placing into position BRC fabric №. 65 of casting of concrete tarmac and 3/8" aggregate."

Region's Response: The Head of Budget Agency indicated that the contractor will complete these works and the Regional Administration will desist from this practice.

Recommendation: The Audit Office recommends that the Regional Administration: (a) ensure that completed works are accurately measured and quantified before payments are made to contractors for works completed; (b) ensure that all Bills of Quantities are prepared in accordance to the Standard Method of Measurements (SMM); (c) the signed contract document should be presented for audit examination; and (d) ensure items which are quantifiable and are of varying nature are priced and paid for individually and not lumped together as one "Job" item for payment. (2016/349)

Capital Purchases

638. The sum \$103.498M was budgeted for: (a) purchase of ATV; (b) provision for table, chairs, air conditioning units and computers; (c) purchase of suite, dining sets, wardrobes, beds, televisions and refrigerators; (d) provision for fuel filtration system; (e) upgrading of electricity distribution networks - Hosororo, Wauna and Sugar Hill; (f) purchase of bus; (g) purchase of school furniture and equipment such as nursery sets, desks, benches, chalk boards, cupboards, racks, stools, tables, chairs, solar systems, outdoor playing equipment, musical and sports equipment; (h) purchase of suite, refrigerators, dining sets, stoves, beds and tables; (i) purchase of ambulance; (j) purchase of fans and televisions; (k) purchase mortuary freezer, analysers, laboratory rotors, centrifuges, counting chambers, sluice sinks, fogging machines, solar systems, refrigerators, microscopes, otoscopes, incubators, beds, carts and monitors and (l) completion of distribution network - Kumaka Hospital and rehabilitation of distribution network - Pakera Hospital. As at 31 December 2016, amounts totalling \$103.392M were expended, however, at the time of reporting in September 2017, the Regional Administration was still to receive assets totalling \$7.373M as shown in the table below. Nevertheless, the other assets were verified as having been received and properly brought to account.

Description	Quantity	Amount \$'000
Light Microscope	2	1,660
Patient Beds	2	1,310
Solar refrigerator with accessories	2	930
Desk and Bench (Pairs)	60	900
Industrial Stoves	3	720
Industrial Washing Machine	1	180
Nursery Sets	2	195
Double Beds	5	325
Living room suite	3	294
HP Computers	2	275
Emergency Carts	3	240
Teachers table and chairs	9	194
1000 watts INT inverter 12 VDC	2	130
Iron Board	2	20
Total	98	7,373

Region's Response: The Head of Budget Agency indicated that the Regional Administration will follow-up the delivery of the outstanding items.

Recommendation: The Audit Office recommends that the Regional Administration follow-up this matter with the suppliers to have the items delivered immediately and provide the Audit Office with the necessary documentations upon receipt of the items. (2016/350)

Other Matters

639. Nine capital projects totalling \$7.716M were also selected for physical verifications however, despite our requests, the relevant records/ documentation were not presented by the Regional Administration and as such, we are unable to determine whether or not overpayments have occurred or if there were any contractual irregularities with each respective contract.

Region's Response: The Head of Budget Agency indicated that these records/documentation will be located and presented to the Audit Office.

Recommendation: The Audit Office recommends that the Regional Administration make every effort to locate and present all records/documentation for verification. (2016/351)

640. Examination of payment vouchers revealed that the Regional Engineer and the Handyman uplifted payments totalling \$25.784M on behalf of contractors for the construction of Secondary School at Waramouri, DBST Road from Mabaruma Nursery School to NW Secondary School and Sanitary Block at Parakese Nursery School, construction of Sanitary Block at Chinese Landing, Tarmac at Santa Rosa Secondary School and road from Kumaka junction to Bridge №. 3 Hosororo Swamp Road. This practice is unacceptable/unethical, lacks transparency and impairs the independence of the Regional Administration/Contractor relationship.

Region's Response: The Head of Budget Agency indicated that the Regional Administration has an unwritten policy that discourages staff from uplifting moneys for contractors. The assistance of the Chief Accountant of the Mabaruma Sub-Treasury will be sought to avoid a recurrence.

Recommendation: The Audit Office recommends that the Regional Administration ensure that each payment is accompanied by a valid authorisation in the event that a payee is unable to uplift payment personally and such authorisation should not impair or appear to impair the independence of the Regional Administration. (2016/352)

641. Audit examination of contracts, Bills of Quantities and payments made revealed that the Regional Administration was modifying the original scope of works and paying for other purportedly additional works at a higher rate than that which was quoted by the contractor in his original bid. In addition, these changes were all unauthorised since there were no approvals or Variation Orders. Further, it was noted that the sum paid for measured works under the "provisional sum" (sum to be utilised by the Engineer/Regional Executive Officer for any unforeseen work) exceeded the sum in the original Bill of Quantity resulting in the following unapproved increased:

Contract	Contract Sum \$'000	Provisional Sum in Bill of Quantity \$'000	Amount paid under Provisional Sum \$'000	Unapproved Increase \$'000
Repairs to DREO Living Quarters, Mabaruma	2,356	50	547	497
Repairs to North West Secondary School Male Dormitory	3,370	75	260	185
Repairs to Katchikamo Teacher's Quarter	2,873	100	493	393
Repairs to Kwebana Health Centre, Moruca	3,852	50	579	529
Repairs to fence at Regional Guest House, Mabaruma	1,751	150	730	580
Repairs to Airstrip Terminal, Mabaruma	4,972	100	1,016	916
Repairs to Regional Building, Mabaruma	4,600	100	2,597	2,497
Construction of administrative building at Mabaruma Regional Hospital	8,300	150	1,330	1,180
Construction of Health Post at Warapoka	6,010	50	780	730
Construction of 0.5 miles DBST Road on the Kumaka to Kwebana Road, Moruca	7,897	100	2,060	1,960

Region's Response: The Head of Budget Agency indicated that the Regional Administration will desist from this practice.

Recommendation: The Audit Office recommends that the Regional Administration: (a) desist from modifying the scope of works and changing the rates for Items in the Bill of Quantity of the contract. Any changes to the scope and rates must follow due procedure in accordance with the conditions of contract; (b) ensure that all additional works/ variations are approved by way of Variation Order and that all relevant details and justifications are attached to such orders; and (c) should not pay for unauthorised changes in works and those responsible for instructing and recommending payments for same should be sanctioned. (2016/353)

Prior year matters, which have not been resolved

Current Expenditure

642. During 2015, sixteen employees were overpaid net salaries totalling \$1.135M while the related deductions totalling \$245,236 were also overpaid to various deduction agencies. However, at the time of reporting in September 2017, the Administration was able to recover the full net salaries amounting to \$1.135M but the related deductions totalling \$245,236 were still to be recovered.

Region's Response: The Head of Budget Agency indicated that the Regional Administration will again write the deduction agencies to recover the amount overpaid.

Recommendation: The Audit Office once again recommends that the Regional Administration take follow-up action to recover the amounts overpaid and ensure that a more efficient and effective system is implemented for the timely communication of pay change directives. (2016/354)

643. Whilst evidence was seen where contractors were written to, the Regional Administration had still not recovered overpayments made during 2010 on the contracts for repairs to Mabaruma Amerindian Hostel of \$324,050 and repairs to Pakera Hospital, Matthew's Ridge of \$142,500.

Region's Response: The Head of Budget Agency indicated that efforts will continue to recover the amounts overpaid.

Recommendation: The Audit Office once again recommends that the Regional Administration follow-up the recovery of the overpayments. (2016/355)

Other Matters

644. An examination of the records revealed that 490 Cheque Orders valued at \$371.858M remained outstanding in respect of the years 2010 to 2015. As a result, it could not be ascertained whether the Regional Administration received full value for all sums expended. Shown in the table below is the status of outstanding Cheque Orders at the time of reporting in September 2017:

Year	No. of Cheque Orders	Amount \$'000
2011	62	25,504
2012	166	102,353
2013	90	90,572
2014	143	127,238
2015	29	26,191
Total	490	371,858

Region's Response: The Head of Budget Agency indicated that efforts are continuing to clear the outstanding Cheque Orders.

Recommendation: The Audit Office once again recommends that the Regional Administration renew its efforts to have these Cheque Orders cleared, submit the necessary information to the Audit Office for verification and ensure that Cheque Orders are cleared within the stipulated time frame in keeping with circularised instructions. (2016/356)

Capital Expenditure

645. The Regional Administration is still to recover overpayments totalling \$28.076M which were made on the following projects during the years 2010, 2011 and 2015

Year	Line Item	Description	Amount Overpaid \$'000
2010	Buildings	Construction of Technical Vocation Centre	3,944
"	"	Construction of Nurses Hostel, Port Kaituma	6,440
"	"	Rehabilitation of Baramita Health Hut	2,288
"	"	Extension of Baramita Primary School	1,263
2011	Public Works	Construction of gravel surface road at 11 Miles, Manawarin	950
"	Buildings	Construction of Students Dormitory at Port Kaituma	4,797
"	"	Rehabilitation of Regional Administration Office, Mabaruma	3,934
"	"	Construction of Sanitary Block at Wauna Nursery School	604
"	"	Extension of Health Hut at Kariabo, Barima	419
2015	Public Works	Empoldering of 320 acres of farmland along the Aruka River	2,512
"	"	Construction of sanitary block at Port Kaituma Primary School	925
Total			28,076

Region's Response: The Head of Budget Agency indicated that efforts will continue to recover the amounts overpaid.

Recommendation: The Audit Office once again recommends that the Regional Administration make every effort to recover the overpayments and put proper systems in place to avoid recurrences. (2016/357)

646. The contract for the extension of Hosororo Primary School was awarded by National Procurement and Tender Administration Board to the lower of two bidders in the sum of \$11.438M. As at 31 December 2012, a mobilisation advance of \$3.430M, representing thirty percent (30%) of the contract sum, was paid to the contractor. A physical verification of the project revealed that the works were incomplete and this matter is currently in the Court.

Region's Response: The Head of Budget Agency indicated that this matter is still in the Court.

Recommendation: The Audit Office recommends that the Regional Administration provide the necessary information to the Audit Office when the matter is concluded by the Courts. (2016/358)

647. Capital items valued at \$2.958M which were purchased in 2014 were still not received at the time of audit in June 2017.

Region's Response: The Head of Budget Agency indicated that the Village Council has indicated that they will supply the outstanding chalk board and cupboard, while the Regional Administration will investigate the whereabouts of the other contractor.

Recommendation: The Audit Office recommends that the Regional Administration ensure all items purchased are received before payments are made. (2016/359)

Status of Prior Year Matters

648. The table below summarises the prior year matters as contained in the Auditor General's 2015 Report and the action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2015/275	Outstanding Cheque Orders		√	
2015/276	Overpayments on construction works			√
2015/277	Non-disposal of unservicable vehicles			√
2015/278	Overpayments on construction works	√		
2015/279	Overpayments on construction works			√
2015/280	Overpayments on construction works			√
2015/281	Overpayments on salaries		√	
2015/282	IDW- Drugs and Medical Supplies	√		
2015/283	Breaches of the FMA Act		√	
2015/284	Shortfall in Capital Expenditure		√	
2015/285	Breaches of Stores Regulations		√	
2015/286	Overpayment on construction works		√	
2015/287	Overpayment on construction works	√		

AGENCY 72
REGION 2 - POMEROON/SUPENAAM

Current year matters, with recommendations for improvement in the existing system

Current Expenditure

Employment Cost

649. Amounts totalling \$1.575 billion were expended for Employment Cost. According to the National Estimates during 2016, the Regional Administration had an authorised staffing structure of 1,374 as shown below:

Line Item	Description	Authorised 2016	Actual 2016	Shortage/ Excess 2016
6111	Administrative	165	167	2
6112	Senior Technical	469	435	(34)
6113	Other Technical and Craft Skilled	319	295	(24)
6114	Clerical and Office Support	34	35	1
6115	Semi-Skilled Operatives and Unskilled	157	158	1
6116	Contracted Employees	229	229	0
6117	Temporary Employees	1	0	(1)
Total		1,374	1,319	(55)

650. As can be noted from the table above, contracted employees accounted for 17.4% of the total employees. The table below gives the salary range of the 229 contracted employees for 2016:

Salary Range	No. of Employee	Amount \$'000
Below \$100,000	221	12,747
\$100,000 - \$250,000	7	1,149
\$250,000 - \$400,000	1	364
Total	229	14,260

Region's Response: The Head of Budget Agency indicated that the Regional Administration has already taken steps to move its employees over to the permanent establishment.

Recommendation: The Audit Office recommends that the Regional Administration minimise the number of staff being employed on a contractual basis and take immediate steps to move its current eligible employees over to the permanent establishment in keeping with circularised instructions. (2016/360)

651. A further analysis of the employment details revealed that the Regional Administration had a total of forty-one vacancies as advertised in the Public Service Commission Staff Vacancy Circular. These vacancies included critical posts such as one Deputy Regional Executive Officer, one Principal Assistant Secretary (Finance), a Chief Accountant, an Engineer, a Field Auditor and one Regional Education Officer. As a result, these critical vacancies would have an adverse effect on the operations of the Regional Administration.

Region's Response: The Head of Budget Agency explained that some of these vacancies has already been advertised and are with the Public Service Commission.

Recommendation: The Audit Office recommends that the Regional Administration urgently review its staffing situation since the level of staffing would obviously have an adverse effect on the operations of the Region and in particular the level of control needed to ensure adequate checks and balances. (2016/361)

652. An examination of a sample of eleven transactions relating to resignations and dismissals revealed that two officers were overpaid net salaries totalling \$134,703 while the related deductions totalling \$21,943 were also overpaid to various deduction agencies. This was as a result of information not being communicated in a timely manner to the respective departments. At the time of reporting in September 2017, the Administration was able to recover net salary amounting to \$44,119 from one officer.

Region's Response: The Head of Budget Agency indicated that individuals were written to regarding the overpayments while steps will be taken to write the respective Agencies.

Recommendation: The Audit Office recommends that the Regional Administration follow-up this matter with the view of recovering the overpayments and ensure that pay change directives are effectively and efficiently communicated in a timely manner to the Regional Accounting Unit. (2016/362)

Office and Field Supplies

653. The sum of \$176.099M was budgeted for the procurement of Drugs and Medical Supplies under Health Services Programme - Line Item 6221 for 2016. The Regional Administration issued two Inter-Departmental Warrants to the Ministry of Public Health (MOPH) for the Ministry to procure drugs and medical supplies on behalf of the Regional Administration.

654. The first warrant was issued on 7 July 2016 for \$130.501M and a financial return was received from MOPH indicating that the full amount was expended. However, although drugs and medical supplies were received by the Regional Administration, the cost was not stated on the documentation that accompanied the deliveries. As a result, it could not be determined whether the full value was received for the sum warranted to the MOPH.

655. A second warrant was issued on 16 November 2016 for \$34.909M. However, the Regional Administration received a nil return indicating that the amount was unexpended and the Appropriation Account was credited with the unspent amount of \$34.909M.

Region's Response: The Head of Budget Agency indicated that Regional Administration would have expended \$10.689M of the allocation of which the remainder was warranted to MOPH and steps will be taken to write the MOPH in order to have the cost of the drugs supplied.

Recommendation: The Audit Office recommends that the Regional Administration put systems in place to reconcile supplies received by the respective health facilities with the drugs list initially submitted, and obtain the cost of the drugs and medical supplies from the MOPH so as to reconcile the value of the drugs and medical supplies received with that of the sum warranted to the MOPH. (2016/363)

Maintenance Works

656. Amounts totalling \$345.489M were allocated for the repairs and maintenance works within the Region. As at 31 December 2016, amounts totalling \$345.487M were expended under the various Line Items as shown in the table below:

Line Item	Description	Amount Allocated \$'000	Amount Expended \$'000
6242	Maintenance of Buildings	86,023	86,023
6251	Maintenance of Roads	36,700	36,699
6252	Maintenance of Bridges	20,260	20,260
6253	Maintenance of Drainage & Irrigation	136,491	136,491
6254	Maintenance of Sea and River Defense	3,904	3,903
6255	Maintenance of Other Infrastructure	62,111	62,111
Total		345,489	345,487

657. The contract for general repairs to chainlink fence at Mashabo Primary School was awarded in the sum of \$1.500M to the ninth lowest of twelve bidders. The highest bid price was \$1.929M while the lowest was \$1.277M. The Engineer's estimate was \$1.902M. The justification provided by the RDC for not awarding the contract to the lowest bidder in this instance was that the other bidders were all awarded other jobs at this same sitting within the duration. Further, it was discovered that a completely new fence was constructed. However, the contract stated that the works was for general repairs to an existing fence and was paid under Line Item 6255 – Maintenance of Other Infrastructure. This expenditure should have been met from the capital budgetary allocation of the Regional Administration. Nevertheless, based on physical verification of the works we are of the view that the payments made for the completed works are fair and acceptable.

Region's Response: The Head of Budget Agency indicated that this award was due to the other contractors not having the capability, due to them having several ongoing contracts and being charged to current expenditure was an oversight.

Recommendation: The Audit Office recommends that the Regional Administration: (a) immediately desist from awarding contracts on a subjective basis and follow the Procurement Act; and (b) desist from paying for capital works under the current budgetary allocations., (2016/364)

658. A contract for general repairs to Teacher’s Living Quarters at Good Hope Annex, Supenaam Creek was awarded by the Regional Tender Board in the sum of \$2.363M to the third lowest of thirteen bidders. The Engineer’s estimate was \$3.135M. It was noted that the contract was signed on 27 June 2016, with a commencement date of 4 July 2016 and a completion date of 4 September 2016. The total payments made to date for works completed were \$2.363M. Physical verification revealed that the works were incomplete and the following overpayment was discovered:

Item	Description	Qty Paid	Qty Found	Unit	Diff	Rate \$	Amount Overpaid \$'000
Bill №. 2 - Structural Works							
2.2	Removal of defective zinc lots and replace with first quality well dressed and seasoned 25mm x 150mm Kabakalli	106	0	ln.m	106	650	69
2.5	Supply and install bat proofing to roof (expanding foam)	18	0	ln.m	18	500	9
Base for trestle							
2.32	Provide for construction of RC base to be used as trestle, measuring 3000mm long x 1500mm high x 900mm high	1	0	№.	1	36,000	36
Total overpayment							114

659. In addition, it was discovered that the contractor did not construct the base for the trestle in accordance with the specifications of the contract and as a result the base has collapsed. Our investigation further confirmed that the hollow concrete blocks that were used, were not core filled while clay/mud was used to fill the inside of the structure.

Region’s Response: The Head of Budget Agency indicated that Works Department had written to the contractor and are awaiting a favorable response.

Recommendation: The Audit Office recommends that the Regional Administration: (a) take steps to recover the overpayment; (b) inspect and ensure that all works are satisfactorily completed in accordance with the specifications of the contract before payments are made to contractors; and (c) should sanction the contractor for producing poor quality and shoddy works. (2016/365)

Stores and Other Public Property

660. Section 29 of the Stores Regulations requires Log Books be maintained for all motor vehicles, plant, machinery, and equipment. The Regional Administration owns and controls eighty-one serviceable vehicles/machinery/equipment for which Log Books are required to be maintained and submitted for audit examinations. An audit examination of the records reveals the following:

- a) of these eighty-one serviceable vehicles/machinery/equipment, sixteen were under repairs/not working and in the workshop for the period under review; and
- b) of the remaining sixty-five serviceable vehicles/machinery/equipment for which Log Books were required to be maintained and submitted for audit examination, only forty-four were submitted, leaving twenty-one outstanding as shown in the table below:

Type of Vehicle/Equipment	Total No. of Serviceable vehicles/machinery/equipment	Log Books Received	No. of Outstanding Log Books
Motor Cycles	16	9	6
Pumps	12	4	8
Generator	1	1	0
Motor Vehicles	24	21	4
Machine and Equipment	10	7	3
Outboard Engines	2	2	0
Total	65	44	21

- c) even though the Regional Administration had given the assurance that corrective action would have been taken to comply with the Stores Regulations, especially as it relates to the maintenance of Log Books, the situation remained the same for the year 2016, whereby Log Books were not properly written up and maintained as detailed below. In the absence of these pertinent information in the Log Books, it could not be determined whether the journeys undertaken were properly authorised and whether there was effective control over the use of these vehicles:
 - odometer readings were not recorded thereby not stating the distance of the journey covered;
 - fuel and lubricants received were not recorded;
 - signature of the officer authorising journey was not stated; and
 - signature of checking officer was not seen.

Region's Response: The Head of Budget Agency indicated that 95% of vehicles odometers are not working and steps have been taken in 2017 to correct this situation.

Recommendation: The Audit Office recommends that the Regional Administration ensures that the Stores Regulations are complied with at all times. (2016/366)

661. The Regional Administration did not adhere fully to the Stores Regulations for the period under review. An audit inspection of the various Stores under the control of the Regional Administration revealed the following:

Education Department Stores

- a) the Department of Education Stores was previously managed by the staff of the Education Department. However, in February of 2017, the Stores was managed instead by the Regional Administration and is being operated by an Accounts Clerk and a Stock Verifier. An audit inspection of the Stores in June 2017 revealed the following:
 - (i) the storage area was not arranged in a manner that makes it easy to access and check. As a result, a physical stock count of the items in the Stores could not have been carried out; and
 - (ii) an examination of the Bin Cards and Stores Ledgers revealed that they were last updated in September 2016.

Regional Hardware Stores

- b) an audit examination at the Regional Hardware Stores, the Region's Workshop and compound revealed that there was a quantity of obsolete items and a number of unserviceable vehicles/equipment at these locations. However, there was no evidence of action being taken by the Regional Administration to dispose of these obsolete items and unserviceable vehicles/equipment.

Region's Response: The Head of Budget Agency indicated that plans are in place to merge the Education Stores with the Regional Hardware Stores in Anna Regina for easier monitoring and accountability and, as such, the problems identified by Audit Office will be addressed.

Recommendation: The Audit Office recommends that the Regional Administration ensures that the Stores Regulations are strictly adhered to at all times. (2016/367)

Public Hospital Suddie

- c) an audit examination of records at the Accounts Department, Ration Store and Drugs Bond at the Public Hospital Suddie revealed the following unsatisfactory features:
 - (i) the Accounting Department did not update the Stores Ledgers for the Drug Bond at the time of audit. As a result, vital control mechanisms to ensure proper accountability for stock were not in place; and

- (ii) an analysis of Material Management Unit's Combined Requisition and Issue Vouchers (CRIV) for 2016 revealed that the quantities of drugs and medical supplies requested were not always supplied.

Region's Response: The Head of Budget Agency indicated that staff shortage is currently being addressed and system have been put in place to avoid a recurrence, however, at the time of audit, posting of these items were not completed since it was in the process of distribution to various sections. Please note that within the stipulated two weeks, posting was completed. In addition, drugs not supplied are purchased by the Regional Administration as required.

Recommendation: The Audit Office recommends that the Regional Administration ensure that the Stores Regulations are strictly adhered to at all times. (2016/368)

Oscar Joseph District Hospital

- d) an audit examination of the records at the Accounts, Ration Stores and the Dispensary of the Oscar Joseph District Hospital reveals the following:
 - (i) there was a lack of segregation of duties arising from the assignment of responsibilities. It was observed that a Clerk-in-Charge performed the following:
 - a. duties of the Stores Keeper;
 - b. purchase of supplies;
 - c. approve supplies;
 - d. operate the imprest;
 - e. perform the duties of Typist Clerk; and
 - f. general administration of the hospital
 - (ii) Bin Cards were not maintained while the Stores Ledger was not properly written-up and it could not be determined when last it was updated since no dates were recorded in the ledger. As a result, a comparison could not be carried out between the records and a physical count;
 - (iii) the examination of the records at the Dispensary revealed that a Stock Ledger for drugs and medical supplies was not maintained;
 - (iv) Sectional Inventories of Permanent Stores were not updated since 2015;
 - (v) all Permanent Stores were not marked as being the property of the Hospital; and
 - (vi) there were a number of obsolete items at various sections of the Hospital that needs to be disposed of.

Region's Response: The Head of Budget Agency indicated that a system has been put in place to have a staff structure, systems are in place to update inventories and mark all Permanent Stores, new assets will be marked within two months and a committee has been identified to deal with obsolete items.

Recommendation: The Audit Office recommends that the Regional Administration ensures that the Stores Regulations are strictly adhered to at all times. (2016/369)

Other Matters

662. Circularised instructions state that for the occupation of Government quarters, Public Servants are required to pay rent of 10% and 12% of their salary for unfurnished and furnished accommodation respectively, except where entitlement to rent-free Government quarters had been previously approved, as a condition of service. An examination of the House Rent Register revealed that out of the seventy-six living quarters owned by the Regional Administration for the year under review. Fourteen of these quarters are occupied by persons for which no rent were being received and there were no documentation to substantiate their entitlement to rent-free quarters.

Region's Response: The Head of Budget Agency indicated that efforts are continuing whereby officers who are not entitled were written to, reminders will also be sent.

Recommendation: The Audit Office recommends that the Regional Administration take steps to ensure that: (i) only officers entitled to Government Quarters are accommodated there; and (ii) all outstanding amounts for rent are collected and deposited into the Consolidated Fund. (2016/370)

663. Circularised instructions require Cheque Orders to be cleared within sixteen days of their issue through the submission of bills/receipts and other documents in support of the payments made. However, the Regional Administration failed to adhere to this requirement, since an examination of the records revealed that five Cheque Orders valued at \$3.718M in respect of 2016, were still to be cleared at the time of reporting in September 2017. As a result, it could not be ascertained whether the Regional Administration received full value for all sums expended.

Region's Response: The Head of Budget Agency indicated that efforts are being made for the remaining Cheques Orders to be retired within the next two weeks.

Recommendation: The Audit Office recommends that the Regional Administration make efforts to have these Cheque Orders cleared and submit the necessary information to the Audit Office for verification.(2016/371)

664. Section 43 of the Fiscal Management and Accountability Act 2003 states that at the end of each fiscal year, any unexpended balance of public moneys issued out of the Consolidated Fund shall be returned and surrendered to the Consolidated Fund. However, an inspection of the Sub-Treasury's safe in June 2017 revealed that there were 229 cheques valued at \$76.240M in respect of 2016 payments still on hand for items not supplied and works not completed. At the time of reporting in September 2017, there were still 148 cheques totalling \$41.532M on hand.

Region's Response: The Head of Budget Agency explained that efforts will be made to update and pay over these cheques to suppliers who have made deliveries while the outstanding cheques will be returned to the to the Consolidated Fund.

Recommendation: The Audit Office recommends that the Regional Administration institute measures to ensure full repayment to the Consolidated Fund of all amounts remaining unpaid at the end of each financial year in compliance with the FMA Act. (2016/372)

665. Section 19 of the Procurement Act states each Regional Board shall consist of five members; three members appointed by the National Board and two members appointed by the Regional Administration. However, appointment letters for the five members were not presented for audit scrutiny despite repeated requests. As a result, it could not be determined if these members were appointed in keeping with Section 19 of the Procurement Act.

Region's Response: The Head of Budget Agency explained that all members were appointed by the Chairman of NPTAB and these appointment letters will be provided.

Recommendation: The Audit Office recommends that the Regional Administration ensure that the Procurement Act is adhere to at all times. (2016/373)

Economic Fund/Economic Project

666. The Regional Administration operated three Special Project Account №s. 685-235-4, 685-233-9 and 590-047-7 held at Republic Bank Limited for economic affairs (Reserve Fund), Economic Project (State House) and West Bury. Audit Checks revealed that amounts from these accounts were used as advances to facilitate activities within the Regional Administration. An examination of the cash book for these accounts revealed that there were a number of outstanding advances relating to these accounts as shown below:

Account	Period	Number of Outstanding Advances	Total \$'000	Balance as at 15-06-2017 \$'000
West Bury	1995-2017	27	2,157	208
Kayman Sankar	2008-2017	127	4,519	79
State House	2010-2016	9	507	126
Essequibo Night	2011-2017	43	9,954	642
Sale of Tender	2011-2017	12	640	5
Rental of Unifloat	2011-2017	1	104	69
Toll Fee	2011-2015	5	1,000	2
Sewage Truck	2012-2017	55	2,246	149
Water Users	2012-2017	2	496	31
Rental of Stage	2012-2016	2	62	49
Charity Marketing Centre	2013-2017	13	480	129
Mash	2015-2017	4	233	24
Flavour of Region #2	2016	1	11	38
Amerindian Pageant	-	-	0	12
Total		301	22,409	1,563

667. Additionally, it was observed that even though it is required that an officer clear all outstanding advances before being issued another, twenty-six officers have multiple outstanding advances.

Region's Response: The Head of Budget Agency explained that at the time of this report vouchers with cheques would have been received from the Sub-Treasury and therefore the Regional Administration is in the process of clearing advances thus resulting in a significant amount of outstanding advances being cleared.

Recommendation: The Audit Office recommends that the Regional Administration put measures in place to ensure that advances are cleared promptly by officers and that one officer does not have more than one advance at the same time. (2016/374)

Capital Expenditure

668. The sum of \$474M was budgeted for in 2016 to execute the capital programme of the Regional Administration. According to the Appropriation Account the sum of \$471.548M was expended leaving an unspent amount of \$2.452M representing savings under the various programmes. Shown in the table below is the shortfall in capital expenditure per programme for 2016:

Programme	Description	Budgeted Amount \$'000	Expenditure \$'000	Shortfall \$'000
1	Regional Administration & Finance	24,250	24,216	34
2	Agriculture	44,846	44,042	804
3	Public Works	46,226	45,856	370
4	Education Delivery	231,242	230,854	388
5	Health Services	127,436	126,580	856
Total		474,000	471,548	2,452

Buildings

669. The contract for the construction of Maternity Waiting Home, Public Hospital Suddie Compound was awarded in the sum of \$27.765M by the National Procurement Tender Administration, following Cabinet's No Objection. The contract was subsequently signed on 1 November 2016, with a duration of four months for completion; the defects liability period was three months. At the time of verification in May 2017 amounts totalling \$9.718M were paid to the contractor while the retention sum of \$1.543M was withheld, in accordance with the contract. Based on physical verification the following overpayments were discovered:

Item	Description	Qty Paid	Qty Found	Unit	Diff.	Rate \$	Amount Overpaid \$'000
Bill №. 3- Concrete Works							
3.6	Apron and walkway	17.64	0	cu.m	17.64	36,000	635
Bill №. 4- Block Work							
4.5	Construction of design facing to the corners of building using rendering as directed	48.8	0	ln.m	48.8	600	29
Bill №. 5- Carpentry Works Cont'd							
Ceiling							
5.18	Supply and install 25mm x 75mm Silverballi noggings to ceiling as directed	680	340	ln.m	340	220	75
5.19	10mm thk plywood to ceiling inclusive of the installation of all moulding to all joints and corners as directed.	360	170	sq.m	190	1,650	314
Cupboards							
5.30	Provide for the construction of kitchen cupboard measuring 825mm high x 600mm wide x 3000mm long	2	0	№.	2	120,000	240
Total overpayment							1,293

670. In addition the following observation was also noted on this contract:

- a) it was discovered that the Regional Administration was over valuing the actual works completed when making Interim Payments to the contractor. In this instance, the Regional Administration has made payments in full for works which were either still in progress or in some cases, which had not commenced in its entirety at the time of the physical verification on 10 May 2017; and
- b) the contractual completion date expired since 7 March 2017 and the works are incomplete. No approved extensions of time were noted at the time of the physical verification. In addition, the Performance Bond furnished by the contractor will expire on 18 June 2017 and does not provide the required period of coverage in its current state since the works are still to be completed.

Region's Response: The Head of Budget Agency indicated that the contractor have since completed the remedial works and is requesting a revisit of the project by the Audit Office.

Recommendation: The Audit Office recommends that the Regional Administration: (a) desist from certifying and issuing payments to contractors for works which have not been completed at the time when valuations are prepared; (b) extend the Performance Bond to cover the required period of coverage; and (c) charge liquidated damages. (2016/375)

671. The contract for the extension of Wakapoa Dormitory was awarded to the lowest responsive of seven bidders in the sum of \$10.068M. The Engineer's estimate was \$13.17M. There was an approved variation of \$3.098M bringing the final project cost to \$13.166M. The contract was signed on 16 May 2016, with a commencement date of 16 May 2016 and a completion date of 16 September 2016. The defects liability period was four months. The contractor received \$12.579M for works completed. Physical verification revealed overpayments totalling \$145,000 for roof and tiling works.

672. In addition, it was observed that the Regional Administration was over valuing the actual works completed when making Interim Payments to the contractor. In this instance, the Regional Administration has made payments in full for works which were either still in progress or in some cases, which had not commenced in its entirety, at the time of the physical verification on 11 May 2017. Further, the contractual completion date expired since September 2016 and the works are incomplete. No approved extensions of time were noted at the time of the physical verification. The contractor should therefore be liable for liquidated damages.

Region's Response: The Head of Budget Agency explained that the contractor was written to by the Works Department and has since asked for a revisit with Public Works Department. Matters relating to (a) and (b) are under review by the Regional Administration.

Recommendation: The Audit Office recommends that the Regional Administration (a) desist from certifying and issuing payments to contractors for works which have not been completed at the time when valuations are prepared; and (b) charge liquidated damages. (2016/376)

Public Works

673. The contract for the construction of bridge at Marlborough Health Center, Lower Pomeroon, was awarded in the sum of \$6.943M to the second lowest of four bidders. The Engineer's estimate was \$8.056M. The contract was signed on 7 July 2016, with a start date of 7 July 2016 and a completion date of 7 October 2016. The full contract sum was paid to the contractor for works completed. However, the original scope of works under the contract catered for works mainly to the construction of a timber bridge, perimeter fence and a revetment but it was discovered that the entire contract sum was used instead to construct a larger length of timber revetment section. No bridge or fence was constructed, as was originally stated in the contract. In addition, no approval/variation order was seen for the significant changes made to the scope of works which was actually completed and paid for under the contract.

Region's Response: The Head of Budget Agency explained that this was an oversight and due to the emergency nature of the works and the bridge has since been re-budgeted for.

Recommendation: The Audit Office recommends that the Regional Administration ensure in future that works are retendered when there is an entire change in the scope of works to allow for competitive bidding and fairness to all bidders and Variation Orders are prepared and approved in keeping with the conditions of the contract when there are changes to the scope of works. (2016/377)

674. The project for construction of the Neighbourhood Democratic Council office at Evergreen/ Paradise was done outside of the profile for which approval for inclusion of same were not presented for audit examination.

Region's Response: The Head of Budget Agency indicated that this was an oversight, and in future approval will be sought.

Recommendation: The Audit Office recommends that the Regional Administration ensure that approval is obtained before any project is undertaken that is outside of the project profile. (2016/378)

675. It was noted that the amounts totalling \$535,920 were expended to meet the payment of salaries inclusive of NIS and PAYE for an employee even though this was not budgeted for under capital expenditure and no approval for inclusion for same was provided.

Region's Response: The Head of Budget Agency indicated that the salaries were paid for one Clerk of Works who monitored projects and corrective measures will be taken.

Recommendation: The Audit Office recommends that the Regional Administration ensure that approval is obtain before any payment is made that is outside of the project profile. (2016/379)

Capital Purchases

676. The sum of \$66.605M was voted for: (a) the purchase of air conditioning units, printers and computers; (b) purchase of a lawn mower; (c) purchase of school furniture and equipment such as desks, benches, nursery sets, fire extinguishers, cupboards, filing cabinets, chairs, tables, musical and sports equipment; (d) purchase of vehicle, boat and outboard engine; (e) provision of generator; (f) provision for dental chair, suction apparatus, ECG machine, computers. x-ray view boxes, refrigerators, foetal monitors, sterilizer's, stationary bikes, chairs, gas cooker, suite, beds, desks, filing cabinets air conditioning units and photocopiers; and (g) purchase of vehicle and boats. As at 31 December 2016, amounts totalling \$66.538M were expended on the acquisition of the above mentioned items. An examination of these purchases revealed the following:

- a) items to the value of \$26.564M which were purchased during 2016 as detailed in the table below were still to be supplied to the Regional Administration at the time of reporting in September 2017. In addition, the cheques for these purchases were at the Sub-Treasury Office at the time of reporting.

Items	Quantity	Value \$'000
Generator	1	9,995
Toyota Hilux	1	8,937
AC Unit	1	312
Dental Chairs	2	1,400
Executive/Office Chairs	13	650
Foetal Monitors	2	1,175
Outboard Motor	3	1,149
Double Bed sets	10	500
Boats	2	549
Stationery Bikes	3	390
Brush Cutter/Lawn Mower	2	222
Items for Health		1,181
Items for Education		104
Total		26,564

Region's Response: The Head of Budget Agency indicated that steps will be taken to uplift and pay for the outstanding items and where items are not supplied the cheques will be returned.

Recommendation: The Audit Office recommends that the Regional Administration follow-up this matter with the suppliers to have the items delivered immediately and provide the Audit Office with the necessary documentations upon receipt of the items. (2016/380)

- b) a generator for the Oscar Joseph District Hospital was budgeted for in 2015 but the Region was unable to execute the purchase, hence the generator was re-budgeted for in 2016 in the sum of \$10M. A cheque dated 5 January 2017 for \$9.995M was drawn on the Appropriation Account for 2016 to purchase the generator but was still on hand at the time of reporting in July 2017. In addition, this transaction was not subjected to the National Procurement and Tender Administration Board’s approval as required by the Procurement Act. Further, the generator was not received by the Regional Administration at the time of reporting although it was noted that this asset was classified as critical in both the 2015 and 2016 National Budgets.

Region’s Response: The Head of Budget Agency indicated that this matter is being followed up.

Recommendation: The Audit Office recommends that the Regional Administration take immediate steps to have this generator purchase for the Hospital and ensure that the Procurement Act is adhered to at all times. (2016/381)

- c) it was observed that a number of items purchased were not put into use. These items as listed in the table below were still at various Stores of the Regional Administration at the time of reporting in September 2017:

Item	Quantity	Amount \$’000
Teachers Table	9	162
Guitars	2	50
Table Tennis Table	2	250
Drums	10	1,300
Refrigerator	1	75
Gas Cooker	10	336
ECG Machine	1	850
F4 Steriliser	1	1,750
Office Chair	8	360
AC Unit	8	880
Total	52	6,013
Industrial gas stove	6	Could not be determined
Wheel barrow	2	
Sthil brush cutter	1	
Fans	19	
Generator	1	
School Furniture		
Wardrobes		
Tanks		

Region’s Response: The Head of Budget Agency indicated that most of the above items are for Charity Hospital which is under construction and will be sent out as soon as construction works at the Hospital is completed.

Recommendation: The Audit Office recommends that the Regional Administration take immediate steps to ensure that all assets purchased are utilised for the purposes intended. (2016/382)

Others

677. Physical verification of two projects revealed overpayments totalling \$159,000 as shown below. However, at the time of reporting in September 2017 these overpayments were recovered and the receipts presented for audit verification. However, no deposit slip was presented to substantiate that the amount collected was deposited.

Details	Contract Sum \$'000	Amount Overpaid \$	Amount Recovered \$	Amount Outstanding \$
General repairs to Good Hope Nursery School Annex	1,407	36,000	36,000	0
Construction of timber bridge at Westbury Primary School	1,617	123,000	123,000	0
Total		159,000	159,000	0

Region's Response: The Head of Budget Agency indicated that the contractors have repaid the amounts overpaid.

Recommendation: The Audit Office recommends that the Regional Administration improve on the efficiency of the systems in place to monitor projects in order to avoid such overpayments. (2016/383)

Prior year matters, which have not been resolved

Current Expenditure

678. Overpayments totalling \$101,949 in respect of net salaries to two officers for the year 2015 were still not recovered. Additionally, the relating deductions totalling \$40,671 were also overpaid to the respective deduction agencies and remained outstanding at the time of reporting in September 2017.

Region's Response: The Head of Budget Agency indicated that the efforts are still continuing to recover the amounts overpaid.

Recommendation: The Audit Office once again recommends that the Regional Administration follow-up this matter with the employees and agencies concerned so that the amounts overpaid be recovered. (2016/384)

679. Cabinet Approval dated 26 January 2009 was obtained by the Regional Administration for the write-off of gasoline to the value of \$2.667M which was lost. However, the amount of gasoline lost during the period 13 June 1996 to 12 March 1998 was valued at \$4.307M, leaving approval still to be obtained for gasoline valued at \$1.640M. In addition, approval was not obtained for the write-off of 37,806 litres of diesel, of which, 26,167 litres were spilled when a water tender collided with a fuel tank and 11,639 litres for which a Police report was received. Further, a Police report is yet to be received for a shortage of cash amounting to \$3.692M, which was lost from the Anna Regina Multilateral School in 2004.

Region's Response: The Head of Budget Agency indicated that the position remains the same.

Recommendation: The Audit Office once again recommends that the Regional Administration engage the Ministry of Communities and diligently follow-up these long outstanding matters in order to bring them to closure. (2016/385)

Capital Expenditure

680. The Regional Administration had still not recovered amounts totalling \$4.482M that were overpaid on the following projects for the years 2010 and 2012.

Year	Description	Amount Overpaid \$'000
2010	Rehabilitation of La Union Cremation Road	552
"	Construction of Akawini Primary School Annex	1,194
2012	Construction of Teachers' Quarters, Akawini Annex	1,785
"	Construction of Ulele Primary School	951
Total		4,482

Region's Response: The Head of Budget Agency indicated that efforts are continuing to recover the amounts overpaid.

Recommendation: The Audit Office once again recommends that the Regional Administration make every effort to recover the overpayments and ensure the systems implemented are functioning effectively at all times. (2016/386)

Status of Prior Year Issues

681. The table below summarises the prior year matters as contained in the Auditor General's 2015 Report and the action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office.

Rec. No.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2015/288	Losses not yet written-off			√
2015/289	Breaches of Stores Regulations	√		
2015/290	Rental Government Quarters			√
2015/291	Overpayments on construction works			√
2015/292	Overpayment of salaries and deductions		√	
2015/293	IDW for Drugs	√		
2015/294	Breaches of Stores Regulations		√	
2015/295	Disposal of unserviceable items		√	
2015/296	Breaches of the FMA Act	√		
2015/297	Shortfall in Capital Expenditure	√		
2015/298	Overpayments on construction works	√		
2015/299	Breaches of Stores Regulations	√		

AGENCY 73

REGION 3 - ESSEQUIBO ISLANDS/WEST DEMERARA

Current year matters, with recommendations for improvement in the existing system

Current Expenditure

Employment Cost

682. Amounts totalling \$2.362 billion was expended for Employment Cost. According to the National Estimates during 2016 the Regional Administration had an authorised staffing structure of 1,972, as shown below:

Line Item	Description	Authorised 2016	Actual 2016	Shortage/ Excess 2016
6111	Administration	522	522	0
6112	Senior Technical	488	456	(32)
6113	Other Technical and Craft Skilled	388	389	1
6114	Clerical and Office Support	44	56	12
6115	Semi- Skilled Operatives and Unskilled	334	454	120
6116	Contracted Employees	189	102	(87)
6117	Temporary Employees	7	7	0
Total		1,972	1,986	14

683. In addition, total contracted employees accounted for 5.2% of the total employees. The table below gives the salary range of contracted employees for 2016:

Salary Range	No. of Employees	Amount \$'000
Below \$100,000	93	5,943
\$100,000 - \$250,000	6	828
\$250,000 - \$400,000	2	654
Above \$400,000	1	495
Total	102	7,920

Region's Response: The Head of Budget Agency indicated that the Regional Administration will be taking steps to move its employees over to the permanent establishment.

Recommendation: The Audit Office recommends that the Regional Administration minimise the number of staff being employed on a contractual basis and take immediate steps to move its current eligible employees over to the permanent establishment in keeping with circularised instructions. (2016/387)

684. A further analysis of the employment details revealed that the Regional Administration had a total of ten vacancies as advertised in the Public Service Commission Staff Vacancy Circular. These vacancies included critical posts such as a Principal Personnel Officer, a Senior Procurement Officer, a Procurement Officer and a District Development Officer. As a result, these critical vacancies would have an adverse effect on the operations of the Regional Administration.

Region's Response: The Regional Administration explained that some of these vacancies has already been advertised and are with the Public Service Commission.

Recommendation: The Audit Office recommends that the Regional Administration urgently review its staffing situation since the level of staffing would obviously have an adverse effect on the operations of the Regional Administration and in particular the level of control needed to ensure adequate checks and balances. (2016/388)

685. An examination of seventeen leavers for the period under review revealed that net salaries totalling \$95,334 were overpaid to three officers whilst the related deductions amounting to \$9,900 were also overpaid to the various deduction agencies. The overpayments were as a result of pay changes directives not being forwarded in a timely manner to the Regional Accounting Unit.

Region's Response: The Head of Budget Agency indicated that letters were written and posted to employees who were overpaid for 2016 and the relevant agencies would be written to shortly.

Recommendation: Audit Office recommends that the Regional Administration follow-up this matter with the view of recovering the overpayments and ensure that pay change directives are effectively and efficiently communicated in a timely manner to the Regional Accounting Unit. (2016/389)

686. Circularised instructions urge that cash payments of salaries be minimised after the introduction of the Integrated Financial Management and Accounting System (IFMAS) in 2004, and that employees be paid under the bank deposit system as stipulated by Circular №. 3/2003 dated 29 September 2003. However, an examination of salaries records for the month of December 2016 revealed that the Regional Administration continued to pay cash totalling \$7.333M to 115 employees in contravention of the circularised instructions.

Region's Response: The Head of Budget Agency stated that forty-seven out of the 115 employees started receiving salary through the bank. Systems are being put in place for others to do same.

Recommendation: The Audit Office recommends that the Regional Administration adhere to Finance Secretary's Circular №. 3/2003 in order to minimise cash payments. (2016/390)

Office and Field Supplies

687. The sum of \$339.649M was budgeted for the procurement of Drugs and Medical Supplies under Health Services Programme for 2016. The Regional Administration issued two Inter-Departmental Warrants to the Ministry of Public Health (MOPH) for the Ministry to procure drugs and medical supplies on behalf of the Regional Administration.

688. The first warrant was issued on 22 July 2016 for \$221.088M and a Financial Return was received indicating that amounts totalling \$86.181M was expended and the Appropriation Account was credited with the unspent amount of \$134.907. However, although drugs and medical supplies were received by the Regional Administration, the cost was not stated on the documentation that accompanied the deliveries. As a result, it could not be determined whether the full value was received for the sum warranted to the MOPH.

689. A second warrant was issued on 5 December 2016 for \$77.012M. However, the Regional Administration received a nil return indicating that the amount was unexpended and the Appropriation Account was credited with the unspent amount of \$77.012M.

Region's Response: The Head of Budget Agency indicated that the value of drugs and medical supplies delivered to the Region compared to the sums warranted and spent by the Ministry of Public Health is currently unknown, the procurement and purchasing of Drugs and Medical Supplies were made by the MOPH on behalf of the Region, however, a report from the Permanent Secretary of MOPH detailing the cost of drugs supplied was not sent to the Regional Office. To date such report has not been received. The Office of the Regional Health Officer had written on 18 August 2017 requesting a report on the value of drugs and medical supplies delivered compared to sums warranted by the Regional Administration.

Recommendation: The Audit Office recommends that the Regional Administration put systems in place to reconcile supplies received by the respective health facilities with the drugs list initially submitted, and obtain the cost of the drugs and medical supplies from the MOPH so as to reconcile the value of the drugs and medical supplies received with that of the sum warranted to the MOPH. (2016/391)

Maintenance Works

690. Amounts totalling \$428.471M was allocated for the repairs and maintenance works within the Region. As at 31 December 2016, the full amount was expended under the various Line Items as shown in the table below:

Line Item	Description	Amount Allocated \$'000	Amount Expended \$'000
6242	Maintenance of Buildings	132,553	132,553
6251	Maintenance of Roads	23,113	23,113
6252	Maintenance of Bridges	26,000	26,000
6253	Maintenance of Drainage & Irrigation	168,005	168,005
6255	Maintenance of Other Infrastructure	78,800	78,800
Total		428,471	428,471

691. The contract for the maintenance to internal road at West Demerara Regional Hospital, Vreed en Hoop was awarded to a contractor in the sum of \$5.704M. However, according to the evaluation form, this contractor was deemed non responsive since no GRA Compliance, NIS Compliances and Business Registration was seen.

Region's Response: The Head of Budget Agency indicated that the records submitted to Regional Tender Board revealed that all documents were submitted as requested for the award of contract and the Evaluation Committee may not have been aware of such.

Recommendation: The Audit Office recommends that the Regional Administration fully comply with the Procurement Act at all times and all available information is provided to the Evaluation Committee. (2016/392)

Stores and Other Public Property

692. Section 18 of the Stores Regulations states that all goods purchased shall be taken to the Stores and shall be subject to store-keeping procedures. An examination of the records for the period under review revealed that the sum of \$1.167M was expended to purchase refreshments for senior officers of the Regional Administration; however, the purchases were not subjected to stores procedures. As a result, it could not be determined whether the items were received, properly accounted for and distributed.

Region's Response: The Head of Budget Agency indicated that systems have been put in place to correct this situation.

Recommendation: The Audit Office recommends that the Regional Administration ensures that the Stores Regulations are strictly adhered to at all times. (2016/393)

693. Physical verification exercises conducted on drugs and medical supplies at West Demerara Regional Hospital and seven Health Centres within the Region revealed that there were 213 items of expired drugs with an approximate value of \$5.416M at these locations. In this regard, there was no evidence that the Regional Administration took action to have them destroyed by the competent authority.

Region's Response: The Head of Budget Agency indicated that expired drugs and medical supplies are recorded in the Expired Drugs Ledger and stored until they are verified and destroyed by the Government Analyst Food and Drugs Department. A letter was written by the Regional Health Officer on 21 August 2017 officially requesting the removal and destruction of the expired drugs.

Recommendation: The Audit Office recommends that the Regional Administration undertake a survey to determine the realistic needs of pharmaceuticals and other medical supplies at these institutions in order to reduce losses through the expiration of drugs. (2016/394)

Drugs Bond (West Demerara Regional Hospital)

694. A thorough audit could not be carried out at the Drugs Bond due to unavailability of records such as Stock Ledgers, Bin Cards and Goods Received Book for the period under review. These records were removed from the premises by the Ministry of Finance for internal audit inspection. As a result, a comparison of the physical stock with the records could not be carried out. In addition, it could not be determined whether medical equipment purchased for the period under review was brought to account in the Stores records.

Region's Response: The Head of Budget Agency indicated that all Stock Ledgers, Bin Cards and Good Received Books for the audited year were removed by the MOPH and Ministry of Finance for inspection and to facilitate an investigation that is ongoing, after which the return of these ledgers and cards are expected. In the interim new Stock Ledgers, Bin Cards and Goods Received Books are created to account for items.

Recommendation: The Audit Office recommends that the Regional Administration inform the Audit Office when these records are returned by the Ministry of Finance. (2016/395)

695. A physical observation of the Drugs Bond revealed that it was still very congested and disorganised due to the size of the building being too small to store the large quantity of drugs. In addition, it was also noted that there were numerous unserviceable items which needs to be sorted out for disposal. Further, there were substances with high odor which posed a risk to those working or entering this bond without protective gears.

Region's Response: The Head of Budget Agency indicated that the Bond appear to be disorganised as a consequence of a faulty roof that would leak when raining, items were moved and packed in a manner to avoid them getting wet and damaged. However, several attempts were made to fix this problem but on evaluation by the Regional Engineers it was decided a new roof is needed which was budgeted for in 2018 budget. Some unserviceable equipment are stored awaiting auditors from Ministry of Finance to inspect and give approval for the removal and destruction of same. In addition, all staff were instructed to use the proper Personal Protective Equipment (PPE) when entering the bond.

Recommendation: The Audit Office recommends that the Regional Administration ensures that the Stores Regulations are complied with at all times. (2016/396)

696. Circularised instructions require that Log Books be kept and properly maintained for each vehicle owned and/or operated by the Regional Administration to record authorised journeys and fuel and lubricant consumption among other pertinent information. Of the forty-four serviceable vehicles/equipment owned and controlled by the Regional Administration, Log Books were not presented for five vehicles/equipment. In addition, of the Log Books presented, five had periods missing and partial information was recorded.

Region's Response: The Head of Budget Agency indicated that efforts will be made to present the outstanding Log Books and ensure all are properly and accurately written-up.

Recommendation: The Audit Office recommends that the Regional Administration maintain Log Books for all vehicles/machinery/equipment and ensure that all pertinent information is recorded therein. (2016/397)

697. There were thirty-one vehicles/equipment which were not in working order; some for over fifteen years. It was noted that an updated valuation was obtained from the Ministry of Public Infrastructure and the Regional Administration had written to the Finance Secretary requesting approval for the vehicles/equipment.

Region's Response: The Head of Budget Agency indicated that they are still awaiting approval to dispose of these equipment

Recommendation: The Audit Office once again recommends that the Regional Administration conclude this matter urgently. (2016/398)

Other Matters

698. Section 43 of the Fiscal Management and Accountability Act 2003 states that at the end of each fiscal year, any unexpended balance of public moneys issued out of the Consolidated Fund shall be returned and surrendered to the Consolidated Fund. However, an inspection of the Sub-Treasury's safe revealed that there were nineteen cheques totalling \$8.887M which were still on hand at the Sub-Treasury Department in respect of 2016 at the time of this report in September 2017.

Region's Response: The Head of Budget Agency explained that to date one cheque was refunded. Twelve were uplifted by suppliers and measures are in place for others to be uplifted.

Recommendation: The Audit Office recommends that the Regional Administration institute measures to ensure full repayment to the Consolidated Fund of all amounts remaining unpaid at the end of each financial year in compliance with the FMA Act. (2016/399)

699. Circularised instructions state that for the occupation of Government Quarters, public servants are required to pay rent of 10% and 12% of their salary for unfurnished and furnished accommodation respectively, except where entitlement to rent-free Government Quarters had been previously approved, as a condition of service. Audit checks revealed that there are ninety-one Government buildings within the Regional Administration of which sixty-seven are occupied by Government officials leaving twenty-four unoccupied. However, it could not be determined from the records presented for audit examination whether any of the persons occupying the sixty-seven quarters were entitled to rent-free quarters.

Region's Response: The Head of Budget Agency indicated that letters were written to occupants of Government Quarters informing them of their obligation to pay rental.

Recommendation: The Audit Office recommends that the Regional Administration take steps to ensure all outstanding amounts for rent are collected and deposited into the Consolidated Fund. (2016/400)

Capital Expenditure

700. The sum of \$386.001M was budgeted for in 2016 to execute the capital programme of the Regional Administration. According to the Appropriation Account the sum of \$385.953M was expended leaving an unspent amount of \$48,000 which resulted from savings on projects. Shown in the table below is the shortfall in capital expenditure per programme for 2016:

Programme	Description	Total Funds Available \$'000	Expenditure \$'000	Shortfall \$'000
1	Regional Administration & Finance	8,119	8,119	0
2	Agriculture	48,020	48,018	2
3	Public Works	98,361	98,359	2
4	Education Delivery	133,047	133,038	9
5	Health Services	98,454	98,419	35
Total		386,001	385,953	48

Buildings

701. The contract for enclosure to bottom flat of Essequibo Island Secondary School was awarded by the Regional Tender Board to the lowest of three bidders in the sum of \$7.935M against the Engineer's estimate of \$8.305M. There was an approved variation of \$1.526M bringing the total project to \$9.461M. The contract was signed on 3 June 2016, with duration of two months for completion. The full amount of \$9.461M was paid to the contractor for completed works. An examination of the contract document revealed the following:

- a) the actual date of completion of the works could not be determined from the documents examined;
- b) no duration for the defects liability period was stated in the contract; and
- c) it was noted that the variation works was approved until 29 December 2016 (RTB No. 51/2016) despite the fact that the contract clearly stated that "All Variation and additional works must be approved by the Regional Tender Board and the contractor shall be informed in writing before execution."

Region's Response: The Head of Budget Agency indicated that the works have since been completed and the absence of the defects liability period was an oversight.

Recommendation: The Audit Office recommends that the Regional Administration ensure that all Variation Orders are prepared and administered in accordance with the Conditions of the Contract and contracts prepared are complete with all relevant clauses. (2016/401)

General Observations on Contracts

702. An examination of the Tender Evaluation Reports for a sample of contracts revealed that in twenty-two instances contracts were not awarded to the lowest or most competitive bidders, despite the Evaluation Committee recommending the lowest evaluated bidders in each instance. In addition, no reasons/ justifications were seen in the Tender Board Minutes as to why the recommendations of the Evaluation Committee were not followed. The table below shows details of nine of the twenty-two contracts that were over \$5M.

Item	Contract	Contract Sum \$	Engineer's Estimate \$	Lowest Bidder \$	No. of Bids	Award
1	Construction of RC Structure - Kashmir, Pouderoyen	8,077,000	8,900,000	6,448,000	24	9th
2	Construction of Revetment at Sister's Village - WBD	13,450,290	13,930,000	7,860,132	41	33rd
3	Construction of Heavy Duty GH Bridge at Sideline Dam Vergenoegen	5,994,640	6,000,000	3,500,272	40	35th

Item	Contract	Contract Sum \$	Engineer's Estimate \$	Lowest Bidder \$	No. of Bids	Award
4	Major Rehab to Heavy Duty GH Bridge to RC Bridge at Patentia H/S	8,262,300	8,900,000	6,611,414	28	10th
5	Rehabilitation of bank Hall to Caledoni Road - Wakenaam	13,495,000	14,000,000	12,634,000	11	6th
6	Rehabilitation of 1st Street Stewartville Housing Scheme	8,350,000	8,900,000	7,587,900	22	6th
7	Extension of Belle West Primary School - Canal # 2	13,882,360	13,900,000	10,597,690	40	32nd
8	Construction of Doctors Lounge - WDRH	8,699,999	8,900,000	6,208,440	40	29th
9	Maintenance of Internal Roads - WDRH	5,704,300	6,000,000	4,870,600	9	8th

Region's Response: The Head of Budget Agency indicated that Tender Board has since corrected the situation and a meeting was kept with the Evaluation Committee to ensure the evaluation criteria are comprehensive and complete so that reliance can be placed on the Evaluation Committee recommendations.

Recommendation: The Audit Office recommends that the Regional Administration: (a) give reasons why the contracts were not awarded to the lowest responsive bidders; (b) ensure that all documentations are presented for audit examination; and (c) the Procurement Act is fully complied with at all times. (2016/402)

Capital Purchases

703. The sum of \$73.620M was allocated in 2016 for the purchase of guard and knife trimcut, hematocrit centrifuge, risograph, air condition units, industrial gas stove, hurst steam boiler, beds with mattresses, sofa suites, examination beds, chemical analyser, infant warmer, delivery beds, patient beds, filing cabinets, refrigerator, semi-executive chairs, desk, typist chairs, office chairs, water dispenser, fans, cupboard, brush cutters, conference table, vacuum cleaner, glass centre table, television, fire extinguisher, photocopier, cubicles, furniture and equipment, projector, recorder, basket ball, football, guitar, slasher, tractor mower, drum sets, keyboard, microscopes, outboard engine, wooden boat, Hilux 4X4 and cardiac monitor. According to the Appropriation Accounts the sum of \$73.620M was expended. An examination of these transactions revealed the following:

- a) assets valuing \$28.221M were purchased in 2016; however, these were received in 2017; and
- b) all the assets purchased were verified as having been received and brought to account on Sectional Inventories, however, a Master Inventory presented for audit examination did not have the required information.

Region's Response: The Head of Budget Agency indicated that the items mentioned at (i) were received in 2017 while the Master Inventory submitted contained no coding of assets.

Recommendation: The Audit Office recommends that the Regional Administration ensures that all assets purchased are promptly delivered and the Master Inventory is properly prepared with all the required information and submitted for audit examination. (2016/403)

Others

704. Physical verification of two projects revealed overpayments totalling \$1.056M as shown below. However, at the time of reporting in September 2017 these overpayments were recovered and the receipts presented for audit verification:

Details	Project Cost \$'000	Amount Overpaid \$'000	Amount Recovered \$'000	Amount Outstanding \$'000
Rehabilitation of Nurses Hostel - West Demerara Regional Hospital (WDRH)	13,109	524	524	0
Rehabilitation of Canal No. 1 Nursery School	6,742	532	532	0
Total		1,056	1,056	0

Region's Response: The Head of Budget Agency indicated that the contractors have repaid the amounts overpaid.

Recommendation: The Audit Office recommends that the Regional Administration improve on the efficiency of the systems in place to monitor projects in order to avoid such overpayments. (2016/404)

Prior year matters, which have not been resolved

Current Expenditure

705. Net salaries totalling \$1.275M which were overpaid to employees and the related deductions amounting to \$412,442 which were also overpaid to the various agencies for the years 2011 to 2015 remained outstanding. Shown in the table below is the status of outstanding net salaries and deductions at the time of reporting in September 2017:

Year	Net Salaries Overpaid \$	Salaries Recovered /Clear \$	Salaries O/standing \$	Over Paid Deductions O/standing \$
2011	462,525	156,498	306,027	129,679
2012	233,814	138,936	94,878	55,751
2013	909,617	347,421	562,196	184,446
2014	166,436	0	166,436	26,442
2015	665,906	520,008	145,898	16,124
Total	2,438,298	1,162,863	1,275,435	412,442

Region's Response: The Head of Budget Agency indicated that some of the persons written to cannot be located, while NIS has indicated that they need proof that the salary was refunded before the deductions are returned/refunded.

Recommendation: The Audit Office once again recommends that the Regional Administration vigorously follow-up this matter with the employees and agencies concerned so that the amounts overpaid could be recovered. (2016/405)

Status of Prior Year Matters

706. The table below shows the prior year matters as contained in the Auditor General's 2015 Report and action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2015/300	Overpayment of Salaries		√	
2015/301	Maintenance of Vehicles			√
2015/302	Breaches of Stores Regulations	√		
2015/303	Breaches of Stores Regulations		√	
2015/304	Outstanding Cheque Orders	√		
2015/305	IDW-Drugs and Medical Supplies		√	
2015/306	Expired Drugs	√		
2015/307	Rental of Government Quarters			√
2015/308	Breaches of the FMA Act	√		
2015/309	Procurement Act 2003		√	

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REGION 4 - DEMERARA/MAHAICA

Current Expenditure

Current year matters, with recommendations for improvement in the existing system

Employment Cost

707. Amounts totalling \$2.592 billion were expended on Employment Cost for 2016. According to the National Estimates the Regional Administration had a staffing structure of 2,165, however, the actual staff of the Regional Administration exceeded the authorised strength by sixty-four, as shown in the table below:

Line Item	Description	Authorised 2016	Actual 2016	Increase/ (Decrease)
6111	Administrative	316	308	(8)
6112	Senior Technical	1,106	1,143	37
6113	Other Technical and Craft Skilled	430	455	25
6114	Clerical and Office Support	23	31	8
6115	Semi Skilled Operatives & Unskilled	142	147	5
6116	Contracted Employees	148	145	(3)
6117	Temporary Employees	0	0	0
Total		2,165	2,229	64

708. As can be noted from the table above, contracted employees accounted for 6.5% of the total employees. The table below gives the salary range of the 145 contracted employees.

Salary Range	No. of Employees	Amount \$'000
Below \$100,000	141	9,143
\$100,000 - \$250,000	3	507
\$250,000 - \$400,000	1	383
Above \$400,000	0	0
Total	145	10,033

Region's Response: The Head of Budget Agency indicated that the Regional Administration has already taken steps to move its employees over to the permanent establishment and this process is expected to be completed by the end of October 2017.

Recommendation: The Audit Office recommends that the Regional Administration continue the process of moving staff over to the permanent establishment in order to minimise the number of staff employed on a contractual basis in keeping with circularised instructions. (2016/406)

709. Audit examination of leavers for 2016 revealed that eleven persons were overpaid salaries amounting to \$684,437, whilst the related deductions totalling \$48,367 was also overpaid to various deduction agencies. However, at the time of audit in July 2017, two persons refunded moneys in the sum of \$65,089.

Region's Response: The Head of Budget Agency indicated that every effort will be made to recover the amounts overpaid and letters have already been sent to these Officers. In addition, NIS and GRA will be written to recover the amounts overpaid.

Recommendation: Audit Office recommends that the Regional Administration follow-up this matter with the view of recovering the overpayments and ensure that pay change directives are effectively and efficiently communicated in a timely manner to the Regional Accounting Unit. (2016/407)

Office and Field Supplies

710. The sum of \$589.981M was budgeted for the procurement of Drugs and Medical Supplies under the Health Services Programme for 2016. The Region issued two Inter-Departmental Warrants (IDWs) to the Ministry of Public Health (MOPH) for the Ministry to procure drugs and medical supplies on behalf of the Regional Administration.

711. With respect to warrant number 1/2016 for \$390M the Regional Administration received a Financial Return indicating that an amount of \$383.577M was expended and the Appropriation Account was credited with the unspent amount of \$6.423M. Similarly, warrant number 3/2016 for \$188M, a Financial Return was received indicating that an amount of \$158.419M was expended and the unexpended balance of \$29.581M was also credited to the Appropriation Account. However, although drugs and medical supplies were received by the Regional Administration, the cost was not stated on the documentation that accompanied the deliveries. In addition, at the time of the audit no system was in place to reconcile supplies received by the respective health facilities with the essential drugs list initially submitted to the MOPH. As result, it could not be determined whether full value was received for the sums warranted to MOPH.

Region's Response: The Head of Budget Agency indicated that they have indeed received drugs as required; however, they are unable to confirm if the drugs received are of the value of the sums sent to MOPH.

Recommendation: The Audit Office recommends that the Regional Administration put systems in place to reconcile supplies received by the respective health facilities with the drugs list initially submitted, and obtain the cost of the drugs and medical supplies from the MOPH so as to reconcile the value of the drugs and medical supplies received with that of the sum warranted to the MOPH. (2016/408)

712. An examination of fuel statements submitted by Guyana Oil Company (GUYOIL) as at 31 December 2016 reflected an amount of \$18.441M as having been owed to the Regional Administration by GUYOIL. However, at the time of reporting in September 2017, the amount was fully utilised by the Regional Administration.

Region's Response: The Head of Budget Agency explained that the Regional Administration had since utilised the value of fuel paid for as at July 2017 and has desist from large lump sums payment to GUYOIL.

Recommendation: The Audit Office recommends that the Regional Administration desist from prepaying for fuel and purchasing fuel beyond its consumption capacity. (2016/409)

Utility Charges

713. Amounts totalling \$345.617M were allocated for Utility Charges. As at 31 December 2016, amounts totalling \$222.983M were expended. However, an authorised list for all electricity meters under the control of the Regional Administration was not presented for audit scrutiny. As a result, it was difficult to ascertain if the payments made were for authorised meters under the control of the Regional Administration.

Region's Response: The Head of Budget Agency explained that the Regional Administration is in the process of compiling a comprehensive list of all meters in the Region.

Recommendation: The Audit Office recommends that the Regional Administration ensure that there exists an authorised list of all electricity meters not just for audit scrutiny but for use by the Regional Administration to ensure that payments are only made for official electricity meters. (2016/410)

Maintenance Works

714. According to the Appropriation Accounts, the total funds available for repairs and maintenance of buildings and infrastructure within the Region amounted to \$523.917M. As at 31 December 2016, amounts totalling \$523.794M were expended under the various Line Items as shown in the table below:

Line Item	Description	Total Funds Available \$'000	Amount Expended \$'000
6242	Maintenance of Buildings	190,537	190,484
6251	Maintenance of Roads	44,500	44,479
6252	Maintenance of Bridges	25,300	25,299
6253	Maintenance of Drainage & Irrigation	161,680	161,680
6254	Maintenance of Sea & River Defense	0	0
6255	Maintenance of Other Infrastructure	101,900	101,852
Total		523,917	523,794

715. A sample of fourteen projects valued at \$60.236MM for maintenance works was selected for physical verification. However, it was noted that the contract for the repairs to Lancaster Secondary School was awarded in the sum of \$4.622M. The contract was signed on 16 December 2016, however, the contract duration and defects liability period could not be determined from the documents examined. The contractor received a total sum of \$4.622M for works completed. Based on physical verification an overpayment of \$877,000 was discovered as detailed below:

Item	Description	Qty Paid	Qty Found	Unit	Diff.	Rate \$	Amount Overpaid \$'000
1	Windows						
F	Enclose window opening. Using 1" x 4" gh material also prime, putty and apply two additional coat oil paint to same	40	0	sq. ft.	40	750	30
4	Partition Wall (Home Economics Department)						
A	Install new 2" x 4" vertical and horizontal kabukalli frame to create partition walls for bedroom and sitting room. Expansion bolts to secure same to concrete floor, column ext and provide for two opening	195	63	bm	132	400	53
B	Install new 1" x 4" Kabukalli V-Joint Timber material to wall frame	312	0	bm	312	380	119
D	Install new 1" x 2" kabukalli SE door jamb	4	3	bm	1.5	380	1
E	Install new 1/2" utility grade plyboard to top of wall also allow for all framework etc	125	90	sq.ft.	35	680	24
F	Primecoat, stop, putty and apply two additional coat oil paint to partition wall and plyboard to top of wall	990	506	sq.ft.	484	135	65
5	Doors						
B	Demolish defective door and construct and install new kabukalli batten door (overall sizw:36" wide x 81" high)	6	0	№.	6	35000	210
C	demolish defective section of door frame as directed by the engineer/representative.	70	6.7	bm	63.3	350	22
D	Install new 2" x 6" gh door frame. Allow for all concrete works to install same.	70	6.7	bm	63.3	1250	79
6	Cupboard						
A	Carefully demolish top of existing cupboard top and sink, dispose of material and set aside sink for reinstallation. Install new cement board with 6 x 6 glaze tiles to top in tin set with joint №. exceeding 1/4" wide and fill same with white cement. Allow for reinstalling existing kitchen sink complete with all plumbing work and fittings.	117	28.58	lin.ft	88.42	3100	274
Total Overpaid							877

Region's Response: The Head of Budget Agency explained that the Superintendent of Works change the scope of works without approval from the Regional Engineer and Regional Executive Officer. However, the Superintendent of Works is no longer employed with the Region.

Recommendation: The Audit Office recommends that the Regional Administration should take steps to recover the overpayment and ensure that works are accurately measured and quantified before payments are made to contractors and all changes in scope of work are documented and approved. (2016/411)

Stores and Other Public Property

716. The Stores Regulations 1993 require the Regional Administration to maintain several forms, registers, books and ledgers to manage items of stores under their control. An examination of the stock keeping control system and records maintained revealed the following unsatisfactory features:

- a) Log Books for ten vehicles/machinery/equipment were not presented for audit examination;
- b) the Stores Ledger of the Accounts Department was last updated in 2012. Additionally, no Goods Received Notes were attached to payment vouchers. As a result, vital control mechanisms to ensure proper accountability for stock were not in place; and
- c) the Master Inventory maintained by the Regional Administration only contained Government Buildings, Community Centre Grounds, Pump Stations and Machinery and Equipment. It was not updated to include the assets acquired during 2016. In addition, the Sectional Inventories were also not updated to include the items purchased during the year under review.

Region's Response: The Head of Budget Agency indicated that the Regional Administration will ensure that (i) all Log Books are submitted; and (ii) the Stores Ledger and the Master Inventory are maintained and updated.

Recommendation: The Audit Office recommends that the Regional Administration comply fully with the requirements of the Stores Regulations at all times. (2016/412)

Other Matters

717. Section 43 of the Fiscal Management and Accountability Act 2003 states that at the end of each fiscal year, any unexpended balance of public moneys issued out of the Consolidated Fund shall be returned and surrendered to the Consolidated Fund. However, an inspection of the Sub-Treasury's safe revealed that there were seventy-nine cheques totalling \$4.525M in respect of 2016 payments still on hand of which twenty-one cheques totalling \$1.455M had no payment vouchers. In addition, two cheques on hand were for deliveries not yet supplied. At the time of reporting, the twenty-one cheques were returned to the Ministry of Finance.

Region's Response: The Head of Budget Agency explained that the Regional Administration is in the process of following-up these cheques with the Sub-Treasury.

Recommendation: The Audit Office recommends that the Regional Administration institute measures to ensure full repayment to the Consolidated Fund of all amounts remaining unpaid at the end of each financial year in compliance with the FMA Act. (2016/413)

718. There are 300 buildings controlled by the Regional Administration of which 132 are being occupied by various persons including individuals from Demerara Distillers Limited (DDL) and TOPCO. In respect of these 132 buildings, officers are only paying rents for twenty-six. However, from the records presented for audit examination it could not be determined whether those persons who were not paying rent were entitled to rent-free quarters.

Region's Response: The Head of Budget Agency indicated that efforts will be made to follow-up this issue.

Recommendation: The Audit Office once again recommends that the Regional Administration take steps to ensure all outstanding amounts for rent are collected and deposited into the Consolidated Fund. (2016/414)

719. During the period under review, there were thirteen instances of incorrect classification of expenditure totalling \$8.017M.

Region's Response: The Head of Budget Agency explained that every effort will be made to ensure expenditure are budgeted and charged to the correct Line Item.

Recommendation: The Audit Office recommends that the Regional Administration ensure the proper recording of transactions to avoid misclassification. (2016/415)

720. Government of Guyana Standard Bidding Documents Manual stipulates in the Special Conditions of Contract in GCC 3.1 and GCC 3.4, that an advance mobilisation payment may be paid in the amount of 30% in Regions №. 1, 7, 8 and 9 and 15 % elsewhere. However, the Regional Administration did not adhere to this requirement as shown in the table below:

Contract №.	Particulars	Contract Sum \$'000	Mobilisation Paid %	Amount Paid to Contractor \$'000
69	Extension of Kuru Kuru Primary School Linden - Soesdyke Highway	10,754	25	2,689
1090	Construction teachers' Quarters at St. Cuthbert's Secondary School	13,500	30	4,050
1094	Construction of Head Mistress Quarters at Kairuni, Soesdyke Linden Highway	13,147	30	3,944
1458	Construction of Golden Grove Secondary	170,203	30	51,061

Region's Response: The Head of Budget Agency indicated that bonds are submitted for the required amount and, as such, negates any risk to the Regional Administration. However, the Regional Administration will ensure future compliance with the Standard Bidding Document.

Recommendation: The Audit Office recommends that the Regional Administration comply fully with the Government of Guyana Standard Bidding Documents Manual at all times. (2016/416)

Capital Expenditure

721. The sum of \$479.654M was budgeted for in 2016 to execute the capital programme of the Region Administration. According to the Appropriation Account the sum of \$446.136M was expended leaving an unspent amount of \$33.518M. Shown in the table below is the shortfall in capital expenditure per programme for 2016:

Programme	Description	Budgeted Amount \$'000	Expenditure \$'000	Shortfall \$'000
1	Regional Administration & Finance	24,200	24,186	14
2	Agriculture	45,600	45,600	0
3	Public Works	61,400	61,400	0
4	Education Delivery	285,524	261,235	24,289
5	Health Services	62,930	53,715	9,215
Total		479,654	446,136	33,518

722. The shortfall in the above expenditure of \$33.518M was mainly as a result of the Regional Administration not being able to complete the projects as shown in the table below:

Projects	Budgeted Sum \$'000	Expenditure \$'000	Shortfall \$'000
Construction of Golden Grove Secondary School	94,098	65,061	29,037
Construction of Peter's Hall Primary School	60,000	15,454	44,546
Construction of Eccles Health Centre	22,314	0	22,314
Shorfall in Capital Expenditure	176,412	80,515	95,897
Inclusion of twenty-one Projects		62,379	(62,379)
Total			33,518

723. As can be noted from table above the Region Administration obtained approval from the Ministry of Finance to utilised the shortfall from the two schools and health centre to include twenty-one other projects totalling \$62.379M, thus reducing the shortfall to \$33.518M.

Region's Response: The Head of Budget Agency indicated Golden Grove and Peters Hall Schools are scheduled to be completed this year, while the Eccles Health Center evaluation has since been completed and the Regional Administration is awaiting the NPTAB award.

Recommendation: The Audit Office recommends that the Regional Administration undertake projects during the earlier part of the year so that any problem or issues encountered can be detected in a timely manner, so as to avoid delays and ensure amounts are expended as budgeted. (2016/417)

Warrants

724. A contract for the Community Ground Enhancement Project in Tucville Georgetown was awarded by the Regional Tender Board in the sum of \$7.799M. The contract was signed on 15 November 2016, with duration of six months for completion and the defects liability period being six months. Amounts totalling \$7.799M was paid to the contractor for works completed and no performance bond or insurances were seen. Based on physical verification the following overpayment of \$3.693M was discovered:

Item	Description	Qty Paid	Qty Found	Unit	Diff.	Rate \$	Amount Overpaid \$'000
1.6	Insurances						
A	Provide for insurance of the works for the DURATION of the Project inclusive of Defects Liability Period;						
I	Contractor's All Risk	1	0	sum	1	42,000	42
II	Employer's Liability	1	0	sum	1	42,000	42
III	Public Liability	1	0	sum	1	42,000	42
Iv	Allow for Performance Bond	1	0	sum	1	42,000	42
V	Allow for Advance Payment Security	1	0	sum	1	42,000	42
2.2	Loam filling to field area						
	4" (110mm) thick white sand / sand clay (loam) mix to the entire field	194	0	cu. yd	194	13,918	2,700
2.6	Block and brick work						
A	HCB - 16" x 8" x 4" to open area of fence inclusive of rendering	9	8	sq. yd.	1	18,000	18
2.8	Gate fabrication and painting works						
	Fabrication and installation of metal gates at the main and secondary access application of metallic paint	12	9.1	sq. yd	2.9	30,000	87
2.9	Perimeter Lighting						
	Install 200 watts Led Lights, with photocell attached for energy saving. Lighting to be perched on metal plates to accommodate number of lights (12) complete	1	0.5		0.5	1,200,000	600
	Add contingency (1%)					77,993	78
Total Overpaid							3,693

Region's Response: The Head of Budget Agency explained that this contract was for the Department of Culture and the Department made their own/ additional changes to the contract.

Recommendation: The Audit Office recommends that the Regional Administration: (a) take steps to recover the overpayment; (b) ensure that works are accurately measured and quantified before payments are made to contractors; and (c) submit copies of the bonds and insurances furnished by the contractor for audit examination. (2016/418)

Capital Purchases

725. Amounts totalling \$80.032M were expended during 2016 on the purchase of capital items for the Regional Administration. An examination of the records and physical observation revealed the following:

- a) items to the value of \$12.167M or 15.2% of capital purchases were not put into use, these items were still kept at the Regional Stores;
- b) assets totalling \$26.599M or 33% of capital purchases were not received by the Regional Administration as at 31 December 2016. However, items were received at various periods during 2017, the latest being August 2017; and
- c) at the time of reporting in August 2017, six writing desks valued at \$299,850 were still not received by the Regional Administration.

Region's Response: The Head of Budget Agency indicated that the some of the items were for the new schools and efforts have since been made to send them over.

Recommendation: The Audit Office recommends that the Regional Administration: (a) take immediate steps to ensure that all assets purchased are utilised for the purposes intended; (b) ensure all assets purchased are promptly delivered; and (c) vigorously follow-up with the suppliers to have the items delivered immediately. (2016/419)

726. A comparison of the distribution lists of school furniture with the payment vouchers revealed the following differences:

Description	Unit price \$	Amount received	Amount distributed as per list received	Difference	Value \$'000
Type C Desk	3,900	50	Nil	50	195
Type C Benches	3,800	50	Nil	50	190
Type D Desk	3,700	50	Nil	50	185
Type D Benches	3,600	50	Nil	50	180
Total					750

Region's Response: The Head of Budget Agency indicated that the Regional Administration distributed all the amounts received and any additional documentation will be submitted for audit verification.

Recommendation: The Audit Office recommends that the Regional Administration investigate these differences and provide the Audit Office with the outcome of the investigation. (2016/420)

Others

727. Physical verification of six projects revealed overpayments totalling \$1.718M as shown below. However, at the time of reporting in September 2017 these overpayments were recovered and the receipts presented for audit verification:

Details	Contract Sum \$'000	Amount Overpaid \$'000	Amount Recovered \$'000	Amount Outstanding \$'000
Excavation of Mocha/Arcadia Drainage Canal	4,500	658	658	0
Repairs to Footpath Bridge at Hope West	3,501	192	192	0
Repairs to chain-link perimeter fence & plumbing works at Beterverwagting/ Quamina Primary School	4,130	75	75	0
Construction of Foot Path Bridge at Swami Puranandi Primary School	4,422	140	140	0
Construction of Timber Revetment at Mahaica Market	9,192	380	380	0
Repairs to Office's Quarter- Sparendam North	3,100	273	273	0
Total	28,845	1,718	1,718	0

Region's Response: The Head of Budget Agency indicated that the contractors have repaid the amounts overpaid.

Recommendation: The Audit Office recommends that the Regional Administration improve on the efficiency of the systems in place to monitor projects in order to avoid such overpayments. (2016/421)

Prior year matters, which have not been resolved

Current Expenditure

728. Overpaid net salaries totalling \$6.472M and deductions totalling \$1.347M were still to be recovered by the Regional Administration for the years 2011 to 2015. Shown in the table below are the details of the outstanding amounts:

Year	Net Salary Overpaid \$	Net Salary Recovered \$	Net Salary Outstanding \$	Deductions Overpaid & not recovered \$
2011	977,318	234,814	742,504	0
2012	2,785,098	833,402	1,951,696	470,321
2013	2,912,000	79,470	2,832,282	700,464
2014	645,592	90,009	555,583	149,805
2015	816,661	426,423	390,238	26,250
Total	8,136,669	1,664,118	6,472,303	1,346,840

Region's Response: The Head of Budget Agency indicated that the Regional Administration is continuing its efforts to recover the amounts overpaid and letters were written to GRA and NIS, however, no response was received.

Recommendation: The Audit Office once again recommends that the Regional Administration follow-up this matter with the relevant Officers and Agencies with the view of recovering all amounts overpaid and ensure that the systems put in place are functioning effectively to avoid overpayments. (2016/422)

729. During 2012, the sum of \$56.126M was expended on the purchase of fuel and lubricants for consumption by the Regional Administration's fleet of vehicles. An examination of the charge bills received from Guyana Oil Company Limited (GUYOIL) whenever fuel was collected by the Region revealed that fuel and lubricants totalling \$1.663M were supplied to sixteen vehicles not registered with the Region.

730. It should be noted that during 2011, fuel amounting to \$733,076 were uplifted for three vehicles that were not owned by the Regional Administration. Checks made at the Licence Revenue Office revealed that two of these vehicles were never registered with the Regional Administration. This matter is the subject of a Police investigation which was still ongoing at the time of reporting. Also, the Audit Office had concluded a special investigation into the alleged theft of fuel and lubricants, which were uplifted by drivers from the Regional Democratic Council - Region No. 4 at the GUYOIL Gas Station located in Kitty, Georgetown from 01-31 January 2013. A separate report was issued, which included recommendations for disciplinary action and possible criminal charges against the alleged perpetrators.

Region's Response: The Head of Budget Agency indicated that there is no update on this issue.

Recommendation: The Audit Office once again recommends that the Regional Administration continue to ensure that systems are functioning effectively and provide the necessary information to the Audit Office when the Police conclude the investigation. (2016/423)

731. An overpayment of \$409,000 was made on the contract for repairs to the Medex Quarters, Laluni during 2013. At the time of reporting in September 2017, an amount of \$200,000 was recovered from the contractor leaving an amount of \$209,000 outstanding.

Region's Response: The Head of Budget Agency indicated that an amount of \$200,000 was recovered and the outstanding amount will be recovered shortly.

Recommendation: The Audit Office recommends that the Regional Administration renew its efforts to recover the overpayments and put systems in place to avoid future recurrence. (2016/424)

732. An examination of the records revealed that thirty-two Cheque Orders amounting to \$10.376M still remained outstanding with respect to the years 2010 to 2014. Shown in the table below is the status of outstanding Cheque Orders:

Year	No. of Cheque Orders Outstanding	Amount \$'000
2010	12	5,557
2012	6	2,002
2013	12	2,763
2014	2	54
Total	32	10,376

Region's Response: The Head of Budget Agency indicated that efforts are continuing to have all outstanding Cheque Orders cleared.

Recommendation: The Audit Office again recommends that the Regional Administration renew its efforts to have these Cheque Orders cleared and to ensure that there is strict adherence to the requirement for the clearing of Cheque Orders. (2016/425)

733. Physical verification exercises conducted on drugs and medical supplies at the East Bank Demerara Regional Hospital and ten Health Centres in Region No. 4 had revealed that there were large quantities of expired drugs with an approximate value of \$315.618M at these locations. It was noted that the Regional Administration commenced the process of disposal, however, at the time of reporting this exercise had not been concluded.

Region's Response: The Head of Budget Agency indicated that all expired drugs are being disposed off with the approval of the MOPH.

Recommendation: The Audit Office again recommends that the Regional Administration: (a) undertake a survey to determine the realistic needs of pharmaceuticals and other medical supplies at these institutions in order to reduce losses through the expiration of drugs; and (b) take action to have these drugs and medical supplies disposed of by the competent authority. (2016/426)

Capital Expenditure

734. The Regional Administration was still to recover an overpayment of \$1.790M made on the contract for the construction of road at Land of Canaan in 2012.

Region's Response: The Head of Budget Agency indicated that this contractor could not be found.

Recommendation: The Audit Office recommends that the Regional Administration write the Finance Secretary with a view of having the amount written off and put systems in place to avoid future overpayments. (2016/427)

Status of Prior Year Matters

735. The table below summarises the prior year matters as contained in the Auditor General's 2015 Report and the action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office.

Rec. No.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2015/310	Overpayment of Salaries		✓	
2015/311	Employees without NIS	✓		
2015/312	Weak Internal Controls			✓
2015/313	Weak Internal Controls	✓		
2015/314	Overpayment on construction works		✓	
2015/315	Weak Internal Controls	✓		
2015/316	Breaches of the Stores Regulations	✓		
2015/317	Outstanding Cheque Orders		✓	
2015/318	Unpresented Payment vouchers	✓		
2015/319	Overpayment of construction works			✓
2015/320	IDW- Drugs and Medical Supplies	✓		
2015/321	Expired Drugs	✓		
2015/322	Hiring of Vehicles	✓		
2015/323	Misclassification of Expenditure	✓		
2015/324	Breaches of the Stores Regulations	✓		
2015/325	Revenue related matters		✓	
2015/326	Overstatement on Appropriation Accounts	✓		
2015/327	Shortfall in Capital Expenditure			✓
2015/328	Overpayment of construction works	✓		

AGENCY 75
REGION 5 – MAHAICA/BERBICE

Current Expenditure

Current year matters, with recommendations for improvement in the existing system

Employment Costs

736. Amounts totalling \$1.132 billion were expended for Employment Costs. According to the National Estimates during 2016 the Regional Administration had an authorised staffing structure of 1,078, however, the actual staff of the Region exceeded authorised strength by ninety as shown below:

Line Item	Description	Authorised 2016	Actual 2016	Shortage/ Excess 2016
6111	Administrative	178	184	6
6112	Senior Technical	380	400	20
6113	Other Technical and Craft Skilled	282	257	(25)
6114	Clerical and Office Support	10	47	37
6115	Semi Skilled Operatives and Unskilled	104	234	130
6116	Contracted Employees	124	46	(78)
6117	Temporary Employees	0	0	0
Total		1,078	1,168	90

737. As can be noted from the table, contracted employees accounted for 4% of the total employees. The table below gives the salary range of these contracted employees.

Salary Range	№. of Employee	Amount \$'000
Below \$100,000	41	2,575
\$100,000 - \$250,000	4	612
\$250,000 - \$400,000	1	260
Total	46	3,447

Region's Response: The Head of Budget Agency indicated that the Regional Administration has already taken steps to transfer its eligible employees over to the permanent establishment. They were seventy-eight employees transferred to the permanent establishment by Government Order №. 5 dated 20 July 2016, leaving forty-six employees on contract of which thirty seven are over the age of 45 years.

Recommendation: The Audit Office recommends that the Regional Administration minimise the number of staff being employed on contractual basis in keeping with circularised instructions. (2016/428)

738. A further analysis of the employment details revealed that the Regional Administration had a total of thirty-nine vacancies as advertised in the Public Service Commission Staff Vacancy Circular. These vacancies included critical posts such as, one Assistant Secretary (Finance), a Senior Personnel Officer and an Administrative Officer. As a result, these critical vacancies would have an adverse effect on the operations of the Region.

Region's Response: The Head of Budget Agency explained that some of these vacancies has already been advertised and are with the Public Service Commission.

Recommendation: The Audit Office recommends that the Regional Administration urgently review its staffing situation since the level of staffing would obviously have an adverse effect on the operations of the Region and in particular the level of control needed to ensure adequate checks and balances. (2016/429)

739. Audit checks revealed that a Heavy Duty Driver has been certifying and signing off payments as Transport Officer for maintenance works done to vehicles. This Driver is also functioning as the Requisitioning Officer for fuel and spares since October 2016. The Regional Administration had written the Department of Public Service on 8 March 2017 and 1 June 2017 seeking approval for the creation and filling of a position of Transport Officer. An approval letter dated September 2016 was issued in September 2016 for the post of Transport Officer.

Region's Response: The Head of Budget Agency stated that now that they have been granted approval for the creation of the post of Transport Officer, it's the Regional Administration's intention to appoint the said person who has been performing the functions of Transport Officer.

Recommendation: The Audit Office recommends that the Regional Administration ensure the appointment of a suitably qualified person as Transport Officer to ensure the Regions fleet of vehicles are properly maintained and managed. (2016/430)

Office and Field Supplies

740. The sum of \$155.653M was budgeted for the procurement of Drugs and Medical Supplies under the Health Services Programme for 2016. According to the Appropriation Account the sum of \$80.652M was expended as at 31 December 2016. Of this amount, sums totalling \$135M were transferred by way of two Inter-Departmental Warrants (IDWs) to the Ministry of Public Health (MOPH) for the Ministry to procure drugs and medical supplies on behalf of the Regional Administration.

741. Warrant number 4/2016 issued on 18 August 2016 was valued at \$60M. The Regional Administration received a financial return indicating that the full amount was expended. However, although drugs and medical supplies were received by the Regional Administration, the cost was not stated on the documentation that accompanied the deliveries. As a result, it could not be determined whether the full value was received for the sum warranted to the MOPH.

742. Warrant number 7/2016 issued on 18 October was valued at \$75M. The Regional Administration received a Nil Financial Return indicating that the amount was unexpended and the Appropriation Account was credited with the unspent amount of \$75M.

Region's Response: The Head of Budget Agency acknowledged this finding and indicated that the MOPH is currently in the process of designing a system of costing drugs delivered/received.

Recommendation: The Audit Office recommends that the Regional Administration put systems in place to reconcile supplies received by the respective health facilities with the drugs list initially submitted, and obtain the cost of the drugs and medical supplies from the MOPH so as to reconcile the value of the Drugs and Medical Supplies received with that of the sum warranted to the MOPH. (2016/431)

743. Amounts totalling \$21.469M were expended by the Regional Administration to procure drugs and medical supplies. It was noted that the Regional Tender Board used selective tendering for the procurement of these drugs and medical supplies.

Region's Response: The Head of Budget Agency acknowledged this finding but stated that purchases were made on an emergency basis from reputable Institutions and Agencies.

Recommendation: The Audit Office recommends that the Regional Administration either pre-qualify these suppliers or make use of the open tendering system which is more transparent and creates an atmosphere for more competitive bidding which can result in better quality and lower prices. (2016/432)

744. With respect to expired drugs, audit checks revealed that all expired drugs in the Region were destroyed, however, no value was stated on the documents for these drugs, as such, a total cost of all drugs destroyed could not be ascertained.

Region's Response: The Head of Budget Agency indicated that they were unable to place a value to the expired drugs due to no costing accompanying the drugs received from the MOPH.

Recommendation: The Audit Office recommends that the Regional Administration put systems in place to monitor the expiry dates of drugs in stock to ensure that wastage and loss through expiry is reduced. (2016/433)

745. Examination of records at Fort Wellington Hospital Pharmacy revealed that besides the records maintained in the Pharmacy, no independent control in the form of a Stores Ledger was kept at the Accounts Department to monitor the receipt and issue of drugs and medical supplies. It was also observed that the same person would enter drugs and medical supplies into the Goods Received Book and Stock Ledger at the Stores.

Region's Response: The Head of Budget Agency indicated that systems have since been put in place whereby staff of the Accounting Unit now maintains the Stores Ledger.

Recommendation: The Audit Office recommends that the Regional Administration ensure full compliance with the Financial and Stores Regulations, especially as it related to segregation of duties and reconciliation and proper monitoring of receipts and issues of stores. (2016/434)

746. A physical stock count of forty-six items at Fort Wellington Hospital Drugs Bond revealed differences for seventeen items when compared with the Stock Ledger balances. In addition, there was no evidence of supervisory checks in the Stock Ledger.

Region's Response: The Head of Budget Agency indicated that corrective measures have since been taken.

Recommendation: The Audit Office recommends that the Regional Administration ensures that the Stores Regulations are strictly adhered to at all times. (2016/435)

Utilities

747. Amounts totalling \$132.055M were allocated for Utilities Charges. As at 31 December 2016, amounts totalling \$125.354M were expended. An examination of the Utilities Registers and related payment vouchers revealed the following:

- a) the registers were not updated to reflect balances on account as shown on invoices/bills;
- b) there was no authorised lists of meters for electricity and water;
- c) invoices/bills were not always cancelled when paid; and
- d) there were fourteen instances totalling \$237,024 where payments were made in excess of amounts due on GTT bills.

748. As a result, of these shortcomings, a comparison of the Registers and the Account Analysis reports could not be done to determine the completeness, accuracy and validity of the charges and payments made.

Region's Response: The Head of Budget Agency indicated that the Regional Administration has since taken steps to update the registers, while a comprehensive exercise was undertaken with GPL and GWI with respect to identifying all meters in the Region. In addition, efforts will be made to ensure all paid invoices are cancelled and the Region will desist from the practice of pre-paying their bills.

Recommendation: The Audit Office recommends that the Regional Administration ensure that: (a) the utilities registers are promptly updated; (b) there exists an authorised list of all electricity and water meters, not just for audit scrutiny but for use by the Regional Administration to ensure that payments are only made for official and authorised meters; (c) invoices and bills are cancelled when paid to avoid reuse; and (d) bills should not be prepaid or paid in excess of what is due and payable. (2016/436)

Maintenance Works

749. Amounts totalling \$344.304M were allocated for the repairs and maintenance of buildings and infrastructure within the Regional Administration. As at 31 December 2016, amounts totalling \$344.285M were expended under the various Line Items as follows:

Line Item	Description	Total Funds Available \$'000	Amount Expended \$'000
6242	Maintenance of Buildings	94,200	94,199
6251	Maintenance of Roads	84,289	84,289
6252	Maintenance of Bridges	19,300	19,293
6253	Maintenance of Drainage & Irrigation	77,000	77,000
6255	Maintenance of Other Infrastructure	50,987	50,983
6264	Vehicle Spares and Supplies	9,509	9,508
6282	Equipment Maintenance	9,019	9,013
Total		344,304	344,285

750. An audit examination of a sample of ten projects valued at \$25.962M was selected for physical verification and the observations in the following paragraphs were noted.

751. A contract was awarded for the clearing of twenty acres of land at Catherina's Lust to the lowest of five bidders in the sum of \$6.952M. As at 31 December 2016, the full amount was paid to the contractor for the completed works. However, no documentation was provided to show the use of this land or the reason for clearing such large plot of land, and as at June 2017, the land remained unutilised and is overgrown with vegetation.

Region's Response: The Head of Budget Agency indicated that they have a project planned for this land and have since re-budgeted for this project in 2018.

Recommendation: The Audit Office recommends that the Regional Administration carefully select and prioritize projects undertaken. (2016/437)

Stores and Other Public Property

752. The Stores Regulations 1993 require the Regional Administration to maintain several forms, registers, books and ledgers to manage items of stores under their control. An examination of the stock keeping system and records maintained for Regional Administration Main Stores located in Fort Wellington revealed the following breaches:

- a) sectional Inventories for Education programme and the Master Inventory were not updated for 2016:

- b) a Gift Register was maintained by the Fort Wellington Hospital for items received, however, the cost of each item was not stated so the total Gifts received for the year could not be ascertained. Also, schools normally would send a list of items received as Gifts to the Education Department, however, the Department did not maintain a Gift Register for the schools; and
- c) the Stock Ledger was not properly written up, in that: (i) the unit of receipt and issue was not stated; (ii) all receipts and issues were not entered; (iii) there was no evidence of supervisory checks; and (iv) there was no evidence of reconciliation between Stock Ledger and Bin Card balances which resulted in differences.

Region's Response: The Head of Budget Agency indicated that: (i) the Sectional Inventories are almost completed and compilation of the Master Inventory will commence; (ii) a Gift Register is now being maintained for the Education Department; and (iii) efforts will be made to ensure the Stock Ledger is properly maintained.

Recommendation: The Audit Office recommends that the Regional Administration ensures that the Stores Regulations are strictly adhered to at all times. (2016/438)

753. Fifty-three Vehicles, Machinery, Plant and Equipment and thirty-six motor cycles are listed in the Regional Administration Inventory. Log Books for seventeen Vehicles, Machinery, Plant and Equipment were not produced for audit inspection. While a physical verification of the motor cycles reveals that one motorcycle with registration number CE 7254 could not be located.

Region's Response: The Head of Budget Agency indicated that efforts will be made to locate and present all outstanding log books. In addition, checks with GRA indicated that CE7254 is registered to a private individual.

Recommendation: The Audit Office recommends that the Regional Administration: (i) maintain log books for all vehicles/machinery/equipment which required this record, and ensure that all pertinent information with respect to vehicle usage is recorded therein; and (ii) locate the missing motor cycle. (2016/439)

754. Although, amounts totalling \$9.509M was expended on Vehicles Spares and Services for the fifty-three vehicles operated and controlled by the Regional Administration, historical records were not maintained to enable management to monitor the individual cost of repairs and to determine whether it was economical to retain or dispose of these vehicles.

Region's Response: The Head of Budget Agency indicated that corrective measures will be put in place.

Recommendation: The Audit Office recommends that the Regional Administration comply with the Stores Regulations at all times. (2016/440)

Other Matters

755. Section 43 of the Fiscal Management and Accountability Act 2003 states that at the end of each fiscal year, any unexpended balance of public moneys issued out of the Consolidated Fund shall be returned and surrendered to the Consolidated Fund. However, an inspection of the Sub Treasury safe in September 2017 revealed that there were two cheques valued at \$1.036M in respect of 2016 payments still on hand. These cheques should have been refunded to the Consolidated Fund and the necessary adjustments made to the Appropriation Accounts. As a result, the Appropriation Accounts was overstated by the said amount.

Region's Response: The Head of Budget Agency indicated that efforts will be made to follow up with the suppliers to uplift their cheques.

Recommendation: The Audit Office recommends that the Regional Administration institute measures to ensure full repayment to the Consolidated Fund of all amounts remaining unpaid at the end of each financial year in compliance with the FMA Act. (2016/441)

756. Further, the system for the processing of a payment voucher by the Regional Administration requires payment vouchers be prepared by a staff of a Department, certified by the Head of Department, approved by the Regional Executive Officer, sent to the Regional Accounting Unit for further examination and certification before being entered into the IFMAS by an authorised officer. Payment Vouchers are then sent to the Sub-Treasury for examination and approval is obtained from the IFMAS system before a cheque can be cut by the Accountant General Department. However, audit examination revealed that there were 338 cheques totalling \$172.884M on 5 January 2017, of which 274 totalling \$130.035M did not have supporting payment vouchers.

Region's Response: The Head of Budget Agency indicated that the Sub-Treasury received all the cheques in bulk, however, failed to match the vouchers to the cheque and may have failed to provide them for audit.

Recommendation: The Audit Office recommends that the Regional Administration ensure that before a payment is processed through the IFMAS there is an approved Payment Voucher. (2016/442)

757. Cheque Orders are required to be cleared within sixteen days of their issue through the submission of bills and/or receipts and other supporting documents. An examination of the register revealed that there were twelve Cheque Orders valued \$2.649M for the year 2016 remains outstanding as at September 2017.

Region's Response: The Head of Budget Agency indicated that efforts will be made to have these Cheque Orders cleared.

Recommendation: The Audit Office recommends that the Regional Administration ensure: (i) that Cheque Orders are cleared and submit the necessary information to the Audit Office for verification; (ii) that Cheque Orders are cleared on a timely basis in keeping with circularised instructions. (2016/443)

758. Circularised instructions state that for the occupation of Government Quarters, Public Servants are required to pay rent of 10% and 12% of their salary for unfurnished and furnished accommodation respectively, except where entitlement to rent-free Government Quarters had been previously approved, as a condition of service. Nineteen living quarters are occupied by staff of the Regional Administration, however, no approval was seen to validate whether these officers are entitled to such benefits. Included in the nineteen occupied living quarters are two junior staff who are occupying living quarters, the two persons being the Heavy Duty Vehicle Driver and a School Welfare Officer. In addition, it could not be ascertained whether these officers are entitled to furnished rent-free accommodation and free utilities. The Regional Administration had paid for these utilities and as of June 2017, continued to pay same without any approval.

Region's Response: The Head of Budget Agency indicated that the School Welfare Officer was employed from Region Four and sent to Region five but brought all her furnishings, while the Transport Officer was allocated an apartment next to the Regional Executive Officer, who is entitled to a vehicle and driver, in the event of an emergency for transportation purposes.

Recommendation: The Audit Office recommends that the Regional Administration take steps to ensure that: (i) only officers entitled to Government Quarters are accommodated there; and (ii) all outstanding amounts for rent are collected and deposited into the Consolidated Fund and notify the Audit Office when this activity is completed. (2016/444)

759. Examination of the Regional Tender Board minutes revealed that seventy-three contracts with contract sums totalling \$261.026M were not awarded to the lowest or most competitive bidders and no reasons were given in the minutes to substantiate these awards.

Region's Response: The Head of Budget Agency indicated that efforts are continuing to improve on the recording of the Tender Board process.

Recommendation: The Audit Office recommends that the Regional Administration ensure that its Tender Board Minutes contain more details that would enable a proper evaluation of the basis of award of each contract. (2016/445)

Capital Expenditure

760. The sum of \$390M was budgeted in 2016 to execute the Capital Programme of the Regional Administration. According to the Appropriation Account the sum of \$388.131M was expended leaving an unspent amount of \$1.869M representing a shortfall of expenditure under the various programmes due to savings. Shown in the table below are the total funds available compared with the expenditure as per programme for 2016:

Programme	Description	Budgeted Amount \$'000	Expenditure \$'000	Shortfall \$'000
1	Regional Administration & Finance	16,770	16,770	0
2	Agriculture	57,168	57,168	0
3	Public Works	120,583	119,675	908
4	Education Delivery	103,945	103,817	128
5	Health Services	91,534	90,701	833
Total		390,000	388,131	1,869

Public Works

761. The construction of Reinforced Concrete Structure at №.28 SOPR was awarded to a contractor in the sum of \$3.458M. As at 31 of December 2016, amounts totalling \$2.419M were paid to the contractor. There were two openings of bidding for this project; the first opening attracted seven bidders while the second opening attracted only five of the initial seven bidders.

762. This project was not re-advertised and no reason was given for the re-opening of bids for this project. However, the Regional Tender Board (RTB) meeting held on the 1 November 2016, states that this project was awarded to the third lowest of five bidders using the second set of bidding documents but in the sum of \$3.458M, which was the initial (first) bidding price for the contractor and not the amount of \$3.330M as was stated in his second bid, no reason was given to justify this award using the higher price of the contractor by the RTB. Also, stated in the minutes were that the lowest and second lowest bidders did not supply all the requisite supporting documents.

Region's Response: The Head of Budget Agency indicated that correct actions will be taken to avoid a recurrence of this nature.

Recommendation: The Audit Office recommends that the Regional Administration ensure that RTB minutes state clearly why two opening of bids were required and ensure all contracts awarded are for the correct amount. (2016/446)

763. Similarly, the contract for the construction of Boat House at Central Mahaicony was awarded to a contractor in the sum of \$6.117M. As at 31 of December 2016, amounts totalling \$6.080M was paid to the contractor. There were two openings of bidding for this project; the first opening attracted nine bidders while the second opening attracted only seven of the initial nine bidders.

764. This project was not re-advertised and also no reason was given for the re-opening of bids for this project. However, the RTB meeting held on the 1 November 2016, states that this project was awarded to the second lowest of seven bidders using the second set of bidding documents but in the sum of \$6.117M which was the initial (first) bidding price for the contractor and not the amount of \$6.139M as was stated in his second bid, no reason was given to justify this award using the lower price of the contractor by the RTB. Also, stated in the minutes were that the lowest bidder did not supply all the requisite supporting documents.

Region's Response: The Head of Budget Agency indicated that correct actions will be taken to avoid a recurrence of this nature.

Recommendation: The Audit Office recommends that the Regional Administration ensure that RTB minutes state clearly why two opening of bids were required and ensure all contracts awarded are for the correct amount. (2016/447)

Others

765. Audit examination of the Regional Tender Board minutes revealed that contracts were not always awarded to the lowest or the most competitive bidders. Some of these bidders were deemed unresponsive by the RTB due to their bid being below the Engineer's estimate by 15%, while no reasons were stated for some of the others. It should be noted that the exclusion of bidders below 15% of the Engineer's estimates is not a valid reason unless clearly stated as an evaluation criteria. Below is a summary of the basis of these awards:

Details	Project Cost \$'000	No. of Bids	Award	Reasons for not awarding to other Bidders	
Upgrading of Novar School Street	14,059	17	10 th	2 nd & 7 th	Deemed unresponsive due to use of white out
				1 st & 3 rd to 6 th	Below Engineers Estimate by 15%
				8 th & 9 th	no reason stated
Renovation to the Regional Democratic Council Main Office and Annex	7,793	17	8 th	1 st , 3 rd & 4 th	Below Engineers Estimate by 15%
				2 nd	Project too complex to undertake
				5 th to 7 th	No reason stated
Rehabilitation of the Regional Democratic Council Boardroom	6,207	20	13 th	1 st , 3 rd , 8 th & 12 th	Deemed unresponsive due to bid price being incorrect
				2 nd , 9 th , 10 th	No reason stated
				11 th	Project too complex to undertake
Rehabilitation of the Rehab Building Fort Wellington Hospital	4,398	21	16 th	1 st to 12 th	Below Engineers Estimate by 15%
				13 th to 15 th	No reason stated

Details	Project Cost \$'000	No. of Bids	Award	Reasons for not awarding to other Bidders	
Rehabilitation of the Rosignal Secondary School	6,062	21	16 th	1 st – 8 th	Below Engineers Estimate by 15%
				9 th , 11 th to 13 th	No reason stated
				10 th	Lack all required documentation

Region's Response: The Head of Budget Agency indicated that corrective measures have since been taken.

Recommendation: The Audit Office recommends that the Regional Administration ensure that all awards of contacts and disqualification of bidders by the RTB are consistent and based on valid reasons.(2016/448)

Purchases

766. As at 31 December 2016, amounts totalling \$96.823M were expended on purchases of capital items. Audit Examinations of the supporting documentation and physical verifications of capital purchases revealed the following shortcomings:

- a) capital items to the value of \$7.235M which were purchased for the Health and Education Departments for 2016 were still in the stock at the Regional Stores on the 27 of June 2017;
- b) there were twenty-nine instances where items valued \$4.483M were purchased under the Health and Education programmes but were instead utilized under other programmes; and
- c) one instance was noted where officers could not determine the location of one 7 piece dining set valued at \$95,000. The Bin Card for this item as at 27 of June 2017 showed a balance of one. Physical checks carried out at the Regional Stores revealed that none were in stock. It was explained that this item was issued to Gordon Table Primary School. However, no internal stores requisition was seen to substantiate this.

Region's Response: The Head of Budget Agency indicated that it's the Regions Policy for programmes to assist each other, however, corrective action has since been taken.

Recommendation: The Audit Office recommends that the Regional Administration comply fully with the financial and Stores Regulations at all times (2016/449)

767. Physical verification of two projects revealed overpayments totalling \$370,400 as shown below. However, at the time of reporting in September 2017 these overpayments were recovered and the receipts were presented for audit verification.

Details	Contract Sum \$'000	Amount Overpaid \$'000	Amount Recovered \$'000	Amount Outstanding \$'000
Construction of a reinforced concrete drain in the compound of the RDC, Fort Wellington	1,419	97	97	0
Construction of tarmac at №.29 Primary School	3,411	274	274	0
Total		371	371	0

Region's Response: The Head of Budget Agency indicated that the contractors have repaid the amounts overpaid.

Recommendation: The Audit Office recommends that the Regional Administration improve on the efficiency of the systems in place to monitor projects in order to avoid such overpayments. (2016/450)

Prior year matters, which have not been fully resolved

Current Expenditure

768. The Regional Administration had not been able to recover outstanding overpayments of net salaries and deductions which were overpaid to employees and various agencies for the years 2012, 2013, 2014 and 2015 as shown in the table below:

Year	Net Salary Overpaid \$'000	Net Salary Recovered \$'000	Net Salary Outstanding \$'000	Deductions Overpaid \$'000	Deductions Recovered \$'000	Deductions Outstanding \$'000	Net Salary & Deductions Outstanding \$'000
2012	1,727	1,228	499	404	246	158	657
2013	623	119	504	340	0	340	844
2014	156	63	93	57	0	57	150
2015	181	29	152	142	0	142	294
Total	2,687	1,439	1,248	943	246	697	1,945

Region's Response: The Head of Budget Agency indicated that efforts are continuing to recover the amounts overpaid.

Recommendation: The Audit Office once again recommends that the Regional Administration follow-up this matter with the relevant Officers and Agencies with the view of recovering all amounts over paid. (2016/451)

769. An examination of inventories for the year 2014 revealed that one 85hp Yamaha Outboard Engine and one Generator could not be accounted for. Audit checks revealed that these items were issued to senior officials of the Region Democratic Council. The Head of Budget Agency indicated that the outboard engine was sent to a workshop for repairs. However, the owner of the workshop has since died and the engine cannot be accounted for, while the generator suffered a similar fate, whereby a driver dropped it off at a workshop to be repaired and the owner of the workshop indicated that he has never received the generator. The matter was reported to the police in February 2017; however as at 31 of June 2017 no police report was submitted.

Region's Response: The Head of the Budget Agency indicated that reminders were sent to the Police and SARU was also written on this matter.

Recommendation: The Audit Office once again recommends that the Regional Administration forward a report to the Audit Office as soon as a decision on this matter is taken. (2016/452)

770. An examination of the records revealed that two Cheque Orders valued at \$81,700 and six valued at \$689,280 remained outstanding in respect of the years 2014 and 2015 respectively. As a result, it could not be ascertained whether the Region received full value for all sums expended.

Region's Response The Head of the Budget Agency indicated that efforts will continue to clear the outstanding Cheque Orders.

Recommendation: The Audit Office recommends that the Regional Administration take all necessary action to have these outstanding Cheque Orders cleared. (2016/453)

Capital Expenditure

771. The Regional Administration had still not recovered overpayments totalling \$2.138M made to Contractors for the years 2010, 2011 and 2013 as shown in the table below:

Year	Sub-Head	Description	Amount \$'000
2010	12036	Rehab of Moraikobai Primary Sch. Lower Flat	111
2011	12036	Construction Perimeter Drain at №. 8 Sec School	1,716
2013	12036	Extension to Mahaicony Secondary School	311
Total			2,138

Region's Response The Head of the Budget Agency indicated the Finance Secretary was written to seeking permission to write off these overpayments. In addition, letters were sent to the other Administrative Regions notifying them of the defaulters.

Recommendation: The Audit Office once again recommends that the Regional Administration make every effort to recover the overpayments and put proper systems to avoid a recurrence. (2016/454)

Status of Prior Year Issues

772. The table below summarises the prior year matters as contained in the Auditor General's 2015 Report and the action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2015/329	Overpayment of Salaries		√	
2015/330	Filling of vacancies for checkers	√		
2015/331	Breaches of Stores Regulations			√
2015/332	Outstanding Cheque Orders & missing vouchers		√	
2015/333	Overpayments of construction works		√	
2015/334	Cash Payments	√		
2015/335	IDW Drugs and Medical Supplies		√	
2015/336	Breaches of Procurement Act 2003			√
2015/337	Weak internal controls			√
2015/338	Breaches of the FMA Act			√
2015/339	Fixed Asset	√		
2015/340	Breaches of Procurement Act 2003	√		
2015/341	Shortfall in Capital Expenditure		√	
2015/342	Breaches of Procurement Act 2003			√
2015/343	Breaches of Procurement Act 2003			√
2015/344	Breaches of the Stores Regulations			√

AGENCY 76
REGION 6 – EAST BERBICE/CORENTYNE

Current Expenditure

Current year matters, for improvement in the existing system

Employment Costs

773. Amounts totalling \$2.809 billion were expended for Employment Cost. According to the National Estimates during 2016 the Regional Administration had a staffing structure of 2,227 which included 215 additions (new personnel) who were recruited in 2016 as shown in the table below:

Line Item	Description	Authorised 2016	Actual 2016	Shortage/ Excess 2016
6111	Administration	274	258	(16)
6112	Senior Technical	850	899	49
6113	Other Technical and Craft Skilled	497	473	(24)
6114	Clerical and Office Support	27	88	61
6115	Semi-Skilled Operatives	252	357	105
6116	Contracted Employees	352	152	(200)
6117	Temporary Employees	0	0	0
Total		2,252	2,227	(25)

774. As can be noted from the table above, contracted employees decreased by 200. Audit checks revealed that this was due to employees being transferred to the permanent establishment. Nevertheless, the region still has 152 contracted employees employed under the salary range as shown below:

Salary Range	No. of Employee	Amount \$'000
Below \$100,000	130	8,576
\$100,000 – \$250,000	22	3,157
\$250,000 – \$400,000	0	0
Total	152	11,733

Region's Response: The Head of Budget Agency indicated that the Regional Administration has already moved a number of eligible employees over to the permanent establishment and the process is continuing.

Recommendation: The Audit Office recommends that the Regional Administration minimize the number of staff being employed on contractual basis in keeping with circularised instructions. (2016/455)

775. A further analysis of the employment details revealed that the Regional Administration had a total of thirty-five vacancies as advertised in the Public Service Commission Staff Vacancy Circular. These vacancies included critical posts such as one Senior Departmental Sister, one Senior Procurement Officer, one Senior Medical Technologist and one Accountant. As a result, these critical vacancies would have an adverse effect on the operations of the Regional Administration.

Region's Response: The Regional Administration explained that some of these vacancies has already been advertised and are with the Public Service Commission.

Recommendation: The Audit Office recommends that the Regional Administration urgently review its staffing situation since the level of staffing would obviously have an adverse effect on the operations of the Regional Administration and in particular the level of control needed to ensure adequate checks and balances. (2016/456)

776. During the year 2016, audit examination revealed that eight persons were overpaid net salaries amounting to \$409,710, whilst the related deductions totalling \$62,242 was overpaid to the various deduction agencies. However, amounts totalling \$199,529 were recovered, leaving an amount of \$210,181 yet to be recovered. In addition, unpaid net salaries totalling \$3.435M were refunded to the Consolidated Fund for twenty-nine employees, however, the related deductions of \$527,320 paid to the various agencies were not recovered.

Region's Response: The Head of Budget Agency indicated that efforts are continuing to recover the amount overpaid to the employees and the deduction Agencies were written to in order to recover the overpaid sums.

Recommendation: The Audit Office once again recommends that the Regional Administration follow-up this matter with the relevant Officers and Agencies with the view of recovering all amounts over paid. (2015/457)

Office and Field Supplies

777. The sum of \$394.525M was budgeted for the procurement of Drugs and Medical Supplies under the Health Services Programme for 2016. According to the Appropriation Account the sum of \$394.519M was expended as at 31 December 2016. Of this amount, sums totalling \$320.525M were transfer by way of Inter Departmental Warrants (IDWs) to the Ministry of Public Health (MOPH) for the procuring of drugs and medical supplies for the Regional Administration. According to the financial return sent from the MOPH the full sum of \$320.525 was expended. However, although drugs and medical supplies were received by the Regional Administration, the cost was not stated on the documentation that accompanied the deliveries. As a result, it could not be determined whether the full value was received for the sum warranted to the MOPH.

Region's Response: The Head of Budget Agency indicated that they have written the MOPH and sent a reminder also to obtain the cost of the items supplied.

Recommendation: The Audit Office recommends that the Regional Administration put systems in place to reconcile supplies received by the respective health facilities with the drugs list initially submitted, and obtain the cost of the drugs and medical supplies from the MOPH so as to reconcile the value of the drugs and medical supplies received with that of the sum warranted to the MOPH. (2016/458)

778. Amounts totalling \$73.994M were expended by the Regional Administration for drugs and medical supplies. However, an examination of the Regional Tender Board Minutes revealed that purchases were made based on selective tendering. As such, it was difficult to ascertain whether the Regional Administration had received the best value for the sums expended.

Region's Response: The Head of Budget Agency indicated that all suppliers used by the region will now be pre-qualified.

Recommendation: The Audit Office recommends that the Regional Administration ensure a transparent and competitive bidding process is used for all purchases. (2016/459)

779. Amounts totalling \$95.162M were expended on dietary items purchased mainly for the consumption by patients at the Fort Canje and New Amsterdam Hospitals. An examination of a sample of twenty five payment vouchers revealed that items purchased to the value of \$24.693M were not recorded in the Goods Received Book and Stock Ledgers maintained at the Fort Canje Hospital Stores. As a result, it could not be determined whether the items procured were actually received and accounted for.

Region's Response: The Head of Budget Agency indicated that the records are currently being reconciled.

Recommendation: The Audit Office recommends that the Regional Administration ensures that the Stores Regulations are strictly adhered to at all times. (2016/460)

780. According to the Appropriation Account amounts totalling \$220.774M were expended on Fuel and Lubricants for the year under review. However, fuel statements submitted by the Guyana Oil Company as at December 31 2016 reflected amounts of \$6.257M as having been owed to GUYOIL by the Regional Administration.

Region's Response: The Head of Budget Agency explained that the Region pays for all fuel as supplied and billed by GUYOIL.

Recommendation: The Audit Office recommends that the Regional Administration ensure all fuel purchased and utilised is paid and brought to account in the current year's expenditure. (2016/461)

Maintenance Works

781. The sum of \$631.391M was allocated under this account area. In addition, there was a Contingency Fund Advance Warrant of \$41.003M for the excavation of blocked canals in the Upper Corentyne areas, given a revised allocation of \$672.394M. As at 31 December 2016, the sum of \$671.071M was expended as follows.

Line Item	Description	Total Funds Available \$'000	Amount Expended \$'000
6242	Maintenance of Buildings	184,900	189,096
6251	Maintenance of Roads	53,000	59,000
6252	Maintenance of Bridges	33,500	27,479
6253	Maintenance of Drainage & Irrigation	209,000	209,000
6255	Maintenance of Infrastructure	70,753	71,093
6264	Vehicle Spares & Maintenance	35,410	32,601
6282	Equipment Maintenance	44,828	41,799
	CFAW- Excavation of blocked canals	41,003	41,003
Total		672,394	671,071

782. In addition, the sum of \$41.799M was expended on equipment maintenance. An examination of payment vouchers revealed five payments were made for the purchase of three submergible water pumps and seven air conditioning units to the value of \$4.8M and \$2.152M respectively. It should be noted that these items are of a capital nature and should have been purchased under the Region's capital programme.

Region's Response: The Head of Budget Agency indicated that the Regional Administration purchased six pumps. The purchase of the first three pumps was due to the situation being of an emergency nature, nevertheless, an inclusion in programme was sought for the purchase of the other three pumps under capital expenditure. The air conditioning units purchases was an oversight and regretted.

Recommendation: The Audit Office recommends that the Regional Administration ensure all purchases of stores of a permanent nature are appropriately budgeted for and charged to Capital Expenditure. (2016/462)

Stores and Other Public Property

783. The Stores Regulations 1993 require the Regional Administration to maintain several forms, registers, books and ledgers to manage items of stores under their control. An examination of the Stores keeping system and records maintained for RDC Main Stores located in the Administration's compound New Amsterdam revealed the following breaches:

- a) a number of obsolete items were lying in a haphazard manner in and around the building posing a health risk and fire hazard;

- b) serviceable and unserviceable items were stored together making it difficult to verify items in the store; and
- c) a Loans Register was not maintained for the period under review.

Region's Response: The Head of Budget Agency indicated that efforts are being made to correct the situation in the stores and a Loans Register is now being maintained.

Recommendation: The Audit Office recommends that the Regional Administration ensure full compliance with the Stores Regulations at all times (2016/463).

784. Audit Examination revealed the sum of \$32.601M was expended on vehicle spares and maintenance for the seventy-five vehicles operated and controlled by the Regional Administration. An analysis of expenditure on a sample of twenty-two vehicles was done and it was observed that \$14.480M was spent on maintenance cost. It was observed that historical records were not maintained for these vehicles. In a related matter, a cheque to the value of \$117,990 was drawn for the purpose of purchasing vehicle spares. However, the item was not delivered. As such, the cheque was returned to the Accountant General on the 18 April, 2017. As a result, the Appropriation Account was overstated due to the amount of \$117,990 not being credited to the account.

Region's Response: The Head of Budget Agency indicated that historical records are now being maintained.

Recommendation: The Audit Office recommends that the Regional Administration ensure full compliance with the Stores Regulations. (2016/464)

Other Matters

785. Section 43 of the Fiscal Management and Accountability Act (2003) states that at the end of each fiscal year, any unexpended balance of public moneys issued out of the Consolidated Fund shall be returned and surrendered to the Consolidated Fund. However, an inspection of the Sub Treasury safe revealed that there were ten cheques valued at \$3.422M. These cheques have since been sent to Accountant General on the 15 June 2017, to be paid over to the consolidated fund. These cheques should have been refunded to the Consolidated Fund in 2016 and the necessary adjustments made to the Appropriation Accounts. As a result, the Appropriation Accounts was overstated by the said amount.

Region's Response: The Head of Budget Agency indicated that these cheques have since been returned to the Accountant General.

Recommendation: The Audit Office recommends that the Regional Administration ensure cheques are only drawn for valid payments for goods and services provided and paid over promptly to the suppliers and all unexpended amounts are credited to the Appropriation Account in the correct period. (2016/465)

786. Cheque Orders are required to be cleared within sixteen days of their issue through the submission of bills and/or receipts and other supporting documents. An examination of a sample of 150 Cheque Orders revealed that Cheque Orders were being cleared on average of fifty-one days after they were issued.

Region's Response: The Head of Budget Agency indicated that efforts will be made to improve on this situation.

Recommendation: The Audit Office recommends that the Regional Administration ensure that these Cheque Orders are cleared on a timely basis in keeping with circularised instructions. (2016/466)

Capital Expenditure

787. The sum of \$489.999M was budgeted for in 2016 to execute the Capital Programme of the Regional Administration. According to the Appropriation Account the sum of \$478.645M was expended leaving an unspent amount of \$11.354M representing a shortfall of expenditure under the various Programmes. Shown in the table below are the total funds available compared with the expenditure per programme for 2016:

Programme	Description	Budgeted Amount \$'000	Expenditure \$'000	Shortfall \$'000
1	Regional Administrative Finance	14,041	13,065	976
2	Agriculture	106,120	103,865	2,255
3	Public Works	161,091	158,469	2,622
4	Education Delivery	90,325	87,579	2,746
5	Health Services	118,422	115,667	2,755
Total		489,999	478,645	11,354

Buildings

788. The contract for the construction of Primary School at №. 36 Village was awarded in the sum of \$30.130M. As at 31 December 2016, the sum of \$24.104M was paid to the contractor. Physical verification of the project revealed an overpayment of \$1.093M for floor beams.

Region's Response: The Head of Budget Agency indicated that a recheck of this works will be conducted and any overpayment discovered will be recovered in the final payment.

Recommendation: The Audit Office recommends that the Regional Administration recover any amount overpaid and improve on the efficiency of the systems in place to monitor projects in order to avoid future overpayments. (2016/467)

789. The contract for the construction of an Outpatient Building at New Amsterdam was awarded in the sum of \$15.911M. As at December 2016, the sum of \$11.137M was paid to the contractor. Physical verification of the completed project revealed overpayment of \$896,000 for construction of cupboards and closets and plumbing works.

Region's Response: The Head of Budget Agency indicated that the contractor will complete the unfinished works and a revisit would be required.

Recommendation: The Audit Office recommends that the Regional Administration monitor projects in order to ensure works are done and paid for in accordance with the contract. (2016/468)

790. The sum of \$6.429M was expended on the Rehabilitation of Skeldon Line Path Secondary School. The contract was awarded to the second lowest bidder in the sum of \$6.429M without giving reasons why the lowest bidder was not considered. As at 31 December 2016, amounts totalling \$6.429M were paid to the contractor. An examination of the payments vouchers and other documents relating to the said contract revealed the following discrepancies:

- a) the completion date of the works could not be established since the completion certificate bore no evidence to confirm such date; and
- b) retention payment should be paid after the Defects liability period of six months as specified on the contract documents; however, it was paid on the 9 December 2016. The contract completion date is 3 September 2016;

Region's Response: The Head of Budget Agency indicated that corrective measures have already been taken for 2017 contracts.

Recommendation: The Audit Office recommends that the Regional Administration ensure full compliance with the Procurement Act. (2016/469)

Drainage and Irrigation

791. The contract for the construction of Timber Retention at Baracara, Canje Creek was awarded to the second lowest of eight bidders in the sum of \$7.521M without giving reasons why the lowest bidder was not considered. As at 31 December 2016, the sum of \$7.521M was paid to the contractor. A physical verification of the project revealed, based on the physical measurements taken on site, inspection and calculations that the quantities generally correspond with all quantities listed and paid for under the Contract. However, the following observations were made;

- a) it was discovered that the timber piles used for the retention are of poor quality and are already deteriorating; and

- b) the Regional Administration could not confirm if the piles were inspected prior to being installed for the revetment. Inspection of the piles before installation is critical to confirm that the piles are of the specified length, diameter and specie of timber.

Region's Response: The Head of Budget Agency indicated that better supervision will be implemented.

Recommendation: The Audit Office recommends that the Regional Administration Inspect the piles before installation to ensure that they confirm to the specified length, diameter and specie of timber. (2016/470)

Public Works

792. The sum of \$9.767M was expended on the Rehabilitation of №. 52 cross street and middle walk access South of Public Road. The contract was awarded to the lowest bidder in the sum of \$9.797M. As at 31 December 2016, amounts totalling \$9.766M were paid to the contractor. An examination of the payment vouchers and other documents relating to the said contract revealed the following discrepancies:

- a) the completion date of the works could not be established since the completion certificate bore no evidence to confirm such date; and
- b) in addition there was an overpayment of \$1.697M as shown below:

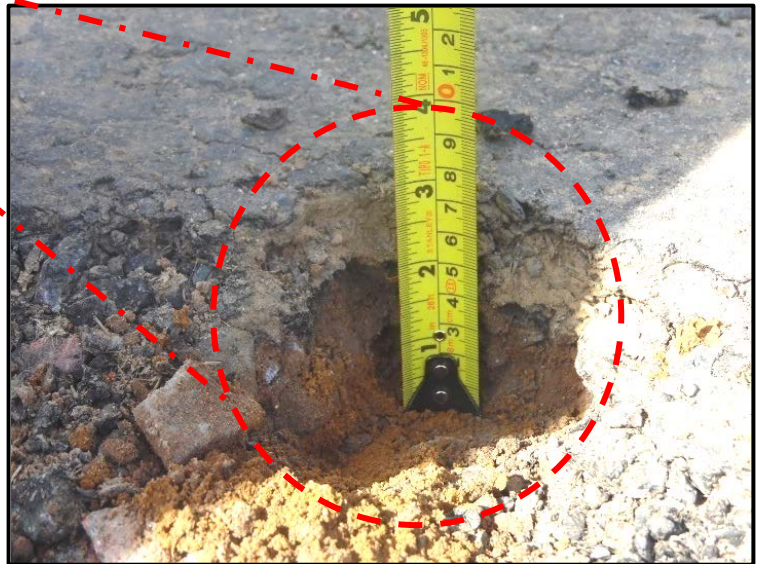
Item	Description	Qty Paid	Qty Found	Unit	Diff.	Rate \$	Amount Overpaid \$
	Roadway						
3.3	Supply place and compact 4" crusher run-1 st grade	192	95	c.yd	97	17,500	1,697,500
Total							1,697,500

Region's Response: The Head of Budget Agency indicated that corrective measures has already be taken for 2017 contracts while a recheck of this work will be conducted and any overpayment discovered will be recovered.

Recommendation: The Audit Office recommends that the Regional Administration ensure full compliance with the Procurement Act. (2016/471)



2" thick crusher run to the road base, instead of 4" thickness, as specified in the Contract.



Purchases

793. The sum of \$110.220M was allocated for the purchase of desks, chairs, generator, cameras, tables and computers, vehicle and motorcycles, trailers and plough, school furniture and equipment such as desks, benches, chairs, tables, stools, cupboards, chalkboards, recorders, filing cabinets, keyboard, outdoor play equipment and wood working equipment, ambulances, ultrasound machine, x-ray machine, cardiac monitors, infant warmers, ventilator, air conditioning units, autoclaves, water dispensers, beds, defibrillators, microscopes, haemoglobino meters, incubators, benches, surgical kits and foetal monitors. As at 31 December 2016, the sum of \$109.933M was expended.

794. Included in the amount expended was a sum of \$1.230M recorded as expended on the purchase of an Outboard Engine. However, the Regional Administration did not purchase the engine due to the supplier failing to supply the item and the related cheque was refunded to Accountant General on the 19 June 2017. As a result, the expenditure on the Appropriation Account was overstated by \$1.230M.

Region's Response: The Head of Budget Agency indicated that the outboard engine was re-budgeted for in 2017.

Recommendation: The Audit Office recommends that the Regional Administration ensure cheques are only drawn for payments when goods are supplied. (2016/472)

Others

795. Audit examination of bills of quantities and payments made revealed that the full amounts provided in the bills of quantities for contingencies were paid to the contractor while no Tender Board approval was sought for the utilisation of the said amount for the following contracts:

Contract	Contract Sum \$'000	Contingencies in Bill of Quantity \$'000
Extension of Home Economics Department Berbice Educational Institute	6,847	263
Rehabilitation of Skeldon Line Path Secondary School	6,429	363
Construction of Check Sluice at Field 7/8 Water Coast, Lesbeholden South Black Bush Polder	3,592	203
Construction of Check Sluice at Field 8/9 Water Coast, Lesbeholden North Black Bush Polder	3,575	202
Rehabilitation of №. 52 cross street and middle walk access South of Public Road	9,797	555
Total		1,586

Region's Response: The Head of Budget Agency indicated that corrective measures will be taken for 2017 contracts.

Recommendation: The Audit Office recommends that the Regional Administration ensure full compliance with the Procurement Act. (2016/473)

796. An examination of the Tender Board Minutes for the period under review revealed that eighty-four contracts valued at \$136.495M were not awarded to the lowest or most competitive bidder and no reasons were stated in the minutes why the lowest or most competitive bidders were not considered.

Region's Response: The Head of Budget Agency indicated that corrective action has since been taken and minutes are detailed.

Recommendation: The Audit Office recommends that the Regional Administration ensure that its Tender Board minutes contain more details that would enable a proper evaluation of the basis of award of each contract. (2016/474)

797. Physical verification of three projects revealed overpayments totalling \$1.018M as shown below. However, at the time of reporting in September 2017 these overpayments were recovered and the receipts presented for audit verification.

Details	Contract Sum \$'000	Amount Overpaid \$'000	Amount Recovered \$'000	Amount Outstanding \$'000
Home Economics Department at Berbice Educational Institute	6,847	385	385	0
Rehabilitation of Third Cross Street at Edinburg	14,000	267	267	0
Construction of ramp and landing at Moleson Creek	3,877	366	366	0
Total		1,018	1,018	0

Region's Response: The Head of Budget Agency indicated that the contractors have repaid the amounts overpaid.

Recommendation: The Audit Office recommends that the Regional Administration improve on the efficiency of the systems in place to monitor projects in order to avoid such overpayments. (2016/475)

Prior year matters, which have not been fully resolved

Current Expenditure

798. Amounts totalling \$650,438 remained outstanding as overpaid net salaries to employees with respect to the years, 2012 to 2015. The related deductions totalling \$159,593 paid over to the various agencies were also not recovered. Shown below, are the details of the outstanding amounts:

Year	Net salary Overpaid \$	Net Salary Recovered \$	Net Salary Outstanding \$	Deductions Overpaid & not recovered \$
2012	337,613	132,269	205,344	45,592
2014	535,098	150,990	384,108	62,822
2015	354,077	293,091	60,986	51,179
Total	1,226,788	576,350	650,438	159,593

799. In a related matter, unpaid net salaries totalling \$11.309M were refunded to the Consolidated Fund for the years 2012 to 2015. However, the related deductions totalling \$2.384M paid to various agencies were still not recovered.

Region's Response: The Head of Budget Agency indicated that advertisement had been placed in the Newspaper. However, the Region did not receive the desired results.

Recommendation: The Audit Office once again recommends that the Regional Administration follow-up this matter with the relevant Officers and Agencies with the view of recovering all amounts over paid. (2016/476)

800. Amounts totalling \$138.599M and \$193.767M were expended on fuel and lubricants for the years 2007 and 2008 respectively. The fuel and lubricants purchased were delivered to and stored mainly in storage tanks at Whim Stores, Manarabisi and Black Bush Polder pump stations. Fuel and lubricants were purchased in litres from the Guyana Oil Company and were converted to and recorded in gallons in the relevant records at the three locations. Investigations carried out at these locations revealed that the quantity of fuel and lubricants acknowledged and recorded as having been received were often less than that stated on the invoices as having been actually delivered by the supplier. In addition, evidence of supervisory checks was not seen in respect of the receipt and issue of fuel and lubricants. Moreover, these fundamental breaches of internal controls have led to fuel and lubricants valued at \$21.964M not being accounted for. The police had requested additional information from the Audit Office which was forwarded to them on the 16 May 2013 and at the time of reporting in July 2017 no update was received on this matter.

Region's Response: The Head of Budget Agency indicted that she would be grateful if the information could be provided to the Police again.

Recommendation: The Audit Office once again recommends that the Regional Administration pursue this matter with the Police in order to resolve same. (2015/477)

801. Two hundred and thirty Cheque Orders valued at \$119.780M remained outstanding for prior years as shown in the table below.

Year	No. Of Cheque Orders	Amount \$'000
2010	63	20,300
2011	34	12,465
2012	32	29,073
2013	72	47,150
2014	27	10,109
2015	2	683
Total	230	119,780

Region's Response The Head of the Budget Agency indicated that efforts are continuing to clear these Cheque Orders.

Recommendation: The Audit Office recommends that the Regional Administration take all necessary action to have these outstanding Cheque Orders cleared. (2016/478)

Capital Expenditure

802. The Regional Administration is still to recover overpayments totalling \$8.759M made on fourteen contracts for the year 2010, 2011 and 2013 as shown below.

Year	Sub Head	Description	Amount \$'000	Amount Recovered \$'000	Amount Outstanding \$'000
2010	11007	Reconstruction of the Johanna/Yakusari High Bridge	160	0	160
"	11007	Reconstruction of timber revetment at Tain	263	27	236
"	14010	Rehabilitation of Cross Street, Bloomfield	154	154	0
"	14010	Rehabilitation of Last Street, Canefield	851	0	851
"	12040	Extension of Drugs Bond, New Amsterdam	863	0	863
2011	13010	Timber Revetment at Orealla	913	674	239
"	13010	Construction of reinforced concrete bridge at Germania	185	23	162
"	13010	Re-construction of concrete bridge at Johanna, BBP	700	0	700
"	14010	Rehabilitation of Grant 1780 Second Cross	3,561	0	3,561

Year	Sub Head	Description	Amount \$'000	Amount Recovered \$'000	Amount Outstanding \$'000
		Street CWC			
“	12039	Rehabilitation of Canje Secondary School Phase 2	370	285	85
“	12039	Skeldon Line Path Secondary	214	0	214
“	12040	New Amsterdam Hospital Bond	875	0	875
2013	12039	Construction of Albion Front Nursery - Phase 2	659	300	359
“	“	Rehabilitation of №. 71 First Street	573	573	0
Total			10,341	2,036	8,305

Region's Response The Head of the Budget Agency indicated that amounts totalling \$454,000 were recovered during the year while some contractor were disputing the overpayment and, as such, in those cases, no recovery has been made.

Recommendation: The Audit Office once again recommends that the Regional Administration make every effort to recover the overpayments and put proper systems in place to avoid a recurrence. (2016/479)

Status of Prior Year Issues

803. The table below summarises the prior year matters as contained in the Auditor General's 2015 Report and the action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office.

Rec. №.	Categories of Finding	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2015/345	Overpayment of salaries		√	
2015/346	Loss not yet written off			√
2015/347	Outstanding Cheque Orders & missing vouchers		√	
2015/348	Overpayment of construction works		√	
2015/349	Cash payment (salaries)	√		
2015/350	Breaches of the Stores Regulations	√		
2015/351	IDW for Drugs and Medical Supplies		√	
2015/352	Breaches of the Procurement Act 2003			√
2015/353	Breaches of the FMA Act			√
2015/354	Rental of Government Quarters	√		
2015/355	Breaches of the Stores Regulations		√	
2015/356	Shortfall in Expenditure		√	
2015/357	Breaches of Procurement Act 2003	√		
2015/358	Overpayment of construction works			√

AGENCY 77
REGION 7 – CUYUNI/MAZARUNI

Current Expenditure

Current year matters, for improvement in the existing system

Employment Costs

804. Amounts totalling \$655.108M was expended for this Employment Cost. According to the National Estimates during 2016 the Regional Administration had an authorised staffing structure of 677. However, the actual staff of the Region exceeded authorised strength by nine, as shown below.

Line Item	Description	Authorised 2016	Actual 2016	Shortage/ Excess 2016
6111	Administrative	41	40	(1)
6112	Senior Technical	170	172	2
6113	Other Technical and Craft Skilled	180	186	6
6114	Clerical and Office Support	7	8	1
6115	Semi Skilled Operatives and Unskilled	108	104	(4)
6116	Contracted Employees	171	176	5
6117	Temporary Employees	0	0	0
Total		677	686	9

805. As can be noted from the table above, contracted employees, including recruitment for the year, accounted for 25.6% of the total employees. The table below gives the salary range of contracted employees for 2016:

Salary Range	Nº. of Employee	Amount \$'000
Below \$100,000	169	9,604
\$100,000 - \$250,000	6	1,065
\$250,000 - \$400,000	0	0
Above \$400,000	1	609
Total	176	11,278

Region's Response: The Head of Budget Agency indicated that the Regional Administration has already taken steps to move its employees over to the permanent establishment.

Recommendation: The Audit Office recommends that the Regional Administration minimise the number of staff being employed on a contractual basis and take immediate steps to move its current employees over to the permanent establishment in keeping with circularised instructions. (2016/480)

806. A further analysis of the employment details revealed that the Regional Administration had a total of twenty two vacancies as advertised in the Public Service Commission Staff Vacancy Circular. These vacancies included critical posts such as a Chief Accountant, a Senior Personnel Officer and a District Development Officer. As a result, these critical vacancies would have an adverse effect on the operations of the Region.

Region's Response: The Head of Budget indicated explained that some of these vacancies have already been advertised and are with the Public Service Commission.

Recommendation: The Audit Office recommends that the Regional Administration urgently review its staffing situation since the level of staffing would obviously have an adverse effect on the operations of the Region and in particular the level of control needed to ensure adequate checks and balances. (2016/481)

Office and Field Supplies

807. The sum of \$64.496M was budgeted for the procurement of Drugs and Medical Supplies under the Health Services Programme for 2016. According to the Appropriation Account the sum of \$50M was expended as at 31 December 2016. This amount was transferred by way of an Inter-Departmental Warrant (IDW) №. 2504/2016 on 25 May 2016 to the Ministry of Public Health (MOPH) for the procuring of drugs and medical supplies for the Regional Administration. According to the financial return sent from the MOPH the sum of \$46.899M was expended and unspent balance \$3.101M was credited to the Appropriation Account. However, although drugs and medical supplies were received by the Regional Administration, the cost was not stated on the documentation that accompanied the deliveries. As a result, it could not be determined whether the full value was received for the sum warranted to the MOPH.

Region's Response: The Head of Budget Agency indicated that efforts will be made to obtain the cost from the MOPH.

Recommendation: The Audit Office recommends that the Regional Administration put systems in place to reconcile supplies received by the respective health facilities with the drugs list initially submitted, and obtain the cost of the drugs and medical supplies from the MOPH so as to reconcile the value of the drugs and medical supplies received with that of the sum warranted to the MOPH. (2016/482)

808. With respect to expired drugs audit checks revealed that there were twenty-three types of expired drugs in the Regional Administration which are still to be destroyed. However, no value was stated on the documents for the items. As such, a total cost of all drugs destroyed could not be ascertained.

Region's Response: The Head of Budget Agency indicated that approval was sought and the Regional Administration has since commenced with the disposal of these expired drugs.

Recommendation: The Audit Office recommends that the Regional Administration put systems in place to monitor the expiry dates of drugs in stock to ensure that wastage and loss through expiry is reduced. (2016/483)

Utilities

809. Amounts of \$74.330M were allocated for Utilities. As at 31 December 2016, amounts totalling \$73.582M were expended. An examination of the Utilities Registers and related payment vouchers revealed the following:

- a) the registers were not updated to reflect balances on account; and
- b) totals were not casted for none of the registers.

Region's Response: The Head of Budget Agency acknowledged the finding and indicated that corrective action has since been taken.

Recommendation: The Audit Office recommends that the Regional Administration ensure that the Utility Registers are promptly and correctly updated. (2016/484)

Maintenance Works

810. Amounts totalling \$307.433M were allocated for the repairs and maintenance of buildings and infrastructure within the Regional administration. As at 31 December 2016, amounts totalling \$307.246M were expended under the various line items as follows:

Line Item	Description	Total Funds Available \$'000	Amount Expended \$'000
6242	Maintenance of Buildings	112,103	111,941
6251	Maintenance of Roads	51,000	51,000
6252	Maintenance of Bridges	12,500	12,490
6253	Maintenance of Drainage & Irrigation	25,000	25,000
6254	Maintenance of Sea and River Defence	10,000	10,000
6255	Maintenance of Other Infrastructure	69,250	69,240
6264	Vehicle Spares and Services	15,300	15,296
6282	Equipment Maintenance	12,280	12,279
Total		307,433	307,246

811. Audit examination of a sample of eleven projects valued at \$57.007M was selected for physical verification and the observations in the following paragraphs were noted.

812. The contract for the maintenance of sections of Kalacoon Road, Bartica was awarded in the sum of \$4.541M. As at 31 December 2016, the full contract sum was paid to the contractor. A physical verification of the project revealed overpayments to the value of \$686,000

Region's Response: The Head of Budget Agency indicated that the Regional Administration will investigate the above overpayment.

Recommendation: The Audit Office recommends that the Regional Administration improve on the efficiency of the systems in place to monitor projects in order to avoid such overpayments. (2016/485)

813. The contract for the repairs and clearing of Internal and External Channel, Bartica was awarded to the second highest of eight bidders in the sum of \$10.557M. As at 31 December 2016, the full amount was paid to the contractor. A physical verification of the works revealed that the contractor was overpaid the sum of \$1.817M, which included provisional sums of \$1.5M

Region's Response: The Head of Budget Agency indicated that the variation to the contract changed the scope of work and, as such, would like a revisit by the Audit Office.

Recommendation: The Audit Office recommends that the Regional Administration ensure that all relevant documentations are submitted to verify the projects executed by the Regional Administration. (2016/486)

Stores and Other Public Property

814. The Stores Regulations 1993 require the Regional Administration to maintain several forms, registers, books and ledgers to manage items of stores under their control. An examination of the stock keeping system and records maintained revealed the following:

- a) a register of Government buildings was not maintained, instead a list of ninety-four Government buildings that were owned by the Regional Administration was presented. However, only nine out of a total of twenty-six persons were paying rent at the time of the audit in July 2017;
- b) a Master Inventory was not maintained. In addition, sectional inventories were not updated; and
- c) historical Records for Vehicles, Plant and Equipment owned and operated by the Regional Administration were not maintained.

Region's Response: The Head of Budget Agency indicated that: (i) a register of government buildings will be implemented; (ii) the Region is in the process of completing the Master Inventory and updating the Sectional Inventories; and (iii) the maintenance of Historical Records has already commenced.

Recommendation: The Audit Office recommends that the Regional Administration ensure that the Stores Regulations are strictly adhered to at all times. (2016/487)

Others

815. Of the forty-eight vehicles and equipment owned and operated by the Regional Administration, Log Books for only thirty-three were presented for audit scrutiny. However, it was noted that the Log Books presented were not properly written up with departure and arrival time and fuel consumption.

Region's Response: The Head of Budget Agency indicated that efforts will be made to have the drivers update the Log Books correctly.

Recommendation: The Audit Office recommends that the Regional Administration ensures that the Stores Regulations are strictly adhered to at all times. (2016/488)

816. Cheque Orders are required to be cleared within sixteen days of their issue through the submission of bills and/or receipts and other supporting documents. An examination of the register revealed that there were two Cheque Orders valued \$12.470M for the year 2016 still outstanding as at July 2017.

Region's Response: The Head of Budget Agency indicated that the Cheque Order for the river ambulance was cleared and the outstanding one for the HP150 engine was due to the manufacturer being decommissioned and the relevant duty free approval for a substitute proved to be difficult, as such, the intervention of the Ministry of Communities has been sought.

Recommendation: The Audit Office recommends that the Regional Administration ensure that these Cheque Orders are cleared and submit the necessary information to the Audit Office for verification and in future ensure that Cheque Orders are cleared on a timely basis in keeping with circularised instructions. (2016/489)

817. Examination of the Appropriation Accounts for Region №. 7 Cuyuni/Mazaruni, revealed that they were a total of forty-two transactions for virements that were not in keeping with the FMA Act Section 22(2) which states that the Minister shall include all changes to the appropriations made pursuant to subsection (1) up to the end of the tenth month of the current financial year in the Appropriation Amendment Bill, otherwise any changes shall be made in accordance with Section 24. These virements were all done after the tenth month.

Region's Response: The Head of Budget Agency indicated that the Ministry of Finance approved of these Virements.

Recommendation: The Audit Office recommends that the Regional Administration ensures that they comply fully with the FMA Act at all times. (2016/490)

818. The Regional Administration failed to adhere to the provisions of Section 43 of the Fiscal Management and Accountability Act 2003 which states that at the end of each fiscal year, any unexpended balance of public moneys issued out of the Consolidated Fund shall be returned and surrendered to the Consolidated Fund. However, audit checks revealed that the Regional Administration had drawn/cut 143 cheques totalling \$120.137M on the 6 January 2017 for 31 December 2016. Of these cheques, 142 were paid and one valued \$530,000 was repaid to the Consolidated Fund. As a result, the Appropriation Accounts was overstated by \$530,000.

Region's Response: The Head of Budget Agency acknowledged this finding and will make efforts to reduce the amount of payments being processed at the end of the year.

Recommendation: The Audit Office recommends that the Regional Administration institute measures to ensure full repayment to the Consolidated Fund of all amounts remaining unpaid at the end of each financial year in compliance with the FMA Act. (2016/491)

819. The Contract Register maintained by the Accounts Department was not properly and accurately written up. Payments made could not be easily traced, Payment Voucher numbers were not recorded and information pertaining to the date contracts was entered into and payments made were not accurate.

Region's Response: The Head of Budget Agency indicated that efforts will be made to have the Contract Register properly written up with all relevant information.

Recommendation: The Audit Office recommends that the Regional Administration ensure that the Contract Register is properly written-up and checked on a regular basis by a Senior Officer. (2016/492)

Capital Expenditure

820. The sum of \$215M was budgeted in 2016 to execute the Capital Programme of the Regional administration. According to the Appropriation Account the sum of \$208.721M was expended leaving an unspent amount of \$6.279M representing savings under the various programmes. Shown in the table below is the budgeted amount compared with the capital expenditure as per programme for 2016:

Programme	Description	Budgeted Amount \$'000	Expenditure \$'000	Shortfall \$'000
1	Regional Admin & Finance	10,400	10,257	143
2	Public Works	51,524	51,323	201
3	Education Delivery	70,898	69,565	1,333
4	Health Services	82,178	77,576	4,602
Total		215,000	208,721	6,279

821. The shortfall in the above capital expenditure of \$6.279M was mainly as a result of the Regional Administration not being able to complete the projects as shown in the table below:

Projects	Contract Sum \$'000	Amount Paid \$'000	Shortfall \$'000
Construction of Health Post at Kurutuku	9,541	8,012	1,529
Rehabilitation and Extention of Health posts at Chinowieng	8,187	4,416	3,771
Savings under various programmes			979
Total			6,279

Region's Response: The Head of Budget Agency indicated that these projects were re-budgeted for in 2017, while there were savings under the other three programmes.

Recommendation: The Audit Office recommends that the Regional Administration undertake projects during the earlier part of the year so that any problem or issues encountered can be detected in a timely manner, so as to avoid delays and ensure amounts are expended as budgeted. (2016/493)

Buildings

822. The contract for the construction of living quarters at Mongrippa Hill, Bartica was awarded in 2015 to the lowest of eight bidders in the sum of \$7.565M. An approved variation was seen in the sum of \$1.434M giving a revised contract sum of \$8.999M. As at 31 December 2015, the sum of \$5M was paid to the contractor. The works were completed and the remaining balance of \$3.879M was paid to the contractor in the period under review. A physical verification of the works revealed that the contractor was overpaid the sum of \$1.719M as shown below:

Item	Description	Qty Paid	Qty Found	Unit	Diff.	Rate \$	Amount Overpaid \$'000
5	Blockwork						
5.1	16" x 8" x 6" thk hollow precast concrete block, laid in stretcher bond in cement sand mortar (1:3) and cores filled with 1:2:4 concrete (measured separately) to form kerb wall	55.54	26.3	sy	29.24	2,000	58
	<u>Sundries</u>						
5.6	500 guageplythene horizontal damp proof membrane to floor with 12" laps (measured net)	133.33	0	sy	133.33	500	67
	<u>Roof</u>						
6.1	2" x 4" green heart plates bolted to roof beams (bolts measured separately)	70	55	bm	15	500	8
6.2	2" x 6" green heart rafters at 30" ctrs	671	555	bm	116	500	58
6.3	1" x 6" perlins at 30" ctrs - dressed	392	276	bm	116	500	58
6.4	1" x 8" green heart fascia board	62	49.3	bm	12.7	500	6

Item	Description	Qty Paid	Qty Found	Unit	Diff.	Rate \$	Amount Overpaid \$'000
6.6	26 guage prepainted roof sheets minimum 6" end laps (measured net allow for laps)	208.44	190	sy	18.44	4,500	83
6.8	foam bat proof to roof & ridge	172	0	lf	172	200	34
6.9	1" x 1/2" hardwood timber members as frame for mesh screen to eaves	350	0	lf	350	150	53
6.10	Mosquito mesh (polythene)	15	0	sy	15	1,000	15
	Additional Works, Variation №.1						
2	<u>Sand fill to Kerb Area</u>						
2.1	Provide, transport ,place and compact white sand	852.5	0	cu.yds	852.5	1500	1,279
Total Overpaid							1,719



Construction of one Duplex Living Quarters on Mongrippa Hill, Bartica

Region's Response The Head of the Budget Agency indicated that additional works has since been carried out by the contractor and requested a revisit on this project.

Recommendation: The Audit Office recommends that the Regional Administration ensure all works are executed in accordance with the contract document and in keeping with the time line of the projects before payments are made. (2016/494)

Other

823. Physical verification of the works for the construction of living quarters at Karrau revealed that the works were completed and an overpayment of \$92,000 was made to the contractor for four Black Frame Sash windows. However, at the time of reporting September 2017 the overpayment was recovered and the receipt was presented for audit verification.

Prior year matters, which have not been fully resolved

Current Expenditure

824. Deductions totalling \$637,509 for the years 2011, 2012 and 2014 that were overpaid to the Guyana Revenue Authority (GRA), National Insurance Scheme (NIS) and other agencies were still not recovered. Shown in the table below are the details of the overpayments:

Years	GRA Paid Over \$	GRA Recovered \$	NIS Paid Over \$	Others \$
2011	210,295	0	87,162	0
2012	18,577	9,594	215,849	0
2014	19,888	0	68,048	17,690
Total	248,760	9,594	371,059	17,690

Region's Response: The Head of Budget Agency indicated that the Regional Administration to date has only recovered the sum of \$9,594 from GRA, there is no update from NIS and Other Agency as to when the Regional Administration would be able to recover any of these overpayments.

Recommendation: The Audit Office once again recommends that the Regional Administration follow-up this matter with the Agencies concerned so that the amounts overpaid can be recovered. (2016/495)

825. As at 31 December 2007, there were shortages in stock of fuel and lubricants valued at \$1.398M for the years 2001 to 2006, which was yet to be written off. At the time of reporting in September 2017, the Regional Administration was still awaiting a decision from the Ministry of Finance as it relates to the writing off of these losses.

Region's Response: The Head of Budget Agency indicated that the Regional Administration has written the Finance Secretary for the fuel to write off. However, the Finance Secretary could not locate the original submission that was made in 2017 despite numerous search and request to the Ministry of Finance.

Recommendation: The Audit Office once again recommends that the Regional Administration pursue this matter with the Finance Secretary in order to bring closure to same and resubmit the documentation if necessary. (2016/496)

Status of Prior Year Issues

826. The table below shows the prior year matters as contained in the Auditor General's 2015 Report and action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2015/359	Overpayment of Salaries		√	
2015/360	Losses not written-off			√
2015/361	NIS Register	√		
2015/362	Cash Salaries	√		
2015/363	IDW Drugs and medical Supplies		√	
2015/364	Breaches of the Stores Regulations	√		
2015/365	Utility Register		√	
2015/366	Breaches of the Procurement Act 2003	√		
2015/367	Breaches of the Stores Regulations	√		
2015/368	Breaches of the Stores Regulations	√		
2015/369	Outstanding Cheque Orders & missing vouchers	√		
2015/370	Warrants	√		
2015/371	Weak internal controls	√		
2015/372	Contract Documents Requests	√		
2015/373	Weak internal controls		√	
2015/374	Shortfall in Capital Expenditure			√
2015/375	Breaches of Procurement Act 2003	√		
2015/376	Outstanding Cheque Orders & missing vouchers	√		
2015/377	Breaches of Procurement Act 2003 and Stores		√	

AGENCY 78
REGION 8 - POTARO/SIPARUNI

Current year matters, with recommendations for improvement in the existing system

Current Expenditure

Employment Cost

827. Amounts totalling \$341.265M were expended for Employment Cost. According to the National Estimates during 2016, the Regional Administration had an authorised staffing structure of 311, however, the actual staff of the Regional Administration exceeded the authorised strength by eighty-two as shown in the table below:

Line Item	Description	Authorised 2016	Filled 2016	Increase/ (Decrease)
6111	Administrative	15	16	1
6112	Senior Technical	43	43	0
6113	Other Technical and Craft Skilled	92	106	14
6114	Clerical and Office Support	5	9	4
6115	Semi-Skilled Operatives and Unskilled	86	115	29
6116	Contracted Employees	70	51	(19)
6117	Temporary Employees	0	0	0
6211	Expenses related to Entity	0	46	46
6284	Other	0	6	6
Total		311	392	82

828. As can be noted from the table above, contracted employees which included additions for the year, accounted for 13% of the total employees. The table below gives the salary range of the fifty-one contracted employees.

Salary Range	No. of Employee	Amount \$'000
Below \$100,000	47	3,396
\$100,000 - \$250,000	4	648
\$250,000 - \$400,000	0	0
Above \$400,000	0	0
Total	51	4,044

Region's Response: The Head of Budget Agency explained that the Regional Administration is in the process of moving the eligible employees over to the permanent establishment.

Recommendation: The Audit Office recommends that the Regional Administration minimise the number of staff being employed on contractual basis in keeping with circularised instructions. (2016/497)

829. A further analysis of the employment details revealed that the Regional Administration had twelve vacancies as advertised in the Public Service Commission Staff Vacancy Circular. These vacancies included critical posts, such as one Assistant Secretary (Finance), an Accountant, a School Welfare Officer and a Procurement Officer. As a result, these critical vacancies would have an adverse effect on the operations of the Region.

Region's Response: The Regional Administration explained that some of these vacancies has already been advertised and are with the Public Service Commission.

Recommendation: The Audit Office recommends that the Regional Administration urgently review its staffing situation since the level of staffing would obviously have an adverse effect on the operations of the Region and in particular, the level of control needed to ensure adequate checks and balances. (2016/498)

830. An audit scrutiny of fifteen personal files belonging to both public officers and teachers who were employed during the year 2016, revealed the following unsatisfactory features:

- a) application letters nor Curriculum Vitae were not seen in the files belonging to seven employees; and
- b) police Clearances and References for officers now joining the Regional Administration were not seen in any of the files for the employees.

Region's Response: The Head of Budget Agency indicated efforts will be made to follow-up the missing documentation from the files.

Recommendation: The Audit Office recommends that the Regional Administration ensure that all personal files are properly updated and maintained with the required information. (2016/499)

Office and Field Supplies

831. The sum of \$508.574M was budgeted for in 2016 for Office and Field Supplies. During the year 2016, amounts totalling \$483.874M were expended. A sample of sixty-nine payment vouchers totalling \$81.411M were chosen for audit examination and the following discrepancies were revealed.

- a) Cheque №. 793752 dated 29 July 2016 for \$2.432M was encashed by a supplier residing in Parika. Inclusive in this sum is an amount of \$1.934M in relation to field items purchased. However, the payment voucher bore no evidence of Accountant General's examination, no cheque number, no evidence of the items being entered into the Good Receive Book nor any evidence of Regional Tender Board approval. However, this voucher was passed for payment. In addition, audit checks revealed that the prices quoted per item on the Requisition to Purchase were higher than other suppliers the Regional Administration usually purchased from;

- b) there were sixty payments totalling \$33.663M relating to purchases from the same supplier mentioned above. However, only ten of these payment vouchers totalling \$9.5M were presented for audit examination. At the time of reporting in September 2017, the Audit Office was conducting further investigation into this matter; and
- c) Payment vouchers №. 78A1887 and №. 78A1888 amounting to \$187,612 and \$497,995 respectively bore no evidence of being examined by the Accountant General Department.

Region's Response: The Head of Budget Agency indicated that this matter will be investigated and a report with relevant documentation forwarded to the Audit Office.

Recommendation: The Audit Office recommends that the Regional Administration ensure that all necessary documents are attached to payment vouchers and evidence exist that they were examined, certified, approved and passed for payments. (2016/500)

832. The Regional Accounting Unit (R.A.U) and the Regional Executive Officer's (REO) Office falls under Programme 1 - Regional Administration, however, expenses relating to travelling and subsistence amounting to \$13.658M for the staff of this Unit was charged to all five programmes. In addition, audit checks revealed that the staff of the Regional Administration were claiming \$4,000 for accommodation whenever they reported to Georgetown for official duties even though the address on their receipts reflected the address listed in their personal files as their home address.

Region's Response: The Head of Budget Agency indicated that the former Regional Executive Officer (REO) approved the staff of the Accounting Unit to remain in Georgetown for extended periods of time and, as such funds had to be utilised from the other programmes to facilitate this. In addition, the \$4,000 was a concession granted by the REO.

Recommendation: The Audit Office recommends that the Regional Administration ensure that all transactions relating to a specific programme are charged to the said programme to avoid misclassification and all allowances are in keeping with that approved by the Public Service Department. (2016/501)

833. Amounts totalling \$372,500 was paid in July and December 2016 to the Sub-Treasury Officer, who is an employee of the Accountant General's Department, stationed at the Regional Democratic Council №. 8.

Region's Response: The Head of Budget Agency indicated that the former REO approved this payment and requested that the Sub-Treasury Officer be in Georgetown to facilitate the above-mentioned arrangement whereby the Accounting Unit functioned for extended periods in Georgetown.

Recommendation: The Audit Office recommends that the Regional Administration ensure that expenses relating to the Sub-Treasury are met from the expenditure of the Accountant General's Department under which the Sub-Treasury falls. (2016/502)

834. The sum of \$30.672M was budgeted for in 2016 for the procurement of Drugs and Medical Supplies under Health Services Programme - Line Item 6221 for the Mahdia District Hospital and the Health Centers within the Region. Amounts totalling \$2.950M were expended by the Regional Administration and the remaining amount was warranted to the Ministry of Public Health (MOPH) for the procurement of drugs and medical supplies.

835. With respect to Warrant №. 1/2016 issued on 11 November 2016 to the M.O.P.H for \$27.722M it was noted that:

- a) the list that accompanied the warrant to the MOPH did not state the quantities of the drugs that were requested;
- b) the sum was not expended and the amount was credited to the respective Line Item in the Appropriation Account of the Regional Administration;
- c) a Financial Return was not submitted to the Regional Administration by the MOPH; and
- d) at the time of audit examination in July 2017, the Regional Administration only had a small amount of items in stock. As a result, it was difficult to ascertain if drugs and medical supplies were adequately reaching the population.

Region's Response: The Head of Budget Agency indicated that efforts will be made to ensure quantities required are stated on the list accompanying the warrant and Financial Returns are received.

Recommendation: The Audit Office recommends that the Regional Administration put systems in place to reconcile supplies received by the respective health facilities with the drugs list initially submitted. (2016/503)

836. Physical verification exercises conducted on drugs and medical supplies at Mahdia Hospital revealed that there were five instances where expired drugs with an approximate value of \$1.992M were found at this location. In addition, there was a disposal exercise done of expired drugs on the 13 June, 2017 by the Hospital Administration. However, no evidence was presented for audit verification that the Food and Drugs Department checked off these items. Further, the disposal site was not revealed to the auditors.

Region's Response: The Head of Budget Agency indicated that the value of the expired drug are unknown due to the cost of drugs delivered by MOPH not stated on the documentation that accompanied the deliveries; and the disposal of expired drugs was at the dump site under the supervision of the Environmental Health Officer.

Recommendation: The Audit Office recommends that the Regional Administration undertake a survey to determine the realistic needs of pharmaceuticals and other medical supplies at the Regional Administration in order to reduce losses through the expiration of drugs and take action to have these drugs and medical supplies disposed of by the competent authority. (2016/504)

837. During the period under review, there were seven instances of incorrect classification of expenditure totalling \$3.595M.

Region's Response: The Head of Budget Agency indicated that the Account Analysis was incorrect, and that the Regional Administration inputted the correct description into IFMAS system.

Recommendation: The Audit Office recommends that the Regional Administration ensure the proper recording of transactions to avoid misclassification. (2016/505)

838. Amounts totalling \$237.793M were allocated for Dietary Supplies under Line Item 6292, Programme 783 - Education Delivery. As at 31 December 2016, the full amount was expended as shown in the table below:

Details	Amount \$'000
Dietary supplied for school and dormitories	215,875
Fruits supplied for school and dormitories	3,000
Purchase of food items	18,918
Total	237,793

839. Included in the sum of \$215.875M are amounts totalling \$44M which were expended for the supply of dietary items for the Kato Breakfast School Feeding Programme during the period under review. At the time of reporting in September 2017, only amounts totalling \$9.770M were verified as having been received and brought to account in the records at Kato, resulting in a difference of \$34.230M as shown in the table below. The Audit Office has commenced an investigation into the matter and a separate report would be issued.

Months	Value of Goods paid for \$'000	Amount received in Kato as per records \$'000	Variance \$'000
January	0	0	0
February	4,000	826	3,174
March	4,000	410	3,590
April	4,000	1,981	2,019
May	4,000	777	3,223
June	4,000	1,228	2,772
July	4,000	328	3,672
August	4,000	0	4,000
September	4,000	1,372	2,628
October	4,000	1,241	2,759
November	4,000	1,049	2,951
December	4,000	558	3,442
Total	44,000	9,770	34,230

Maintenance Works

840. Amounts totalling \$248.200M were allocated for the maintenance of buildings and infrastructure within the Region. As at 31 December 2016, amounts totalling \$255.827M were expended under the various Line Items as follows:

Line Item	Description	Amount Allocated \$'000	Amount Expended \$'000
6242	Maintenance of Buildings	113,700	113,688
6251	Maintenance of Roads	29,000	29,000
6252	Maintenance of Bridges	24,184	24,183
6253	Maintenance of Drainage & Irrigation	19,200	19,180
6254	Maintenance of Sea & River Defence	6,100	6,094
6255	Maintenance of Other Infrastructure	63,683	63,682
Total		255,867	255,827

841. An audit examination of a sample of thirty-five projects valued at \$77.541M were selected for physical verification and the observations in the following paragraphs were noted.

842. The Regional Tender Board awarded the contract for repairs to septic tank and pipeline to the water network Kato Guest House to the lowest of three bidders by in the sum of \$1.421M. The contract was signed on the 11 May 2016 and as at 31 December 2016 the full contract sum was paid to the contractor. A physical verification of the works revealed that the contractor was overpaid the sum of \$570,000 as shown in the table below. In addition, it was observed that the pressure pump was non-operational and enquiries from the Caretaker of the Guesthouse confirmed that the pressure pump system never functioned since it was installed.

Item	Description	Qty Paid	Qty Found	Unit	Diff	Rate \$	Amount Overpaid \$'000
c	Removal of outlet waste for septic tank and redirect septic tank (rates include flush, chip, paint and plaster septic tank).	Sum	N/A				430
d	Solar battery with lead and lugs	1	0	Nº.	1	80,000	80
f	Install mortice locks	4	0	Nº.	4	15,000	60
Total Overpaid							570

Region's Response: The Head of Budget Agency stated that it was a bad decision to install a pressure pump when there wasn't a need for this and there was no electricity to power this pump. In addition, the contractor will be written to recover the amount overpaid.

Recommendation: The Audit Office recommends that the Regional Administration: (a) take immediate steps to recover the overpayments; (b) put systems in place to ensure that all works completed are properly inspected and measured before full payments are made to contractors; and (c) ensure all mechanical equipment, electronic components, solar power systems, pumps etc. are properly tested and be fully functional and in good working condition before payments are approved. (2016/506)

843. The contract for the repairs to Administration Building Kato was signed on the 12 April 2016 in the sum of \$3.515M. As at 31 December 2016, the full contract sum was paid to the contractor. Physical verification of on the 3 July 2017 revealed overpayments totalling \$616,500 as shown in the table below:

Item	Description	Qty Paid	Qty Found	Unit	Diff.	Rate \$	Amount Overpaid \$'000
	Supply and install:						
1.10	Solar batteries	3	1	Nº.	2	240,000	480
1.30	inverter	1	0	Nº.	1	40,000	40
3.00	Plumbing and Carpentry						
3.20	Service toilet tanks and change guts	2	1	Nº.	1	17,000	17
4.00	Apron						
4.10	Nº. 65 gauge BRC fabric to apron	11	0	sy	11	4,500	50
4.30	Allow for formwork	Sum	0	N/A	Sum	Sum	30
Total Overpaid							617

Region's Response: The Head of Budget Agency stated that the contractor will be written to in order to recover the amount overpaid.

Recommendation: The Audit Office recommends that the Regional Administration: (a) take immediate steps to recover the overpayments; (b) ensure that all pertinent information with respect to the contract is inserted in the contract document; and (c) put systems in place to ensure that all works completed are properly inspected and measured before full payments are made to contractors. (2016/507)

844. A contract for the upgrading of Kato Playfield was awarded in the sum of \$3.950M. However, the date the contract was signed could not be determined from the documents presented for audit examination. The commencement date was 17 October 2016 and the completion date was 17 December 2016. As at 31 December 2016, amounts totalling \$3.950M were paid to the contractor. Physical verification on the 3 July 2017, revealed overpayments totalling \$150,000. In addition, it was also observed that the pipeline was not installed in a drain, instead it was just placed on the field.

Region's Response: The Head of Budget Agency indicated that the contractor is willing to complete the work outstanding.

Recommendation: The Audit Office recommends that the Regional Administration ensure that works completed are properly inspected, measured and verified before payments are made to contractors. (2016/508)

845. A contract for the repairs to revetment Kawa Creek was awarded in the sum of \$1.462M. As at 31 December 2016 the full amount was paid to the contractor. Physical verification on the 3 July 2017 revealed that no works had commenced on this project. Hence, the entire sum paid to the contractor should be recovered.

Region's Response: The Head of Budget Agency stated that efforts will be made to recover the amount paid.

Recommendation: The Audit Office recommends that the Regional Administration: (a) take immediate step to recover the overpayment; (b) investigate how payments were approved for works which were never completed; and (c) sanctioned those persons responsible for certifying the works as being completed. (2016/509)

846. A contract for the rehabilitation to roadways Chiung Mouth to Kato Phase 1 was awarded in the sum of \$1.500M. Similarly, a contract for the rehabilitation to roadways Chiung Mouth to Kato Phase 2 was also awarded in the sum of \$1.500M. As at 31 December 2016, the full amounts were paid to the contractor. Physical verification on the 3 July 2017 revealed that no works had commenced on these projects. Hence, the entire sums paid should be recovered.

Contract №.	Description	Contract Sum \$'000	Amount Paid \$'000
143/16	Rehabilitation to roadways Chiung Mouth to Kato Phase 1	1,500	1,500
142/16	Rehabilitation to roadways Chiung Mouth to Kato Phase 2	1,500	1,500
Total		3,000	3,000

Region's Response: The Head of Budget Agency stated that works were to be executed by the Village Council and efforts will be made to ensure the works are executed.

Recommendation: The Audit Office recommends that the Regional Administration take immediate steps to recover the overpayment and ensure that works completed are properly inspected, measured and verified before payments are made to contractors. (2016/510)

847. A contract for the repairs to Sanitary Block at Bamboo Creek Primary School was awarded in the sum of \$5.541M. However, the date the contract was signed nor the commencement and completion dates could not be determined from the documents presented for audit examination. As at 31 December 2016, amounts totalling \$5.541M was paid to the contractor. Physical verification on the 4 July 2017 revealed overpayments totalling \$1.875M as shown in the table below.

Item	Description	Qty Paid	Qty Found	Unit	Diff.	Rate \$	Amount Overpaid \$'000
C	Supply and install toilet sets	3	0	№.	3	43,000	129
D	Supply and install face basin	4	0	№.	4	29,000	116
E	Allow for chip, plaster and flushing septic tank (rates include casting cover for septic tank)	Sum				680,000	680
h	Complete plumbing of building (rates include for breaking concrete wall to install pan connector and replace 4" tee and pipes and recast same, replace 3 metal pip taps.	Sum				450,000	450
I	Toilet tank guts with handles	5	0	№.	5	20,000	100
K	Construct wooden trestle to accommodate 2-450 g tanks	Sum					400
Total Overpaid							1,875

848. In addition, it was also discovered that the construction of a completely new sanitary block of similar size and components when compared to this one was done at Paramakatoi Village, approximately 10 km away, for a total cost of \$4.901M. The total cost to only repair this sanitary block was \$5.541M or \$639,900 more than the cost to construct a completely new sanitary block at Paramakatoi. Further, it was discovered that the sum of \$2.584M or 47% of the entire contract sum of \$5.541M was paid to the contractor under Bill №. 1- Preliminaries for Item A - Allow for transportation while the works purportedly executed on the building would have involved the use of relatively small quantities of materials. Further, most of the works paid for either could not have been identified at the time of the physical verification or were not completed altogether.

Region's Response: The Head of Budget Agency stated that the contractor will be written to in order to recover the amount overpaid.

Recommendation: The Audit Office recommends that the Regional Administration: (a) take immediate steps to recover the overpayment; (b) submit the tender board minutes and evaluation report for audit examination to determine if the award was in keeping with the procedures of the Procurement Act of 2003. (2016/511)

849. A contract for the general repairs to chain link fence at Paramakatoi Secondary School Complex was awarded in the sum of \$5.702M. However, the date the contract was signed nor the commencement and completion dates could not be determined from the documents presented for audit examination. As at 31 December 2016, amounts totalling \$5.702M were paid to the contractor. Physical verification on the 4 July 2017 revealed that a completely new fence was constructed. However, the contract stated that the works was for general repairs to an existing fence and was paid under Line Item 6255- Maintenance of Infrastructure. This expenditure should have been met from the capital budgetary allocation of the Regional Administration.

Region's Response: The Head of Budget Agency stated that this allocation was regretted.

Recommendation: The Audit Office recommends that the Regional Administration desist from paying for capital works under the current budget. (2016/512)

850. A contract for the emergency repairs to revetment at Wrong Turn Mahdia was awarded in the sum of \$3.302M. However, the date the contract was signed nor the commencement and completion dates could not be determined from the documents presented for audit examination. As at 31 December 2016, amounts totalling \$3.302M was paid to the contractor. Physical verification on the 4 July 2017 revealed amounts totalling \$888,200 as being overpaid to the contractor as shown in the table below.

Item	Description	Qty Paid	Qty Found	Unit	Diff.	Rate \$	Amount Overpaid \$'000
1.2	Supply, tar and drive Mix HW piles 8"x8"x10' long (12 nr.).	636	214	bm	422	700	295
1.3	Cap piles with 18 gauge galvalum	12	0	nr	12	1,500	18
2.0	Wailers						
2.2	Supply, shape, tar and place Mix HW wailers 6"x6"x17' (4nr.)	204	162	bm	42	700	29
2.3	Supply, shape, tar and place Mix HW wailers 6"x6"x15' (4nr.)	180	162	bm	18	700	13
3.0	Sheet Pile						
3.1	Supply, shape, rebate, tar and drive 2"x12"x10' Mix HW sheet pile	1,280	1,120	bm	160	700	112
4.0	Tie Rod						
4.1	Supply, tar and drive Mix HW anchor piles 6"x6"x12' long (4nr.).	144	0	bm	144	700	101
4.2	Supply, place and secure pile with MS Tie Rod ¾" dia. x 12' long with 3"x3"x1/4" MS washers and nut.	4	0	nr	4	80,000	320
Total Overpaid							888

Region's Response: The Head of Budget Agency stated that the contractor will be written to in order to recover the amount overpaid.

Recommendation: The Audit Office recommends that the Regional Administration take immediate steps to recover the overpayment and ensure that works completed are properly inspected, measured and verified before payments are made to contractors. (2016/513)

851. A contract for the repairs to Administration Office Mahdia, was awarded in the sum of \$4.493M. The contract was signed on the 6 June 2016. However, the commencement and completion dates could not be determined from the documents presented for audit examination. As at 31 December 2016, amounts totalling \$4.493M was paid to the contractor. In addition, it was discovered that the entire scope of works under the original contract was omitted and replaced with a new scope of works. Physical verification of on the 6 July 2017 revealed amounts totalling \$200,000 as being overpaid to the contractor. Further, no approval/variation order was presented for audit examination despite the significant changes made to the scope of works which was actually completed and paid for under the contract.

Region's Response: The Head of Budget Agency stated that the contractor will be written to in order to recover the amount overpaid.

Recommendation: The Audit Office recommends that the Regional Administration ensure that: (a) immediate steps are taken to recover the overpayment; (b) in future, the works should be retendered when there is an entire change in the scope of works to allow for competitive bidding and fairness to all bidders; (c) variation orders must be prepared when changes are made to the scope of works and must be approved and in keeping with the Conditions of Contract; (d) all completed works are accurately measured, quantified and paid for accordingly to avoid overpayments to contractors; and (e) all contract agreements should be properly prepared and worded according to the respective works to be carried out to avoid confusion, especially when payments are to be processed. (2016/514)

852. A contract for the repairs to the Regional Chairman's gate and driveway was awarded in the sum of \$1.214M. The contract was signed on the 12 September 2016 whilst the commencement date was 12 September 2016 and the completion date was 19 September 2016. As at 31 December 2016, amounts totalling \$1.214M was paid to the contractor. Physical verification on the 6 July 2017 revealed amounts totalling \$149,000 were overpaid to the contractor.

Region's Response: The Head of Budget Agency stated that the contractor will be written to in order to recover the amount overpaid.

Recommendation: The Audit Office recommends that the Regional Administration ensure that immediate steps are taken to recover the overpayment and all completed works are accurately measured, quantified and paid for accordingly to avoid overpayments to contractors. (2016/515)

853. A contract for the emergency rehabilitation to Administration Staff Quarters was awarded in the sum of \$826,000. As at 31 December 2016, the entire sum was paid to the contractor. Physical verification revealed that a new septic tank was constructed next to an existing fully functional septic tank. This new septic tank was constructed to facilitate a single washroom which was installed at the bottom of the REO's Living Quarters. In addition, the contract stated that the works were for emergency rehabilitation of a septic tank and not construction of a new one. Further, it was observed that a fully functional septic tank was already in place at the living quarters which could have adequately accommodate the waste from the single toilet for which this new septic tank was constructed to serve. It was also difficult to ascertain how the construction of a new septic tank was considered to be emergency works when there was already an existing septic tank which could have been utilised. It should also be noted that the construction of a new septic tank should have been budgeted for under capital expenditure.

Region's Response: The Head of Budget Agency stated that this project was conceptualise by the former REO.

Recommendation: The Audit Office recommends that the Regional Administration ensure that payments for capital and current works should be made as per regulations and the practice of paying for capital works as current and vice versa must cease forthwith. Also systems should be implemented to ensure that all funds are properly utilised for meaningful and beneficial projects. (2016/516)

854. A contract for the repairs to “4 Apartment Mahdia” was awarded in the sum of \$1.799M. The contract was signed on the 22 April 2016 whilst the commencement date was 22 April 2016 and the completion date was 20 May 2016. As at 31 December 2016, the entire sum was paid to the contractor. Physical verification conducted on the 6 July 2016, revealed amounts totalling \$350,000 was overpaid to the contractor as seen in the table below:

Item	Description	Qty Paid	Qty Found	Unit	Diff .	Rate \$	Amount Overpaid \$'000
2	Roof						
A	Renail loose sheets, risen catering for application of euroban	90	0	sy	90	500	45
6	Door						
A	HW factory made HW panel door	4	1	Nº.	3	60,000	180
9	Painting and Decorating (external paint must be New wheat)						
A	New wheat to external concrete walls Golden brown to all external doors etc	142	0	sy	142	500	71
11	Guttering						
A	Clean all guttering (front and back)	66	0	lf	66	500	33
B	Provide and seal solvent cement joints	Item				5,000	5
C	Provide and fix brackets to timber	7	0	Nº.	7	1,000	7
E	Allow for slip joint, down spout etc.	Item				9,000	9
Total Overpaid							350

Region's Response: The Head of Budget Agency stated that the contractor will be written to in order to recover the amount overpaid.

Recommendation: The Audit Office recommends that the Regional Administration ensure that immediate steps are taken to recover the overpayment and all completed works are accurately measured, quantified and paid for accordingly to avoid overpayments to contractors. (2016/517)

855. A contract for the repairs to Mahdia District Hospital Mortuary was awarded in the sum of \$3.398M. As at 31 December 2016, the entire sum was paid to the contractor. Physical verification conducted on the 6 July 2016, revealed that the amount of \$256,000 was overpaid to the contractor:

Region's Response: The Head of Budget Agency stated that the contractor will be written to in order to recover the amount overpaid.

Recommendation: The Audit Office recommends that the Regional Administration ensure that immediate steps are taken to recover the overpayment and all completed works are accurately measured, quantified and paid for accordingly to avoid overpayments to contractors. (2016/518)

856. A contract for the general repairs to Staff Quarter's Mahdia, was awarded in the sum of \$971,000. The date on which the contract was signed could not be determined from the documents examined, however, it was noted that the start date for the works was 3 June 2016 whilst the completion date was 17 July 2016. As at 31 December 2016, the entire sum was paid to the contractor. Physical verification conducted on the 6 July 2017, revealed that amounts totalling \$701,000 was overpaid to the contractor.

Region's Response: The Head of Budget Agency stated that an incorrect building was identified and, as such, request a revisit of this project.

Recommendation: The Audit Office recommends that the Regional Administration ensure that immediate steps are taken to recover the overpayment and all completed works are accurately measured, quantified and paid for accordingly to avoid overpayments to contractors. (2016/519)

857. A contract for the repairs to Mahdia Nursery School was awarded in the sum of \$2.162M. The date on which the contract was signed could not be determined from the documents examined however, it was noted that the start date was 6 July 2016 whilst the completion date was 30 September 2016. As at 31 December 2016, the entire sum was paid to the contractor. Physical verification conducted on the 6 July 2017, revealed that the amounts totalling \$320,000 in relation to variation works were overpaid to the contractor.

Region's Response: The Head of Budget Agency stated that the contractor will be written to in order to recover the amount overpaid.

Recommendation: The Audit Office recommends that the Regional Administration ensure that immediate steps are taken to recover the overpayment and all completed works are accurately measured, quantified and paid for accordingly to avoid overpayments to contractors. (2016/520)

858. A contract for the repairs to floor, Mahdia Secondary School, was awarded in the sum of \$2.623M. The contract was signed on 2 July 2016 with a start date of 6 July 2016 whilst the completion date was 30 September 2016. As at 31 December 2016, the entire sum was paid to the contractor. Physical verification conducted on the 7 July 2017, revealed that amounts totalling \$419,000 in relation to variation works was overpaid to the contractor.

Region's Response: The Head of Budget Agency stated that the contractor will be written to in order to recover the amount overpaid.

Recommendation: The Audit Office recommends that the Regional Administration ensure that immediate steps are taken to recover the overpayment and all completed works are accurately measured, quantified and paid for accordingly to avoid overpayments to contractors. (2016/521)

859. A contract for the repairs to Campbelltown Nursery School, was awarded in the sum of \$470,000. The contract was signed on 4 January 2016 with a start date of 4 January 2016 while the completion date was 12 January 2016. As at 31 December 2016, the entire sum was paid to the contractor. Physical verification conducted on the 7 July 2017, revealed that no electrical works were done to the building but the contractor still received payment in full. As a result, amounts totalling \$181,000 were overpaid to the contractor.

Region's Response: The Head of Budget Agency stated that the contractor initially supplied the items. However, due to the school not having electricity the electrical fittings were changed to solar fittings.

Recommendation: The Audit Office recommends that the Regional Administration ensure that immediate steps are taken to recover the overpayment and all completed works are accurately measured, quantified and paid for accordingly to avoid overpayments to contractors. (2016/522)

860. Audit examination revealed that payments as detailed in the table below were made under two identical contracts which had identical contract numbers, contract sum and almost identical Bill of Quantities. Both contracts were with the same contractor. However, they were signed on different dates. A physical verification of the completed works was carried out on 7 July 2017 and it was determined that the works were completed as per the Bills of Quantities and Schedules of the contract signed on 18 January 2016 and therefore, the total sum paid under the other contract dated 1 February 2016 is a duplication of payment. As a result, this sum is an overpayment. In addition, the latter contract was signed by the Regional Executive Officer only, the signature of the contractor and the two witnesses is absent from the contract agreement.

Contract №.	Contract	Contract Sum \$'000	Date Signed	Amount Paid \$'000
25/16	Emergency Electrical Repairs to Mahdia Primary School Sub-Region №. 2, Region №. 8	594	18.01.2016	594
25/16	Emergency Electrical Repairs to Mahdia Primary School Sub-Region №. 2, Region №. 8	594	01.02.2016	594

Region's Response: The Head of Budget Agency stated that the contractor will be written to in order to recover the amount overpaid.

Recommendation: The Audit Office recommends that the Regional Administration recover the amount paid under the second contract since this is a duplication of payment. (2016/523)

861. Audit examination revealed, three instances totalling \$10.477M where the Bills of Quantities were poorly prepared and the items were lumped together as detailed in the table below:

Contract №.	Description	Amount \$'000
212/16	Repairs to Septic tank and pipeline to Water Network Kato Guest House	1,421
176/16	Repairs to Admin Building Kato	3,515
182/16	Repairs to Sanitary Block Bamboo Creek Primary	5,541
Total		10,477

Region's Response: The Head of Budget Agency stated that corrective action will be taken.

Recommendation: The Audit Office recommends that the Regional Administration desist from the lumping of items and making payments as a sum. In addition, they should be guided by the Standard Method of Measurement of Building Works when preparing Bills of Quantities. (2016/524)

Subsidies

862. Amounts totalling \$18.446M were allocated for subsidies & subvention within the Regional Administration. As at 31 December 2016, there were forty-three payments showing the full amount expended. However, only seventeen payment vouchers totalling \$9.243M were presented for audit. An examination of these vouchers revealed that nine vouchers had no supporting documents such as the training materials, list of participants, attendance register and receipts. As a result, it was difficult to ascertain the accuracy and validity of these transactions.

Region's Response: The Head of Budget Agency stated that efforts will be made to locate the supporting documentation and submit same for audit.

Recommendation: The Audit Office recommends that the Regional Administration institute measures to ensure that all supporting documents are attached to payment vouchers and kept in a manner to facilitate audit examination and preservation for the required period. (2016/525)

Stores and Other Public Property

863. The Stores Regulations 1993 require the Regional Administration to maintain several forms, registers, books and ledgers to manage items of stores under their control. However, an examination of the Main Stores located in the compound of the Regional Democratic Council in Mahdia revealed the following breaches:

- a) no Log Books were presented for audit examination for the entire period under review. As a result, it could not be determined if the journeys were authorised and if proper accountability was exercised regarding the expenditure relating to fuel;

- b) although amounts totalling \$18.596M was expended on vehicles spares and services for the vehicles, plant and machinery operated and controlled by the Regional Administration, historical records were not maintained to enable management to monitor the individual cost of repairs and to determine whether it was economical to retain or dispose of these vehicles. In addition, it was difficult to ascertain the total amount of vehicles owned and controlled by the Regional Administration since no listing of the vehicles assigned to Sub Region 2 was presented for audit verification. There were seventeen vehicles allocated to Sub-Region №. 2;
- c) there was no Stores Ledger maintained by the Regional Accounting Unit nor were there any Goods Receive Notes prepared by the Stores;
- d) the Storekeeper was not preparing a pre-numbered and pre-printed Purchase Requisition in quadruplicate;
- e) there was no Gift Register;
- f) sectional and Master Inventories were not maintained;
- g) assets purchased were not marked to readily identify them as property of the Regional Administration;
- h) a sample of sixty-two items were selected for physical count at the Regional Stores. However, the following unsatisfactory observances were made.
 - i) there were nineteen instances of shortages and thirty-five instance of overages, when the physical count was compared with the balances in the Stock Ledger. Included, in the thirty-five are eight instances where the balance in the Stock Ledger could not be ascertained;
 - e) there were thirty-three instances where the Stock Ledgers were last updated in October whilst thirty instances were observed where Bin Cards were last updated in June 2016; and
 - f) seventeen instances were observed where no Bin Cards were maintained.

Region's Response: The Head of Budget Agency indicated that efforts are being made to correct these deficiencies.

Recommendation: The Audit Office recommends that the Regional Administration ensure that the Stores Regulations are strictly adhered to at all times. (2016/526)

Other Matters

864. Cheque Orders are required to be cleared within sixteen days of their issue through the submission of bills/receipts and other documents in support of the payments made. In addition, there is a system in place at the Accountant's General Department whereby only three Cheque Orders are allowed per Line Item. However, the Regional Administration failed to adhere to these requirements, since an examination of the records revealed that Cheque Orders were cleared on average of 365 days after the stipulated time. Further, during 2016, 195 Cheque Orders amounting to \$112.060M remained outstanding as at July 2017. Inclusive of this amount are sixty Cheque Orders totalling \$16.161M which were paid in the name of the Regional Executive Officer (R.E.O.) of Region №. 8. As a result, it could not be ascertained whether the Regional Administration received full value for all sums expended.

Region's Response: The Head of Budget Agency indicated that most of these Cheque Orders are now cleared and the evidence will be presented for audit examination.

Recommendation: The Audit Office recommends that the Regional Administration ensure that the clearing of Cheque Orders is done within the stipulated timeframe. Steps should also be taken to have outstanding Cheque Orders cleared and submit the necessary documentation to the Audit Office for verification. (2016/527)

865. The Regional Administration was in breach of Section 30 of the Audit Act 2004 in that during the period under review, a sample of 784 payment vouchers totalling \$454.728M relating to Other Charges under current expenditure were requested for audit examination. However, 314 vouchers totalling \$152.737M or 40.1% were not presented for audit. Similarly, for capital expenditure of the 112 vouchers requested totalling \$220.573M, twenty-six totalling \$30.512M or 23% were not presented. As a result, the scope of the audit was limited and a determination could not be made as to the propriety of the payments or whether value was received for the moneys spent.

Region's Response: The Head of Budget Agency indicated that the Regional Administration will make every effort to work with the Sub-Treasury to locate and present the missing vouchers for audit examination.

Recommendation: The Audit Office recommends that the Regional Administration take all necessary measures to review the controls in relation to the accounting for vouchers and ensure the security and retention of all vouchers for audit examination. (2016/528)

866. Section 43 of the Fiscal Management and Accountability Act 2003 states that at the end of each fiscal year, any unexpended balance of public moneys issued out of the Consolidated Fund shall be returned and surrendered to the Consolidated Fund. However, an inspection of the Sub-Treasury's safe revealed that twenty-three cheques totalling \$16.696M were still on hand at the time of audit in July 2017. These cheques should have been refunded to the Consolidated Fund and the necessary adjustments made to the Appropriation Accounts. As a result, the Appropriation Accounts would be overstated by the said amount. In addition, the Sub-Treasury Department has a built in safe (№. 1110) however, the safe is non-functional due to a part being damaged thus cheques are being stored in a two door metal filing cabinet which has no locks.

Region's Response: The Head of Budget Agency indicated that the Regional Administration will make efforts to update and pay over the cheques to the payees.

Recommendation: The Audit Office recommends that the Regional Administration institute measures to ensure full repayment to the Consolidated Fund of all amounts remaining unpaid at the end of each financial year in compliance with the FMA Act. (2016/529)

867. Circularised instructions states that for the occupation of Government Quarters' Public Servants are required to pay rent of 10% and 12% of their salary for unfurnished and furnished accommodation respectively, except where entitlement to rent-free Government quarters had been previously approved, as a condition of service. There are eighty-five Residential Buildings controlled by the Regional Administration. Of these, fifty-three are being occupied by officers of the Regional Administration and rents are not being paid by any of the occupants. From the documents presented for audit it could not be determined whether persons occupying the living quarters were entitled to rent-free quarters as a condition of service. Nevertheless, it was explained that rent was last collected in December 2014.

Region's Response: The Head of Budget Agency explained that letters were previously written to the occupants of the living quarters but was withdrawn on the instruction of the former REO. However, efforts will now be made to ascertain the entitlement of each officer and they will be written to in order to vacate or pay the required rent.

Recommendation: The Audit Office recommends that the Regional Administration take steps to ensure all outstanding amounts for rent are collected and deposited into the Consolidated Fund and notify the Audit Office when this activity is completed. (2016/530)

868. The Contract Register maintained by the Regional Accounting Unit was not properly and accurately written up. Payments made could not be easily traced, payment voucher numbers were seldom recorded, information pertaining to date of contracts were not entered and the contract payments were not updated in a timely manner.

Region's Response: The Head of Budget Agency indicated that the Regional Administration acknowledges its inconsistencies and has since put systems in place to prevent recurrence of this

Recommendation: The Audit Office recommends that the Regional Administration ensure that the Contract Register is properly written-up and a senior officer checks it on a regular basis. (2016/531)

869. Despite numerous requests for all the Minutes of the Regional Tender Board meetings only Minutes №. 2, 11 and 13 to 16 were presented for audit examination. In addition, no evaluation reports or advertisements were presented for audit.

Region's Response: The Head of Budget Agency stated that the Secretary to the Tender Board could not locate these minutes, reports and advertisements.

Recommendation: The Audit Office recommends that the Regional Administration submit the outstanding Tender Board Minutes for audit examination. (2016/532)

870. Audit examination of payment vouchers under Programme 4 - Education Delivery revealed that the Assistant Accountant was certifying payments under this programme instead of the relevant Programme Head. As a result, of this conflict it was difficult to ascertain if the expenses were in line with the objectives of the Programme.

Region's Response: The Head of Budget Agency stated that the former REO instructed that this be done.

Recommendation: The Audit Office recommends that the Regional Administration ensure that the respective programme heads certify all payments. (2016/533)

Capital Expenditure

871. The sum of \$222M was budgeted in 2016 for the Regional Administration to execute its capital programme. According to the Appropriation Accounts the sum of \$220.572M was expended leaving an unspent amount of \$1.428M which were as a result of savings under the four programme as shown in the table below:

Programme	Details	Budgeted Amount \$'000	Expenditure \$'000	Shortfall \$'000
1	Regional Administration & Finance	21,187	20,940	247
2	Public Works	53,764	53,319	445
3	Education Delivery	70,664	70,610	54
4	Health Services	59,385	58,767	618
5	Agriculture	17,000	16,936	64
Total		222,000	220,572	1,428

872. Audit checks revealed that no Inclusion of Programme was granted for the construction of an Industrial Arts Department at Paramakatoi Secondary and the restoration of Campbelltown Nursery Shed totalling \$5.501M.

Region's Response: The Head of Budget Agency stated that all the approvals were given to the Former REO.

Recommendation: The Audit Office recommends that the Regional Administration put measures in place to ensure that necessary approvals are available for audit examination. (2016/534)

873. A contract for the construction of Staff Quarter's Kato was awarded in the sum of \$13.472M. However, the date the contract was signed could not be determined from the documents presented for audit examination. The commencement date was 25 April 2016 and the completion date was 25 July 2016. As at 31 December 2016, amounts totalling \$13.355M was paid to the contractor. Physical verification on 3 July 2017, revealed overpayments totalling \$1.978M as being overpaid to the contractor as shown in the table below. In addition, the concrete floor slab was poorly completed and exhibited cracks in several areas, also the building was not in use at the time of the physical verification.

Item	Description	Amount Overpaid \$'000
7	Foundation and Ground Floor Beam	276
11	Reinforcement	338
13	Rendering	360
14	Roof frame and floor	187
17	Ironmongery	42
21	Finishing works	270
	Carpentry and Joinery (bed rooms, kitchen & lavatory area)	505
Total Overpaid		1,978

Region's Response: The Head of Budget Agency stated that the contractor will be written to in order to recover the amount overpaid.

Recommendation: The Audit Office recommends that the Regional Administration ensure that immediate steps are taken to recover the overpayment and works completed are properly inspected, measured and verified before payments are made to contractors. (2016/535)

874. A contract for the construction of Doctor's Quarters Kato was awarded in the sum of \$13.490M. However, the date the contract was signed could not be determined from the documents presented for audit examination. The commencement date was 25 April 2016 and the completion date was 25 July 2016. As at 31 December 2016, amounts totalling \$13.273M was paid to the contractor. Physical verification on the 3 July 2017, revealed overpayments totalling \$1.940M as being overpaid to the contractor as shown in the table below. In addition, the concrete floor which was completed is cracked in several areas and the building was not in use at the time of the physical verification. The hollow concrete block walls are also developing cracks while the main access timber doors have significantly shrunk and has large crevices.

Item	Description	Amount Overpaid \$'000
7	Foundation and Ground Floor Beam	276
11	Reinforcement	338
13	Rendering	360
14	Roof frame and floor	187
17	Ironmongery	42
21	Finishing works	270
	Carpentry and Joinery (bed rooms, kitchen & lavatory area)	468
Total Overpaid		1,941

Region's Response: The Head of Budget Agency stated that the contractor will be written to in order to recover the amount overpaid.

Recommendation: The Audit Office recommends that the Regional Administration ensure that immediate steps are taken to recover the overpayment and works completed are properly inspected, measured and verified before payments are made to contractors. (2016/536)

875. A contract for the construction of Industrial Arts Department Paramakatoi was awarded in the sum of \$4.239M. However, the date the contract was signed could not be determined from the documents presented for audit examination. As at 31 December 2016, only the mobilisation advance was paid to the contractor in the sum of \$1.696M. Physical verification conducted on 4 July 2017 revealed that the works completed did not match the original scope of works under the contract. It was however, observed that there was a correction to the scope of work and description of the project awarded via letter dated 27 September 2016 from the Regional Executive Officer (REO) to the contractor. In addition, there is no final account for the works completed at the time of the physical verification and as such we are unable to determine what changes were made to the scope of works of the contract and moreover, which specific items were added or omitted and the respective quantity. Further, only the advance payment was issued to the contractor while the works have been completed and the retention period has expired since 16 October 2016.

Region's Response: The Head of Budget Agency stated that the works are now completed and the final payment is being processed.

Recommendation: The Audit Office recommends that the Regional Administration should prepare the final account immediately and make all the necessary adjustments to the effect payment for the completed works and justify the change in scope of the works and explain why the Final Payment has not been prepared eight months after the completion of the works and expiration of the Defects Liability Period. (2016/537)

876. A contract for the construction of Sanitary Block, Paramakatoi was awarded in the sum of \$4.901M. However, the date the contract was signed nor the commencement and completion date could not be determined. As at 31 December 2016, amounts totalling \$4.838M were paid to the contractor. Physical verification conducted in July 2017, revealed overpayments totalling \$139,450 for concrete, carpentry and joinery works.

Region's Response: The Head of Budget Agency stated that the contractor will be written to in order to recover the amount overpaid.

Recommendation: The Audit Office recommends that the Regional Administration ensure that immediate steps are taken to recover the overpayment and all completed works are accurately measured, quantified and paid for accordingly to avoid overpayments to contractors. (2016/538)

877. A contract for the Upgrade of Electrical System Paramakatoi Health Centre was awarded in the sum of \$2.342M. As at 31 December 2016, amounts totalling \$1.301M were paid to the contractor. The contract was signed on 9 December 2016, however, the start date and the completion date could not be determined. Physical verification revealed overpayments totalling \$120,000.

Region's Response: The Head of Budget Agency stated that the contractor will be written to in order to recover the amount overpaid.

Recommendation: The Audit Office recommends that the Regional Administration ensure that immediate steps are taken to recover the overpayment and systems are in place to ensure that all works completed are properly inspected and measured before full payments are made to contractors. (2016/539)

878. A contract for the construction of security guard hut at the Regional Democratic Council boardroom was awarded in the sum of \$2.739M inclusive of a variation totalling \$1.472M. As at 31 December 2016 the entire contract sum was paid to the contractor. During, audit examination it was discovered that the original contract was for the construction of a security guard hut only. However, additional works to the Boardroom building were completed totalling \$1.472M, which exceeds the original contract sum. In addition, it was noted that the works under the variation included items which should have been budgeted and paid under capital, such as the upgrading of the electrical network of the boardroom and the purchase and installation of 2 air condition units. Further, no approval for the additional works was seen.

Region's Response: The Head of Budget Agency stated that they have since desisted from this practice.

Recommendation: The Audit Office recommends that the Regional Administration ensure that: (a) in future, the works should be retendered when there is an entire change in the scope of works to allow for competitive bidding and fairness to all bidders. The additional works completed under this contract should have been done separately as a separate contract; (b) variation orders must be prepared when changes are made to the scope of works and must be approved and in keeping with the Conditions of Contract; and (c) payments for capital and current works should be made as per regulations and the practice of paying for capital items as current and vice versa works must cease forthwith. (2016/540)

General Observation on Contracts

879. Government of Guyana Standard Bidding Documents Manual stipulates in the Special Conditions of Contract in GCC 3.1 and GCC 34, that mobilisation advances should not exceed 30% for Regions №. 1, 7, 8 and 9. However, an examination of contracts revealed that in twenty six instances the Regional Administration was in breach of this Regulation since, it was observed that 30 - 40 % was given to contractors as mobilisation advances. The table below shows details of nine of these twenty-six contracts that were over \$5M.

Contract №.	Contract Sum \$'000	Description	Mobilisation %	Amount Paid to Contractor \$'000
158/16	13,503	Construction of Doctor's Quarters Kurukubaru Village	40	5,401
159/16	13,499	Construction of Doctor's Quarters Kato	40	5,399
160/16	13,472	Construction of Staff Quarters Kato	40	5,389
162/16	8,898	Construction of DEO's Quarters Paramakatoi	40	3,559
201/16	11,150	Upgrade to roadway Chenapou to Maikwak	40	4,433
202/16	13,825	Construction of Bridge Itabac	40	5,475
203/16	9,400	Upgrade to roadway Maikwak to Kamana	39	3,704
358/16	5,451	Construction of Bridge Chenapou	34	1,876
283/16	5,325	Repairs to Kanapang Prim School	40	2,130

Region's Response: The Head of Budget Agency stated that they will desist from this practice.

Recommendation: The Audit Office recommends that the Regional Administration ensure that they comply fully with the Procurement Act at all times. (2016/541)

Capital Purchases

880. Amount totalling \$97.737M was budgeted for the purchase of beds, dining sets, refrigerators, suite, solar systems, school furniture, play sets, CD players, desks, fogging machines, filing cabinets, chairs, tables, chalk boards, stool and benches, chain saws, Ants fogger, 2" pumps complete with flex hose, spray cans, ambulance, ATV's, tractor and trailer pick-up, search and rescue kit etc. As at 31 December 2016, amounts totalling \$97.660M were expended. Audit examination of the expenditure and documents relating to these payments revealed the following:

- a) it was difficult to ascertain if items purchased totalling \$46.210M were received and brought to account in the relevant stock records. Further, alternative audit checks via physical verification of these items could not be done since the Regional Executive Officer or his team could not give details of the locations of these assets;

- b) an amount of \$12.000M was budgeted for the purchase of an ambulance and according to the Appropriation Account the full amount was shown as having been expended as at 31 December 2016. However, audit checks revealed that the cheque was still at the Sub-Treasury Department but no payment voucher nor supporting documents was seen to substantiate this cheque. In addition, the ambulance was not bought/delivered at the time of reporting although it was noted that this asset was classified as critical in the 2016 National Budget. It was also explained by the Regional Health Officer and patients of the hospital at the time of audit, that an ambulance is very critical to the Health Sector of this Region and it can also minimise the cost of transporting patients, as a result the delay in obtaining the item is affecting the Region;
- c) it should be noted that the Regional Administration attempted to purchase one Nissan ambulance since 2013. The contract for the purchase was approved by NPTAB for \$10.300M and entered into on 28 August 2013 between the Ministry of Local Government and Regional Development and a local supplier. On 12 September 2013, a cheque for the full contract sum was prepared and held at the Sub-Treasury. The ambulance was received by the Regional Administration and registered on 27 March 2014. The cheque was paid to the supplier on 10 April 2014. The ambulance was returned to the supplier due to defects and subsequently returned to the Region. The ambulance was not in a working condition and was transferred to the Ministry of Public Health at the time of audit in July 2017. In addition, the contract agreement stated that a performance bond equivalent to ten percent of the contract sum be lodged. However, no performance bond was lodged by the supplier;
- d) assets totalling \$12.519M and \$4.240M for 2016 and 2015 respectively were still to be put into use, these items were still at the Regional Stores at the time of audit examination;
- e) two ACER Laptops with carrying case totalling \$300,000 were budgeted and purchased under the Charge of Accounts - Furniture & Equipment Health. At the time of verification in July 2017, these items could not be physically verified. However, it was explained by the Assistant Accountant that the stated items were issued to the former Regional Executive Officer (REO) and the former Regional Health Officer (R.H.O.) However, both officers have resigned from their posts and have not returned the items; and
- f) no vehicle registrations were presented for audit examination in relation to the two All-Terrain Vehicles (ATV) and the one Pick Up purchased for the year under review.

Region's Response: The Head of Budget Agency stated that all the above-mentioned issues will be investigated and steps taken to resolve same.

Recommendation: The Audit Office recommends that the Regional Administration ensure full compliance with the stores Regulations. (2016/542)

Prior year matters which have not been fully resolved

Current Expenditure

881. The Regional Administration had still not recovered the related deductions totalling \$56,123 and \$291,463 for 2012 and 2013 respectively in respect of unpaid net salaries amounting to \$4.108M which were refunded to the Sub-Treasury.

Region's Response: The Head of Budget Agency stated that efforts will be made to follow-up the outstanding overpayments.

Recommendation: The Audit Office once again recommends that the Regional Administration follow-up this matter with the relevant agencies with the view of recovering the amounts overpaid. (2016/543)

882. In a related matter, for 2015, six persons were overpaid salaries amounting to \$389,968, whilst the related deductions totalling \$15,308 were also overpaid to the various deduction agencies. Similarly, during 2014, net salaries totalling \$245,210 were overpaid to four employees, while the related deductions amounting to \$34,250 were also overpaid to the relevant agencies. At the time of audit in July 2017, the sum of \$34,250 was recovered while amounts totalling \$96,784 were cleared by Ministry of Finance.

Region's Response: The Head of Budget Agency stated that efforts will be made to follow-up the outstanding overpayments.

Recommendation: The Audit Office recommends that the Regional Administration make every effort to recover the amounts overpaid to the officers and various deduction agencies. (2016/544)

883. The Regional Administration expended amounts totalling \$27.422M on the procurement of fuel and lubricants for the year 2015 on a credit basis from a local representative of Guyana Oil Company (GUYOIL) in the Region. However, reconciliations of payments made against fuel and lubricants received by the Regional Administration were not done. As a result, it was difficult to determine if the Regional Administration received all fuel and lubricants paid for. Similar observations were made in previous year's reports. At the time of follow-up audit in July 2017, no reconciliation was done.

Region's Response: The Head of Budget Agency stated that efforts will be made to reconcile the fuel receive with the payments made.

Recommendation: The Audit Office recommends that the Regional Administration take action to introduce measures for strict control over acquisitions of fuel, while implementing a process of monthly reconciliation with the supplier. (2016/545)

884. The Regional Administration was still to recover overpayments totalling \$6.583M made on the following contracts during the years 2011, 2012 and 2015.

Year	Description	Amount Overpaid \$'000
2011	Repairs to Kanapang Teacher's Quarters	1,618
"	Repairs to Hand Rail Bridge at Mahdia	296
2012	Revetment at Mahdia Dorms	1,626
"	Repairs to Kato Cottage Hospital Fence	617
"	Repairs to Micobie Bridge	207
"	Repairs to Kato Bridge	346
2015	Rehabilitation to Sand Hills Primary	428
"	Rehabilitation of Paramakatoi Secondary School fence	927
"	Repairs to the Nurses' Quarters 2A	180
"	Repairs to the bridge revetment at Mahdia	338
Total		6,583

Region's Response: The Head of Budget Agency stated that these overpayments will be followed up.

Recommendation: The Audit Office once again recommends that the Regional Administration make every effort to recover the overpayments and put proper systems in place to avoid recurrences. (2016/546)

885. The Regional Administration was yet to recover mobilisation advances totalling \$4.072M paid on contracts which were terminated due to failure to complete the works within the contractual period, as shown below:

Contract №.	Description	Contract Sum \$'000	Amount \$'000
14/12	Repairs to Paramakatoi Dormitory	5,592	1,119
15/12	Repairs to Mahdia Dormitory School Fence	2,703	270
20/12	Rehab. of Paramakatoi Primary School Annex	3,036	607
22/12	Rehab. of Paramakatoi Health Centre	1,736	347
43/12	Repairs to Chiung Mouth Primary School	2,003	401
60/12	Repairs to Monkey Mountain Primary School	3,825	765
61/12	Repairs to Monkey Mountain Primary School Annex	2,816	563
Total		21,711	4,072

Region's Response: The Head of Budget Agency stated that these overpayments will be followed up.

Recommendation: The Audit Office once again recommends that the Regional Administration make every effort to recover the overpayments and put proper systems in place to avoid recurrences. (2016/547)

886. An examination of the Cheque Order records revealed that Cheque Orders were cleared on average of 365 days after the stipulated time. In addition, fifty-five Cheque Orders amounting to \$25.022M still remained outstanding with respect to the year 2015. Similarly, 147 Cheque Orders totalling \$45.026M for 2013 and prior years were still not cleared. As a result, it could not be ascertained whether the Regional Administration received full value for all sums expended.

Region's Response: The Head of Budget Agency stated that efforts will be made to clear the outstanding Cheque Orders.

Recommendation: The Audit Office once again recommends that the Regional Administration submit the necessary information to the Audit Office when the Cheque Orders are cleared. (2016/548)

887. Forty-six payment vouchers totalling \$33.792M relating to 2015 remained outstanding at the time of reporting in September 2017. Similarly, two payment vouchers for the year 2013 valued at \$1.105M in respect of retention payments for the construction of Monkey Mountain Primary School and Teachers' Quarters, Mahdia, were still not presented for audit examination.

888. In a related matter, three payment vouchers for 2015 relating to Expenses Specific to the Agency totalling \$2.831M had no supporting documents attached. As a result, it was difficult to ascertain whether the moneys expended were in keeping with the purpose stated

Region's Response: The Head of Budget Agency stated that check will be made with the Sub-Treasury to locate and present these vouchers for audit examination.

Recommendation: The Audit Office once again recommends that the Regional Administration ensure that all payment vouchers have the necessary supporting documents attached and the missing vouchers are located and presented for audit examination. (2016/549)

Capital Expenditure

889. The Regional Administration was still to recover overpayments totalling \$12.400M made on the following contracts during the years 2011 and 2013:

Description	Amount Overpaid \$'000	Amount Cleared \$'000	Balance \$'000
Construction of drain at Mahdia	3,500	0	3,500
Construction of Chiung Mouth Bridge	3,834	2,659	1,175
Construction of Industrial Arts Department at Paramakatoi	1,664	0	1,664
Enclosure of Bottom Flat at Mahdia Secondary School	1,476	1,100	376
Construction of Teacher's Quarters at Mahdia	1,426	1,300	126
Repairs to Paramakatoi Secondary School	2,448	0	2,448
Repairs to Kato Cottage Hospital	746	306	440
Construction of Chairman's Quarters at Mahdia	146	0	146
Rehabilitation of Kato Guest House	485	0	485
Extension of Kurukubaru Primary School	301	0	301
Enclosure of Paramakatoi Teacher's Quarters Extension of	987	0	987
Kurukubaru Health Post	505	0	505
Upgrading of the electrical system at Mahdia District Hospital	247	0	247
Total	17,765	5,365	12,400

Region's Response: The Head of Budget Agency stated that these overpayments will be followed up.

Recommendation: The Audit Office once again recommends that the Regional Administration make every effort to recover the overpayments and put proper systems in place to avoid recurrences. (2016/550)

890. The Regional Administration was yet to recover mobilisation advances totalling \$2.213M paid to contractors but whose contracts were terminated for failure to complete the works within the contractual period as shown below:

Contract No.	Name of Project	Contract Sum \$'000	Amount \$'000
18/12	Extension of Chenapau Primary School	7,033	1,407
33/12	Upgrade of Mahdia Secondary School Dormitory	4,851	485
41/12	Construction of Culverts at 7 Miles	3,207	321
Total		15,091	2,213

Region's Response: The Head of Budget Agency stated that these overpayments will be followed up.

Recommendation: The Audit Office once again recommends that the Regional Administration make every effort to recover the overpayments and put proper systems in place to avoid recurrences. (2016/551)

891. The Regional Administration still could not provide evidence to show that the items purchased in 2011, 2012, 2014 and 2015 totalling \$41.716M were received and brought to account in the relevant stock records.

Region's Response: The Head of Budget Agency stated that efforts will be made to follow-up on these purchases and inform the Audit Office.

Recommendation: The Audit Office once again recommends that the Regional Administration ensure that the Stores Regulations are fully complied with at all times. (2016/552)

Status of Prior Year Issues

892. The table below shows the prior year matters as contained in the Auditor General's 2015 Report and action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2015/378	Overpayment of Salaries		√	
2015/379	Overpayment of Salaries		√	
2015/380	Staff without NIS Numbers	√		
2015/381	Weak internal controls			√
2015/382	Overpayment on construction works			√
2015/383	Overpayment on construction works			√
2015/384	Breaches of the Stores Regulations			√
2015/385	Breaches of the Stores Regulations			√
2015/386	Outstanding Cheque Orders and missing vouchers		√	
2015/387	Breaches of the FMA Act		√	
2015/388	Outstanding Cheque Orders and missing vouchers		√	
2015/389	Overpayment on construction works			√
2015/390	Overpayment on construction works			√
2015/391	Breaches of the Stores Regulations			√
2015/392	Purchase of Fixed Asset			√
2015/393	Weak internal controls	√		
2015/394	Purchase of Fixed Assets			√
2015/395	Breaches of the Procurement Act 2003		√	
2015/396	Breaches of the Procurement Act 2003			√
2015/397	Breaches of the Procurement Act 2003		√	
2015/398	Overpayment of construction works		√	
2015/399	Overpayment of construction works	√		
2015/400	Overpayment of construction works			√
2015/401	Overpayment of construction works	√		
2015/402	Overpayment of construction works			√

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2015/403	Overpayment of construction works	√		
2015/404	Overpayment of construction works	√		
2015/405	Overpayment of construction works			√
2015/406	Overpayment of construction works			√
2015/407	Overpayment of construction works			√
2015/408	Inclusion of programme			√
2015/409	Breaches of the Procurement Act			√
2015/410	Breaches of the Stores Regulation			√

AGENCY 79
REGION 9 - UPPER TAKUTU/UPPER ESSEQUIBO
Current Expenditure

Employment Cost

893. Amounts totalling \$524.591M were expended on Employment Cost. According to the National Estimates during 2016, the Regional Administration had an Authorised staffing structure of 707, as shown below:

Line Item	Description	Authorised 2016	Actual 2016	Shortage/ Excess 2016
6111	Administrative	41	41	0
6112	Senior Technical	153	153	0
6113	Other Technical and Craft Skilled	244	244	0
6114	Clerical and Office Support	11	11	0
6115	Semi Skilled Operatives and Unskilled	149	149	0
6116	Contracted Employees	109	71	(38)
6117	Temporary Employees	0	0	0
Total		707	669	(38)

894. As can be noted from the table above, contracted employees, accounted for 10.6% of the total employees. The table below gives the salary range of the seventy one contracted employees.

Salary Range	No. of Employee	Amount \$'000
Below \$100,000	66	3,476
\$100,000 - \$250,000	5	893
\$250,000 - \$400,000	-	0
Total	71	4,369

Region's Response: The Head of Budget Agency indicated that the Regional Administration has already taken steps to move its employees over to the permanent establishment.

Recommendation: The Audit Office recommends that the Regional Administration continue the process of moving staff over to the permanent establishment in order to minimise the number of staff being employed on a contractual basis in keeping with circularised instructions. (2016/553)

895. A further analysis of the employment details revealed that the Regional Administration had a total of twelve vacancies as advertised in the Public Service Commission Staff Vacancy Circular. These vacancies included critical posts such as one Regional Education Officer, a Procurement Officer, a Field Auditor and two School Welfare Officers. As a result, these critical vacancies would have an adverse effect on the operations of the Regional Administration.

Region's Response: The Regional Administration explained that some of these vacancies has already been advertised and are with the Public Service Commission.

Recommendation: The Audit Office recommends that the Regional Administration urgently review its staffing situation since the level of staffing would obviously have an adverse effect on the operations of the Regional Administration and in particular the level of control needed to ensure adequate checks and balances. (2016/554)

896. In 2016, eight employees were overpaid salaries amounting to \$349,835. In addition, the related deductions of \$40,593 and \$1,787 were also paid to National Insurance Scheme and Guyana Revenue Authority respectively.

Region's Response: The Head of Budget Agency indicated that the Regional Administration has since recovered \$150,572 of the salaries overpaid and NIS and GRA will be written to recover the amounts overpaid.

Recommendation: The Audit Office recommends that the Regional Administration follow-up this matter with the view of recovering the overpayments and ensure that pay change directives are effectively and efficiently communicated in a timely manner to the Regional Accounting Unit. (2016/555)

897. An examination of a sample of twelve new employees' personal files revealed that pertinent documents such as appointment letters, details of qualification, application letters, and valid police clearances were missing.

Region's Response: The Head of Budget Agency indicated that efforts are being made to update these files.

Recommendation: The Audit Office recommends that the Regional Administration ensure all personal files contain the required documents. (2016/556)

898. Employees are required to be registered with the National Insurance Scheme (NIS) and assigned a National Insurance Number which is submitted to the Office on assumption of duty. An examination of the NIS register revealed that forty-three employees were with a temporary NIS number whilst sixty employees were not registered with the NIS and did not have a National Insurance Number. However, an examination carried out on documents related to deductions of National Insurance revealed that deductions were being made for persons without NIS numbers and those with temporary numbers, and no records were provided for audit scrutiny as to where these deductions were paid over to. Examination of the documents related to NIS contributions revealed, that they were not paid over in a timely manner although a NIS Office is located in the area. This is not in keeping with the NIS circular which states that all deductions for NIS shall be paid over to the Agency on or before the 15 of the following month.

899. Further, audit scrutiny carried out on the records of the Regional Administration revealed that 105 employees were without a Taxpayers Identification Number (TIN) which is a requirement of all employees. Audit examination carried out in September 2017 on the deductions file revealed that deductions for the month of December 2016 were not paid over to the Guyana Revenue Authority. However, an examination carried out on documents related to deductions of PAYE revealed that deductions were being made for persons without TIN numbers, and no records were provided for audit scrutiny as to where these deductions were paid over.

Region's Response: The Head of Budget Agency explained that eleven of the temporary card holders and twenty-seven of those without NIS numbers now have NIS numbers. While forty-seven are in receipt of TIN. Efforts are continuing to have every one registered with NIS and have a TIN.

Recommendation: The Audit Office recommends that the Regional Administration ensure that all employees are properly registered with the National Insurance Scheme and are assigned a Taxpayer Identification Number. (2016/557)

Office and Field Supplies

900. The sum of \$73.871M was budgeted for the procurement of Drugs and Medical Supplies under the Health Services Programme for 2016. Amounts totalling \$63.871M was expended as at 31 December 2016. Included in the amount of \$63.871M are two Inter Departmental Warrants (IDW) valued \$58M issued in August and November 2016 in the sums of \$48M and \$10M respectively to the Ministry of Public Health (MOPH) to purchase drugs and medical supplies on behalf of the Regional Administration.

901. With respect to the Warrant of \$48M, the Regional Administration received a Financial Return indicating that the full amount was expended. However, although drugs and medical supplies were received by the Regional Administration, the cost was not stated on the documentation that accompanied the deliveries. As a result, it could not be determined whether the full value was received for the sum warranted to MOPH.

902. With respect to the warrant of \$10M the Regional Administration received a Nil Financial Return indicating that the amount was unexpended, as such, the Appropriation Account was credited with the unspent amount of \$10M.

Region's Response: The Head of Budget Agency indicated that the Regional Administration will write the MOPH for the cost of the drugs supplied.

Recommendation: The Audit Office recommends that the Regional Administration put systems in place to reconcile supplies received by the respective health facilities with the drugs list initially submitted, and obtain the cost of the drugs and medical supplies from the MOPH so as to reconcile the value of the drugs and medical supplies received with that of the sum warranted to the MOPH. (2016/558)

903. Physical verification exercises conducted on drugs and medical supplies at the Lethem Regional Hospital revealed 113 instances of expired drugs. However, the value of the expired drugs could not be determined from the records examined.

Region's Response: The Head of Budget Agency indicated that the Regional Administration has since taken steps to engage the Food and Drug Department to dispose of these drugs.

Recommendation: The Audit Office recommends that the Regional Administration undertake a survey to determine the realistic needs of pharmaceuticals and other medical supplies at the Region in order to reduce losses through the expiration of drugs and take action to have these drugs and medical supplies disposed of by the competent authority. (2016/559)

Maintenance Works

904. Amounts totalling \$283.785M were allocated for the repairs and maintenance of buildings and infrastructure within the Regional Administration. As at 31 December 2016, amounts totalling \$283.216M were expended under the various line items as shown below:

Line Item	Description	Amount Allocated \$'000	Amount Expended \$'000
6242	Maintenance of Buildings	147,200	146,783
6251	Maintenance of Roads	40,946	40,936
6252	Maintenance of Bridges	29,054	29,054
6255	Maintenance of Other Infrastructure	45,500	45,419
6264	Vehicle Spares & Maintenance	16,935	16,930
6282	Equipment Maintenance	4,150	4,094
Total		283,785	283,216

905. An audit examination of a sample of four projects valued at \$30.103M was selected for physical verification and the following were noted.

906. The contract for general repairs to the existing Quarrie Bridge was awarded in the sum of \$8.530M, for which no details on the tendering and award of this contract was seen. This contract was signed on 31 March 2016, with duration of six weeks for completion. The contractor was paid the full contract sum of \$8.530M for works completed, however, physical verification revealed an overpayment of \$2.494M as detailed below:

Item	Description	Qty Paid	Qty Found	Unit	Diff	Rate \$	Amount Overpaid \$'000
2.0	3"x12"x15' decking (36 pieces)	1,620	1,440	bm	180	600	108
	3"x12"x40' track boards (6 rows)	720	666	bm	54	600	32
	8"x8"x80' curb wall	427	395	bm	32	600	19
	8"x3"x1' curb wall support (10 pieces)	20	0	bm	20	600	12
	6"x8"x40' beam (2 pieces)	320	0	bm	320	600	192
3.0	Revetment & middle support: Cement mixture 1:2:3	1,267	1,128	ft ³	139	2,200	306
	10" metal pipe for additional support	120	0	ft	120	12,500	1,500
4.0	Supply & paint curb wall & revetment rails Paint all pipes with two coats anti corrosive paint.	Sum				Sum	100
5.0	Supply & construct approach slab 15' wide x 6' long x 6" thick to both approach	90	0	ft ³	90	2,500	225
Total							2,494

Region's Response: The Head of Budget Agency indicated that a recheck of these works will be conducted and the contractor engaged to complete any unfinished works or any over payment discovered will be recovered.

Recommendation: The Audit Office recommends that the Regional Administration recover the amounts overpaid and improve on the efficiency of the systems in place to monitor projects in order to avoid future overpayments. (2016/560)

907. The contract for repairs to Old Guest House was awarded for the sum of \$11.746M, to the second lowest of eight bidders. The Engineer's estimate was \$13.672M. No reason/justification for not awarding the contract to the lowest bidder was seen. The contract was signed on 21 June 2016, with duration of fourteen weeks for completion while the defects liability period was fourteen weeks. As at 31 December 2016 the contractor received payments totalling \$12.529M for the completed works. Physical verification revealed that the works were incomplete, and overpayments totalling \$576,000 was discovered as shown below:

Item	Description	Qty Paid	Qty Found	Unit	Diff.	Rate \$	Amount Overpaid \$'000
13.0	Supply and construct 1 No. wash stand. 4' long x 2'8" high and 2" wide. Use Brazilian Type washing tray	3	0	No.	3	45,000	135
6	Supply and install apron piece to building 4".	294	0	ft.	294	1,500	441
Total							576

Region's Response: The Head of Budget Agency indicated that a recheck of the works will be conducted and the contractor will be engaged to complete any unfinished works or any over payment discovered will be recovered.

Recommendation: The Audit Office recommends that the Regional Administration recover the amounts overpaid and improve on the efficiency of the systems in place to monitor projects in order to avoid future overpayments. (2016/561)

908. In addition, it was discovered that these works were paid for under Line Item 6242-Maintenance of Buildings when in fact, these works were of a capital nature since an entirely new building was constructed from the foundation upwards.

Region's Response: The Head of Budget Agency explained that every effort will be made to ensure expenditure are budgeted and charged to the correct line item.

Recommendation: The Audit Office recommends that the Regional Administration ensure that capital works are budgeted for as such and desist from paying for capital works under current expenditure.(2016/562)

909. The contract for the repairs to culvert at Rodeo Ground was awarded in the sum of \$4.996M, no details on the tendering and award of this contract was seen. The Engineer's estimate also could not be determined from the documents presented. The contract was signed on 4 April 2016, with duration of four weeks for completion. Amounts totalling \$4.996M was paid to the contractor for works completed. Physical verification revealed that the works were incomplete and an overpayment of \$450,000 was discovered. In addition, these works were paid for under Line Item 6255- Maintenance of Other Infrastructure when in fact, these works were of a capital nature since new culverts were constructed although the contract states repair works.

Region's Response: The Head of Budget Agency indicated that every effort will be made to ensure expenditure are budgeted and charged to the correct line item and a recheck of this works will be conducted and the contractor engaged to complete any unfinished works or any over payment discovered will be recovered.

Recommendation: The Audit Office recommends that the Regional Administration ensure that capital works are budgeted for as such and desist from paying for capital works under current expenditure and recover the amounts overpaid and improve on the efficiency of the systems in place to monitor projects in order to avoid future overpayments. (2016/563)

910. The contract for the repairs to Sand Creek Primary School was awarded in the sum of \$4.831M, to the lowest of four bidders. However, the bid amount stated on the Regional Tender Board Minutes reflected an amount of \$5.147M. The Engineer's estimate was \$4.831M. The contract was signed on June 20, 2016, with duration of eight weeks for completion; the defects liability period was eight weeks. As at 31 December 2016 the full contract sum was paid to the contractor for works completed. Physical verification revealed an overpayment of \$149,080.

Region's Response: The Head of Budget Agency indicated that a recheck of this works will be conducted and the contractor engaged to complete any unfinished works or any over payment discovered with be recovered.

Recommendation: The Audit Office recommends that the Regional Administration recover the amounts overpaid and improve on the efficiency of the systems in place to monitor projects in order to avoid future overpayments. (2016/564)

Stores and Other Public Property

911. The Stores Regulations 1993 require the Regional Administration to maintain several forms, registers, books and ledgers to manage items of stores under their control. An examination of the stock keeping system and records maintained revealed the following:

- a) education Stores: The Stores was not properly kept and arranged in a manner that makes easy access and verification of items;
- b) dietary Stores: The Stock Ledger was maintained by the Stores Clerk and not the by the Accounts Clerk, also no Internal Stores Requisition (ISR) forms were being used for the requisition and or issuing of items;
- c) health Stores: The Stores Ledgers was not maintained in the Accounting Unit for the period under review for the drugs bond at the Lethem Regional Hospital; and
- d) regional Administration Stores: A Master Inventory was maintained, however, it was not updated for the period under review. In addition, a list of obsolete item/assets was not presented by the Regional Administration for audit scrutiny and it was observed that a number of obsolete items/assets were on hand and are being kept in various areas of the Regional Democratic Council Stores compound in a deplorable state.

Region's Response: The Head of Budget Agency indicated that the Regional Administration has since made improvements within the Education Stores and Stock Ledgers are now being maintained in the Accounts Department. In addition, steps will be taken to ensure ISR are used at the Dietary Stores and all obsolete items are inventoried for disposal.

Recommendation: The Audit Office recommends that the Regional Administration comply fully with the Store Regulations. (2016/565)

912. Audit examination of the Regional Administration vehicles listing revealed that there are fifty two serviceable vehicles owned and controlled by the Region, however, thirty six log books were not presented for the period under review, as such, it could not be ascertained whether all journeys undertaken were authorised and were in the public interest. In addition, for the log books presented, these were not written up accordingly and in a continuous manner by the operators, nor was there evidence of monitoring and/or supervisory checks done.

913. Further, there were no Log Books maintained for outboard engines nor was there a Register of Used Spare Parts, while the historical records for vehicles, equipment and machinery under the control of the Regional Administration were not maintained in the correct format and unserviceable vehicles were not included on the Region's vehicles listing.

Region's Response: The Head of Budget Agency indicated that the Regional Administration will take steps to correct this situation.

Recommendation: The Audit Office recommends that the Regional Administration comply fully with the Store Regulations. (2016/566)

Other Matters

914. Cheque Orders are required to be cleared within sixteen days of their issue through the submission of bills/receipts and other documents in support of the payments made. However, at the time of audit examination in June 2017, eight Cheque Orders valued at \$11.562M remained outstanding for the period under review.

Region's Response: The Head of Budget Agency indicated that the two have since been cleared and efforts are being made to have the other six cleared.

Recommendation: The Audit Office recommends that the Regional Administration make efforts to have these Cheque Orders cleared and submit the necessary information to the Audit Office for verification. (2016/567)

915. Audit examination of the Regional Administration's Imprest for 2016 revealed that seven advances totalling \$706,000 were not cleared. As a result, the imprest was not retired at the time of audit in June 2017. Further, audit checks revealed that three advances were issued to one individual in quick succession without clearing previous ones totalling \$350,000. Additionally for 2012 an advance amounting to \$90,000 was outstanding at the time of the audit, this advance was issued in 2012, and still not cleared, even though the Region had retired its Imprest at the end of 2012, and a new Imprest was granted in 2013.

Region's Response: The Head of Budget Agency indicated that the Regional Administration will make every effort to have the advances cleared and the Imprest retired.

Recommendation: The Audit Office recommends that the Regional Administration clear these Cheque Orders and ensure that there is strict adherence to the requirement for the clearing of Cheque Orders. (2016/568)

916. An examination of the Tender Board Minutes revealed that projects were awarded by the Regional Tender Board during 2016, however, no reasons were stated as to why these projects were not awarded to the lowest bidders, and also Minutes №. 21 was not done.

Region's Response: The Head of Budget Agency indicated that systems will be implemented to ensure Tender Board minutes contain all the require details of award.

Recommendation: The Audit Office recommends that the Regional Administration ensure that its Tender Board Minutes contains more details that would enable a proper evaluation of the basis of award of each contract. (2016/569)

917. During the period of reporting it was observed that there were forty-two payment vouchers on hand totalling \$4.477M for which the relevant Goods and Services were provided but the vouchers remained unpaid.

Region's Response: The Head of Budget Agency indicated that the Regional Administration did not have adequate funds and approval being sought from the Ministry of Finance to make these payments.

Recommendation: The Audit Office recommends that the Regional Administration ensure the amount expended are within the budgetary allocation of the Regional and Administration. (2016/570)

918. Section 43 of the Fiscal Management and Accountability Act 2003 states that at the end of each fiscal year, any unexpended balance of public moneys issued out of the Consolidated Fund shall be returned and surrendered to the Consolidated Fund. However, an inspection of the Sub-Treasury's safe revealed that there were three cheques totalling \$5.546M which were still on hand at the Sub-treasury Department in respect of 2016.

Region's Response: The Head of Budget Agency indicated that two cheques has since been paid out and Regional Administration only has one cheque on hand which will be paid off shortly

Recommendation: The Audit Office recommends that the Regional Administration institute measures to ensure full repayment to the Consolidated Fund of all amounts remaining unpaid at the end of each financial year in compliance with the FMA Act. (2016/571)

Capital Expenditure

919. The sum of \$369.406M was budgeted in 2016 to execute the capital programme of the Region. According to the Appropriation Accounts the sum of \$367.325M was expended leaving an unspent amount of \$2.081 representing savings under the various programmes. Shown in the table below is the budgeted amount compare with the expenditure as per programme for 2016:

Programme	Description	Budgeted Amount \$'000	Expenditure \$'000	Shortfall \$'000
1	Regional Admin & Finance	14,231	13,926	305
2	Agriculture	34,620	33,612	1,008
3	Public Works	139,611	139,268	343
4	Education Delivery	110,105	110,040	65
5	Health Services	70,839	70,479	360
Total		369,406	367,325	2,081

Buildings

920. The contract for the construction of five Apartment Building at Sand Creek for \$22.304M had no details on the tendering and award. The works comprise the construction of reinforced concrete five apartment flat building complete with plumbing, rainwater and electrical installations, septic tank and soakway. The date, on which the contract was signed, the duration and defects liability period for the works could not be determined from the payment voucher examined at the time of the physical verification. As at 31 December 2016, the contractor received payments totalling \$16.217M for works completed. Physical verification revealed that the works were incomplete and the site was abandoned; no personnel or equipment from the Contractor was on site. Further, there was an overpayment of \$4.852M as detailed below:

Item	Description	Qty Paid	Qty Found	Unit	Diff.	Rate \$	Amount Overpaid \$'000
3.5	Wall plates to building 2"x4"x220'.	147	0	bm	147	4,000	588
4.0	Roofing						
4.1	Main beam to building 2"x8"x16'	22	0	bm	22	400	9
4.2	2"x5"x37' - 18 pcs Rafters	555	0	bm	555	400	222
	2"x5"x15' - 30 pcs Rafters	375	0	bm	375	400	150
4.3	1"x4"x50' - 32 pieces laths to roof	533	0	bm	533	400	213
4.4	1"x10"x16' - 10 pieces ridge board	133	0	bm	133	400	53
4.5	Truss beams to roof 2"x6"x30' main beams, supported to roof secured with bolt and nut and metal gusset plates	2	0	Nº.	2	30,000	60
4.6	Galvalum Zinc sheets to roof- 27 gauge pre-painted sheets include zinc screws	3,700	0	ft²	3,700	400	1,480
4.7	Prepainted ridge roll 36"x90' length.	90	0	ft	90	300	27
4.8	6" PVC guttering to entire roof, two ends connect to plumbing system of apartment.	236	0	ft	236	1,000	236
4.9	1"x8"x236' fascia board	157	0	bm	157	300	47
5.0	Flooring						
5.4	16"x16" or 18"x18" tile to floor.	2,944	0	ft²	2,944	600	1,766
Total							4,852



Construction of a five Apartment Building at Sand Creek

Region's Response: The Head of Budget Agency indicated that a recheck of this works will be conducted and the contractor engaged to complete any unfinished works or any over payment discovered will be recovered.

Recommendation: The Audit Office recommends that the Regional Administration recover the amounts overpaid and improve on the efficiency of the systems in place to monitor projects in order to avoid future overpayments. (2016/572)

921. The contract for the upgrading to Karasabai Health Center was awarded in the sum of \$5.154M to the lowest of five bidders. This award was identical to the Engineer's estimate. The contract was signed on June 20, 2016, with a duration of fourteen weeks for completion; the defects liability period was three months. As at 31 December 2016 the contractor received the full contract sum for works completed. Physical verification revealed that the works were incomplete and had an overpayment of \$749,000 as detailed below:

Item	Description	Qty Paid	Qty Found	Unit	Diff.	Rate \$	Amount Overpaid \$'000
8	Grill to window H frame grill works, Standard Highlight	20	8	No.	12	20,000	240
		2	0	No.	2	10,000	20
12	Non sink tiles to floor area, tiles not less than 18" square	1,500	855	ft ²	645	600	387
13	PVC ceiling including all beading and molding.	1,500	990	ft ²	510	200	102
Total							749

Region's Response: The Head of Budget Agency indicated that a recheck of this works will be conducted and the contractor engaged to complete any unfinished works or any over payment discovered will be recovered.

Recommendation: The Audit Office recommends that the Regional Administration recover the amounts overpaid and improve on the efficiency of the systems in place to monitor projects in order to avoid future overpayments. (2016/573)

922. The contract for the extension to Sand Creek Health Center was awarded in the sum of \$11.486M to the second lowest of four bidders. The Engineer's estimate was \$11.858M. The works comprise the extension of the existing Health Center Building inclusive of plumbing, rainwater and electrical installations, construction of new septic tank and soakway and minor rehabilitation works to the existing building. The contract was signed on June 20 2016 with duration of fourteen weeks for completion while the defects liability period was three months. As at 31 December 2016 the contractor received payments totalling \$10.338M for works completed. At the time of the physical verification on June 24 2017 only the ten percent, retention sum of \$1.148M was not paid to the contractor. However, the cheque for this sum was already prepared and processed. (PV#79A3502). Based on physical verification the works were incomplete and the site was abandoned; no personnel or equipment from the contractor was on site and an overpayment of \$5.407M was discovered as detailed below:

Item	Description	Qty Paid	Qty Found	Unit	Diff.	Rate \$	Amount Overpaid \$'000
5.0	Flooring						
5.2	Cast floor 3" thick inclusive of 2' apron	390	368	ft ³	22	1,900	41
5.3	Tile section of flooring using 16"x16" or 18"x18" non skid tiles, properly grouted.	2,500	0	ft ²	2,500	400	1,000
7.0	Walls						
7.1	4" thick HCB to external walls	1,300	1,100	ft ²	200	700	140
	3" thick HCB to internal walls	800	626	ft ²	174	700	122
8.0	Plastering and Painting						
8.1	Plaster walls ½" thick concrete mixture to both sides of internal and external walls and gabling	4,200	3,400	ft ²	800	150	120
8.2	Supply and paint building	5,000	3,600	ft ²	1,400	90	126
9.0	Seal eves and space between wall plate and zinc	Sum	0			Sum	60
10.3	Internal doors to building (pine door) inclusive of 2"x4" frames 1"x2" jambs. Mortise or knob locks (Yale). Properly sand and polish	8	0	No.	8	25,000	200
10.4	External doors to building (purple heart) inclusive of 2"x4" frames 1"x2" jambs. Mortise or knob locks (Yale). Properly sand and polish	3	0	No.	3	50,000	150
10.5	PVC Ceiling	2,700	0	ft ²	2,700	200	540
	Naggings fix 2' square	720	0	ft	720	90	65
	Molding	325	0	ft	325	90	29
	Ceiling joist 2"x4" 2 ½"	210	0	bm	210	400	84
16.0	Electrical Installation to building						
	140 W Solar Panels	5	0	No.	5	60,000	300
	2000 W Xantrax Inverter	1	0	No.	1	100,000	100
	245ampere/hour Deep Cycle Batteries	4	0	No.	4	40,000	160
	60 Amps Charge Controller	1	0	No.	1	25,000	25
	Main Panel with Breaker	1	0	No.	1	15,000	15
	12/24 Distribution Panel with breakers	1	0	No.	1	10,000	10
	Energy saving bulb with socket (18-20W)	15	0	No.	15	2,000	30
	Duplex Points (cooper)	6	0	No.	6	3,000	18
	1.5mm wire	3	0	rolls	3	30,000	90
	2.5mm wire	2	0	rolls	2	36,000	72
	Solar Panel rack (aluminum frame to accommodate solar panels)	1	0	No.	1	60,000	60
	Box with cover for batteries (must be properly painted and lock installed and must include air holes for ventilation)	1	0	No.	1	15,000	15
	Earth rod and clamp AC and DC, must be separated at least 10'	2	0	No.	2	7,000	14
	35mm wire from batteries to inverter etc.	1	0	m	1	1,000	1
	DC- Disconnect etc	1	0	No.	1	20,000	20
	Provision for trunking, screws, clamps, plastic wall plug, switches and base, etc.	Sum	0			Sum	30

Item	Description	Qty Paid	Qty Found	Unit	Diff.	Rate \$	Amount Overpaid \$'000
	Bulk head with energy saver (not less than 18W)	4	0	No.	4	15,000	60
16.1	Supply and install to wall ¾" or 5/8" ply on wall for mounting of electrical component.	Sum	0			Sum	12
17	Write name 'SAND CREEK HEALTH CENTER, REGION #9'	Sum	0			Sum	12
	Variation Works						
1	Galvalum Zinc sheets to roof- 27 gauge pre-painted sheets MUST use ZINC SCREWS	1,960	0	ft²	1,960	550	594
8	Tile rooms 7' on wall, include partition wall	347	0	ft²	347	400	139
10	Toilet set complete, 1 child friendly	3	0	No.	3	110,000	330
11	Change ply to existing building and paint same	10	0	No.	10	10,000	100
12	Plumbing to building 4" HT soil pipe, flex hose, stop valve good quality pipe taps.	Sum	0			Sum	150
13	Supply and install apron around building 3"x4'	109	0	ft³	109	1,900	361
16	Supply and install L/C 22"x16" on pedestal with all necessary accessories and be functional	3	0	No.	3	50,000	150
Total							5,407



Extension to Sand Creek Health Center

Region's Response: The Head of Budget Agency indicated that a recheck of this works will be conducted and the contractor engaged to complete any unfinished works or any over payment discovered will be recovered.

Recommendation: The Audit Office recommends that the Regional Administration recover the amounts overpaid and improve on the efficiency of the systems in place to monitor projects in order to avoid future overpayments. (2016/574)

923. The contract for the rehabilitation to Slaughter House at Aishalton was awarded to the lowest of three bidders in the sum of \$1.290M. The Engineer's Estimate was \$1.362M. The date of signing of the contract, duration for completing the works and the defects liability period could not be determined from the payment voucher and attached details presented for audit examination. As at 31 December 2016, the full contract sum was paid to the contractor. Physical verification revealed that the works were incomplete and the site was abandoned by the contractor. Further there was an overpayment of \$440,000.

Region's Response: The Head of Budget Agency indicated that a recheck of this works will be conducted and the contractor engaged to complete any unfinished works or any over payment discovered will be recovered.

Recommendation: The Audit Office recommends that the Regional Administration recover the amounts overpaid and improve on the efficiency of the systems in place to monitor projects in order to avoid future overpayments. (2016/575)

Water Supply

924. The contract for Construction of Trestle, Well and Install Solar Pump at Meriwau was awarded in the sum of \$6.722M to the second highest of fourteen bidders No reason/ justification for not awarding the contract to the lowest bidder was given. The date of signing of the contract, duration for completing the works and the defects liability period could not be determined from the payment voucher and attached details presented for audit examination. As at 31 December 2016 amounts totalling \$6.049M was paid to the contractor. In addition, the retention payment of \$672,200 was processed. Physical verification on June 20 2017 revealed and that the works were incomplete and the site was abandoned by the contractor. Further, there was an overpayment of \$455,000 on this project.

Region's Response: The Head of Budget Agency indicated that a recheck of this works will be conducted and the contractor engaged to complete any unfinished works or any over payment discovered will be recovered.

Recommendation: The Audit Office recommends that the Regional Administration recover the amounts overpaid and improve on the efficiency of the systems in place to monitor projects in order to avoid future overpayments. (2016/576)

Infrastructure Development

925. The contract for the construction of culverts at Kabanawau Bridge Approach was awarded in the sum of \$8.166M to the fourth lowest of six bidders. The Engineer's Estimate was \$8.314M. No reason/ justification for not awarding the contract to the lowest bidder was given. As at 31 December 2016 the full contract sum was paid to the contractor. Physical verification revealed an overpayment of \$1.571M as detailed below:

Item	Description	Qty Paid	Qty Found	Unit	Diff.	Rate \$	Amount Overpaid \$'000
	Culvert # 1 of 2:						
4.5	Supply and install steel reinforcement in kerb wall above culvert as shown in drawings, extended reinforcement bar 7" both sides steel reinforcement ½"	3	0	Ins	3	2,000	6
4.6	Supply and pour cement for kerb 8" thick, 2'4" high and 48" long.	12	0	ft³	12	2,000	24
4.10	Cast floor slab 4" thick 14' long and wide variable, Use BRC fabric	23	0	ft³	23	2,000	46
4.11	Paint revetment wall. Install 8 №. plastic reflectors.	Sum	0				100
	Culvert # 2 of 2:						
1.4	Steel reinforcement for wall side as show in drawings, steel reinforcement ½"	66	0	Ins	66	2,000	132
1.6	Supply and pour concrete mixtures 1:2:3 in revetment wall 10" thick and 7'2" height	140	0	ft³	140	2,000	280
	Supply and pour concrete mixtures 1:2:3 in wall sides 12" and 8" thick and 5'7" height	312	0	ft³	312	2,000	624
1.7	Steel reinforcement in kerb, extended reinforcement bar 7" both sides Steel reinforcement ½"	6	0	Ins	6	2,000	12
1.8	Pour cement for kerb 8" thick, 18" high and 10'8" long.	26	0	ft³	26	2,000	52
2.1	Cast floor slab 4" thick 23' long and wide variable. Use BRC fabric	48	0	ft³	48	2,000	96
3.0	Paint revetment wall. Install 8 №. plastic reflectors.	Sum	0				64
2.0	Install 1" steel reinforcement to 10"x10" piles bolted on metal plate 6"x6" square and buried 2' below road level, include 20 №. plastic reflectors on properly secured to revetment.	9	0	№.	9	15,000	135
Total							1,571

Region's Response: The Head of Budget Agency indicated that a recheck of this works will be conducted and the contractor engaged to complete any unfinished works or any over payment discovered will be recovered.

Recommendation: The Audit Office recommends that the Regional Administration recover the amounts overpaid and improve on the efficiency of the systems in place to monitor projects in order to avoid future overpayments. (2016/577)

926. The contract for the construction of culverts at Kwatamang was awarded in the sum of \$5.291M, to the second lowest of six bidders. No reason/justification for not awarding the contract to the lowest bidder was given. The Engineer's estimate being \$5.733M. The contract was signed on June 18, 2016, with duration of twelve weeks for completion; the defects liability period was three months with the works comprising of the construction of one reinforced concrete culvert with two 2' diameter HDPE pipes and one complete reinforced concrete culvert. As at 31 December 2016, the full amount was paid to the contractor. Physical verification revealed an overpayment of \$574,000 on this project.

Item	Description	Qty Paid	Qty Found	Unit	Diff.	Rate \$	Amount Overpaid \$'000
	Culvert # 1:						
4.5	Install steel reinforcement in kerb wall above culvert. extended reinforcement bar 7" both sides. Steel reinforcement ½"	3	0	Ins	3	3,000	9
4.6	Pour cement for kerb 8" thick, 2'4" high and 48" long.	12	0	ft³	12	1,500	18
	Culvert # 2:						
1.6	Pour concrete mixtures 1:2:3 in revetment wall 8" thick.	156	0	ft³	156	2,500	390
1.7	Install steel reinforcement in kerb wall above culvert. extended reinforcement bar 7" both sides. Steel reinforcement ½"	6	0	Ins	6	2,000	12
1.8	Supply and pour cement for kerb 8" thick, 18" high and 10'8" long.	26	0	ft³	26	2,500	65
3.0	Paint revetment wall. Install 8 №. plastic reflectors	sum					80
Total							574

Region's Response: The Head of Budget Agency indicated that a recheck of this works will be conducted and the contractor engaged to complete any unfinished works or any over payment discovered will be recovered.

Recommendation: The Audit Office recommends that the Regional Administration recover the amounts overpaid and improve on the efficiency of the systems in place to monitor projects in order to avoid future overpayments. (2016/578)

Power Extension

927. The contract for the upgrading to Service Line, Poles and Security Lights at St. Ignatius School Compound was awarded in the sum of \$6.272M. The Engineer's estimate was \$5.535M. The date of signing of the contract was not inserted in the contract agreement, however the duration for the works was thirteen weeks for completion while the defects liability period was three months. As at 31 December 2016, the contractor received payments totalling \$5.503M for works completed. Physical verification on June 23 2017 revealed that the works were incomplete and the contractor was not on site. Further there was an overpayment of \$1.105M as detailed below:

Item	Description	Qty Paid	Qty Found	Unit	Diff.	Rate \$	Amount Overpaid \$'000
1	Remove existing poles and replace with 40' poles submerged 5' in ground.	20	11	№.	9	74,000	666
17	Supply and install 40' galvanized Poles submerge 5' in ground with 2'x2' casting.	5	0	№.	5	1,500	8
18	Supply and 10mm single core wires	25	0	m	25	1,300	260
19	Supply piercing wire clamps	25	0	№.	25	2,100	53
20	Supply and install 54W LED street Light with sodium vapour housing	25	8	№.	17	7,000	119
Total							1,105

Region's Response: The Head of Budget Agency indicated that a recheck of this works will be conducted and the contractor will be engaged to complete any unfinished works or any over payment discovered will be recovered.

Recommendation: The Audit Office recommends that the Regional Administration recover the amounts overpaid and improve on the efficiency of the systems in place to monitor projects in order to avoid future overpayments. (2016/579)

Other Matters

928. It was noted that the following contracts were not awarded to the lowest Bidder and as such, requests were made for the Tender Evaluation Report and Tender Board Minutes be presented by the RDC for audit examination to determine the justifications for award:

Contract №.	Contract	№. of Bids	Engineer's Estimate \$'000	Highest Bid \$'000	Lowest Bid \$'000	Awarded Contract Sum \$'000
176/16	Construction of Trestle, Well & install Solar Pump at Quiko	7	6,482	7,709	4,775	5,950
432/16	Construction of Trestle, Well & install Solar Pump at Meriwau	14	6,942	6,736	5,053	6,722
241/16	Repairs to Bridge at Rupununi Crossing (Karaudarunau Bridge)	6	8,996	10,254	7,261	8,374

Contract №.	Contract	№. of Bids	Engineer's Estimate \$'000	Highest Bid \$'000	Lowest Bid \$'000	Awarded Contract Sum \$'000
245/16	Repairs to Education Department Ground Floor	8	5,748	9,908	5,620	5,685
117/16	Repairs to Rodeo Ground Road	No details provided	No details provided	No details provided	No details provided	13,991
184/16	Completion of Sand Creek Bridge Phase III	4	13,914	13,922	13,643	13,914

Region's Response: The Head of Budget Agency indicated that these documents will be located and presented for audit.

Recommendation: The Audit Office recommends that the Regional Administration ensure documents and records are properly kept and secured for audit purposes. (2016/580)

929. It was further noted that the awarded contract sum and the Engineer's estimate were identical for each of the contract listed in the table below. As such, the full details regarding the tendering and award of these contracts should be submitted by the RDC, along with a copy of the respective engineer's estimate.

№.	Contract №.	Contract	№. of Bids	Engineer's Estimate \$	Highest Bid \$	Lowest Bid \$	Awarded Contract Sum \$
CUR	291/16	Repairs to Aishalton District Hospital Fence	5	4,142,400	5,207,520	3,079,000	4,142,400
CAP	169/16	Upgrading to Karasabai Health Center	5	5,154,000	7,064,000	5,468,000	5,154,000
CUR	461/16	Repairs to St. Ignatius Dorms Facilities and Electrical	3	6,331,000	7,378,000	6,331,000	6,331,000
CUR	288/16	Repairs to Nurses Hostel at Lethem	8	5,062,000	7,952,000	4,283,235	5,062,000
CUR	254/16	Repairs to Four Apartment Nurses Quarters Lethem	12	6,370,000	10,081,800	4,970,500	6,370,000
CAP	210/16	Construction of Caretakers Quarters- Amerindian Hostel- Lethem	9	7,000,000	12,629,006	6,893,240	7,000,000
CUR	237/16	Repairs to Three Apartment at Beverly Hills	10	9,135,650	13,168,900	8,619,450	9,135,650
CUR	247/16	Repairs to Sand Creek Primary School	4	4,831,000	7,219,120	5,198,400	4,831,000
CUR	238/16	Repairs to Office and Living Quarters at Sand Creek	2	5,988,000	6,293,200	6,206,700	5,988,000

Region's Response: The Head of Budget Agency indicated that the bills of quantities and Tender Board Minutes will be submitted for verification.

Recommendation: The Audit Office recommends that the Regional Administration submit the required documentation for verification. (2016/581)

Prior year matters which have not been fully resolved

Current Expenditure

930. Amounts totalling \$682,429 remained outstanding as overpaid net salaries to employees with respect to the years, 2012 and 2015. The related deductions totalling \$229,966, paid over to the various agencies were also not recovered. Shown below, are the details of the outstanding amounts:

Year	Net salary Overpaid \$	Net Salary Recovered \$	Net Salary Outstanding \$	Deductions Overpaid & not recovered \$
2012	159,417	51,839	107,578	27,494
2015	831,268	256,354	574,914	202,472
Total	990,685	308,193	682,429	229,966

Region's Response: The Head of Budget Agency indicated efforts are continuing to recover the amounts repaid.

Recommendation: The Audit Office once again recommends that the Regional Administration follow-up this matter with the relevant Officers and Agencies with the view of recovering all amounts overpaid. (2016/582)

931. The Regional Administration had still not recovered amounts totalling \$530,000 overpaid on the following contracts for the years 2010, 2012 and 2014:

Year	Sub-Head	Description	Amount Overpaid \$'000
2010	6255	Rehabilitation of Macaw Bridge	138
2012	6242	Rehabilitation of Shulinab Nursery School	81
"	"	Rehabilitation of Moco-Moco Teacher's Quarter	126
2014	"	Repairs to Sub-Treasury building №. R235	185
Total			530

Region's Response: The Head of Budget Agency indicated efforts are continuing to recover the amounts repaid.

Recommendation: The Audit Office once again recommends that the Regional Administration make every effort to recover the overpayments and put proper systems to avoid a recurrence. (2016/583)

Other Matters

932. Cheque Orders are required to be cleared within sixteen days of their issue through the submission of bills/receipts and other documents in support of the payments made. However, at the time of follow-up audit, fifteen Cheque Orders totalling \$8.773M for the years 2010 to 2012 still remained outstanding. As a result, it could not be ascertained whether the Region received full value for all sums expended. Shown below is a summary of the outstanding Cheque Orders:

Year	№. of Cheque Orders Outstanding	Amount \$'000
2010	11	7,796
2011	2	722
2012	2	255
Total	15	8,773

Region's Response: The Head of the Budget Agency indicated that efforts are continuing to clear these Cheque Orders.

Recommendation: The Audit Office recommends that the Regional Administration take all necessary action to have these outstanding Cheque Orders cleared. (2016/584)

933. It was reported that amounts totalling \$5.002M were stolen from the Regional Administration during an alleged robbery on 18 January 2013. The following gives a breakdown of the amounts stolen, as reported:

Item	Description	Total \$'000
1	Unpaid Salaries for 2012 and 2013	2,895
2	Unpaid vouchers for 2012 and 2013	914
3	GWI Stipend for 2011 and 2012	214
4	Imprest - 2012	99
5	Revenue - 2012	55
6	Revenue - 2013	602
7	Supply of cooking gas - 2012	180
8	Safe keeping - Sports - 2009	15
9	President Youth Initiative	15
10	Housing Application fees for 2013	13
Total		5,002

Region's Response: The Head of the Budget Agency indicated that this matter is still with the police and in court and, as such, the Finance Secretary is awaiting this report before approval for write off of the amount is given.

Recommendation: The Audit Office recommends that the Regional Administration follow up on this issue. (2016/585)

Capital Expenditure

934. Even though evidence were seen whereby contractors were written to, the Regional Administration had still not recovered overpayments totalling \$8.491M that were made on the following contracts for the years 2010, 2011 and 2015:

Year	Description	Balance \$'000
2010	Construct Amerindian Hostel at Annai	84
2011	DBST Road in Lethem	1,710
"	Construct Teacher's Quarters at Maruranau Village	452
"	Construction of the bridge at Chiliwau	596
"	Extension of St. Ignatius Primary School	483
2015	Rehabilitation to Agriculture Complex - St. Ignatius R №. 96	402
"	Upgrading to Aishalton Secondary Female Dorms	2,408
"	Upgrading to Aishalton Secondary Male Dorms	2,356
Total		8,491

935. With respect to the two contracts for the Upgrading to Aishalton Secondary Female Dorms and Upgrading to Aishalton Secondary Male Dorms which were awarded in the sum of \$7.322M each. A physical verification carried out on 19 July 2016 revealed the above-mentioned overpayments. At the time of the verification, there was no indication that the scope of works under the Contract was changed nor were there any Variation Orders. However, the RDC subsequently indicated that there was a change in the scope of the works under the Contract. As such, a revisit was conducted on 21 June 2017 in the presence of the Headmaster of the Secondary School and the Contractor. At this revisit, the contractor confirmed that no Variation Order (s) were issued to him to change the scope of works in the Contract and the RDC also confirmed that there are no approved variation orders or instructions which would have documented the changes in the scope of works. As a result, our initial overpayments stand and we recommend that the Contractor repay the overpayments of \$2.408M and \$2.356M on the contracts for the Upgrading to Aishalton Secondary Female Dorms and upgrading to Aishalton Secondary Male Dorms respectively.

Region's Response: The Head of Budget Agency indicated efforts are continuing to recover the amounts repaid.

Recommendation: The Audit Office once again recommends that the Regional Administration make every effort to recover the overpayments and put proper systems to avoid a recurrence. (2016/586)

Status of Prior Year Issues

936. The table below summarises the prior year matters as contained in the Auditor General's 2015 Report and the action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office.

Rec. No.	Category of Finding	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2015/411	Overpayment of overpayment of Salaries		√	
2015/412	Overpayment of construction works			√
2015/413	Breaches of the Stores Regulations			√
2015/414	O/standing Cheque Orders & Missing Vouchers		√	
2015/415	Loss and Replacement of Cash		√	
2015/416	Overpayment of construction works		√	
2015/417	Registration with NIS		√	
2015/418	IDW- Drugs and Medical Supplies	√		
2015/419	Expired Drugs			√
2015/420	Weak internal controls	√		
2015/421	Shortfall in Capital Expenditure			√
2015/422	Non delivery of Items	√		
2015/423	Overpayment of construction works			√

Rec. No.	Category of Finding	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2015/424	Overpayment of construction works			√
2015/425	Overpayment of construction works			√
2015/426	Overpayment of construction works	√		
2015/427	Weak internal controls			√
2015/428	Weak internal controls			√

AGENCY 80
REGION 10 – UPPER DEMERARA/BERBICE

Current Expenditure

Current year matters, for improvement in the existing system

Employment Costs

937. Amounts totalling \$1.461 billion were expended for employment Cost. According to the National Estimates during 2016 the Regional Administration had an authorised staffing structure of 1,136. However, the actual staff of the Region exceeded authorised strength by fourteen, as shown below.

Line Item	Description	Authorised 2016	Actual 2016	Shortage/ Excess 2016
6111	Administration	384	387	3
6112	Senior Technical	300	277	(23)
6113	Other Technical and Craft Skilled	189	187	(2)
6114	Clerical and Office Support	23	34	11
6115	Semi- Skilled Operatives and Unskilled	136	154	18
6116	Contracted Employees	102	104	2
6117	Temporary Employees	2	7	5
Total		1,136	1,150	14

938. In addition, total contracted employees, which included recruitment for the year, accounted for 9% of the total employees. The table below gives the salary range of the contracted employees employed in 2016.

Salary Range	No. of Employees	Amount \$' 000
Below \$100,000	93	5,816
\$100,000 – \$250,000	9	1,349
\$250,000 – \$400,000	1	287
Above \$400,000	1	481
Total	104	7,933

Region's Response: The Head of Budget Agency indicated that the Regional Administration has since move all its eligible employees over to the permanent establishment

Recommendation: The Audit Office recommends that the Regional Administration ensure staff employed is not on a contractual basis in keeping with circularized instructions. (2016/587)

939. A further analysis of the employment details revealed that the Regional Administration had a total of twenty seven vacancies as advertised in the Public Service Commission Staff Vacancy Circular. These vacancies included critical posts such as one Senior Health Visitor, one Senior and one Junior Procurement Officer, one Senior School Welfare Officer, one Junior Departmental Sister and a Field Auditor. As a result, these critical vacancies would have an adverse effect on the operations of the Region.

Region's Response: The Regional Administration explained that some of these vacancies has already been advertised and are with the Public Service Commission.

Recommendation: The Audit Office recommends that the Regional Administration urgently review its staffing situation since the level of staffing would obviously have an adverse effect on the operations of the Region and in particular the level of control needed to ensure adequate checks and balances and supervision of all Programmes. (2016/588)

940. During the year 2016, audit examination revealed that two persons were overpaid net salaries totalling to \$166,417, whilst the related deductions totalling \$78,070 was also overpaid to the various deduction agencies.

Region's Response: The Head of Budget Agency indicated that the Regional Administration has since recovered the overpayment from one employee while efforts will be made to recover the remaining amount of \$172,956.

Recommendation: The Audit Office recommends that the Regional Administration recover the amounts overpaid and improve the efficiency of the systems in place to avoid such overpayments. (2016/589)

Office and Field Supplies

941. The sum of \$141.535M was budgeted for the procurement of Drugs and Medical Supplies under Health Services Programme for 2016. According to the Appropriation Account the sum of \$141.534M was expended. An amount of \$130M was transfer by way of Inter Departmental Warrant (IDW) on the 22 March 2016 to the Ministry of Public Health (MOPH) to be expended on the purchase of Drugs and Medical Supplies. The Financial return received indicated that the full amount of \$130M was expended. However, although Drugs and Medical Supplies were received by the Regional Administration, the cost was not stated on the documentation that accompanied the deliveries. As related, it could not be determined whether the full value was received for the sum warranted to the MOPH.

Region's Response: The Head of Budget Agency indicated that the Regional Administration will write the MOPH to obtain a costing of the drugs supplied in order to reconcile its' supply against its' request.

Recommendation: The Audit Office recommends that the Regional Administration put systems in place to reconcile supplies received by the respective health facilities with the drugs list initially submitted, and obtain the cost of the drugs and medical supplies from the MOPH so as to reconcile the value of the drugs and medical supplies received with that of the sum warranted to the MOPH. (2016/590)

Maintenance Works

942. Amounts totalling \$351.1M were allocated for the repairs and maintenance of buildings and infrastructure within the Regional Administration. As at 31 December 2016, amounts totalling \$320.626M were expended under the various line items as shown below:

Line Item	Description	Amount Allocated \$'000	Amount Expended \$'000
6242	Maintenance of Buildings	148,000	139,750
6251	Maintenance of Roads	54,000	52,150
6252	Maintenance of Bridges	10,000	4,735
6253	Maintenance of Drainage & Irrigation	30,000	24,553
6255	Maintenance of Other Infrastructure	85,300	75,055
6264	Vehicle Spares & Services	13,800	14,028
6282	Equipment Maintenance	10,368	10,355
Total		351,468	320,626

943. The contract for the construction of external work to Coomacka Nursery School fence was awarded via selective tendering with a waiver from the Regional Tender Board in the sum of \$2.804M. As at 31 December 2016, amounts totalling \$2.804M were paid to the contractor. A physical verification of the project revealed that the works were completed and overpayments under item №. 4 for painting and decoration totalling \$394,962 were made on this contract.

Region's Response: The Head of Budget Agency indicated that the Regional Administration has already engaged the contactor to recover the amount overpaid.

Recommendation: The Audit Office recommends that the Regional Administration recover the amounts overpaid and improve on the efficiency of the systems in place to monitor projects in order to avoid such overpayments (2016/591)

944. In addition, the Tender Board Minutes for the period under review revealed that fourteen contracts valued at \$38.567M were not awarded to the lowest or most competitive bidder. Further, no reason was stated in the Tender Board Minutes why the lowest or most competitive bidder was not considered.

Region's Response: The Head of Budget Agency indicated that systems will be put in place to ensure the minutes contain all the details required.

Recommendation: The Audit Office recommends that the Regional Administration ensure that its Tender Board Minutes contain more details that would enable a proper evaluation of the basis of award of each contract. (2016/592)

Other Matters

945. Regional Administration failed to adhere to the provisions of Section 43 of the Fiscal Management and Accountability Act 2003, which requires any unexpended balance of public moneys issued out of the Consolidated Fund to be returned and surrendered to the Consolidated Fund at the end of each fiscal year. In this regard, it retained eight cheques drawn on the Appropriation Accounts for the year 2016. However, these cheques were returned to the Consolidated Fund on the 31 May 2017. This situation had resulted in the Appropriation Accounts being overstated for these eight cheques to the value of \$3.612M.

Region's Response: The Head of Budget Agency indicated that the practice of having cheques on hand for prior year will discontinue.

Recommendation: The Audit Office recommends that the Regional Administration institute measures to ensure full repayment to the Consolidated Fund of all amounts remaining unpaid at the end of each financial year in compliance with the FMA Act. (2016/593)

Capital Expenditure

946. The sum of \$423.391M was total funds available in 2016 to execute the capital programme of the Regional administration. According to the Appropriation Account the sum of \$342.426M was expended leaving an unspent amount of \$80.965M representing a shortfall of capital expenditure under the various Programmes. Shown in the table below are the total funds available as compared with the expenditure per programme for 2016:

Programme	Description	Total Funds Available \$'000	Expenditure \$'000	Shortfall \$'000
1	Regional Administration & Finance	34,000	27,425	6,575
2	Public Works	219,194	199,588	19,606
3	Education Delivery	87,683	50,306	37,377
4	Health Services	82,514	65,107	17,407
Total		423,391	342,426	80,965

947. The shortfall in the above expenditure of \$80.965M was mainly as a result of the Regional Administration not being able to complete the projects as shown in the table below:

Projects	Contract Sum \$'000	Amount Expended \$'000	Shortfall \$'000
Rehabilitation of concrete bridge at Industrial Area	14,237	2,847	11,390
General rehabilitation to Christiansburg Wismar Secondary School	14,335	0	14,335
Construction of concrete Health Centre and Living Quarters – Wiruni, Berbice River	19,684	5,955	13,729
General Repairs to Linden Foundation Sec. School	19,277	3,855	15,422
Savings under various programmes			26,089
Total			80,965

Region's Response: The Head of Budget Agency indicated that the bridge has since been completed while the rehabilitation of the school, health centre and living quarters are ongoing and these projects were granted approval to be rolled over into 2017.

Recommendation: The Audit Office recommends that the Regional Administration ensure projects are completed in the year budgeted. (2016/594)

Buildings

948. Physical verification of the works for the extension of ambulance unit and general rehabilitation of Upper Demerara Hospital revealed that the works were completed and an overpayment of \$274,396 was made to the contractor. However, at the time of reporting in September 2017 an amount of \$200,000 was recovered and the receipts presented for audit verification, while the sum of \$74,396 remained outstanding.

Region's Response: The Head of Budget Agency indicated that efforts will continue to recover the outstanding amount of \$74,396.

Recommendation: The Audit Office recommends that the Regional Administration recover the amount overpaid and improve on the efficiency of the systems in place to monitor projects in order to avoid such overpayments (2016/595)

949. Ten contracts were awarded for the execution of works which amounted to \$20.045M. An examination of the awards revealed that these contracts were awarded by way of waiver of Tender Board procedures to use selective contractors with no documented reasons for the Regional Administration to disregard the tender procedures. In addition, the Engineer's Estimate was not stated; therefore, it was difficult to ascertain what criteria were used in the awarding of these contracts.

Region's Response: The Head of Budget Agency indicated that there were discussions between the Superintendent of Works and the former Regional Executive Officer for the waivers sought on nine of the above mentioned contracts while one for the incinerator at the Hospital was due to the specialised nature of the job.

Recommendation: The Audit Office recommends that the Regional Administration ensures that its Tender Board Minutes contain more details that would enable a proper evaluation of the basis of award of each contract. (2016/596)

Drainage and Irrigation

950. The contract for the rehabilitation of concrete bridge - 3rd Alley Wismar was awarded to the second responsive of three bidders in the sum of \$4.667M. As at 31 December 2016, the sum of \$4.667M was paid to the contractor. There were two approved variation orders in the value of positive \$436,250 and negative \$436,250 respectively, giving a final project cost of \$4.667M. A physical verification of the project carried out on 30 June 2017 revealed that the works were completed and an overpayment of \$196,000 was made to the contractor for supplying and placing asphaltic material/Hot mix.

Region's Response: The Head of Budget Agency indicated that the Regional Administration has since been contacted and will return to complete these work.

Recommendation: The Audit Office recommends that the Regional Administration recover the amounts overpaid and improve on the efficiency of the systems in place to monitor projects in order to avoid such overpayments. (2016/597)

951. The contract for the repairs and maintenance to single lane bridge and approach in BlueBerry Hill was awarded to the highest of three bidders in the sum of \$4.027M. As at 31 December 2016, the sum of \$4.968M was paid to the contractor. There were two approved variation orders in the value of positive \$1.528M and negative \$586,200, giving a final project cost of \$4.968M. A physical verification of the project carried out on 30 June 2017 revealed that the works were completed and there was an overpayment of \$261,200 for metal works and the approach.

Region's Response: The Head of Budget Agency indicated that the Regional Administration will recover the amount overpaid.

Recommendation: The Audit Office recommends that the Regional Administration recover the amount overpaid and improve on the efficiency of the systems in place to monitor projects in order to avoid such overpayments. (2016/598)

952. An examination of nineteen Regional Tender Board Minutes for contracts was done as it relates to the execution of works for drainage systems and road. However, audit checks of the tender awards revealed that seventeen of these contracts as shown below were not awarded to the lowest/ most competitive bidders. No reasons were given why the contract was not awarded lowest /most competitive bidders. See table below:

Description	Contract Sum \$'000	Engineer's Estimate \$'000	Lowest Bidder \$'000	No. of Bids	Award
Upgrading to drainage system & associated structures at Dageraad Ave.	12,399	13,793	10,458	7	2 nd lowest
Upgrading to drainage system & associated structures at Damon Ave.	11,286	12,248	11,152	9	3 rd lowest
Upgrading of drainage system & associated structures at Pine Street	7,504	7,941	6,874	9	7 th lowest
Tools, Labour, Materials, supplied for revetment erosion control/Hymara/Cocatena Creek Region No. 10	7,120	7,819	4,609	7	5 th lowest
Erosion Control/Revetment at Old England	7,057	6,497	6,175	3	2 nd lowest
Upgrading to drainage system & associated structures at Independence Ave	6,166	6,787	5,322	7	2 nd lowest
Construction of farm to Market Road West Watooka (phase 2)	5,899	6,804	5,639	8	2 nd lowest
Upgrade of section of carriageway Reulite Avenue St. Aidan's Primary Sch.	14,311	13,444	10,006	8	4 th
Upgrade of carriageway in Redwood Crescent Retrieve	11,268	12,000	8,867	9	6 th
Upgrade of fair weather surface to Asphaltic (hot mix) Compton Ross Avenue A/Ward Linden	9,789	9,977	6,665	8	2 nd
Upgrading of second cross street Self Help scheme A/Ward	9,677	8,093	6,325	9	3 rd
To supply tools, labour and materials for upgrading of Carriageway Constabulary Compound Entrance Road	8,200	8,993	6,649	7	3 rd
R&M to single lane bridge and approach in BB Hill	4,968	4,528	2,201	3	3 rd
Rehab to concrete bridge, 2nd Alley Wismar, Linden	4,949	4,950	4,174	4	4 th
Rehab of concrete bridge - 3rd Alley Wismar	4,667	4,950	4,377	3	2 nd
Upgrade Shelly Street, Central Amelia's Ward	4,511	4,877	4,138	5	2 nd
R&M to bridge and approach at Kara Kara	2,717	3,268	2,605	4	2 nd

Region's Response: The Head of Budget Agency indicated that systems will be implemented to ensure Tender Board Minutes contain all the required details of award.

Recommendation: The Audit Office recommends that the Regional Administration ensure that its Tender Board Minutes contains more details that would enable a proper evaluation of the basis of award of each contract. (2016/599)

953. Audit examination of contracts awarded also revealed that the Administration applied a twenty (20%) mobilisation advance payment to fourteen contracts that were awarded in the sum of \$155.172M. However, this was in contravention of the Standard Bidding Document which states that fifteen percent (15%) mobilisation advance should be applied to contracts \$5M and above.

Description of Work	Contract Amount \$'000	Mob. Advance \$'000
Design and manufacture of incinerator at Upper Dem. Hospital	11,500	2,300
Extension of ambulance unit & general rehab. Of Upper Dem. Hospital	8,175	1,635
Construction of Concrete Health Centre & Living Quarters at Wiruni, Berbice River	19,684	3,937
General Rehab to Linden Foundation Secondary	19,277	3,855
General Rehab to MHS, Linden	13,875	2,775
Upgrading of drainage system & associated structures at Pine Street	7,504	1,501
Tools, Labour, Materials, supplied for revetment erosion control/ Hymara/ Cocatena Creek Region # 10	7,120	1,424
Upgrading to drainage system and associated structures at Independence Avenue	6,166	1,233
Construction of farm to Market Road West Watooka (phase2)	5,899	1,180
Upgrade of section of carriageway Reulite Avenue St. Aidan's Primary School	14,311	2,862
Rehab of concrete bridge in Industrial area	14,237	2,847
Upgrade of carriageway in Redwood Crescent Retrieve	11,268	2,254
Upgrading of second cross street Self Help scheme A/Ward	9,677	1,935
Upgrading of fair weather road to asphalt finish at Obama Drive A/Ward	6,479	1,296
Total	155,172	31,034

Region's Response: The Head of Budget Agency indicated that the Regional Administration has since taken steps to desist from this practice.

Recommendation: The Audit Office recommends that the Regional Administration adhere to conditions/requirements of the Standard Bidding Document. (2016/600)

Current Expenditure

Prior year matters, which have not been fully resolved

954. Amounts totalling \$160,000 and \$80,000 were still to be recovered on two contracts that were awarded in 2010 and 2012 respectively for repairs and maintenance of Ituni Health Centre.

Region's Response: The Head of Budget Agency indicated that apart from \$25,000 recovered in May 2017, no further amounts have been recovered.

Recommendation: The Audit Office once again recommends that the Regional Administration pursue this matter with the contractors with the view of recovering the overpayments and put systems in place to avoid future occurrences. (2016/601)

Capital Expenditure

955. Amounts totalling \$19.727M remained outstanding as overpayments made on contracts by the Regional Administration for the years 2010 to 2012 as shown below:

Year	Description	Original O/payment \$'000	Amount Cleared \$'000	Balance \$'000
2010	Construct revetment at Watooka	21	0	21
"	Extension of Farm to Market Road	4,628	0	4,628
"	Upgrading drain at West Watooka	7,194	0	7,194
"	Construct revetment at Fox Road Hill Foot	221	0	221
"	Rehab revetment at Burnham Drive, Wismar	939	0	939
"	Upgrading Lower Well Road, Amelia's Ward	1,491	0	1,491
2011	Construct Fence at Mabura Nursery School	1,021	296	725
"	Completion of Charles Rosa Nursery	229	0	229
"	Construct Sanitary Block at Wiruni Primary	227	50	177
"	Enclose Bottom Flat, Student Hostel, Kwakwani	155	0	155
"	Extension of Kwakwani Secondary School	2,515	0	2,515
2012	Construction of Medex House, Hururu	805	0	805
"	Installation of HDPE culvert at West Watooka	6,788	6,161	627
Total		26,234	6,507	19,727

Region's Response: The Head of Budget Agency indicated that the Regional Administration will continue with its efforts to recover the amounts overpaid.

Recommendation: The Audit Office recommends that the Regional Administration vigorously pursue the recovery of the amounts overpaid and improve on the efficiency of the systems in place to monitor projects in order to avoid such overpayments. (2016/602)

Status of Prior Year Issues

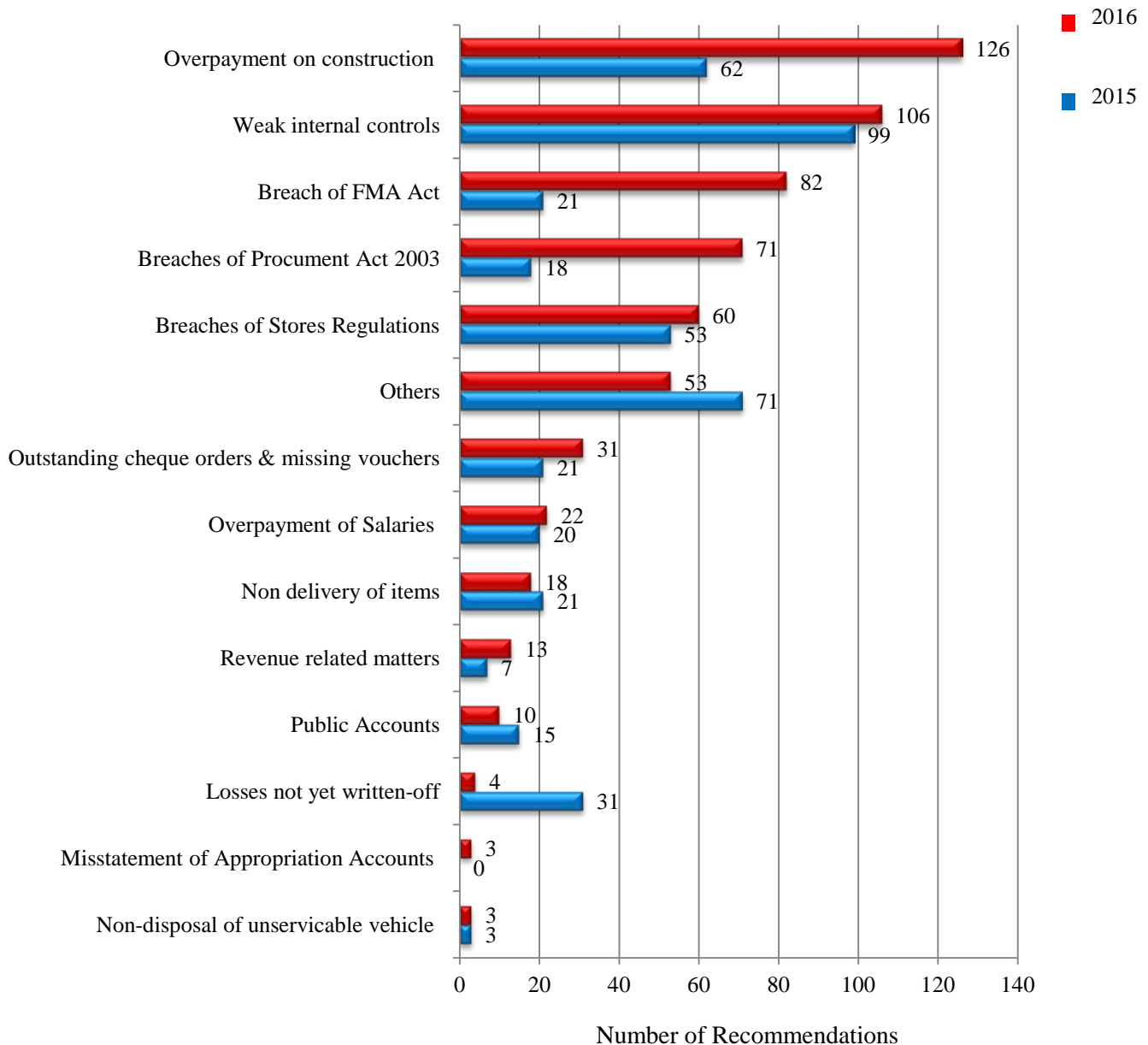
956. The table below shows the prior year matters as contained in the Auditor General’s 2015 Report and action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office.

Rec. №.	Category of Finding	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2015/429	Overpayment of construction works		√	
2015/430	Breaches of Stores Regulations	√		
2015/431	Non disposal of unserviceable vehicles		√	
2015/432	Government Quarters	√		
2015/433	Losses not yet written off	√		
2015/434	Overpayment of construction works		√	
2015/435	IDW Drugs and medical Supplies			√
2015/436	Breaches of the Stores Regulations	√		
2015/437	Shortfall Capital Expenditure			√
2015/438	Overpayment of construction works		√	
2015/439	Overpayment of construction works	√		
2015/440	Overpayment of construction works	√		
2015/441	Overpayment of construction works	√		
2015/442	Overpayment of construction works	√		

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SUMMARY OF RECOMMENDATIONS

957. The Bar-Graph below illustrates the comparison of my recommendations (2016- 602 and 2015- 442) under generalise areas. As can be seen, overpayments on construction works and breaches of relevant legislations, which include the Fiscal Management and Accountability Act, Stores Regulations, Procurement Act 2003 and Lack of or weak Internal Controls continued to dominate the findings, and are viewed with grave concern.



Status of Implementation of Prior Year Audit Recommendations

958. Each year, the Audit Office issues recommendations to Ministries, Departments and Regions that are designed at improving systems and practices at these entities and improving the Government's governance and accountability mechanisms. Four hundred and forty-two recommendations were made in the 2015 Audit Report, of which twenty-three were in relation to one constitutional agency and one statutory body that are now being reported on separately. We reviewed each of the remaining 419 recommendations to determine what action, if any, was taken by the respective Accounting Officers. At the time of reporting, 168 (40%) were fully implemented, 160 (38%) partially implemented, while 91 (22%) were not implemented.

959. Whilst there is evidence that action has been taken, there is still a concern with the lack of action towards the full implementation of these recommendations with sixty percent of the recommendations yet to be fully implemented. Once again, I encourage the Government, through the Ministry of Finance, the Accountant General's Department and the respective Head of Budget Agency to take appropriate actions and put measures in place to address the recommendations.

OTHER ENTITIES

SUMMARY OF AUDIT OPINIONS

960. A total of ninety-six opinions in relation to audits conducted on other entities were issued during the period 1 September 2016 to 31 August 2017. These include the audits of Public Enterprises, Statutory Bodies, Trade Unions, Foreign Funded Projects and Constitutional Agencies. It should be noted that twenty-one years accounts for nineteen entities were audited by Chartered Accountants in public practice under the contracting out arrangement, in accordance with Part IV of the Audit Act 2004 and at a total cost of \$45.701M. Outlined below is a summary of the audit opinions issued for the period 1 September 2016 to 31 August 2017.

Category	Opinions Issued from 1 September 2016 to 31 August 2017		
	In House	Contracted	Total
Public Enterprises	2	12	14
Statutory Bodies	41	9	50
Trade Unions	5	-	5
Foreign Funded Projects	25	-	25
Constitutional Agencies	2	-	2
Total	75	21	96

AUDIT OF PUBLIC ENTERPRISES

961. There are thirty-three Public Enterprises that are required to be audited under the Public Corporations Act 1988. Of the thirty-three entities, fourteen audits had been finalized in respect of twelve entities. A total of twelve audits were executed under the contracting out arrangement while the other two audits were executed in-house. An analysis of the opinions issued in respect of the twelve contracted audits revealed that one was a disclaimer, one was qualified and ten were unqualified. The two audits executed in-house resulted in qualified opinions being issued. The following tables provide the details:

Disclaimer Opinion - Contracted Audit

№	Name of Entity	Year(s) of Audit	Reasons for Disclaimer Opinion
1	Guyana Post Office Corporation	2009	<p>Details were unavailable to support an amount of \$793.407M owing to agencies. Independent confirmations were also not received.</p> <p>A significant amount of the \$8.791 billion owed by agencies was outstanding from previous year. This was not cleared subsequently nor was any reconciliation done. Independent confirmation of balances was requested but not obtained. An aged listing was not available and balances denominated in foreign currency were not converted at closing exchange rate.</p> <p>Fixed assets amounting to \$65.443M could not be verified as a listing or a register was not provided. The title deeds were not available for examination. There were no policies for acquisition, capitalization and disposal of assets and depreciation was computed on the closing balances for each category of asset. No impairment test was carried out.</p> <p>Overdraft of \$1.289 billion includes net cash deficit of \$397.470M.</p> <p>The receivables schedule was greater than the trial balance by \$11.626M and no reconciliation of this difference was done. Details of prepayments and others totaling \$122.420M were not provided.</p> <p>The inventories balance of \$154.125M included credit balances of \$37.901M which represents incorrect postings. There was a difference of \$816.863M between the inventory schedules and the trial balance, the schedule balances being greater. In addition, bin cards were not maintained nor were provision made for obsolescence.</p> <p>Payables and accruals included a suspense account of \$228.672M, debit balances of \$132.355M and a difference of \$82.443M between the trial balance and the trade payables schedule.</p> <p>Confirmations sent to suppliers were not returned. Reconciliation of suppliers' statements was not done. Balances of \$56.443M related to the year were not included in the financial statements.</p> <p>Tax recoverable of \$153.905M from the Guyana Revenue Authority was coming forward from previous years and no details were provided to verify this balance.</p> <p>The bank balance included unreconciled differences of \$205.435M. Bank reconciliations were not received for account balances totalling \$142.753M. Bank confirmations were also outstanding.</p>

Qualified Opinion - Contracted Audit

No	Name of Entity	Year of Audit	Reasons for Qualified Opinion
1	Guyana National Newspapers Limited	2015	Included in the amount of \$135.092M shown as Trade Receivables was an amount of \$42.814M which represented hold over credits. The accuracy of the amount could not be determined due to the absence of subsidiary ledgers for customers.

Unqualified Opinion - Contracted Audits

No	Name of Entity	Year (s) of Audit	No of Opinions
1	Guyana National Shipping Corporation	2015 & 2016	2
2	Guyana Power and Light Incorporated	2016	1
3	Guyana Oil Company Limited	2016	1
4	Guyana Aviation Services Incorporated	2016	1
5	Guyana Oil Company Consolidated	2016	1
6	Guyana Sugar Corporation Incorporated	2016	1
7	Guyana Water Incorporated	2015	1
8	Guyana National Printers Limited	2015	1
9	Guyana Marketing Corporation Limited	2014	1
Total			10

Qualified Opinion – In-house

No	Name of Entity	Years of Audit	Reasons for Qualified Opinion
1	National Communications Network	2013 & 2014	Amounts of \$1.143 billion and \$1.214 billion were reported as Non Current Assets for years 2013 and 2014, respectively. However, the Company did not implement a fixed assets register. In addition, neither master nor sectional inventories were maintained for the years, contrary to the requirements of the Stores Regulations.

AUDIT OF STATUTORY BODIES

962. There are fifty-five Statutory Bodies that are required under relevant Acts of Parliament to be audited. Of the fifty-five entities, fifty audits had been finalized in respect of thirty entities, of which nine were executed under the contracting out arrangement and forty-one executed in-house. An analysis of the opinions issued in respect of the nine contracted audits revealed that five were disclaimer, one was qualified and three were unqualified. Of the opinions issued for the forty-one audits executed in-house, eight were disclaimer, eight were qualified and twenty-five were unqualified. The details are stated below.

Disclaimer Opinion - Contracted Audit

№	Name of Entity	Year(s) of Audit	Reasons for Disclaimer Opinion
1	National Agricultural Research & Extension Institute	2015	<p>A fixed assets register was not provided for property, plant and equipment which have a carrying value of \$414.454M.</p> <p>A schedule of transactions was not provided for other operating expenses which totalled \$42.723M.</p> <p>Biological assets in the form of plants were not quantified and valued to be included in the financial statements as required by the International Accounting Standard 41-Agriculture.</p> <p>The Board, a body corporate and the Institute did not maintain separate records of transactions as required by the National Agricultural Research and Extension Institute Act 2010. The National Agricultural Research and Extension Institute Fund has not been established and vested in the Institute as required by Section 24 of the Act.</p>
2	University of Guyana	2014	<p>The University could not have provided the information and explanation necessary for the audit of Non-current Assets, Receivables and Prepayments, Cash in Hand and at Bank and Payables and Accruals. No further audit procedures could have been adopted to confirm independently that all transactions relative to the University's operations were properly recorded.</p>
3	MARDS Rice Milling Complex Limited	2013	<p>During years 2000 to 2007, the Company borrowed three loans amounting to \$680M from the Government of Guyana. The signed agreements for the loans were not available to determine terms and conditions of the loans and whether the Company was in compliance with the agreements. Interest has not been accrued for and to date no repayments were made.</p>

№	Name of Entity	Year(s) of Audit	Reasons for Disclaimer Opinion
4	Guyana Civil Aviation Authority	2011	<p>The balance of trade and other receivables included an amount of \$29.777M owed by the Guyana Rice Development Board (GRDB). This amount was not confirmed by the GRDB. Rather, the GRDB confirmed that MARDS owed them \$30M as at 31 December 2012.</p> <p>The Company made payments totalling \$44M in 2011 to the Mahaica Mahaicony Abary (MMA) for the rehabilitation of the Onverwagt Road and the acquisition of an excavator. MARDS paid \$14M for the acquisition of the excavator while GRDB paid MMA \$30M on behalf of MARDS. In 2012, the Company paid \$14.5M for a bulldozer while \$6.223M and \$3.5M were paid for fuel and fertilizer, respectively on behalf of MMA. In 2013, \$18.32M was paid as fuel expense on behalf of MMA. The Board's approval was not seen for the payments of the amounts and if any terms and conditions are attached to the amounts received by MMA.</p> <p>Taxation payable of \$71.171M represents corporation and capital gains tax payable to the Guyana Revenue Authority. There was an absence of adequate records and reconciliation to support the amount. VAT payable of \$16.512M has not been paid to date.</p> <p>The amount on the receivable listing exceeded the amount shown on the financial statements by \$45.070M. Further, a difference of \$27.110M was noted between the aged receivable listing and the debtor's ledger. This would extend the difference in the financial statements to \$72.180M.</p> <p>Supporting schedules were not provided for an amount of \$32.575M shown as a suspense account in accounts receivable.</p> <p>Bank reconciliation statements and bank statements were not provided for amounts totalling \$212.649M included in cash and cash equivalents of \$468.563M. Reconciling items totalling \$15.610M were shown on bank reconciliation statements provided but represent items for which the financial statements should have been adjusted.</p> <p>A fixed assets register was not provided to support</p>

№	Name of Entity	Year(s) of Audit	Reasons for Disclaimer Opinion
5	Guyana Lands and Surveys Commission	2010	<p>property, plant and equipment with a carrying amount of \$794.546M. Consequently, relevant audit procedures could not have been carried out over this account balance and related depreciation charges of \$67.498M.</p> <p>The Authority participates in a Defined Benefit contribution pension scheme for which the net surplus or deficit has not been quantified or accounted for in the financial statements.</p> <p>Included in the General Reserve Fund of \$19.728M was a debit balance of \$18.574M which could not be verified.</p> <p>The Revaluation Reserve of \$536.126M included a debit balance of \$9.047M which could not be verified. Also, no detail was provided to verify the balance of \$536.126M.</p> <p>Accounts receivable and prepayments of \$95.539M included numerous balances coming forward from previous years which were not settled subsequently. No age analysis and impairment review of the balances were done. Responses to confirmations sent were not received from debtors.</p> <p>A physical verification of property, plant and equipment stated at \$894.769M was not done along with an impairment review. The fixed assets register did not contain all assets owned by the Commission and could not be compared to the general ledger. The evidence of ownership of properties and vehicles were not seen.</p>

Qualified Opinions - Contracted Audit

No	Name of Entity	Year of Audit	Reasons for Qualified Opinion
1	University of Guyana Pension Scheme	2005	Sufficient appropriate audit evidence was not obtained to verify the accuracy of the amount of \$13.421M reported as pension in the income and expenditure statement. This was due to the lack of adequate documentation.

Unqualified Opinion - Contracted Audits

No	Name of Entity	Year (s) of Audit	No of Opinions
1	Guyana Gold Board	2015 & 2016	2
2	Guyana Energy Agency	2015	1
	Total		3

Disclaimer Opinion – In-house

No	Name of Entity	Year(s) of Audit	Reasons for Disclaimer Opinion
1	Transport and Harbours Department	2008 & 2009	<p>Amounts of \$7.054 billion and \$6.746 billion represented Property, Plant and Equipment for years 2008 and 2009, respectively. A fixed assets register was not maintained by the Department for the years. The schedules presented lacked pertinent information such as location, cost and date of acquisition, identification and serial numbers, together with detailed descriptions of the furniture and fittings.</p> <p>In 2008, fifteen payment vouchers for amounts totalling \$26.289M were not presented in support of additions to fixed assets. Similarly in 2009, seven vouchers for amounts totalling \$53.678M were also not presented to substantiate the additions.</p> <p>Certificates of titles to ownership of buildings and vessels valued at \$6.581 billion and \$6.335 billion for years 2008 and 2009 respectively, were not provided for audit verification.</p>

№	Name of Entity	Year(s) of Audit	Reasons for Disclaimer Opinion
2	President College	2002-2007	<p>The assets of the Department were last revalued in the year 1993 and there was no evidence that the valuation was done by a qualified personnel.</p> <p>Amounts of \$401.103M and \$12.715M were shown as stocks for years 2008 and 2009, respectively. The amounts represent actual purchases made for the stores section, since stock taking exercises were not carried out to ascertain the actual stock on hand. In 2008, purchases of fuel valued at \$76.300M were not supported by bills/receipts.</p> <p>The Department does not have a policy in place for the provision for bad debts should they become uncollectable.</p> <p>Cash on hand and at bank balances for years 2008 and 2009 included negative amounts of \$265.201M and \$285.887M representing the collection of Revenue at Stellings, not yet deposited. Certified statements attesting to the amounts were not presented for audit.</p> <p>Detail schedules in support of amounts payable and credit balances were not presented for audit examination.</p> <p>Fixed asset registers were not presented for audit. As a result, the completeness, accuracy and validity of the amounts reflected as fixed assets could not be verified.</p> <p>The amounts reflected as Inventories could not be verified since a Goods Received Book, stock ledgers, bin cards and internal stores requisitions were not kept to record the receipts and issues of stores.</p> <p>Debtor's ledgers were not presented for audit examination, thus making it difficult to verify the amounts stated as receivables on the financial statements.</p> <p>Records and schedules to substantiate the amounts shown as creditors and accruals were not provided for audit.</p> <p>Bank statements and bank reconciliation statements were not presented for audit examination. Thus, the</p>

No	Name of Entity	Year(s) of Audit	Reasons for Disclaimer Opinion
			<p>balances stated as cash at bank could not be verified.</p> <p>Payment vouchers and other supporting documentation were not presented in support of amounts of \$147.480M, \$161.694M and \$168.410M expended in 2005, 2006 and 2007, respectively.</p> <p>Receipt books, deposit slips and bank statements were not presented to support amounts of \$157.120M and \$161.385M received as income for years 2006 and 2007, respectively.</p>

Qualified Opinions - In-house

No	Name of Entity	Year(s) of Audit	Reasons for Qualified Opinion
1	National Agricultural Research & Extension Institute	2014	Total Non-Current Assets of \$350.532M did not include the value of land under the control of and use of the Institute. The buildings, machinery, equipment, furniture and fittings which were transferred from the Ministry of Agriculture in 1997 were not valued and the amounts brought to account in the records of the Institute.
2	Government Information Agency	2013	<p>Inventories for the year were stated as \$7.259M. Records were not maintained for the stores during the year under review to accurately determine this value.</p> <p>The Debtors' Age Analysis listed 86 debtors with outstanding balances totaling \$93.835M. The amounts outstanding were over the 90 days period.</p>
3	National Library	2013	<p>Cash in hand and at bank which totalled \$39.506M comprised of petty cash and closing balances for four accounts maintained by the Library. For two accounts, differences totalling \$6.518M were observed between the records and the amounts on the financial statements.</p> <p>An amount of \$2.090M was reported as creditors and accruals. There was a difference of \$272,061 between the amount in the general ledger and the related journals.</p>

4	Guyana Civil Aviation Authority	2010	<p>A Fixed Assets Register was not produced for audit examination to support the amount of \$531.100M shown as Property, Plant and Equipment.</p> <p>An amount of \$20.992M was stated as Suspense Account for the year. No details and nature of the account were provided for audit.</p>
5	Guyana National Bureau of Standards	2008 & 2009	<p>An advance register was not maintained to record advances granted to employees. As a result, the accuracy, validity and completeness of the amount shown as debtors could not be verified.</p> <p>Documentation to support reconciling items of \$3.668M, \$3.645M, and \$5.590M on the bank reconciliation statements were not presented for audit.</p> <p>The approvals for bank overdrafts of \$4.904M and \$4.202M for years 2008 and 2009 respectively, were not presented for audit.</p> <p>Supporting documents were not presented to substantiate amounts of \$29.677M and \$46.386M shown as other income for years 2008 and 2009, respectively.</p> <p>The Statement of Cash Flows was not prepared in accordance with Generally Accepted Accounting Principles since the cash and cash equivalent figure was incorrectly stated.</p>
6	National Parks Commission	2008	<p>There were inadequate records to support fixed assets valued at \$98.270M since the fixed assets register reflected a total of \$88.986M.</p> <p>Statements of Cash Flow and Changes in Equity were not presented for audit examination.</p>
7	Maritime and Administration Department	2005	<p>Supporting documents were not seen for the amount of \$11.1M which represent subsidy to the Transport and Harbour Department.</p> <p>Receipt books were not presented to substantiate income totalling \$588.690M.</p>

Unqualified Opinions – In-house

№	Name of Entity	Year (s) of Audit	№ of Opinions
1	Bank of Guyana	2016	1
2	Dependants Pension Fund	2016	1
3	Small Business Bureau	2015 & 2016	2
4	Public Utilities Commission	2012-2016	5
5	Bank of Guyana Pension Scheme	2015	1
6	Central Housing and Planning Authority	2015	1
7	Financial Intelligence Unit	2015	1
8	Forest Products Development & Marketing Council of Guyana Inc.	2015	1
9	General Nursing Council	2015	1
10	National Trust of Guyana	2015	1
11	Pesticides and Toxic Chemicals Control Board	2015	1
12	Guyana Office for Investment	2014 & 2015	2
13	Board of Industrial Training	2013 & 2014	2
14	Sugar Industry Labour Welfare Fund Committee	2012-2014	3
15	Guyana Revenue Authority	2011	1
16	Maritime and Administration Department	2004	1
	Total		25

963. Of the fifty-five Statutory Bodies that are required to submit annual financial statements after the end of each financial year for audit, five entities were significantly in arrears in terms of financial reporting. The following table sets out the status in respect of these five entities, at the time of reporting.

№	Name of Entity	Year Last Audited	Remarks
1	President's College	2007	No financial statements received for years 2008 to 2016.
2	Queen's College	2006	Awaiting corrected financial statements for the years 2007 to 2009. No financial statements received for 2010 to 2016.
3	Guyana Export Promotion Council	1997	No financial statements received for the years 1998 to 2016.
4	Hope Coconut Industries	1994	No financial statements received for years 1995 to 2007 & 2011 to 2016. Financial statements for years 2008 to 2010 were returned for corrections to be made.
5	Guyana Tourism Authority		No financial statements received since its establishment in 2002.

SUMMARY OF RECOMMENDATIONS – QUALIFIED OPINIONS

964. A number of recommendations to correct weakness identified and improve systems of internal control were made in the various audit reports issued. The Chart below gives an analysis of the similar areas of audit recommendations made in respect of the twelve qualified audit opinions issued, that is, three for Public Enterprises and nine for Statutory Bodies.

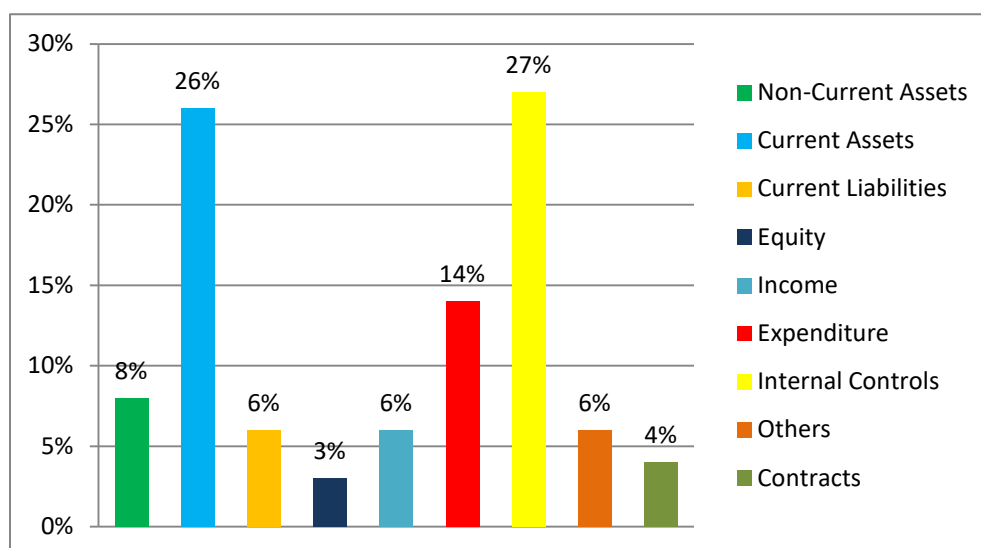


Figure (Source – Audit Reports)

AUDIT OF TRADE UNIONS

965. There are twenty-three Trade Unions that are required to be audited by the Audit Office. The Office finalized five years of accounts for three of the twenty-three Unions as reflected in the table below. At the time of reporting, the financial statements for seventeen Unions were significantly in arrears as statements were outstanding for ten or more years.

Name of Entity	Year of Audit	Type of Opinion	No of Opinion
Guyana Agricultural and General Workers' Union	2016	Unqualified	1
National Association of Agricultural, Commercial	2015	Unqualified	1
Guyana Postal and Telecommunications Workers' Union	2001-2003	Qualified	3
Total			5

AUDIT OF FOREIGN FUNDED PROJECTS

966. The Audit Office completed twenty-five audits of Foreign Funded Projects as shown below:

Name of Funding Agency	Year(s) of Audit	Type of Opinion	№ of Opinions
Inter-American Development Bank	2016	Unqualified	13
International Development Association	2016	Unqualified	4
CARICOM Development Fund	2016	Unqualified	1
United Nations Development Program	2014-2016	Unqualified	5
International Fund for Agricultural Development	2015	Unqualified	1
Caribbean Development Bank	2014	Unqualified	1
Total			25

AUDIT OF CONSTITUTIONAL AGENCIES

967. There are fourteen Constitutional Agencies that are required to be audited by the Audit Office. The accounts of two of the fourteen Agencies have been finalized and unqualified audit reports were issued as follows:-

Name of Entity	Period of Audit	Type of Opinion	№ of Opinion
Public and Police Service Commission	1 Sept. 2015 - 31 Dec. 2015	Unqualified	1
Director of Public Prosecutions	1 Sept. 2015 - 31 Dec. 2015	Unqualified	1
Total			2

PERFORMANCE AUDITS

968. Since the establishment of the Performance Audit section in 2008, examinations are done to verify the extent to which a public entity is applying its resources and carrying out its activities economically, efficiently and effectively and with due regard to ensuring effective internal management control. In this regard, the Audit Office presented the following three performance audit reports to the Speaker of the National Assembly and the reports were all laid before the National Assembly.

- (i) An Assessment of the Living Conditions of the Residents of the Palms Geriatric Institution.
- (ii) A Review of the Old Age Pension Programme in Guyana.
- (iii) An Assessment of the Living Conditions of the Residents of the Palms Geriatric Institution (Follow-up audit).

969. In addition to the above, the Office has completed an audit of the Construction of the New Access Road to the Cheddi Jagan International Airport. This report is now being presented to the Speaker of the National Assembly.

970. The Office is currently conducting two other performance audits which are at different phases of the audit.

- (i) An Assessment of the Administration of Registration and De-Registration for Value Added Tax in Guyana. The audit is as a result of Guyana being part of a team in CAROSAI undertaking a “cooperative audit” of the Revenue Agencies in their respective country. This audit is at its reporting phase.
- (ii) The Management of Drugs and Medical Supplies in all regions of the country. The audit team is engaged in gathering sufficient and appropriate audit evidence.

Procurement Audit

971. During the reporting period, the Audit Office completed an audit of the Construction of the New Access Road to the Cheddi Jagan International Airport. This audit covered the period 1 January 2011 to 15 September 2016. The Office has commenced an audit on the management of drugs and medical supplies by the Ministry of Health and health facilities across the ten administrative Regions of Guyana. The audit will seek to determine whether the Ministry and health facilities managed the procurement, storage and distribution of drugs and medical supplies in an economic and efficient manner in compliance with relevant laws and authorities.

SPECIAL INVESTIGATIONS

972. Five special investigations were finalised during 2016-2017 as detailed below:

- Ministry of Public Security-Purchase of items and services provided;
- Ministry of Public Security-Misappropriation of funds;
- Guyana Elections Commission-Purchase of toner and cartridges;
- Guyana Elections Commission-Purchase of radios; and
- Guyana Elections Commission-Purchase of nippers.

GECOM – Investigations

Radios

973. A special investigation into the acquisition of radios in 2015 revealed the following:

- Only five of the fifty radio sets were issued prior to the 2015 General and Regional Elections. Moreover, forty-five radio sets (fifteen Barrett and thirty ICOM) valued approximately \$89.604M were not utilized by the Commission for the 2015 General and Regional Elections;
- Up to the time of the Audit Office’s inspection of the radio sets in September 2016, forty-four radio sets (fifteen Barrett and twenty-nine ICOM) valued approximately \$87.613M were yet to be utilized by the Commission. This represents eighty-eight percent of the radio sets purchased;
- Six radio sets valued approximately \$11.946M were inoperable as of September 2016, which is based on the unit cost of \$1.991M as stated on the Schedule of Works, as well as the calculated mean using the contract amount and total radio sets;
- The Commission did not use public tendering for the procurement of the radio sets, sighting time constraints;
- Requests for Quotations (RFQs) were sent out by the Administrative Department to three suppliers for the supply of fifty HF Barrett radios (brand of radios specified). The Administrative department recommended the award to a supplier who quoted for two different brands and three types of radios even though one supplier quoted for the items as specified in the RFQ. The Administrative Manager stated that the recommendation was based on the lowest contract price and not the types or brand of radios;
- The Commission sought approval from NPTAB for use of “selective tendering” AFTER the Commission had sought quotations from the suppliers and even evaluated the said quotations and made a recommendation. This is a breach of the procurement process;
- The Administrative Department performed the tasks of the Evaluation Committee;
- Since the contract was signed a mere six days prior to the hosting of the Elections, it would have been impractical to utilize the radios purchased, as intended; and
- The functions of examining payment vouchers and releasing payments in IFMAS were done by the same person. This is a weak internal control mechanism.

A separate report was issued on this investigation.

Toners

974. A special investigation into the acquisition of toners and cartridges in 2015 and 2016 revealed the following findings:

- i. Four contracts amounting to \$38.464M were awarded to the same supplier for the acquisition of ink toners/cartridges using the restrictive method of procurement. In three instances the contracts were awarded to the highest bidder; whilst, in the other instance, the contract was awarded to the second highest bidder. Had these contracts been awarded to the lowest bidder, the Commission would have saved a sum of \$18.988M. See summary of contracts in table below:

Contract No	Contract Sum \$'000	Lowest Bid \$'000	Difference \$'000
70/2015	8,775	5,100	3,675
77/2015	2,495	866	1,629
78/2015	14,850	7,800	7,050
79/2015	12,344	5,710	6,634
Total	38,464	19,476	18,988

- ii. An analysis of the issuance of ink toners/cartridges revealed the purchases of these items via six contracts amounting to \$54.804M that were awarded on the basis of an apparent need may not have necessarily been the case. Moreover, it was found that the items acquired from these contracts were not issued with any urgency as would have been indicated by the basis of award. Further, the contracts were not all awarded to the lowest priced bids. The table below provides a summary:

Contract No	Contract Sum \$'000	Number of Bidders	Rank of Awardee
77/2015	2,495	3	Highest
78/2015	14,850	4	Highest
484/2015	4,960	3	Lowest
668/2015	8,900	3	Lowest
688/9752	9,752	3	Lowest
1852/2015	13,847	3	Lowest
Total	54,804		

- iii. Three contracts amounting to \$39.939M were awarded to the same supplier using the restrictive method of procurement. However, the items were received on the same date that two of the contracts were awarded; whilst, the items were received prior to the awarding of the other two contracts. Further, the items were received before these contracts were signed. It must be mentioned that an urgency for the items acquired was not cited.

- iv. A supplier failed to meet his obligations as it related to the delivery of goods on three contracts amounting to \$17.999M. However, even though the contracts provided for the institution of a penalty for late delivery, the Commission did not levy the applicable penalties, which amounted to approximately \$2.376M. The table below provides a summary of the calculation of the penalties on the contracts.

Contract №	Contract Sum \$'000	Delivery Date as per Contract	Actual Delivery Date	Number of Days Delivered Late	Cost per Day	Total Cost \$'000
77/2015	2,495	12 Feb. 2015	24 Feb. 2015	12	24,946	324
484/2015	4,960	23 Apr. 2015	8 May 2015	14	49,600	744
604/2015	10,544	14 May 2015	18 Sept. 2015	123	10,544	1,308
Total	17,999					2,376

- v. Eleven contracts amounting to \$101.616M were apparently split to avoid the relevant adjudication by Cabinet. The contracts were split in amounts of four, three and four totalling \$38.464M, \$28.653M and \$34.499M, respectively. Failure to comply with the stipulated procurement requirements places reservations over the transparency of these transactions.

A separate report has been issued for the Commission's response on this investigation.

Nippers

975. Further investigations revealed that the Commission apparently considered the quoted price of the Felo diagonal nipper, which was not included in RFQ, but did not consider the quoted price for the Klein Tools high leverage diagonal cutting pliers, which was included in RFQ. Further, the Klein pliers were quoted lower than the Felo nipper, which again was apparently not considered by the Commission. This was the apparent basis of the recommended purchase of the Felo nippers as being the 'cheapest'. Moreover, the Commission would have saved \$2.988M if the Klein pliers were purchased instead of the nippers. The Commission also underpaid the supplier \$428,000.

Durban Park Development Project

976. The Audit Office had commenced a special audit into the Durban Park Development Project. The audit covered the period May 2015 to 31 December 2016 and focused on all transactions related to the project. Further, the Audit Office wrote the Ministry of Public Infrastructure on 24 July 2017 requesting information in respect of the special purpose private company, Homestretch Development Inc. A response was received from the Ministry on 26 July 2017 stating that the Ministry was never involved in the documentation as it relates to the operation and formulation of the said company.

ACKNOWLEDGEMENTS

977. I wish to record my sincere gratitude to the staff of the Audit Office, many of whom worked beyond the call of duty to help me to execute the audits and to complete this Report. My sincere thanks also go out to Ministry of Finance, Accountant General and Heads of Budget Agencies along with their staff for the level of cooperation shown during the course of the audits and for the explanations provided in relation to my findings.

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**END OF YEAR BUDGET OUTCOME AND RECONCILIATION REPORT - REVENUE
OF THE GOVERNMENT OF GUYANA
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2016**

Reporting Object Group	Description	Approved Estimates	Actual Receipts Paid into Consolidated Fund	Variance	Actual Receipts Paid into Consolidated Fund
		2016	2016	2016	2015
		\$'000	\$'000	\$'000	\$'000
<u>CURRENT REVENUE</u>					
500	Customs and Trade Taxes	13,452,935	16,381,965	2,929,030	13,156,236
510	Internal Revenue	64,414,691	68,110,776	3,696,085	61,044,186
520	Stamp Duties	528,891	339,589	(189,302)	446,088
525	Other Tax Revenues	4,000	277	(3,723)	0
530	Fees and Fines	1,274,490	1,356,650	82,160	1,210,984
540	Interest	1,002,034	1,002,029	(5)	2,041
545	Rents and Royalties	3,869,347	4,301,266	431,919	8,866
555	Dividends and Transfers	14,245,000	14,276,069	31,069	12,391,796
560	Miscellaneous Receipts	1,994,163	4,255,435	2,261,272	5,965,380
590	Value Added Taxes	38,868,957	36,268,472	(2,600,485)	35,373,655
594	Excise Taxes	33,557,236	31,083,003	(2,474,233)	33,330,463
597	Miscellaneous Receipts	112,918	155,508	42,590	102,709
	SUB TOTAL	173,324,662	177,531,039	4,206,377	163,032,404
<u>CAPITAL REVENUE</u>					
565	Sale of Assets	0	0	0	2,123
570	Miscellaneous Capital Revenue	1,489,668	1,501,560	11,892	2,484,668
575	External Grants	14,313,682	5,368,888	(8,944,794)	3,851,351
580	External Loans	15,932,000	12,807,342	(3,124,658)	5,994,016
585	Balance of Payment Support	0	0	0	3,543,540
	SUB TOTAL	31,735,350	19,677,790	(12,057,560)	15,875,698
	GRAND TOTAL	205,060,012	197,208,829	(7,851,183)	178,908,102

MS. J. CHAPMAN
ACCOUNTANT GENERAL (ag.)

HON. WINSTON D. JORDAN
MINISTER OF FINANCE

Explanation of Significant differences between Estimates and out-turn of Revenue due to either

- Movements in the underlying economic assumptions and parameters used in the preparation of the annual budget proposal;
- Changes in revenue policies during the year; or
- Slippages in delivery of Budget measures.

Current Revenue

Central Government current revenue collections for 2016 surpassed the budgeted amount by \$4.2 billion. This outturn is mainly attributed to higher-than-anticipated receipt of collections from import duties of \$1.8 billion in international trade taxes and \$1.2 billion in arrears for consumption taxes. Additionally, company income taxes were higher than anticipated by \$1.4 billion. Rent and royalties also improved by \$431.9 million as a result of higher gold declarations.

The categories with major shortfalls were value added taxes and excise taxes by \$2.6 billion and \$2.5 billion respectively. VAT reflected decreased revenue collections on imports due to lower volume of imported goods. Excise taxes declined on imports with motor vehicles declining by \$1.9 billion, petroleum products by \$840.2 million, tobacco by \$226.9 million and alcoholic beverage by \$25.5 million.

Within the non-tax revenue category miscellaneous receipts exceeded the budgeted amount by \$2.3 billion to \$4.3 billion at the end of December 2016. This increase resulted from higher collections of \$2.4 billion due to pension funds being transferred into the Consolidated Fund Account.

Capital Revenue

Capital revenue reflected a negative variance of \$5.693 billion which was attributed principally to delays in the award of two critical infrastructural projects in the water and power sectors which resulted in approximately \$3.4 billion (\$1.7 billion for EU-grant and IDB-loan respectively). Additionally, the upgrade of the East Coast Road corridor and the Sheriff/Mandella Road projects were projected to commence but were delayed. The table below details instances which mainly resulted in the negative variance:

Description	Loan/Grant	Approved Estimates	Amount Collected	Variance
		\$'M		
IDB	Loan	5,292.000	1,716.124	3,575.876
EU	Grant	2,000.000	282.540	1,717.460
Total		7,292.000	1,998.664	5,293.336

**END OF YEAR BUDGET OUTCOME AND RECONCILIATION REPORT - CURRENT EXPENDITURES
OF THE GOVERNMENT OF GUYANA
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2016**

Agency No.	Description	Notes	Approved Allotment (Allotment 1)	Actual Expenditure	Over (Under) Approved Allotment	Actual Expenditure
			2016	2016	2016	2015
			\$'000	\$'000	\$'000	\$'000
01	Office of the President					
	1 Administrative Services		0	0	0	860,961
	2 Presidential Advisory		0	0	0	547,102
	3 Defence and National Security		0	0	0	34,442
	4 Public Policy and Planning		0	0	0	0
02	Office of the Prime Minister					
	1 Prime Minister's Secretariat		501,157	494,650	(6,507)	267,793
03	Ministry of Finance					
	1 Policy and Administration		15,375,248	14,964,616	(410,632)	12,732,155
	2 Public Financial Management		4,247,537	3,911,424	(336,113)	3,718,994
04	Ministry of Foreign Affairs					
	1 Development of Foreign Policy		1,353,643	1,481,040	127,397	1,075,191
	2 Foreign Policy Promotions		2,284,151	2,311,264	27,113	2,329,627
	3 Development of Foreign Trade Policy		34,580	33,880	(700)	36,882
05	Ministry of Presidency					
	1 Policy Development and Administration		2,599,251	2,570,339	(28,912)	649,763
	2 Defence and National Security		119,217	90,967	(28,250)	42,350
	3 Public Service Management		1,150,005	938,150	(211,855)	278,834
	4 Natural Resource Management		122,886	121,863	(1,023)	347,590
	5 Citizenship and Immigration Service		398,633	248,218	(150,415)	115,155
07	Parliament Office					
	1 National Assembly		1,373,759	1,326,408	(47,351)	742,961
08	Audit Office of Guyana					
	1 Audit Office of Guyana		714,335	701,810	(12,525)	643,527
09	Public and Police Service Commission					
	1 Public and Police Service Commission		87,957	86,954	(1,003)	60,647
10	Teaching Service Commission					
	1 Teaching Service Commission		109,205	95,359	(13,846)	76,008
11	Elections Commission					
	1 Elections Commission		3,574,488	3,098,321	(476,167)	1,480,220
	2 Elections Administration		0	0	0	2,103,288
13	Ministry of Local Government & Regional Development					
	1 Main Office		0	0	0	73,782
	2 Ministry Administration		0	0	0	33,093
	3 Regional Development		0	0	0	120,780
	C/F		34,046,052	32,475,263	(1,570,789)	28,371

Agency No.	Description	Notes	Approved Allotment (Allotment 1)	Actual Expenditure	Over (Under) Approved Allotment	Actual Expenditure
			2016	2016	2016	2015
			\$'000	\$'000	\$'000	\$'000
	B/F		34,046,052	32,475,263	(1,570,789)	28,371,145
14	Public Service Ministry					
	1 Public Service Management		0	0	0	670,899
15	Ministry of Foreign Trade & International Cooperation					
	1 Foreign Trade and Intl Coop		0	0	0	0
16	Ministry of Amerindian Affairs					
	1 Amerindian Development		0	0	0	351,279
17	Ministry of Indigenous People's Affairs					
	1 Policy Development and Administration		776,533	836,858	60,325	275,962
21	Ministry of Agriculture					
	1 Ministry Administration		13,382,826	15,717,282	2,334,456	16,036,334
	2 Crops and Livestock Support Services		0	0	0	0
	3 Fisheries		140,717	140,667	(50)	126,346
	4 Hydrometeorological Services		529,038	523,674	(5,364)	467,328
22	Ministry of Tourism	4				
	1 Policy Development and Administration		16,924	14,836	(2,088)	59,062
	2 Tourism Development		12,016	12,016	0	174,093
	3 Consumer Protection		6,677	6,588	(89)	31,216
23	Ministry of Tourism, Commerce and Industry					
	1 Main Office		0	0	0	336,841
	2 Ministry Administration		0	0	0	39,158
	3 Commerce, Industry & Consumer Affairs		0	0	0	66,721
24	Ministry of Natural Resources & The Environment	4				
	1 Ministry Administration		0	0	0	131,228
	2 Natural Resource Management		0	0	0	78,376
	3 Environmental Management		0	0	0	267,983
25	Ministry of Business					
	1 Policy Development and Administration		200,401	180,168	(20,233)	71,370
	2 Business Development, Support and Promotion		405,792	390,125	(15,667)	133,539
	3 Consumer Protection		62,371	61,439	(932)	0
26	Ministry of Natural Resources	4				
	1 Policy Development and Administration		219,441	218,034	(1,407)	0
	2 Natural Resource Management		6,450	5,348	(1,102)	0
	3 Environmental Management		474,537	473,723	(814)	0
31	Ministry of Public Works					
	1 Ministry Administration		0	0	0	426,535
	2 Public Works		0	0	0	1,313,936
	3 Transport		0	0	0	19,018
	C/F		50,279,775	51,056,021	776,246	49,448,369

Agency No.	Description	Notes	Approved Allotment (Allotment 1)	Actual Expenditure	Over (Under) Approved Allotment	Actual Expenditure
			2016	2016	2016	2015
			\$'000	\$'000	\$'000	\$'000
	B/F		50,279,775	51,056,021	776,246	49,448,369
32	Ministry of Public Infrastructure					
	1 Policy Development and Administration		4,270,037	3,470,124	(799,913)	1,496,438
	2 Public Works		2,956,850	2,947,273	(9,577)	1,119,577
	3 Transport		78,775	78,352	(423)	48,348
33	Ministry of Public Telecommunications	4				
	1 Policy Development and Administration		243,379	243,050	(329)	0
	2 Public Telecommunications		309,247	629,231	319,984	0
	3 Tourism Development		232,984	232,974	(10)	0
40	Ministry of Education					
	1 Policy Development and Administration		1,624,181	1,602,607	(21,574)	487,180
	2 Training and Development		2,057,274	1,732,350	(324,924)	749,807
	3 Nursery Education		1,641,895	1,614,065	(27,830)	776,325
	4 Primary Education		2,769,746	2,369,220	(400,526)	1,236,429
	5 Secondary Education		3,180,447	3,168,760	(11,687)	1,318,249
	6 Post-Secondary/Tertiary Education		3,442,105	3,507,367	65,262	1,198,249
	7 Cultural Preservation		739,404	724,614	(14,790)	205,966
	8 Youth		188,141	176,639	(11,502)	58,042
	9 Sports		414,099	387,286	(26,813)	0
41	Ministry of Education					
	1 Main Office		0	0	0	370,145
	2 National Education Policy-Implementation Sup.		0	0	0	150,220
	3 Ministry Administration		0	0	0	993,122
	4 Training and Development		0	0	0	692,170
	5 Education Delivery		0	0	0	3,822,683
42	Ministry of Communities					
	1 Sustainable Communities Management		554,981	495,884	(59,097)	155,588
	2 Sustainable Communities Development		876,365	1,349,778	473,413	213,991
43	Ministry of Public Health					
	1 Policy Development and Administration		1,148,757	1,047,961	(100,796)	281,616
	2 Disease Control		1,453,015	1,424,627	(28,388)	491,275
	3 Family Health Care Services		906,362	831,937	(74,425)	171,761
	4 Regional and Clinical Services		11,879,828	11,993,222	113,394	3,316,582
	5 Health Sciences Education		607,875	458,202	(149,673)	132,979
	6 Standards and Technical Service		679,284	624,171	(55,113)	215,059
	7 Disability and Rehabilitation Service		320,533	260,967	(59,566)	71,010
44	Ministry of Culture, Youth and Sports					
	1 Ministry Administration		0	0	0	115,710
	2 Culture		0	0	0	337,547
	3 Youth		0	0	0	338,744
	4 Sports		0	0	0	182,051
	5 Youth Entrepreneurial Skills		0	0	0	
	C/F		92,855,339	92,426,682	(428,657)	70,195,232

Agency No.	Description	Notes	Approved Allotment (Allotment 1)	Actual Expenditure	Over (Under) Approved Allotment	Actual Expenditure
			2016	2016	2016	2015
			\$'000	\$'000	\$'000	\$'000
	B/F		92,855,339	92,426,682	(428,657)	70,195,232
45	Ministry of Housing and Water					
	1 Housing & Water		0	0	0	263,251
46	Georgetown Public Hospital Corporation					
	1 Public Hospital		0	0	0	3,951,460
47	Ministry of Health					
	1 Ministry Administration		0	0	0	673,804
	2 Diseases Control		0	0	0	336,667
	3 Primary Health Care Services		0	0	0	541,045
	4 Regional & Clinical Services		0	0	0	4,047,919
	5 Health Sciences Education		0	0	0	310,477
	6 Standards & Technical Services		0	0	0	404,407
	7 Rehabilitation Services		0	0	0	202,350
48	Ministry of Labour, Human Service & Social Security					
	1 Strategic Planning, Administration & Human Services		0	0	0	117,811
	2 Social Services		0	0	0	5,354,893
	3 Labour Administration		0	0	0	200,663
	4 Child Care & Protection		0	0	0	242,224
49	Ministry of Social Protection					
	1 Policy Development and Administration		249,584	247,244	(2,340)	93,980
	2 Social Services		12,548,811	12,059,245	(489,566)	3,455,610
	3 Labour Administration		445,301	423,176	(22,125)	214,971
	4 Child Care and Protection		471,677	468,898	(2,779)	171,530
51	Ministry of Home Affairs					
	1 Secretariat Services		0	0	0	412,528
	2 Guyana Police Force		0	0	0	5,494,680
	3 Guyana Prison Services		0	0	0	888,372
	4 Police Complaints Authority		0	0	0	7,583
	5 Guyana Fire Service		0	0	0	539,775
	6 General Register Office		0	0	0	99,554
	7 Customs Anti Narcotics Unit		0	0	0	65,806
52	Ministry of Legal Affairs					
	1 Main Office		30,997	26,194	(4,803)	28,634
	2 Ministry Administration		44,455	45,142	687	44,637
	3 Attorney General's Chambers		1,405,354	1,062,593	(342,761)	814,976
	4 State Solicitor		27,398	27,943	545	25,820
	5 Deeds Registry		0	0	0	0
53	Guyana Defence Force					
	1 Defence and Security Support		9,581,867	10,011,089	429,222	9,017,177
	C/F		117,660,783	116,798,206	(862,577)	108,217,836

Agency No.	Description	Notes	Approved Allotment (Allotment 1)	Actual Expenditure	Over (Under) Approved Allotment	Actual Expenditure
			2016	2016	2016	2015
			\$'000	\$'000	\$'000	\$'000
	B/F		117,660,783	116,798,206	(862,577)	108,217,836
54	Ministry of Public Security					
	1 Policy Development and Administration		712,063	635,161	(76,902)	190,147
	2 Police Force		9,088,182	8,862,071	(226,111)	2,539,166
	3 Prison Service		1,486,544	1,507,801	21,257	428,024
	4 Police Complaints Authority		19,267	18,443	(824)	7,138
	5 Fire Service		924,159	902,673	(21,486)	332,980
	6 Customs Anti Narcotics Unit		158,451	155,487	(2,964)	60,984
55	Supreme Court of Judicature					
	1 Supreme Courts of Judicature		1,532,287	1,712,287	180,000	1,312,779
	2 Magistracy		0	0	0	0
56	Public Prosecutions					
	1 Public Prosecutions		160,090	152,337	(7,753)	115,435
57	Office of the Ombudsman					
	1 Ombudsman		44,756	43,237	(1,519)	17,667
58	Public Service Appellate Tribunal					
	1 Public Service Appellate Tribunal		12,499	2,318	(10,181)	1,202
59	Ethnic Relations Commission					
	1 Ethnic Relations Commission		81,446	49,429	(32,017)	27,596
60	Judicial Service Commission					
	1 Judicial Service Commission		10,020	7,043	(2,977)	2,340
61	Rights Commission					
	1 Rights Commission		121,420	109,425	(11,995)	31,484
62	Public Procurement Commission					
	1 Public Procurement Commission		1	0	(1)	0
71	Region 1 - Barima/Waini					
	1 Regional Administration & Finance		169,838	168,443	(1,395)	153,373
	2 Public Works		250,691	245,706	(4,985)	215,719
	3 Education Delivery		1,029,117	1,028,235	(882)	925,679
	4 Health Services		571,295	547,247	(24,048)	454,690
72	Region 2 - Pomeroon/Supenaam					
	1 Regional Administration & Finance		176,183	189,340	13,157	160,319
	2 Agriculture		299,278	296,102	(3,176)	257,928
	3 Public Works		104,831	114,832	10,001	91,537
	4 Education Delivery		1,612,231	1,596,235	(15,996)	1,463,689
	5 Health Services		766,313	715,447	(50,866)	596,253
	C/F		136,991,745	135,857,505	(1,134,240)	117,603,965

Agency No.	Description	Notes	Approved Allotment (Allotment 1)	Actual Expenditure	Over (Under) Approved Allotment	Actual Expenditure
			2016	2016	2016	2015
			\$'000	\$'000	\$'000	\$'000
	B/F		136,991,745	135,857,505	(1,134,240)	117,603,965
73	Region 3 - Essequibo Islands/West Demerara					
	1 Regional Administration & Finance		188,966	184,774	(4,192)	169,240
	2 Agriculture		292,566	281,002	(11,564)	243,877
	3 Public Works		86,252	86,208	(44)	78,813
	4 Education Delivery		2,194,167	2,207,824	13,657	2,012,762
	5 Health Services		1,172,561	970,436	(202,125)	903,400
74	Region 4 - Demerara/Mahaica					
	1 Regional Administration & Finance		173,497	161,972	(11,525)	147,592
	2 Agriculture		280,161	316,810	36,649	260,468
	3 Public Works		117,352	126,703	9,351	113,078
	4 Education Delivery		3,355,915	3,198,034	(157,881)	2,807,916
	5 Health Services		1,111,627	932,041	(179,586)	554,679
75	Region 5 - Mahaica/Berbice					
	1 Regional Administration & Finance		139,264	121,622	(17,642)	117,918
	2 Agriculture		139,658	138,103	(1,555)	116,918
	3 Public Works		126,741	129,089	2,348	101,757
	4 Education Delivery		1,304,058	1,297,501	(6,557)	1,138,651
	5 Health Services		563,235	480,443	(82,792)	390,791
76	Region 6 - East Berbice/Corentyne					
	1 Regional Administration & Finance		146,374	143,928	(2,446)	130,263
	2 Agriculture		646,097	606,107	(39,990)	572,133
	3 Public Works		198,816	192,565	(6,251)	167,210
	4 Education Delivery		2,729,733	2,708,867	(20,866)	2,508,616
	5 Health Services		1,578,012	1,571,423	(6,589)	1,228,889
77	Region 7 - Cuyuni/Mazaruni					
	1 Regional Administration & Finance		183,093	182,439	(654)	163,894
	2 Public Works		145,745	145,526	(219)	122,351
	3 Education Delivery		1,091,516	1,051,522	(39,994)	971,693
	4 Health Services		476,585	472,998	(3,587)	376,264
78	Region 8 - Potaro/Siparuni					
	1 Regional Administration & Finance		101,710	108,307	6,597	83,616
	2 Public Works		149,593	149,574	(19)	123,084
	3 Education Delivery		670,754	675,105	4,351	476,582
	4 Health Services		242,709	218,341	(24,368)	183,755
	5 Agriculture		16,401	16,385	(16)	0
79	Region 9 - Upper Takatu/Upper Essequibo					
	1 Regional Administration & Finance		147,487	142,239	(5,248)	125,112
	2 Agriculture		35,458	34,835	(623)	31,158
	3 Public Works		151,830	150,594	(1,236)	113,024
	4 Education Delivery		861,078	858,424	(2,654)	689,295
	5 Health Services		353,583	333,224	(20,359)	252,818
	C/F		158,164,339	156,252,470	(1,911,869)	135,081,582

Agency No.	Description	Notes	Approved Allotment (Allotment 1)	Actual Expenditure	Over (Under) Approved Allotment	Actual Expenditure
			2016	2016	2016	2015
			\$'000	\$'000	\$'000	\$'000
	B/F		158,164,339	156,252,470	(1,911,869)	135,081,582
80	Region 10 - Upper Demerara/Berbice					
1	Regional Administration & Finance		189,586	186,680	(2,906)	155,173
2	Public Works		175,715	156,982	(18,733)	110,568
3	Education Delivery		1,717,083	1,712,040	(5,043)	1,605,392
4	Health Services		532,603	514,938	(17,665)	410,866
SUB TOTAL			160,779,326	158,823,110	(1,956,216)	137,363,581
STATUTORY						
01	Office of the President		0	0	0	14,047
03	Ministry of Finance		3,474,554	3,900,072	425,518	3,424,295
05	Ministry of Presidency		23,710	23,710	0	7,513
07	Parliament Office		0	0	0	233,127
08	Office of the Auditor General		0	0	0	0
09	Public and Police Service Commission		0	0	0	14,789
10	Teaching Service Commission		0	0	0	7,948
11	Elections Commission		0	0	0	34,382
51	Ministry of Home Affairs		0	0	0	19,717
54	Ministry of Public Security		30,500	26,205	(4,295)	8,150
55	Supreme Court of Judicature		0	0	0	0
56	Public Prosecutions		0	0	0	13,569
57	Office of the Ombudsman		0	0	0	11,056
58	Public Service Appellate Tribunal		0	0	0	0
90	Public Debt		13,544,630	12,211,416	(1,333,214)	15,092,519
SUB TOTAL			17,073,394	16,161,403	(911,991)	18,881,112
TOTAL PAYMENTS			177,852,720	174,984,513	(2,868,207)	156,244,693

MS. J. CHAPMAN
ACCOUNTANT GENERAL (ag.)

HON. WINSTON D. JORDAN
MINISTER OF FINANCE

**END OF YEAR BUDGET OUTCOME AND RECONCILIATION REPORT - CAPITAL EXPENDITURES
OF THE GOVERNMENT OF GUYANA
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2016**

Agency No.	Description	Notes	Approved Allotment (Allotment 1) 2016	Actual Expenditure 2016	Over (Under) Approved Allotment 2016	Actual Expenditure 2015
			\$'000	\$'000	\$'000	\$'000
01	Office of the President					
1	Administrative Services		0	0	0	588,399
2	Presidential Advisory		0	0	0	0
3	Defence and National Security		0	0	0	0
4	Public Policy and Planning		0	0	0	0
02	Office of the Prime Minister					
1	Prime Minister's Secretariat		156,300	155,967	(333)	102,412
03	Ministry of Finance					
1	Policy and Administration		3,871,514	3,487,692	(383,822)	3,827,464
2	Public Financial Management		180,000	165,229	(14,771)	16,229
04	Ministry of Foreign Affairs					
1	Development of Foreign Policy		71,000	71,000	0	15,106
2	Foreign Policy Promotions		79,000	112,354	33,354	59,137
3	Development of Foreign Trade Policy		126	126	0	984
05	Ministry of Presidency					
1	Policy Development and Administration		346,945	418,213	71,268	2,245,203
2	Defence and National Security		39,000	38,445	(555)	58,975
3	Public Service Management		36,000	35,973	(27)	12,583
4	Natural Resource Management		0	0	0	38,431
5	Citizenship and Immigration Services		15,000	15,000	0	38,778
07	Parliament Office					
1	National Assembly		0	0	0	0
2	Parliament Office		0	0	0	0
09	Public and Police Service Commission					
1	Public and Police Service Commission		0	0	0	0
10	Teaching Service Commission					
1	Teaching Service Commission		0	0	0	0
11	Elections Commission					
1	Elections Commission		0	0	0	235,809
2	Elections Administration		0	0	0	0
13	Ministry of Local Government & Regional Development					
1	Main Office		0	0	0	0
2	Ministry Administration		0	0	0	0
3	Regional Development		0	0	0	0
14	Public Service Ministry					
1	Public Service Management		0	0	0	0
15	Ministry of Foreign Trade and Intl					
1	Foreign Trade and Intl Coop		0	0	0	0
C/F			4,794,885	4,499,999	(294,886)	7,239,510

Agency No.	Description	Notes	Approved Allotment (Allotment 1) 2016	Actual Expenditure 2016	Over (Under) Approved Allotment 2016	Actual Expenditure 2015
			\$'000	\$'000	\$'000	\$'000
	B/F		4,794,885	4,499,999	(294,886)	7,239,510
16	Ministry of Amerindian Affairs					
	1 Amerindian Development		0	0	0	0
17	Ministry of Indigenous People's Affairs					
	1 Policy Development and Administration		1,407,000	1,403,137	(3,863)	299,086
21	Ministry of Agriculture					
	1 Ministry Administration		2,862,055	2,103,122	(758,933)	2,479,536
	2 Crops and Livestock Support Services		1,129,000	1,136,914	7,914	1,478,270
	3 Fisheries		20,000	19,991	(9)	2,000
	4 Hydrometeorological Services		43,550	43,283	(267)	23,105
22	Ministry of Tourism	4				
	1 Policy Development and Administration		0	0	0	7,798
	2 Tourism Development		0	0	0	1,982
	3 Consumer Protection		0	0	0	5,600
23	Ministry of Tourism, Commerce and Industry					
	1 Main Office		0	0	0	0
	2 Ministry Administration		0	0	0	0
	3 Commerce, Industry & Consumer Affairs		0	0	0	235,064
24	Ministry of National Resources	4				
	1 Ministry Administration		0	0	0	0
	2 Natural Resource Management		0	0	0	0
	3 Environmental Management		0	0	0	0
25	Ministry of Business					
	1 Policy Development and Administration		73,500	17,840	(55,660)	5,479
	2 Business Development, Support and Promotion		471,603	372,398	(99,205)	233,065
	3 Consumer Protection		2,150	2,150	0	0
26	Ministry of Natural Resources	4				
	1 Environmental Management		114,000	114,000	0	0
31	Ministry of Public Works					
	1 Ministry Administration		0	0	0	0
	2 Public Works		0	0	0	3,368,935
	3 Transport		0	0	0	74,498
32	Ministry of Public Infrastructure					
	1 Policy Development and Administration		3,227,820	985,836	(2,241,984)	296,773
	2 Public Works		14,861,631	12,743,791	(2,117,840)	4,380,313
	3 Transport		5,246,586	8,877,894	3,631,308	243,246
33	Ministry of Public Telecommunications	4				
	1 Policy Development and Administration		16,835	16,830	(5)	0
	2 Public Telecommunications		10,000	35,987	25,987	0
	3 Tourism Development		9,240	9,240	0	0
	C/F		34,289,855	32,382,412	(1,907,443)	20,374,260

Agency No.	Description	Notes	Approved Allotment (Allotment 1) 2016	Actual Expenditure 2016	Over (Under) Approved Allotment 2016	Actual Expenditure 2015
			\$'000	\$'000	\$'000	\$'000
	B/F		34,289,855	32,382,412	(1,907,443)	20,374,260
40	Ministry of Education					
1	Policy Development and Administration		54,452	51,190	(3,262)	10,514
2	Training and Development		92,871	84,137	(8,734)	204,052
3	Nursery Education		271,321	232,909	(38,412)	21,601
4	Primary Education		104,974	99,114	(5,860)	65,303
5	Secondary Education		1,319,886	588,901	(730,985)	243,530
6	Post Secondary/Tertiary Education		1,315,555	1,664,550	348,995	651,794
7	Cultural Preservation and Conservation		101,105	88,206	(12,899)	19,623
8	Youth		201,000	144,116	(56,884)	50,040
9	Sports		311,954	301,310	(10,644)	0
41	Ministry of Education					
1	Main Office		0	0	0	0
2	National Education Policy-Implementation Sup.		0	0	0	0
3	Ministry Administration		0	0	0	0
4	Training and Development		0	0	0	2,484
5	Education Delivery		0	0	0	579,754
42	Ministry of Communities					
1	Sustainable Communities Management		724,190	695,135	(29,055)	540,899
2	Sustainable Communities Development		4,593,084	2,816,791	(1,776,293)	2,224,411
43	Ministry of Public Health					
1	Policy Development and Administration		57,210	40,377	(16,833)	15,245
2	Disease Control		370,790	389,530	18,740	74,454
3	Family Health Care Services		28,635	5,199	(23,436)	13,530
4	Regional & Clinical Services		1,466,451	1,029,653	(436,798)	377,657
5	Health Sciences Education		64,960	61,335	(3,625)	11,195
6	Standards & Technical Services		10,956	5,285	(5,671)	18,050
7	Disability and Rehabilitation Services		26,631	10,102	(16,529)	6,000
44	Ministry of Culture, Youth and Sports					
1	Ministry Administration		0	0	0	0
2	Culture		0	0	0	0
3	Youth		0	0	0	16,732
4	Sports		0	0	0	77,727
45	Ministry of Housing and Water					
1	Housing & Water		0	0	0	2,058,091
46	Georgetown Public Hospital Corporation					
1	Public Hospital		0	0	0	59,312
47	Ministry of Health					
1	Ministry Administration		0	0	0	0
2	Diseases Control		0	0	0	0
3	Primary Health Care Services		0	0	0	0
4	Regional & Clinical Services		0	0	0	74,809
5	Health Sciences Education		0	0	0	5,501
6	Standards & Technical Services		0	0	0	0
7	Rehabilitation Services		0	0	0	0
C/F			45,405,880	40,690,252	(4,715,628)	27,796,568

Agency No.	Description	Notes	Approved Allotment (Allotment 1) 2016	Actual Expenditure 2016	Over (Under) Approved Allotment 2016	Actual Expenditure 2015
			\$'000	\$'000	\$'000	\$'000
	B/F		45,405,880	40,690,252	(4,715,628)	27,796,568
48	Ministry of Labour, Human Service & Social Security					
1	Strategic Planning, Administration & Human Services		0	0	0	0
2	Social Services		0	0	0	0
3	Labour Administration		0	0	0	702
4	Child Care & Protection		0	0	0	0
49	Ministry of Social Protection					
1	Policy Development and Administration		36,200	26,156	(10,044)	8,980
2	Social Services		83,000	58,283	(24,717)	12,756
3	Labour Administration		39,200	37,970	(1,230)	11,243
4	Child Care and Protection		50,500	45,373	(5,127)	23,258
51	Ministry of Home Affairs					
1	Secretariat Services		0	0	0	0
2	Guyana Police Force		0	0	0	55,814
3	Guyana Prison Services		0	0	0	0
4	Police Complaints Authority		0	0	0	0
5	Guyana Fire Service		0	0	0	931
6	General Register Office		0	0	0	0
7	Customs Anti Narcotics Unit		0	0	0	0
52	Ministry of Legal Affairs					
1	Main Office		125,750	116,052	(9,698)	0
2	Ministry Administration		12,500	15,151	2,651	20,100
3	Attorney General's Chambers		0	0	0	0
4	State Solicitor		8,063	7,899	(164)	434
5	Deeds Registry		0	0	0	0
53	Guyana Defence Force					
1	Defence & Security Support		543,000	542,945	(55)	536,298
54	Ministry of Public Security					
1	Policy and Development and Administration		451,960	186,564	(265,396)	31,538
2	Police Force		897,189	786,545	(110,644)	268,905
3	Prison Service		462,747	247,136	(215,611)	87,682
4	Police Complaints Authority		1,300	1,078	(222)	1,190
5	Fire Service		265,516	220,251	(45,265)	94,174
6	Customs Anti Narcotics Unit		37,000	12,694	(24,306)	0
55	Supreme Court of Judicature					
1	Supreme Courts of Judicature		0	0	0	12,128
2	Magistracy		0	0	0	19,920
56	Public Prosecutions					
1	Public Prosecutions		0	0	0	0
57	Office of the Ombudsman					
1	Ombudsman		0	0	0	0
58	Public Service Appellate Tribunal					
1	Public Service Appellate Tribunal		0	0	0	0
C/F			48,419,805	42,994,349	(5,425,456)	28,982,621

Agency No.	Description	Notes	Approved Allotment (Allotment 1) 2016	Actual Expenditure 2016	Over (Under) Approved Allotment 2016	Actual Expenditure 2015
			\$'000	\$'000	\$'000	\$'000
	B/F		48,419,805	42,994,349	(5,425,456)	28,982,621
59	Ethnic Relations Commission					
	1 Ethnic Relations Commission		0	0	0	0
60	Judicial Service Commission					
	1 Judicial Service Commission		0	0	0	0
61	Rights Commission of Guyana					
	1 Rights Commission of Guyana		0	0	0	0
62	Public Procurement Commission					
	1 Public Procurement Commission		0	0	0	0
71	Region 1 - Barima/Waini					
	1 Regional Administration & Finance		6,150	6,135	(15)	3,298
	2 Public Works		92,146	82,754	(9,392)	7,417
	3 Education Delivery		103,472	103,427	(45)	55,179
	4 Health Services		123,232	121,939	(1,293)	53,296
72	Region 2 - Pomeroon/Supenaam					
	1 Regional Administration & Finance		24,250	24,216	(34)	999
	2 Agriculture		44,846	44,042	(804)	58,010
	3 Public Works		46,226	45,856	(370)	53,081
	4 Education Delivery		231,242	230,854	(388)	61,721
	5 Health Services		127,436	126,580	(856)	41,865
73	Region 3 - Essequibo Islands/West Demerara					
	1 Regional Administration & Finance		8,119	8,119	0	3,497
	2 Agriculture		48,020	48,018	(2)	30,110
	3 Public Works		98,361	98,359	(2)	45,405
	4 Education Delivery		133,047	133,037	(10)	57,853
	5 Health Services		98,454	98,419	(35)	65,900
74	Region 4 - Demerara/Mahaica					
	1 Regional Administration & Finance		24,200	24,186	(14)	11,698
	2 Agriculture		45,600	45,600	0	8,291
	3 Public Works		61,400	61,400	0	43,600
	4 Education Delivery		285,524	261,235	(24,289)	47,320
	5 Health Services		62,930	53,716	(9,214)	16,566
75	Region 5 - Mahaica/Berbice					
	1 Regional Administration & Finance		16,770	16,770	0	12,781
	2 Agriculture		57,168	57,168	0	40,000
	3 Public Works		120,583	119,675	(908)	68,971
	4 Education Delivery		103,945	103,817	(128)	55,153
	5 Health Services		91,534	90,701	(833)	38,116
76	Region 6 - East Berbice/Corentyne					
	1 Regional Administration & Finance		14,041	13,065	(976)	7,258
	2 Agriculture		106,120	103,865	(2,255)	55,685
	3 Public Works		161,091	158,468	(2,623)	67,974
	4 Education Delivery		90,325	87,579	(2,746)	38,255
	5 Health Services		118,422	115,667	(2,755)	65,366
	C/F		50,964,459	45,479,016	(5,485,443)	30,097,286

Agency No.	Description	Notes	Approved Allotment (Allotment 1) 2016	Actual Expenditure 2016	Over (Under) Approved Allotment 2016	Actual Expenditure 2015
			\$'000	\$'000	\$'000	\$'000
	B/F		50,964,459	45,479,016	(5,485,443)	30,097,286
77	Region 7 - Cuyuni/Mazaruni					
	1	Regional Administration & Finance	10,400	10,257	(143)	13,298
	2	Public Works	51,524	51,323	(201)	26,056
	3	Education Delivery	70,898	69,565	(1,333)	47,134
	4	Health Services	82,178	77,575	(4,603)	45,574
78	Region 8 - Potaro/Siparuni					
	1	Regional Administration & Finance	21,187	20,940	(247)	14,001
	2	Public Works	53,764	53,320	(444)	25,356
	3	Education Delivery	70,664	70,610	(54)	29,268
	4	Health Services	59,385	58,766	(619)	39,148
	5	Agriculture	17,000	16,936	(64)	
79	Region 9 - Upper Takatu/Upper Essequibo					
	1	Regional Administration & Finance	14,231	13,926	(305)	20,277
	2	Agriculture	34,620	33,612	(1,008)	10,136
	3	Public Works	139,611	139,269	(342)	76,829
	4	Education Delivery	110,105	110,040	(65)	39,884
	5	Health Services	70,839	70,478	(361)	30,315
80	Region 10 - Upper Demerara/Berbice					
	1	Regional Administration & Finance	34,000	27,425	(6,575)	21,498
	2	Public Works	208,744	199,588	(9,156)	62,322
	3	Education Delivery	87,683	50,306	(37,377)	38,213
	4	Health Services	82,514	65,107	(17,407)	28,291
	TOTAL PAYMENTS		52,183,806	46,618,059	(5,565,747)	30,664,886

MS. J. CHAPMAN
ACCOUNTANT GENERAL (ag.)

HON. WINSTON D. JORDAN
MINISTER OF FINANCE

End of Year Budget Outcome and Reconciliation Report – Expenditure of the Government of Guyana for the Fiscal Year Ended 31 December 2016

Current Expenditure

Central Government current expenditure was less than the 2016 Budget allocation by \$2.9 billion. This outturn was attributed to unspent allocations from several Agencies. These included a sum of \$1.3 billion allocated under Public Debt due to less than anticipated disbursement for new and disbursing loans from creditors such as Inter-American Development Bank (IDB), International Development Association-World Bank (IDA), Caribbean Development Bank (CDB), Eximbank of India and Caricom Development Fund (CDF) in 2016.

Unspent balances of \$410.6 million was realised from Employment Cost of which \$276.8 million was due to transfers of contracted staff to the permanent establishment. Overseas conference and official travel was \$127.3 million and training was \$301.6 million in 2016.

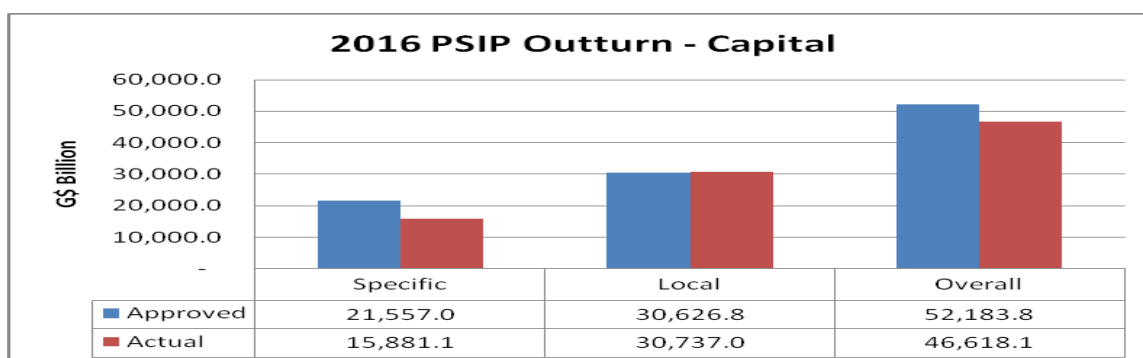
Unspent allocation for other Goods and Services was due mainly to students from several schools not uplifting uniform vouchers of \$324.9 million, also dietary of \$400.5 million was unspent due to reduced CPCE dormitory students. In addition, Citizenship and Immigration Services retendered for the Computerization initiative of records however, there was no successful bidders in 2016.

Transfer payments variance from budget allocation was due to a significant number of public assistance and old age pension recipients no en-cashing their 2016 vouchers in 2016. Also, the Elections Commission unspent balance of \$476.2 million was due to the absence of a Chairman since August 2016, which prevented the Commission from fully executing their budget work programme.

END OF YEAR BUDGET OUTCOME AND RECONCILIATION REPORT
CAPITAL EXPENDITURE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

Figures are in GSM

Details	Approved	Actual	Variance	% Actual / Approved Allotment
Specific	21,557.000	15,881.093	(5,675.907)	73.7%
Loans	15,932.000	12,824.661	(3,107.339)	80.5%
Grants	5,625.000	3,056.433	(2,568.567)	54.3%
Local	30,626.806	30,736.964	110.158	100.4%
Total	52,183.806	46,618.058	(5,565.748)	89.3%



Central government capital expenditure was 89.3% of the approved allotment of \$52.183 billion. The outcome was weak due to a subpar performance, 73.7% execution rate, on our donor support portfolio of projects, particularly our project grants where total expenditure was \$3.056 billion against an approved allocation of \$5.625 billion. Some key contributing factors were the delay in award of contracts for two critical infrastructural projects in the water and power sectors which resulted in approximately \$3.4 billion in unutilised funds (\$1.7 billion for grant and loan respectively, since both projects were financed using a blended-facility).

The performance of the domestically financed investment programme was strong, with an execution rate of 100.4%, aided by strict monitoring and reprogramming of projected under-expenditure on initial programme.

Also, contributing to this strong overall performance was supplementary provisions approved in the sum of \$2.757 billion for domestically financed projects, particularly in the infrastructure sector, and \$5.367 billion in relation to additional inflows for foreign funded projects that performed better than anticipated.

Generally, shortfalls are attributed to the following reasons:

- On the donor-financed PSIP:

Agency	Projects	Approved	Actual	Variance	Reasons
		G\$ Million			
LOAN				(3,892.074)	
21-MoA	Sugar Industry Mechanisation Project	400.000	0	(400.000)	Loan cancelled.
32-MoPI	Sea Defences	750.000	173.763	(576.237)	Lengthy design review process delayed tendering and award of civil works.
	Electrification Program	1,550.000	251.736	(1,298.264)	Delays in award of low voltage network infrastructure contract; initially scheduled for Dec.
	Road Network & Expansion Project	1,240.000	158.069	(1,081.931)	Delays due to award & retendering of Sheriff/Mandela Road contract.
42-MoC	Water Supply & Infrastructure Program	1,000.000	64.358	(935.642)	Non-award of 3 water treatment plants.
GRANT				(2,570.982)	
03-MoF	Low Carbon Development Programme	1,120.000	820.422	(299.578)	Delays due to additional consultations required for ADF and ALT interventions.
21-MoA	East Demerara Water Conservancy	400.000	193.131	(206.869)	Savings on civil works contract.
	Rural Agricultural Infrastructure Development	200.000	0	(200.000)	Project preparation activities delayed (approved in July instead of March) resulting in only conditions precedent being fulfilled.
32-MoPI	Electrification Programme	1,000.000	218.182	(781.818)	Delays in award of low voltage network infrastructure contract; initially scheduled for Dec.
40-MoE	Secondary Education Improvement Project	520.000	73.347	(446.653)	
42-MoC	Water Supply & Infrastructure Programme	1,000.000	64.358	(935.642)	Non-award of 3 water treatment plants.

**STATEMENT OF RECEIPTS AND PAYMENTS
OF THE CONSOLIDATED FUND (CURRENT) FOR THE GOVERNMENT OF GUYANA
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2016**

RECEIPTS

Report Object Group	Description	Approved Estimates	Actual Receipts Paid into Consolidated Fund	Variance	Actual Receipts Paid into Consolidated Fund
		2016	2016	2016	2015
		\$'000	\$'000	\$'000	\$'000
500	Customs and Trade Taxes	13,452,935	16,381,965	2,929,030	13,156,236
510	Internal Revenue	64,414,691	68,110,776	3,696,085	61,044,186
520	Stamp Duties	528,891	339,589	(189,302)	446,088
525	Other Tax Revenues	4,000	277	(3,723)	0
530	Fees and Fines	1,274,490	1,356,650	82,160	1,210,984
540	Interest	1,002,034	1,002,029	(5)	2,041
545	Rents and Royalties	3,869,347	4,301,266	431,919	8,866
555	Dividends and Transfers	14,245,000	14,276,069	31,069	12,391,796
560	Miscellaneous Receipts	1,994,163	4,255,435	2,261,272	5,965,380
590	Value Added Taxes	38,868,957	36,268,472	(2,600,485)	35,373,655
594	Excise Tax	33,557,236	31,083,003	(2,474,233)	33,330,463
597	Miscellaneous	112,918	155,508	42,590	102,709
SUB TOTAL		173,324,662	177,531,039	4,206,377	163,032,404
<u>OTHER RECEIPTS</u>					
Treasury Bills			109,458,458		85,396,970
TOTAL RECEIPTS			286,989,497		248,429,374

PAYMENTS

Agency No.	Description	Revised Allotment	Outstanding Contingency Fund Advances	Total Funds Available	Drawing Rights (Allotment 2)	Actual Expenditure	Actual Expenditure
		2016	2016	2016	2016	2016	2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>CURRENT</u>							
01	Office of the President						
1	Administrative Services	0	0	0	0	0	860,961
2	Presidential Advisory	0	0	0	0	0	547,102
3	Defense and National Security	0	0	0	0	0	34,442
4	Public Policy and Planning	0	0	0	0	0	0
02	Office of the Prime Minister						
1	Prime Minister's Secretariat	501,157	0	501,157	500,982	494,650	267,793
03	Ministry of Finance						
1	Policy and Administration	15,375,848	0	15,375,848	15,319,693	14,964,616	12,732,155
2	Public Financial Management	4,246,937	0	4,246,937	4,226,765	3,911,424	3,718,994
04	Ministry of Foreign Affairs						
1	Development of Foreign Policy	1,481,040	0	1,481,040	1,481,040	1,481,040	1,075,191
2	Foreign Policy Promotion	2,313,151	0	2,313,151	2,313,151	2,311,264	2,329,627
3	Development of Foreign Trade Policy	34,580	0	34,580	33,880	33,880	36,882
05	Ministry of Presidency						
1	Policy Development and Administration	2,599,251	0	2,599,251	2,585,217	2,570,339	649,763
2	Defence and National Security	119,217	0	119,217	119,217	90,967	42,350
3	Public Service Management	1,150,005	0	1,150,005	1,129,967	938,150	278,834
4	Natural Resource Management	122,886	0	122,886	122,884	121,863	347,590
5	Citizenship and Immigration Services	398,633	0	398,633	398,633	248,218	115,155
C/F		28,342,705	0	28,342,705	28,231,429	27,166,411	23,036,839

Agency No.	Description	Revised Allotment	Outstanding Contingency Fund Advances	Total Funds Available	Drawing Rights (Allotment 2)	Actual Expenditure	Actual Expenditure
		2016	2016	2016	2016	2016	2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	28,342,705	0	28,342,705	28,231,429	27,166,411	23,036,839
07	Parliament Office						
	1 National Assembly	1,443,259	0	1,443,259	1,443,259	1,326,408	742,961
08	Audit Office of Guyana						
	1 Audit Office of Guyana	714,335	0	714,335	714,335	701,810	643,527
09	Public Police Service Commission						
	1 Public Police Service Commission	87,957	0	87,957	87,957	86,954	60,647
10	Teaching Service Commission						
	1 Teaching Service Commission	109,205	0	109,205	109,205	95,359	76,008
11	Elections Commission						
	1 Elections Commission	3,574,488	0	3,574,488	3,574,488	3,098,321	1,480,219
	2 Elections Administration	0	0	0	0	0	2,103,288
13	Ministry of Local Government & Regional Development						
	1 Main Office	0	0	0	0	0	73,782
	2 Ministry Administration	0	0	0	0	0	33,093
	3 Regional Development	0	0	0	0	0	120,780
14	Public Service Ministry						
	1 Public Service Management	0	0	0	0	0	670,899
16	Ministry of Amerindian Affairs						
	1 Amerindian Development	0	0	0	0	0	351,279
17	Ministry of Indigenous People's Affairs						
	1 Policy Development and Administration	849,398	0	849,398	848,747	836,858	275,962
21	Ministry of Agriculture						
	1 Ministry Administration	15,723,548	0	15,723,548	15,723,548	15,717,282	16,036,334
	2 Crops and Livestock Support Service	0	0	0	0	0	0
	3 Fisheries Division	140,717	0	140,717	140,717	140,667	126,346
	4 Hydrometeorological Services	529,038	0	529,038	524,401	523,674	467,328
22	Ministry of Tourism						
	1 Policy Development and Administration	16,924	0	16,924	16,920	14,836	59,062
	2 Tourism Development	12,016	0	12,016	12,016	12,016	174,093
	3 Consumer Protection	6,677	0	6,677	6,666	6,588	31,216
23	Ministry of Tourism, Commerce and Industry						
	1 Main Office	0	0	0	0	0	336,841
	2 Ministry Administration	0	0	0	0	0	39,158
	3 Commerce, Industry & Consumer Affairs	0	0	0	0	0	66,721
24	Ministry of National Resources & The Environment						
	1 Ministry Administration	0	0	0	0	0	0
	2 Natural Resource Management	0	0	0	0	0	0
	3 Environmental Management	0	0	0	0	0	0
25	Ministry of Business						
	1 Policy Development and Administration	200,401	0	200,401	200,401	180,168	71,370
	2 Business Development, Support & Promotion	405,792	0	405,792	405,784	390,125	133,539
	3 Consumer Protection	62,371	0	62,371	61,866	61,439	0
26	Ministry of Natural Resources						
	1 Policy Development and Administration	219,441	0	219,441	218,441	218,034	131,228
	2 Natural Resource Management	6,450	0	6,450	6,450	5,348	78,376
	3 Environmental Management	474,537	0	474,537	473,937	473,723	267,983
C/F		52,919,259	0	52,919,259	52,800,567	51,056,021	47,688,879

Agency No.	Description	Revised Allotment	Outstanding Contingency Fund Advances	Total Funds Available	Drawing Rights (Allotment 2)	Actual Expenditure	Actual Expenditure
		2016	2016	2016	2016	2016	2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	52,919,259	0	52,919,259	52,800,567	51,056,021	47,688,879
31	Ministry of Public Works & Communications						
	1 Ministry Administration	0	0	0	0	0	426,535
	2 Public Works	0	0	0	0	0	1,313,936
	3 Transport	0	0	0	0	0	19,018
32	Ministry of Public Infrastructure						
	1 Policy Development and Administration	4,270,037	0	4,270,037	3,473,425	3,470,124	1,496,438
	2 Public Works	2,956,850	0	2,956,850	2,956,841	2,947,273	1,119,577
	3 Transport	78,775	0	78,775	78,739	78,352	48,348
33	Ministry of Public Telecommunication						
	1 Policy Development and Administration	243,379	0	243,379	243,310	243,050	0
	2 Public Telecommunications	629,313	0	629,313	629,263	629,231	0
	3 Tourism Development	232,984	0	232,984	232,984	232,974	0
40	Ministry of Education						
	1 Policy Development and Administration	1,644,682	0	1,644,682	1,644,682	1,602,607	487,180
	2 Training and Development	2,045,563	0	2,045,563	1,861,221	1,732,350	749,807
	3 Nurse Education	1,648,402	0	1,648,402	1,648,402	1,614,065	776,325
	4 Primary Education	2,746,422	0	2,746,422	2,746,083	2,369,220	1,236,429
	5 Secondary Education	3,190,714	0	3,190,714	3,190,714	3,168,760	1,318,249
	6 Post Secondary/Tertiary Education	3,554,622	0	3,554,622	3,554,622	3,507,367	1,198,249
	7 Cultural Preservation and Conservation	739,404	0	739,404	731,018	724,614	205,966
	8 Youth	189,368	0	189,368	189,368	176,639	58,042
	9 Sports	407,798	0	407,798	407,160	387,286	0
41	Ministry of Education						
	1 Main Office	0	0	0	0	0	370,145
	2 National Education Policy-Implement	0	0	0	0	0	150,220
	3 Ministry Administration	0	0	0	0	0	993,122
	4 Training and Development	0	0	0	0	0	692,169
	5 Education Delivery	0	0	0	0	0	3,822,683
42	Ministry of Communities						
	1 Sustainable Communities Management	548,374	0	548,374	536,853	495,884	155,588
	2 Sustainable Communities Development	1,383,972	0	1,383,972	1,359,524	1,349,778	213,991
43	Ministry of Public Health						
	1 Policy Development and Administration	1,173,463	0	1,173,463	1,173,463	1,047,961	281,616
	2 Disease Control	1,465,415	0	1,465,415	1,463,915	1,424,627	491,275
	3 Family Health Care Services	903,662	0	903,662	903,662	831,937	171,761
	4 Regional & Clinical Services	11,997,883	0	11,997,883	11,997,883	11,993,222	3,316,582
	5 Health Science Education	602,212	0	602,212	602,212	458,202	132,979
	6 Standards and Technical Services	679,696	0	679,696	678,696	624,171	215,059
	7 Disability and Rehabilitation Services	299,364	0	299,364	299,364	260,967	71,010
44	Ministry of Culture, Youth and Sports						
	1 Ministry Administration	0	0	0	0	0	115,710
	2 Culture	0	0	0	0	0	337,547
	3 Youth	0	0	0	0	0	338,744
	4 Sports	0	0	0	0	0	182,051
	5 Youth Entrepreneurial Skills	0	0	0	0	0	0
45	Ministry of Housing and Water						
	1 Housing & Water	0	0	0	0	0	263,251
46	Georgetown Public Hospital Corporation						
	1 Public Hospital	0	0	0	0	0	3,951,460
	C/F	96,551,613	0	96,551,613	95,403,971	92,426,682	74,409,941

Agency No.	Description	Revised Allotment	Outstanding Contingency Fund Advances	Total Funds Available	Drawing Rights (Allotment 2)	Actual Expenditure	Actual Expenditure
		2016	2016	2016	2016	2016	2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	96,551,613	0	96,551,613	95,403,971	92,426,682	74,409,941
47	Ministry of Health						
	1 Ministry Administration	0	0	0	0	0	673,804
	2 Diseases Control	0	0	0	0	0	336,667
	3 Primary Health Care Services	0	0	0	0	0	541,045
	4 Regional & Clinical Services	0	0	0	0	0	4,047,919
	5 Health Sciences Education	0	0	0	0	0	310,477
	6 Standards & Technical Services	0	0	0	0	0	404,407
	7 Rehabilitation Services	0	0	0	0	0	202,350
48	Ministry of Labour, Human Service & Social Security						
	1 Strategic Planning, Admin and Human Services	0	0	0	0	0	117,811
	2 Social Services	0	0	0	0	0	5,354,893
	3 Labour Administration	0	0	0	0	0	200,663
	4 Child Care and Protection	0	0	0	0	0	242,224
49	Ministry of Social Protection						
	1 Policy Development and Administration	249,584	0	249,584	249,584	247,244	93,980
	2 Social Services	12,548,811	0	12,548,811	12,548,811	12,059,245	3,455,610
	3 Labour Administration	445,301	0	445,301	431,469	423,176	214,971
	4 Child Care Protection	471,677	0	471,677	471,677	468,898	171,530
51	Ministry of Home Affairs						
	1 Secretariat Services	0	0	0	0	0	412,528
	2 Guyana Police Force	0	0	0	0	0	5,494,680
	3 Guyana Prison Service	0	0	0	0	0	888,372
	4 Police Complaints Authority	0	0	0	0	0	7,583
	5 Guyana Fire Service	0	0	0	0	0	539,775
	6 General Register Office	0	0	0	0	0	99,554
	7 Customs Anti Narcotics Unit	0	0	0	0	0	65,806
52	Ministry of Legal Affairs						
	1 Main Office	28,734	0	28,734	26,643	26,194	28,634
	2 Ministry Administration	45,684	0	45,684	45,681	45,142	44,637
	3 Attorney General's Chambers	1,423,494	0	1,423,494	1,423,325	1,062,593	814,976
	4 State Solicitor	28,192	0	28,192	28,135	27,943	25,820
	5 Deeds Registry	0	0	0	0	0	0
53	Guyana Defense Force						
	1 Defence and Security Support	10,017,576	0	10,017,576	10,017,576	10,011,089	9,017,177
54	Ministry of Public Security						
	1 Policy Development and Administration	732,424	0	732,424	732,424	635,161	190,147
	2 Police Force	9,088,182	0	9,088,182	9,030,158	8,862,071	2,539,166
	3 Prison Service	1,508,544	0	1,508,544	1,508,287	1,507,801	428,024
	4 Police Complaints Authority	19,267	0	19,267	18,898	18,443	7,138
	5 Fire Service	924,159	0	924,159	924,160	902,673	332,980
	6 Customs Anti Narcotics Unit	158,451	0	158,451	158,451	155,487	60,984
55	Supreme Court of Judicature						
	1 Supreme Courts of Judicature	1,712,287	0	1,712,287	1,712,287	1,712,287	1,312,779
	2 Magistracy	0	0	0	0	0	0
56	Public Prosecutions						
	1 Public Prosecutions	160,090	0	160,090	160,090	152,337	115,435
57	Office of the Ombudsman						
	1 Ombudsman	44,756	0	44,756	44,756	43,237	17,667
58	Public Service Appellate Tribunal						
	1 Public Service Appellate Tribunal	12,499	0	12,499	12,499	2,318	1,202
C/F		136,171,325	0	136,171,325	134,948,882	130,790,021	113,223,356

Agency No.	Description	Revised Allotment	Outstanding Contingency Fund Advances	Total Funds Available	Drawing Rights (Allotment 2)	Actual Expenditure	Actual Expenditure
		2016	2016	2016	2016	2016	2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	136,171,325	0	136,171,325	134,948,882	130,790,021	113,223,356
59	Ethnic Relations Commission						
	1 Ethnic Relations Commission	81,446	0	81,446	81,446	49,429	27,596
60	Judicial Service Commission						
	1 Judicial Service Commission	10,020	0	10,020	10,020	7,043	2,340
61	Rights Commission of Guyana						
	1 Rights Commission of Guyana	121,420	0	121,420	121,420	109,425	31,484
62	Public Procurement Commission						
	1 Public Procurement Commission	1	0	1	1	0	0
71	Region 1 - Barima/Waini						
	1 Regional Administration & Finance	169,838	0	169,838	168,723	168,443	153,373
	2 Public Works	250,691	0	250,691	250,691	245,706	215,719
	3 Education Delivery	1,029,117	0	1,029,117	1,029,117	1,028,236	925,679
	4 Health Services	571,295	0	571,295	555,209	547,247	454,690
72	Region 2 - Pomeroon/Supenaam						
	1 Regional Administration & Finance	192,486	0	192,486	189,370	189,340	160,319
	2 Agriculture	296,278	0	296,278	296,278	296,102	257,928
	3 Public Works	115,469	0	115,469	115,323	114,832	91,537
	4 Education Delivery	1,596,408	0	1,596,408	1,596,376	1,596,235	1,463,689
	5 Health Services	758,195	0	758,195	750,470	715,447	596,253
73	Region 3 - Essequibo Islands/West Demerara						
	1 Regional Administration & Finance	185,783	0	185,783	184,839	184,774	169,240
	2 Agriculture	289,311	0	289,311	281,006	281,002	243,877
	3 Public Works	86,252	0	86,252	86,209	86,208	78,813
	4 Education Delivery	2,208,222	0	2,208,222	2,208,222	2,207,824	2,012,762
	5 Health Services	1,182,497	0	1,182,497	1,182,497	970,436	903,400
74	Region 4 - Demerara/Mahaica						
	1 Regional Administration & Finance	176,997	0	176,997	166,866	161,972	147,592
	2 Agriculture	318,735	0	318,735	318,732	316,810	260,468
	3 Public Works	133,152	0	133,152	133,152	126,703	113,078
	4 Education Delivery	3,298,041	0	3,298,041	3,241,615	3,198,034	2,807,916
	5 Health Services	1,111,627	0	1,111,627	1,056,133	932,041	554,679
75	Region 5 - Mahaica/Berbice						
	1 Regional Administration & Finance	137,144	0	137,144	130,124	121,622	117,918
	2 Agriculture	139,658	0	139,658	138,289	138,103	116,918
	3 Public Works	130,761	0	130,761	129,109	129,089	101,757
	4 Education Delivery	1,305,558	0	1,305,558	1,303,841	1,297,501	1,138,651
	5 Health Services	559,835	0	559,835	558,202	480,443	390,791
76	Region 6 - East Berbice/Corentyne						
	1 Regional Administration & Finance	146,374	0	146,374	146,123	143,928	130,263
	2 Agriculture	687,100	0	687,100	686,704	606,107	572,133
	3 Public Works	198,816	0	198,816	198,815	192,565	167,210
	4 Education Delivery	2,729,733	0	2,729,733	2,714,946	2,708,867	2,508,616
	5 Health Services	1,578,012	0	1,578,012	1,578,010	1,571,423	1,228,889
77	Region 7 - Cuyuni/Mazaruni						
	1 Regional Administration & Finance	183,093	0	183,093	182,504	182,439	163,894
	2 Public Works	145,745	0	145,745	145,563	145,526	122,351
	3 Education Delivery	1,091,516	0	1,091,516	1,091,423	1,051,522	971,693
	4 Health Services	476,585	0	476,585	476,451	472,998	376,264
C/F		159,864,536	0	159,864,536	158,452,701	153,565,443	133,003,136

Agency No.	Description	Revised Allotment	Outstanding Contingency Fund Advances	Total Funds Available	Drawing Rights (Allotment 2)	Actual Expenditure	Actual Expenditure
		2016	2016	2016	2016	2016	2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	159,864,536	0	159,864,536	158,452,701	153,565,443	133,003,136
78	Region 8 - Potaro/Siparuni						
	1 Regional Administration & Finance	108,410	0	108,410	108,410	108,307	83,616
	2 Public Works	149,593	0	149,593	149,593	149,574	123,084
	3 Education Delivery	675,254	0	675,254	675,254	675,105	476,582
	4 Health Services	246,209	0	246,209	246,209	218,341	183,755
	5 Agriculture	16,401	0	16,401	16,401	16,385	0
79	Region 9 - Upper Takatu/Upper Essequibo						
	1 Regional Administration & Finance	147,487	0	147,487	146,159	142,239	125,112
	2 Agriculture	35,458	0	35,458	34,930	34,835	31,158
	3 Public Works	153,510	0	153,510	150,985	150,594	113,024
	4 Education Delivery	859,398	0	859,398	859,398	858,424	689,295
	5 Health Services	353,583	0	353,583	344,282	333,224	252,818
80	Region 10 - Upper Demerara/Berbice						
	1 Regional Administration & Finance	189,586	0	189,586	189,415	186,680	155,173
	2 Public Works	175,352	0	175,352	175,352	156,982	110,568
	3 Education Delivery	1,718,083	0	1,718,083	1,718,083	1,712,040	1,605,392
	4 Health Services	531,966	0	531,966	531,716	514,938	410,866
	SUB TOTAL	165,224,826	0	165,224,826	163,798,888	158,823,111	137,363,579

STATUTORY

01	Office of the President	0	0	0	0	0	14,047
03	Ministry of Finance	3,900,796	0	3,900,796	3,900,726	3,900,072	3,424,295
05	Ministry of Presidency	23,710		23,710	23,710	23,710	7,513
07	Parliament Office	0	0	0	0	0	233,127
08	Office the the Auditor General	0	0	0	0	0	0
09	Public and Police Service Commission	0	0	0	0	0	14,789
10	Teaching Service Commission	0	0	0	0	0	7,948
11	Elections Commission	0	0	0	0	0	34,382
51	Ministry of Home Affairs	0	0	0	0	0	19,717
54	Ministry of Public Security	30,775		30,775	26,254	26,205	8,150
55	Supreme Court of Judicature	0	0	0	0	0	0
56	Public Prosecutions	0	0	0	0	0	13,569
57	Office of the Ombudsman	0	0	0	0	0	11,056
58	Public Service Appellate Tribunal	0	0	0	0	0	0
90	Public Debt	13,544,630	0	13,544,630	13,544,630	12,211,416	15,092,519
	SUB TOTAL	17,499,911	0	17,499,911	17,495,320	16,161,403	18,881,112

OTHER EXPENDITURE

Treasury Bills						105,374,913	99,763,159
TOTAL PAYMENTS						280,359,427	256,007,850
SURPLUS (DEFICIT)						6,630,070	(7,578,476)

MS. J. CHAPMAN
ACCOUNTANT GENERAL (ag.)

HON. WINSTON D. JORDAN
MINISTER OF FINANCE

**STATEMENT OF RECEIPTS AND PAYMENTS
OF THE CONSOLIDATED FUND (CAPITAL) OF THE GOVERNMENT OF GUYANA
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2016**

RECEIPTS

Report Object Group	Description	Approved Estimates	Actual Receipts Paid into Consolidated Fund	Variance	Actual Receipts Paid into Consolidated Fund
		\$'000	\$'000	\$'000	\$'000
565	Sale of Assets	0	0	0	2,123
570	Miscellaneous Capital Revenue	1,489,668	1,501,560	11,892	2,484,668
575	External Grants	14,313,682	5,368,888	(8,944,794)	3,851,351
580	External Loans	15,932,000	12,807,342	(3,124,658)	9,537,557
	TOTAL RECEIPTS	31,735,350	19,677,790	(12,057,560)	15,875,699

PAYMENTS

Agency No.	Description	Revised Allotment 2016	Outstanding Contingency Fund Advances 2016	Total Funds Available 2016	Drawing Rights (Allotment 2) 2016	Actual Expenditure 2016	Actual Expenditure 2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
01	Office of the President	0	0	0	0	0	
	1 Administrative Services	0	0	0	0	0	588,399
	2 Presidential Advisory	0	0	0	0	0	0
	3 Defence & National Security	0	0	0	0	0	0
	4 Public Policy & Planning	0	0	0	0	0	0
02	Office of the Prime Minister						
	1 Prime Minister's Secretariat	156,300	0	156,300	156,200	155,966	102,412
03	Ministry of Finance						
	1 Policy & Administration	3,968,632	0	3,968,632	3,488,383	3,487,692	3,827,464
	2 Public Financial Management	180,000	0	180,000	166,116	165,228	16,229
04	Ministry of Foreign Affairs						
	1 Development of Foreign Policy	71,000	0	71,000	71,000	71,000	15,106
	2 Foreign Policy Promotions	112,600	0	112,600	112,600	112,354	59,137
	3 Development of Foreign Trade Policy	126	0	126	126	126	984
05	Ministry of Presidency						
	1 Policy Development & Administration	418,445	0	418,445	418,333	418,213	2,245,203
	2 Defence & National Security	39,000	0	39,000	39,000	38,445	58,975
	3 Public Service Management	36,000	0	36,000	36,000	35,973	12,583
	4 Natural Resource Management	0	0	0	0	0	38,431
	5 Citizenship & Immigration Services	15,000	0	15,000	15,000	15,000	38,778
C/F		4,997,103	0	4,997,103	4,502,758	4,499,997	7,003,701

Agency No.	Description	Revised Allotment 2016	Outstanding Contingency Fund Advances 2016	Total Funds Available 2016	Drawing Rights (Allotment 2) 2016	Actual Expenditure 2016	Actual Expenditure 2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	4,997,103	0	4,997,103	4,502,758	4,499,997	7,003,701
07	Parliament Office						
	1 National Assembly	0	0	0	0	0	0
08	Audit office of Guyana						
	1 Audit Office of Guyana	0	0	0	0	0	0
09	Public & Police Service Commission						
	1 Public & Police Service Commission	0	0	0	0	0	0
10	Teaching Service Commission						
	1 Teaching Service Commission	0	0	0	0	0	0
11	Elections Commission						
	1 Elections Commission	0	0	0	0	0	235,809
	2 Elections Administration	0	0	0	0	0	0
13	Ministry of Local Govt. & Regional Development						
	1 Main Office	0	0	0	0	0	0
	2 Ministry Administration	0	0	0	0	0	0
	3 Regional Development	0	0	0	0	0	0
14	Public Service Ministry						
	1 Public Service Management	0	0	0	0	0	0
16	Ministry of Amerindian Affairs						
	1 Amerindian Development	0	0	0	0	0	0
17	Ministry of Indigenous People's Affairs						
	1 Policy Development & Administration	1,407,000	0	1,407,000	1,406,455	1,403,137	299,086
21	Ministry of Agriculture						
	1 Ministry Administration	2,862,055	0	2,862,055	2,103,153	2,103,122	2,479,536
	2 Crops & Livestock Support Services	1,336,914	0	1,336,914	1,136,914	1,136,914	1,478,270
	3 Fisheries	20,000	0	20,000	20,000	19,991	2,000
	4 Hydrometeorological Services	43,550	0	43,550	43,550	43,283	23,105
22	Ministry of Tourism						
	1 Policy Development & Administration	0	0	0	0	0	7,798
	2 Tourism Development	0	0	0	0	0	1,982
	3 Consumer Protection	0	0	0	0	0	5,600
23	Ministry of Tourism, Commerce & Industry						
	1 Main Office	0	0	0	0	0	0
	2 Ministry Administration	0	0	0	0	0	0
	3 Commerce, Industry & Consumer Affairs	0	0	0	0	0	235,064
24	Ministry of Natural Resources & The Environment						
	1 Ministry Administration	0	0	0	0	0	0
	2 Natural Resource Management	0	0	0	0	0	0
	3 Environmental Management	0	0	0	0	0	0
	C/F	10,666,622	0	10,666,622	9,212,830	9,206,444	11,771,951

Agency No.	Description	Revised Allotment 2016	Outstanding Contingency Fund Advances 2016	Total Funds Available 2016	Drawing Rights (Allotment 2) 2016	Actual Expenditure 2016	Actual Expenditure 2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	10,666,622	0	10,666,622	9,212,830	9,206,444	11,771,951
25	Ministry of Business						
	1 Policy Development & Administration	73,500	0	73,500	17,863	17,840	5,479
	2 Business Development, Support & Promoti	471,603	0	471,603	373,680	372,398	233,065
	3 Consumer Protection	2,150	0	2,150	2,150	2,150	0
26	Ministry of Natural Resources						
	1 Environmental Management	114,000	0	114,000	114,000	114,000	0
31	Ministry of Public Works						
	1 Ministry Administration	0	0	0	0	0	0
	2 Public Works	0	0	0	0	0	3,368,935
	3 Transport	0	0	0	0	0	74,498
32	Ministry of Public Infrastructure						
	1 Policy Development & Administration	3,227,820	0	3,227,820	988,364	985,836	296,773
	2 Public Works	16,576,067	0	16,576,067	13,036,033	12,743,791	4,380,313
	3 Transport	10,601,474	0	10,601,474	8,921,976	8,877,894	243,246
33	Ministry of Public Telecommunication						
	1 Policy Development & Administration	16,835	0	16,835	16,835	16,830	0
	2 Public Telecommunication	45,987	0	45,987	35,987	35,987	0
	3 Tourism Development	9,240	0	9,240	9,240	9,240	0
40	Ministry of Education						
	1 Policy Development & Administration	54,452	0	54,452	51,195	51,190	10,514
	2 Training & Development	92,871	0	92,871	92,775	84,137	204,052
	3 Nursery Education	271,321	0	271,321	233,116	232,909	21,601
	4 Primary Education	104,974	0	104,974	104,974	99,114	65,303
	5 Secondary Education	1,319,886	0	1,319,886	646,958	588,901	243,530
	6 Post-Secondary/Tertiary Education	1,726,555	0	1,726,555	1,678,467	1,664,550	651,794
	7 Cultural Preservation & Conservation	101,105	0	101,105	93,323	88,206	19,623
	8 Youth	201,000	0	201,000	179,175	144,116	50,040
	9 Sports	311,954	0	311,954	311,954	301,310	0
41	Ministry of Education						
	1 Main Office	0	0	0	0	0	0
	2 National Education Policy-Implementation	0	0	0	0	0	0
	3 Ministry Administration	0	0	0	0	0	0
	4 Training & Development	0	0	0	0	0	2,484
	5 Education Delivery	0	0	0	0	0	579,754
42	Ministry of Communities						
	1 Sustainable Communities Management	724,190	0	724,190	724,190	695,135	540,899
	2 Sustainable Communities Development	4,702,058	0	4,702,058	2,816,791	2,816,791	2,224,411
43	Ministry of Public Health						
	1 Policy Development & Administration	57,210	0	57,210	54,673	40,377	15,245
	2 Disease Control	406,537	0	406,537	405,561	389,530	74,454
	3 Family Health Care Services	28,635	0	28,635	18,635	5,199	13,530
	4 Regional & Clinical Services	1,466,451	0	1,466,451	1,104,816	1,029,653	377,657
	5 Health Sciences Education	64,960	0	64,960	64,960	61,335	11,195
	6 Standards & Technical Services	10,956	0	10,956	10,956	5,285	18,050
	7 Disability & Rehabilitation Services	26,631	0	26,631	26,376	10,102	6,000
	C/F	53,477,044	0	53,477,044	41,347,853	40,690,250	25,504,396

Agency No.	Description	Revised Allotment 2016	Outstanding Contingency Fund Advances 2016	Total Funds Available 2016	Drawing Rights (Allotment 2) 2016	Actual Expenditure 2016	Actual Expenditure 2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	53,477,044	0	53,477,044	41,347,853	40,690,250	25,504,396
44	Ministry of Culture, Youth & Sports						
	1 Ministry Administration	0	0	0	0	0	0
	2 Culture	0	0	0	0	0	0
	3 Youth	0	0	0	0	0	16,732
	4 Sports	0	0	0	0	0	77,727
45	Ministry of Housing & Water						
	1 Housing & Water	0	0	0	0	0	2,058,091
46	Georgetown Public Hospital Corporation						
	1 Public Hospital	0	0	0	0	0	59,312
47	Ministry of Health						
	1 Ministry Administration	0	0	0	0	0	0
	2 Diseases Control	0	0	0	0	0	0
	3 Primary Health Care Services	0	0	0	0	0	0
	4 Regional & Clinical Services	0	0	0	0	0	74,809
	5 Health Sciences Education	0	0	0	0	0	5,501
	6 Standards & Technical Services	0	0	0	0	0	0
	7 Rehabilitation Services	0	0	0	0	0	0
48	Ministry of Labour, Human Service & Social Security						
	1 Strategic Planning, Admin & Human Servi	0	0	0	0	0	0
	2 Social Services	0	0	0	0	0	0
	3 Labour Administration	0	0	0	0	0	702
	4 Child Care & Protection	0	0	0	0	0	0
49	Ministry of Social Protection						
	1 Policy Development & Administration	36,200	0	36,200	26,200	26,156	8,980
	2 Social Services	83,000	0	83,000	59,485	58,283	12,756
	3 Labour Administration	39,200	0	39,200	38,243	37,970	11,243
	4 Child Care & Protection	50,500	0	50,500	45,762	45,373	23,258
51	Ministry of Home Affairs						
	1 Secretariat Services	0	0	0	0	0	0
	2 Guyana Police Force	0	0	0	0	0	55,814
	3 Guyana Prison Services	0	0	0	0	0	0
	4 Police Complaints Authority	0	0	0	0	0	0
	5 Guyana Fire Service	0	0	0	0	0	931
	6 General Register Office	0	0	0	0	0	0
	7 Customs Anti Narcotics Unit	0	0	0	0	0	0
52	Ministry of Legal Affairs						
	1 Main Office	166,069	0	166,069	116,052	116,052	0
	2 Ministry Administration	15,405	0	15,405	15,152	15,151	20,100
	3 Attorney General's Chambers	0	0	0	0	0	0
	4 State Solicitor	8,063	0	8,063	7,899	7,899	434
	5 Deeds Registry	0	0	0	0	0	0
53	Guyana Defence Force						
	1 Defence & Security Support	543,000	0	543,000	543,000	542,945	536,298
	C/F	54,418,481	0	54,418,481	42,199,646	41,540,079	28,467,084

Agency No.	Description	Revised Allotment 2016	Outstanding Contingency Fund Advances 2016	Total Funds Available 2016	Drawing Rights (Allotment 2) 2016	Actual Expenditure 2016	Actual Expenditure 2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	54,418,481	0	54,418,481	42,199,646	41,540,079	28,467,084
54	Ministry of Public Security						
	1 Policy Development & Administration	451,960	0	451,960	186,660	186,564	31,538
	2 Police Force	897,189	0	897,189	786,690	786,545	268,905
	3 Prison Service	462,747	0	462,747	250,279	247,136	87,682
	4 Police Complaints Authority	1,300	0	1,300	1,300	1,078	1,190
	5 Fire Service	265,516	0	265,516	223,941	220,251	94,174
	6 Custom Anti Narcotics Unit	37,000	0	37,000	20,217	12,694	0
55	Supreme Court						
	1 Supreme Court of Judicature	0	0	0	0	0	12,128
	2 Magistracy	0	0	0	0	0	19,920
56	Public Prosecutions						
	1 Public Prosecutions	0	0	0	0	0	0
57	Office of the Ombudsman						0
	1 Ombudsman	0	0	0	0	0	0
58	Public Service Appellate Tribunal						
	1 Public Service Appellate Tribunal	0	0	0	0	0	0
71	Region 1 Barima/Waini						
	1 Regional Administration & Finance	6,150	0	6,150	6,135	6,135	3,298
	2 Public Works	92,146	0	92,146	83,045	82,754	7,417
	3 Education Delivery	103,472	0	103,472	103,430	103,427	55,179
	4 Health Services	123,232	0	123,232	121,939	121,939	53,296
72	Region 2 - Pomeroon/Supenaam						
	1 Regional Administration & Finance	24,250	0	24,250	24,250	24,216	999
	2 Agriculture	44,846	0	44,846	44,846	44,042	58,010
	3 Public Works	46,226	0	46,226	46,226	45,856	53,081
	4 Education Delivery	231,242	0	231,242	231,242	230,854	61,721
	5 Health Services	127,436	0	127,436	127,436	126,580	41,865
73	Region 3 - Essequibo Islands/West Demerara						
	1 Regional Administration & Finance	8,119	0	8,119	8,119	8,119	3,497
	2 Agriculture	48,020	0	48,020	48,018	48,018	30,110
	3 Public Works	98,361	0	98,361	98,359	98,359	45,405
	4 Education Delivery	133,047	0	133,047	133,038	133,037	57,853
	5 Health Services	98,454	0	98,454	98,419	98,419	65,900
74	Region 4 - Demerara/Mahaica						
	1 Regional Administration & Finance	24,200	0	24,200	24,190	24,186	11,698
	2 Agriculture	45,600	0	45,600	45,600	45,600	8,291
	3 Public Works	61,400	0	61,400	61,400	61,400	43,600
	4 Education Delivery	285,524	0	285,524	264,284	261,235	47,320
	5 Health Services	62,930	0	62,930	55,938	53,716	16,566
	C/F	58,198,848	0	58,198,848	45,294,647	44,612,239	29,647,727

Agency No.	Description	Revised Allotment 2016	Outstanding Contingency Fund Advances 2016	Total Funds Available 2016	Drawing Rights (Allotment 2) 2016	Actual Expenditure 2016	Actual Expenditure 2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	58,198,848	0	58,198,848	45,294,647	44,612,239	29,647,727
75	Region 5 - Mahaica/Berbice						
	1 Regional Administration & Finance	16,770	0	16,770	16,770	16,770	12,781
	2 Agriculture	57,168	0	57,168	57,168	57,168	40,000
	3 Public Works	120,583	0	120,583	119,950	119,675	68,971
	4 Education Delivery	103,945	0	103,945	103,933	103,817	55,153
	5 Health Services	91,534	0	91,534	90,965	90,701	38,116
76	Region 6 - East Berbice/Corentyne						
	1 Regional Administration & Finance	14,041	0	14,041	13,395	13,065	7,258
	2 Agriculture	106,120	0	106,120	104,627	103,865	55,685
	3 Public Works	161,091	0	161,091	159,251	158,468	67,974
	4 Education Delivery	90,325	0	90,325	88,371	87,579	38,255
	5 Health Services	118,422	0	118,422	116,270	115,667	65,366
77	Region 7 - Cuyuni/Mazaruni						
	1 Regional Administration & Finance	10,400	0	10,400	10,279	10,257	13,298
	2 Public Works	51,524	0	51,524	51,324	51,323	26,056
	3 Education Delivery	70,898	0	70,898	70,897	69,565	47,134
	4 Health Services	82,178	0	82,178	82,178	77,575	45,574
78	Region 8 - Potaro/Siparuni						
	1 Regional Administration & Finance	21,187	0	21,187	21,187	20,940	14,001
	2 Public Works	53,764	0	53,764	53,470	53,320	25,356
	3 Education Delivery	70,664	0	70,664	70,664	70,610	29,268
	4 Health Services	59,385	0	59,385	59,385	58,766	39,148
	5 Agriculture	17,000	0	17,000	16,996	16,936	
79	Region 9 - Upper Takatu/Upper Essequibo						
	1 Regional Administration & Finance	14,231	0	14,231	13,928	13,926	20,277
	2 Agriculture	34,620	0	34,620	33,819	33,612	10,136
	3 Public Works	139,611	0	139,611	139,609	139,269	76,829
	4 Education Delivery	110,105	0	110,105	110,105	110,040	39,884
	5 Health Services	70,839	0	70,839	70,594	70,478	30,315
80	Region 10 - Upper Demerara/Berbice						
	1 Regional Administration & Finance	34,000	0	34,000	29,767	27,425	21,498
	2 Public Works	219,194	0	219,194	208,173	199,588	62,322
	3 Education Delivery	87,683	0	87,683	53,150	50,306	38,213
	4 Health Services	82,514	0	82,514	73,090	65,107	28,291
	SUB TOTAL	60,308,644	0	60,308,644	47,333,962	46,618,057	30,664,886
	SURPLUS (DEFICIT)					(26,940,267)	(14,789,187)

MS. J. CHAPMAN
ACCOUNTANT GENERAL (ag.)

HON. WINSTON D. JORDAN
MINISTER OF FINANCE

**STATEMENT OF EXPENDITURES FROM THE CONSOLIDATED FUND
AS COMPARED WITH THE TOTAL FUNDS AVAILABLE FOR EXPENDITURE (CURRENT) OF THE GOVERNMENT OF GUYANA
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2016**

Agency No.	Description	Approved Allotment (Allotment 1) 2016	Revised Allotment 2016	Total Funds Available 2016	Actual Expenditure 2016	Under Total Funds Available 2016	Actual Expenditure 2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
01	Office of the President						
	1 Administrative Services	0	0	0	0	0	860,961
	2 Presidential Advisory	0	0	0	0	0	547,102
	3 Defence & National Security	0	0	0	0	0	34,442
	4 Public Policy & Planning	0	0	0	0	0	0
02	Office of the Prime Minister						
	1 Prime Minister's Secretariat	501,157	501,157	501,157	494,650	(6,507)	267,793
03	Ministry of Finance						
	1 Policy & Administration	15,375,248	15,375,848	15,375,848	14,964,616	(411,232)	12,732,155
	2 Public Financial Management	4,247,537	4,246,937	4,246,937	3,911,424	(335,513)	3,718,994
04	Ministry of Foreign Affairs						
	1 Development of Foreign Policy	1,353,643	1,481,040	1,481,040	1,481,040	0	1,075,191
	2 Foreign Policy Promotions	2,284,151	2,313,151	2,313,151	2,311,264	(1,887)	2,329,627
	3 Development of Foreign Trade Policy	34,580	34,580	34,580	33,880	(700)	36,882
05	Ministry of Presidency						
	1 Policy Development & Administration	2,599,251	2,599,251	2,599,251	2,570,339	(28,912)	649,763
	2 Defence & National Security	119,217	119,217	119,217	90,967	(28,250)	42,350
	3 Public Service Management	1,150,005	1,150,005	1,150,005	938,150	(211,855)	278,834
	4 Natural Resource Management	122,886	122,886	122,886	121,863	(1,023)	347,590
	5 Citizenship & Immigration Service	398,633	398,633	398,633	248,218	(150,415)	115,155
07	Parliament Office						
	1 National Assembly	1,373,759	1,443,259	1,443,259	1,326,408	(116,851)	742,961
08	Audit Office of Guyana						
	1 Audit office of Guyana	714,335	714,335	714,335	701,810	(12,525)	643,527
09	Public & Police Service Commission						
	1 Public & Police Service Commission	87,957	87,957	87,957	86,954	(1,003)	60,647
10	Teaching Service Commission						
	1 Teaching Service Commission	109,205	109,205	109,205	95,359	(13,846)	76,008
11	Elections Commission						
	1 Elections Commission	3,574,488	3,574,488	3,574,488	3,098,321	(476,167)	1,480,220
	2 Elections Administration	0	0	0	0	0	2,103,288
13	Ministry of Local Government & Regional Development						
	1 Main Office	0	0	0	0	0	73,782
	2 Ministry Administration	0	0	0	0	0	33,093
	3 Regional Development	0	0	0	0	0	120,780
14	Public Service Ministry						
	1 Public Service Management	0	0	0	0	0	670,899
16	Ministry of Amerindian Affairs						
	1 Amerindian Development	0	0	0	0	0	351,279
C/F		34,046,052	34,271,949	34,271,949	32,475,263	(1,796,686)	29,393,323

Agency No.	Description	Approved Allotment	Revised Allotment	Total Funds Available	Actual Expenditure	Under Total Funds Available	Actual Expenditure
		(Allotment 1) 2016	2016	2016	2016	2016	2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	34,046,052	34,271,949	34,271,949	32,475,263	(1,796,686)	29,393,323
17	Ministry of Indigenous People's Affair						
1	Policy Development & Administration	776,533	849,398	849,398	836,858	(12,540)	275,962
21	Ministry of Agriculture						
1	Ministry Administration	13,382,826	15,723,548	15,723,548	15,717,282	(6,266)	16,036,334
2	Crops & Livestock Support Services	0	0	0	0	0	0
3	Fisheries	140,717	140,717	140,717	140,667	(50)	126,346
4	Hydrometeorological Services	529,038	529,038	529,038	523,674	(5,364)	467,328
22	Ministry of Tourism						
1	Policy Development & Administration	16,924	16,924	16,924	14,836	(2,088)	59,062
2	Tourism Development	12,016	12,016	12,016	12,016	0	174,093
3	Consumer Protection	6,677	6,677	6,677	6,588	(89)	31,216
23	Ministry of Tourism, Commerce & Industry						
1	Main Office	0	0	0	0	0	336,841
2	Ministry Administration	0	0	0	0	0	39,158
3	Commerce, Industry & Consumer Affairs	0	0	0	0	0	66,721
24	Ministry of National Resources						
1	Ministry Administration	0	0	0	0	0	131,228
2	Natural Resource Management	0	0	0	0	0	78,376
3	Environmental Management	0	0	0	0	0	267,983
25	Ministry of Business						
1	Policy Development & Administration	200,401	200,401	200,401	180,168	(20,233)	71,370
2	Business Development, Support & Promotion	405,792	405,792	405,792	390,125	(15,667)	133,539
3	Consumer Protection	62,371	62,371	62,371	61,439	(932)	0
26	Ministry of Natural Resources						
1	Policy Development & Administration	219,441	219,441	219,441	218,034	(1,407)	0
2	Natural Resource Management	6,450	6,450	6,450	5,348	(1,102)	0
3	Environmental Management	474,537	474,537	474,537	473,723	(814)	0
31	Ministry of Public Works						
1	Ministry Administration	0	0	0	0	0	426,535
2	Public Works	0	0	0	0	0	1,313,936
3	Transport	0	0	0	0	0	19,018
32	Ministry of Public Infrastructure						
1	Policy Development & Administration	4,270,037	4,270,037	4,270,037	3,470,124	(799,913)	1,496,438
2	Public Works	2,956,850	2,956,850	2,956,850	2,947,273	(9,577)	1,119,577
3	Transport	78,775	78,775	78,775	78,352	(423)	48,348
33	Ministry of Public Telecommunications						
1	Policy Development & Administration	243,379	243,379	243,379	243,050	(329)	0
2	Public Telecommunications	309,247	629,313	629,313	629,231	(82)	0
3	Tourism Development	232,984	232,984	232,984	232,974	(10)	0
	C/F	58,371,047	61,330,597	61,330,597	58,657,025	(2,673,572)	52,112,732

Agency No.	Description	Approved Allotment	Revised Allotment	Total Funds Available	Actual Expenditure	Under Total Funds Available	Actual Expenditure
		(Allotment 1) 2016	2016	2016	2016	2016	2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	58,371,047	61,330,597	61,330,597	58,657,025	(2,673,572)	52,112,732
40	Ministry of Education						
1	Policy Development & Administration	1,624,181	1,644,682	1,644,682	1,602,607	(42,075)	487,180
2	Training & Development	2,057,274	2,045,563	2,045,563	1,732,350	(313,213)	749,807
3	Nursery Education	1,641,895	1,648,402	1,648,402	1,614,065	(34,337)	776,325
4	Primary Education	2,769,746	2,746,422	2,746,422	2,369,220	(377,202)	1,236,429
5	Secondary Education	3,180,447	3,190,714	3,190,714	3,168,760	(21,954)	1,318,249
6	Post- Secondary/ Tertiary Education	3,442,105	3,554,622	3,554,622	3,507,367	(47,255)	1,198,249
7	Cultural Preservation & Cons	739,404	739,404	739,404	724,614	(14,790)	205,966
8	Youth	188,141	189,368	189,368	176,639	(12,729)	58,042
9	Sports	414,099	407,798	407,798	387,286	(20,512)	0
41	Ministry of Education						
1	Main Office	0	0	0	0	0	370,145
2	National Education Policy-Implementation Sup.	0	0	0	0	0	150,220
3	Ministry Administration	0	0	0	0	0	993,122
4	Training & Development	0	0	0	0	0	692,170
5	Education Delivery	0	0	0	0	0	3,822,683
42	Ministry of Communities						
1	Sustainable Communities Management	554,981	548,374	548,374	495,884	(52,490)	155,588
2	Sustainable Communities Development	876,365	1,383,972	1,383,972	1,349,778	(34,194)	213,991
43	Ministry of Public Health						
1	Policy Development & Administration	1,148,757	1,173,463	1,173,463	1,047,961	(125,502)	281,616
2	Disease Control	1,453,015	1,465,415	1,465,415	1,424,627	(40,788)	491,275
3	Family Health Care Services	906,362	903,662	903,662	831,937	(71,725)	171,761
4	Regional & Clinical Services	11,879,828	11,997,883	11,997,883	11,993,222	(4,661)	3,316,582
5	Health Sciences Education	607,875	602,212	602,212	458,202	(144,010)	132,979
6	Standards & Technical Service	679,284	679,696	679,696	624,171	(55,525)	215,059
7	Disability & Rehabilitation Service	320,533	299,364	299,364	260,967	(38,397)	71,010
44	Ministry of Culture, Youth & Sports						
1	Ministry Administration	0	0	0	0	0	115,710
2	Culture	0	0	0	0	0	337,547
3	Youth	0	0	0	0	0	338,744
4	Sports	0	0	0	0	0	182,051
5	Youth Entrepreneurial Skills T	0	0	0	0	0	0
45	Ministry of Housing & Water						
1	Housing & Water	0	0	0	0	0	263,251
46	Georgetown Public Hospital Corporation						
1	Public Hospital	0	0	0	0	0	3,951,460
47	Ministry of Health						
1	Ministry Administration	0	0	0	0	0	673,804
2	Diseases Control	0	0	0	0	0	336,667
3	Primary Health Care Services	0	0	0	0	0	541,045
4	Regional & Clinical Services	0	0	0	0	0	4,047,919
5	Health Sciences Education	0	0	0	0	0	310,477
6	Standards & Technical Services	0	0	0	0	0	404,407
7	Rehabilitation Services	0	0	0	0	0	202,350
C/F		92,855,339	96,551,613	96,551,613	92,426,682	(4,124,931)	80,926,612

Agency No.	Description	Approved Allotment	Revised Allotment	Total Funds Available	Actual Expenditure	Under Total Funds Available	Actual Expenditure
		(Allotment 1) 2016	2016	2016	2016	2016	2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	92,855,339	96,551,613	96,551,613	92,426,682	(4,124,931)	80,926,612
48	Ministry of Labour, Human Service & Social Security						
	1 Strategic Planning, Admin & Human Services	0	0	0	0	0	117,811
	2 Social Services	0	0	0	0	0	5,354,893
	3 Labour Administration	0	0	0	0	0	200,663
	4 Child Care & Protection	0	0	0	0	0	242,224
49	Ministry of Social Protection						
	1 Policy Development & Administration	249,584	249,584	249,584	247,244	(2,340)	93,980
	2 Social Services	12,548,811	12,548,811	12,548,811	12,059,245	(489,566)	3,455,610
	3 Labour Administration	445,301	445,301	445,301	423,176	(22,125)	214,971
	4 Child Care & Protection	471,677	471,677	471,677	468,898	(2,779)	171,530
51	Ministry of Home Affairs						
	1 Secretariat Services	0	0	0	0	0	412,528
	2 Guyana Police Force	0	0	0	0	0	5,494,680
	3 Guyana Prison Services	0	0	0	0	0	888,372
	4 Police Complaints Authority	0	0	0	0	0	7,583
	5 Guyana Fire Service	0	0	0	0	0	539,775
	6 General Register Office	0	0	0	0	0	99,554
	7 Customs Anti Narcotics Unit	0	0	0	0	0	65,806
52	Ministry of Legal Affairs						
	1 Main Office	30,997	28,734	28,734	26,194	(2,540)	28,634
	2 Ministry Administration	44,455	45,684	45,684	45,142	(542)	44,637
	3 Attorney General's Chambers	1,405,354	1,423,494	1,423,494	1,062,593	(360,901)	814,976
	4 State Solicitor	27,398	28,192	28,192	27,943	(249)	25,820
	5 Deeds Registry	0	0	0	0	0	0
53	Guyana Defense Force						
	1 Defence & Security Support	9,581,867	10,017,576	10,017,576	10,011,089	(6,487)	9,017,177
54	Ministry of Public Security						
	1 Policy Development & Administration	712,063	732,424	732,424	635,161	(97,263)	190,147
	2 Police Force	9,088,182	9,088,182	9,088,182	8,862,071	(226,111)	2,539,166
	3 Prison Service	1,486,544	1,508,544	1,508,544	1,507,801	(743)	428,024
	4 Police Complaint Authority	19,267	19,267	19,267	18,443	(824)	7,138
	5 Fire Service	924,159	924,159	924,159	902,673	(21,486)	332,980
	6 Customs Anti Narcotics Unit	158,451	158,451	158,451	155,487	(2,964)	60,984
55	Supreme Court of Judicature						
	1 Supreme Courts of Judicature	1,532,287	1,712,287	1,712,287	1,712,287	0	1,312,779
	2 Magistracy	0	0	0	0	0	0
56	Public Prosecutions						
	1 Public Prosecutions	160,090	160,090	160,090	152,337	(7,753)	115,435
57	Office of the Ombudsman						
	1 Ombudsman	44,756	44,756	44,756	43,237	(1,519)	17,667
58	Public Service Appellate Tribunal						
	1 Public Service Appellate Tribunal	12,499	12,499	12,499	2,318	(10,181)	1,202
59	Ethnic Relations Commission						
	1 Ethnic Relations Commission	81,446	81,446	81,446	49,429	(32,017)	27,596
	C/F	131,880,527	136,252,771	136,252,771	130,839,450	(5,413,321)	113,250,954

Agency No.	Description	Approved Allotment	Revised Allotment	Total Funds Available	Actual Expenditure	Under Total Funds Available	Actual Expenditure
		(Allotment 1) 2016	2016	2016	2016	2016	2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	131,880,527	136,252,771	136,252,771	130,839,450	(5,413,321)	113,250,954
60	Judicial Service Commission						
	1 Judicial Service Commission	10,020	10,020	10,020	7,043	(2,977)	2,340
61	Rights Commission of Guyana						
	1 Rights Commission of Guyana	121,420	121,420	121,420	109,425	(11,995)	31,484
62	Public Procurement Commission						
	1 Public Procurement Commission	1	1	1	0	(1)	0
71	Region 1 - Barima/Waini						
	1 Regional Administration & Finance	169,838	169,838	169,838	168,443	(1,395)	153,373
	2 Public Works	250,691	250,691	250,691	245,706	(4,985)	215,719
	3 Education Delivery	1,029,117	1,029,117	1,029,117	1,028,236	(881)	925,679
	4 Health Services	571,295	571,295	571,295	547,247	(24,048)	454,690
72	Region 2 - Pomeroon/Supenaam						
	1 Regional Administration & Finance	176,183	192,486	192,486	189,340	(3,146)	160,319
	2 Agriculture	299,278	296,278	296,278	296,102	(176)	257,928
	3 Public Works	104,831	115,469	115,469	114,832	(637)	91,537
	4 Education Delivery	1,612,231	1,596,408	1,596,408	1,596,235	(173)	1,463,689
	5 Health Services	766,313	758,195	758,195	715,447	(42,748)	596,253
73	Region 3 - Essequibo Islands/West Demerara						
	1 Regional Administration & Finance	188,966	185,783	185,783	184,774	(1,009)	169,240
	2 Agriculture	292,566	289,311	289,311	281,002	(8,309)	243,877
	3 Public Works	86,252	86,252	86,252	86,208	(44)	78,813
	4 Education Delivery	2,194,167	2,208,222	2,208,222	2,207,824	(398)	2,012,762
	5 Health Services	1,172,561	1,182,497	1,182,497	970,436	(212,061)	903,400
74	Region 4 - Demerara/Mahaica						
	1 Regional Administration & Finance	173,497	176,997	176,997	161,972	(15,025)	147,592
	2 Agriculture	280,161	318,735	318,735	316,810	(1,925)	260,468
	3 Public Works	117,352	133,152	133,152	126,703	(6,449)	113,078
	4 Education Delivery	3,355,915	3,298,041	3,298,041	3,198,034	(100,007)	2,807,916
	5 Health Services	1,111,627	1,111,627	1,111,627	932,041	(179,586)	554,679
75	Region 5 - Mahaica/Berbice						
	1 Regional Administration & Finance	139,264	137,144	137,144	121,622	(15,522)	117,918
	2 Agriculture	139,658	139,658	139,658	138,103	(1,555)	116,918
	3 Public Works	126,741	130,761	130,761	129,089	(1,672)	101,757
	4 Education Delivery	1,304,058	1,305,558	1,305,558	1,297,501	(8,057)	1,138,651
	5 Health Services	563,235	559,835	559,835	480,443	(79,392)	390,791
76	Region 6 - East Berbice/Corentyne						
	1 Regional Administration & Finance	146,374	146,374	146,374	143,928	(2,446)	130,263
	2 Agriculture	646,097	687,100	687,100	606,107	(80,993)	572,133
	3 Public Works	198,816	198,816	198,816	192,565	(6,251)	167,210
	4 Education Delivery	2,729,733	2,729,733	2,729,733	2,708,867	(20,866)	2,508,616
	5 Health Services	1,578,012	1,578,012	1,578,012	1,571,423	(6,589)	1,228,889
77	Region 7 - Cuyuni/Mazaruni						
	1 Regional Administration & Finance	183,093	183,093	183,093	182,439	(654)	163,894
	2 Public Works	145,745	145,745	145,745	145,526	(219)	122,351
	3 Education Delivery	1,091,516	1,091,516	1,091,516	1,051,522	(39,994)	971,693
	4 Health Services	476,585	476,585	476,585	472,998	(3,587)	376,264
C/F		155,433,736	159,864,536	159,864,536	153,565,443	(6,299,093)	133,003,138

Agency No.	Description	Approved	Revised	Total Funds	Actual	Under Total	Actual
		Allotment (Allotment 1) 2016	Allotment 2016	Available 2016	Expenditure 2016	Funds Available 2016	Expenditure 2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	155,433,736	159,864,536	159,864,536	153,565,443	(6,299,093)	133,003,138
78	Region 8 - Potaro/Siparuni						
1	Regional Administration & Finance	101,710	108,410	108,410	108,307	(103)	83,616
2	Public Works	149,593	149,593	149,593	149,574	(19)	123,084
3	Education Delivery	670,754	675,254	675,254	675,105	(149)	476,582
4	Health Services	242,709	246,209	246,209	218,341	(27,868)	183,755
5	Agriculture	16,401	16,401	16,401	16,385	(16)	0
79	Region 9 - Upper Takatu/Upper Essequibo						
1	Regional Administration & Finance	147,487	147,487	147,487	142,239	(5,248)	125,112
2	Agriculture	35,458	35,458	35,458	34,835	(623)	31,158
3	Public Works	151,830	153,510	153,510	150,594	(2,916)	113,024
4	Education Delivery	861,078	859,398	859,398	858,424	(974)	689,295
5	Health Services	353,583	353,583	353,583	333,224	(20,359)	252,818
80	Region 10 - Upper Demerara/Berbice						
1	Regional Administration & Finance	189,586	189,586	189,586	186,680	(2,906)	155,173
2	Public Works	175,715	175,352	175,352	156,982	(18,370)	110,568
3	Education Delivery	1,717,083	1,718,083	1,718,083	1,712,040	(6,043)	1,605,392
4	Health Services	532,603	531,966	531,966	514,938	(17,028)	410,866
SUB TOTAL		160,779,326	165,224,826	165,224,826	158,823,111	(6,401,715)	137,363,581
STATUTORY							
01	Office of the President	0	0	0	0	0	14,047
03	Ministry of Finance	3,474,554	3,900,796	3,900,796	3,900,072	(724)	3,424,295
05	Ministry of Presidency	23,710	23,710	23,710	23,710	0	7,513
07	Parliament Office	0	0	0	0	0	233,127
08	Office the the Auditor General	0	0	0	0	0	0
09	Public & Police Service Commission	0	0	0	0	0	14,789
10	Teaching Service Commission	0	0	0	0	0	7,948
11	Elections Commission	0	0	0	0	0	34,382
51	Ministry of Home Affairs	0	0	0	0	0	19,717
54	Ministry of Public Security	30,500	30,775	30,775	26,205	(4,570)	8,150
55	Supreme Court of Judicature	0	0	0	0	0	0
56	Public Prosecutions	0	0	0	0	0	13,569
57	Office of the Ombudsman	0	0	0	0	0	11,056
58	Public Service Appellate Tribunal	0	0	0	0	0	0
90	Public Debt	13,544,630	13,544,630	13,544,630	12,211,416	(1,333,214)	15,092,519
SUB TOTAL		17,073,394	17,499,911	17,499,911	16,161,403	(1,338,508)	18,881,112
TOTAL PAYMENTS		177,852,720	182,724,737	182,724,737	174,984,514	(7,740,223)	156,244,693

MS. J. CHAPMAN
ACCOUNTANT GENERAL (ag.)

HON. WINSTON D. JORDAN
MINISTER OF FINANCE

**STATEMENT OF EXPENDITURES FROM THE CONSOLIDATED FUND
AS COMPARED WITH THE TOTAL FUNDS AVAILABLE FOR EXPENDITURE (CAPITAL) OF THE GOVERNMENT OF GUYANA
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2016**

Agency No.	Description	Approved Allotment (Allotment 1) 2016	Revised Allotment 2016	Total Funds Available 2016	Actual Expenditure 2016	Under Total Funds Available 2016	Actual Expenditure 2015
		\$'000		\$'000	\$'000	\$'000	\$'000
01	Office of the President						
	1 Administrative Services	0	0	0	0	0	588,399
	2 Presidential Advisory	0	0	0	0	0	0
	3 Defence & National Security	0	0	0	0	0	0
	4 Public Policy & Planning	0	0	0	0	0	0
02	Office of the Prime Minister						
	1 Prime Minister's Secretariat	156,300	156,300	156,300	155,967	(333)	102,411
03	Ministry of Finance						
	1 Policy & Administration	3,871,514	3,968,632	3,968,632	3,487,692	(480,940)	3,827,464
	2 Public Financial Management	180,000	180,000	180,000	165,229	(14,771)	16,229
04	Ministry of Foreign Affairs						
	1 Development of Foreign Policy	71,000	71,000	71,000	71,000	0	15,106
	2 Foreign Policy Promotions	79,000	112,600	112,600	112,354	(246)	59,137
	3 Development of Foreign Trade Policy	126	126	126	126	0	984
05	Ministry of Presidency						
	1 Policy Development & Administration	346,945	418,445	418,445	418,213	(232)	2,245,203
	2 Defence & National Security	39,000	39,000	39,000	38,445	(555)	58,975
	3 Public Service Management	36,000	36,000	36,000	35,973	(27)	12,583
	4 Natural Resource Management	0	0	0	0	0	38,431
	5 Citizenship & Immigration Service	15,000	15,000	15,000	15,000	0	38,778
07	Parliament Office						
	1 National Assembly	0	0	0	0	0	0
	2 Parliament Office	0	0	0	0	0	0
08	Audit Office of Guyana						
	1 Audit office of Guyana	0	0	0	0	0	0
09	Public & Police Service Commission						
	1 Public & Police Service Commission	0	0	0	0	0	0
10	Teaching Service Commission						
	1 Teaching Service Commission	0	0	0	0	0	0
11	Elections Commission						
	1 Elections Commission	0	0	0	0	0	235,809
	2 Elections Administration	0	0	0	0	0	0
13	Ministry of Local Govt. & Regional Development						
	1 Main Office	0	0	0	0	0	0
	2 Ministry Administration	0	0	0	0	0	0
	3 Regional Development	0	0	0	0	0	0
14	Public Service Ministry						
	1 Public Service Management	0	0	0	0	0	0
15	Ministry of Foreign Trade & Intl						
	1 Foreign Trade & Intl Coop	0	0	0	0	0	0
C/F		4,794,885	4,997,103	4,997,103	4,499,999	(497,104)	7,239,509

Agency No.	Description	Approved Allotment (Allotment 1) 2016	Revised Allotment 2016	Total Funds Available 2016	Actual Expenditure 2016	Under Total Funds Available 2016	Actual Expenditure 2015
		\$'000		\$'000	\$'000	\$'000	\$'000
	B/F	4,794,885	4,997,103	4,997,103	4,499,999	(497,104)	7,239,509
16	Ministry of Amerindian Affairs						
1	Amerindian Development	0	0	0	0	0	0
17	Ministry of Indigenous People's Affair						
1	Policy Development & Administration	1,407,000	1,407,000	1,407,000	1,403,137	(3,863)	299,086
21	Ministry of Agriculture						
1	Ministry Administration	2,862,055	2,862,055	2,862,055	2,103,122	(758,933)	2,479,536
2	Crops & Livestock Support Services	1,129,000	1,336,914	1,336,914	1,136,914	(200,000)	1,478,270
3	Fisheries	20,000	20,000	20,000	19,991	(9)	2,000
4	Hydrometeorological Services	43,550	43,550	43,550	43,283	(267)	23,105
22	Ministry of Tourism						
1	Policy Development & Administration	0	0	0	0	0	7,798
2	Tourism Development	0	0	0	0	0	1,982
3	Consumer Protection	0	0	0	0	0	5,600
23	Ministry of Tourism, Commerce & Industry						
1	Main Office	0	0	0	0	0	0
2	Ministry Administration	0	0	0	0	0	0
3	Commerce, Industry & Consumer Affairs	0	0	0	0	0	235,064
24	Ministry of Natural Resources & The Environment						
1	Ministry Administration	0	0	0	0	0	0
2	Natural Resource Management	0	0	0	0	0	0
3	Environmental Management	0	0	0	0	0	0
25	Ministry of Business						
1	Policy Development & Administration	73,500	73,500	73,500	17,840	(55,660)	5,479
2	Business Development, Support & Promotion	471,603	471,603	471,603	372,397	(99,206)	233,065
3	Consumer Protection	2,150	2,150	2,150	2,150	0	0
26	Ministry of Natural Resources						
1	Environmental Management	114,000	114,000	114,000	114,000	0	0
31	Ministry of Public Works						
1	Ministry Administration	0	0	0	0	0	0
2	Public Works	0	0	0	0	0	3,368,935
3	Transport	0	0	0	0	0	74,498
32	Ministry of Public Infrastructure						
1	Policy Development & Administration	3,227,820	3,227,820	3,227,820	985,836	(2,241,984)	296,773
2	Public Works	14,861,631	16,576,067	16,576,067	12,743,791	(3,832,276)	4,380,313
3	Transport	5,246,586	10,601,474	10,601,474	8,877,894	(1,723,580)	243,246
33	Ministry of Public Telecommunication						
1	Policy Development & Administration	16,835	16,835	16,835	16,830	(5)	0
2	Public Telecommunication	10,000	45,987	45,987	35,987	(10,000)	0
3	Tourism Development	9,240	9,240	9,240	9,240	0	0
C/F		34,289,855	41,805,298	41,805,298	32,382,411	(9,422,887)	20,374,259

Agency No.	Description	Approved Allotment (Allotment 1) 2016	Revised Allotment 2016	Total Funds Available 2016	Actual Expenditure 2016	Under Total Funds Available 2016	Actual Expenditure 2015
		\$'000		\$'000	\$'000	\$'000	\$'000
	B/F	34,289,855	41,805,298	41,805,298	32,382,411	(9,422,887)	20,374,259
40	Ministry of Education						
1	Policy Development & Administration	54,452	54,452	54,452	51,190	(3,262)	10,514
2	Training & Development	92,871	92,871	92,871	84,137	(8,734)	204,052
3	Nursery Education	271,321	271,321	271,321	232,909	(38,412)	21,601
4	Primary Education	104,974	104,974	104,974	99,114	(5,860)	65,303
5	Secondary Education	1,319,886	1,319,886	1,319,886	588,901	(730,985)	243,530
6	Post- Secondary/ Tertiary Education	1,315,555	1,726,555	1,726,555	1,664,550	(62,005)	651,794
7	Cultural Preservation & Cons	101,105	101,105	101,105	88,206	(12,899)	19,623
8	Youth	201,000	201,000	201,000	144,116	(56,884)	50,040
9	Sports	311,954	311,954	311,954	301,310	(10,644)	
41	Ministry of Education						
1	Main Office	0	0	0	0	0	0
2	National Education Policy-Implementation Sup.	0	0	0	0	0	0
3	Ministry Administration	0	0	0	0	0	0
4	Training & Development	0	0	0	0	0	2,484
5	Education Delivery	0	0	0	0	0	579,754
42	Ministry of Communities						
1	Sustainable Communities Management	724,190	724,190	724,190	695,135	(29,055)	540,899
2	Sustainable Communities Development	4,593,084	4,702,058	4,702,058	2,816,791	(1,885,267)	2,224,411
43	Ministry of Public Health						
1	Policy Development & Administration	57,210	57,210	57,210	40,377	(16,833)	15,245
2	Disease Control	370,790	406,537	406,537	389,530	(17,007)	74,454
3	Family Health Care Services	28,635	28,635	18,635	5,199	(13,436)	13,530
4	Regional & Clinical Services	1,466,451	1,466,451	1,476,451	1,029,653	(446,798)	377,657
5	Health Sciences Education	64,960	64,960	64,960	61,335	(3,625)	11,195
6	Standards & Technical Service	10,956	10,956	10,956	5,285	(5,671)	18,050
7	Disability & Rehabilitation Service	26,631	26,631	26,631	10,101	(16,530)	6,000
44	Ministry of Culture, Youth & Sports						
1	Ministry Administration	0	0	0	0	0	0
2	Culture	0	0	0	0	0	0
3	Youth	0	0	0	0	0	16,732
4	Sports	0	0	0	0	0	77,727
5	Youth Entrepreneurial Skills Training	0	0	0	0	0	0
45	Ministry of Housing & Water						
1	Housing & Water	0	0	0	0	0	2,058,091
46	Georgetown Public Hospital Corporation						
1	Public Hospital	0	0	0	0	0	59,312
47	Ministry of Health						
1	Ministry Administration	0	0	0	0	0	0
2	Diseases Control	0	0	0	0	0	0
3	Primary Health Care Services	0	0	0	0	0	0
4	Regional & Clinical Services	0	0	0	0	0	74,809
5	Health Sciences Education	0	0	0	0	0	5,501
6	Standards & Technical Services	0	0	0	0	0	0
7	Rehabilitation Services	0	0	0	0	0	0
C/F		45,405,880	53,477,044	53,477,044	40,690,250	(12,786,794)	27,796,567

Agency No.	Description	Approved Allotment (Allotment 1) 2016	Revised Allotment 2016	Total Funds Available 2016	Actual Expenditure 2016	Under Total Funds Available 2016	Actual Expenditure 2015
		\$'000		\$'000	\$'000	\$'000	\$'000
	B/F	45,405,880	53,477,044	53,477,044	40,690,250	(12,786,794)	27,796,567
48	Ministry of Labour, Human Service & Social Security						
	1 Strategic Planning, Admin & Human Services	0	0	0	0	0	0
	2 Social Services	0	0	0	0	0	0
	3 Labour Administration	0	0	0	0	0	702
	4 Child Care & Protection	0	0	0	0	0	0
49	Ministry of Social Protection						
	1 Policy Development & Administration	36,200	36,200	36,200	26,156	(10,044)	8,980
	2 Social Services	83,000	83,000	83,000	58,283	(24,717)	12,756
	3 Labour Administration	39,200	39,200	39,200	37,970	(1,230)	11,243
	4 Child Care & Protection	50,500	50,500	50,500	45,373	(5,127)	23,258
51	Ministry of Home Affairs						
	1 Secretariat Services	0	0	0	0	0	0
	2 Guyana Police Force	0	0	0	0	0	55,814
	3 Guyana Prison Services	0	0	0	0	0	0
	4 Police Complaints Authority	0	0	0	0	0	0
	5 Guyana Fire Service	0	0	0	0	0	931
	6 General Register Office	0	0	0	0	0	0
	7 Custom Anti Narcotics Unit	0	0	0	0	0	0
52	Ministry of Legal Affairs						
	1 Main Office	125,750	166,069	166,069	116,052	(50,017)	0
	2 Ministry Administration	12,500	15,405	15,405	15,151	(254)	20,100
	3 Attorney General's Chambers	0	0	0	0	0	0
	4 State Solicitor	8,063	8,063	8,063	7,899	(164)	434
	5 Deeds Registry	0	0	0	0	0	0
53	Guyana Defense Force						
	1 Defence & Security Support	543,000	543,000	543,000	542,945	(55)	536,298
54	Ministry of Public Security						
	1 Policy Development & Administration	451,960	451,960	451,960	186,564	(265,396)	31,538
	2 Police Force	897,189	897,189	897,189	786,545	(110,644)	268,905
	3 Prison Service	462,747	462,747	462,747	247,136	(215,611)	87,682
	4 Police Complaint Authority	1,300	1,300	1,300	1,078	(222)	1,190
	5 Fire Service	265,516	265,516	265,516	220,251	(45,265)	94,174
	6 Customs Anti Narcotics Unit	37,000	37,000	37,000	12,694	(24,306)	0
55	Supreme Court of Judicature						
	1 Supreme Courts of Judicature	0	0	0	0	0	12,128
	2 Magistracy	0	0	0	0	0	19,920
56	Public Prosecutions						
	1 Public Prosecutions	0	0	0	0	0	0
57	Office of the Ombudsman						
	1 Ombudsman	0	0	0	0	0	0
58	Public Service Appellate Tribunal						
	1 Public Service Appellate Tribunal	0	0	0	0	0	0
59	Ethnic Relations Commission						
	1 Ethnic Relations Commission	0	0	0	0	0	0
	C/F	48,419,805	56,534,193	56,534,193	42,994,347	(13,539,846)	28,982,620

Agency No.	Description	Approved Allotment (Allotment 1) 2016	Revised Allotment 2016	Total Funds Available 2016	Actual Expenditure 2016	Under Total Funds Available 2016	Actual Expenditure 2015
		\$'000		\$'000	\$'000	\$'000	\$'000
	B/F	48,419,805	56,534,193	56,534,193	42,994,347	(13,539,846)	28,982,620
60	Judicial Service Commission						
1	Judicial Service Commission	0	0	0	0	0	0
61	Rights Commission of Guyana						
1	Rights Commission of Guyana	0	0	0	0	0	0
62	Public Procurement Commission						
1	Public Procurement Commission	0	0	0	0	0	0
71	Region 1 - Barima/Waini						
1	Regional Administration & Finance	6,150	6,150	6,150	6,135	(15)	3,298
2	Public Works	92,146	92,146	92,146	82,754	(9,392)	7,417
3	Education Delivery	103,472	103,472	103,472	103,427	(45)	55,179
4	Health Services	123,232	123,232	123,232	121,939	(1,293)	53,296
72	Region 2 - Pomeroon/Supenaam						
1	Regional Administration & Finance	24,250	24,250	24,250	24,216	(34)	999
2	Agriculture	44,846	44,846	44,846	44,042	(804)	58,010
3	Public Works	46,226	46,226	46,226	45,856	(370)	53,081
4	Education Delivery	231,242	231,242	231,242	230,854	(388)	61,721
5	Health Services	127,436	127,436	127,436	126,580	(856)	41,864
73	Region 3 - Essequibo Islands/West Demerara						
1	Regional Administration & Finance	8,119	8,119	8,119	8,119	0	3,497
2	Agriculture	48,020	48,020	48,020	48,018	(2)	30,110
3	Public Works	98,361	98,361	98,361	98,359	(2)	45,405
4	Education Delivery	133,047	133,047	133,047	133,037	(10)	57,853
5	Health Services	98,454	98,454	98,454	98,419	(35)	65,900
74	Region 4 - Demerara/Mahaica						
1	Regional Administration & Finance	24,200	24,200	24,200	24,186	(14)	11,698
2	Agriculture	45,600	45,600	45,600	45,600	0	8,291
3	Public Works	61,400	61,400	61,400	61,400	0	43,600
4	Education Delivery	285,524	285,524	285,524	261,235	(24,289)	47,320
5	Health Services	62,930	62,930	62,930	53,716	(9,214)	16,566
75	Region 5 - Mahaica/Berbice						
1	Regional Administration & Finance	16,770	16,770	16,770	16,770	0	12,781
2	Agriculture	57,168	57,168	57,168	57,168	0	40,000
3	Public Works	120,583	120,583	120,583	119,675	(908)	68,971
4	Education Delivery	103,945	103,945	103,945	103,817	(128)	55,153
5	Health Services	91,534	91,534	91,534	90,701	(833)	38,116
76	Region 6 - East Berbice/Corentyne						
1	Regional Administration & Finance	14,041	14,041	14,041	13,065	(976)	7,258
2	Agriculture	106,120	106,120	106,120	103,865	(2,255)	55,685
3	Public Works	161,091	161,091	161,091	158,468	(2,623)	67,974
4	Education Delivery	90,325	90,325	90,325	87,579	(2,746)	38,255
5	Health Services	118,422	118,422	118,422	115,667	(2,755)	65,366
77	Region 7 - Cuyuni/Mazaruni						
1	Regional Administration & Finance	10,400	10,400	10,400	10,257	(143)	13,298
2	Public Works	51,524	51,524	51,524	51,323	(201)	26,056
3	Education Delivery	70,898	70,898	70,898	69,565	(1,333)	47,134
4	Health Services	82,178	82,178	82,178	77,575	(4,603)	45,574
	C/F	51,179,459	59,293,847	59,293,847	45,687,734	(13,606,113)	30,229,346

Agency No.	Description	Approved Allotment (Allotment 1) 2016	Revised Allotment 2016	Total Funds Available 2016	Actual Expenditure 2016	Under Total Funds Available 2016	Actual Expenditure 2015
		\$'000		\$'000	\$'000	\$'000	\$'000
	B/F	51,179,459	59,293,847	59,293,847	45,687,734	(13,606,113)	30,229,346
78	Region 8 - Potaro/Siparuni						
	1 Regional Administration & Finance	21,187	21,187	21,187	20,940	(247)	14,002
	2 Public Works	53,764	53,764	53,764	53,320	(444)	25,356
	3 Education Delivery	70,664	70,664	70,664	70,610	(54)	29,268
	4 Health Services	59,385	59,385	59,385	58,766	(619)	39,148
		17,000	17,000	17,000	16,936	(64)	
79	Region 9 - Upper Takatu/Upper Essequibo						
	1 Regional Administration & Finance	14,231	14,231	14,231	13,926	(305)	20,277
	2 Agriculture	34,620	34,620	34,620	33,612	(1,008)	10,136
	3 Public Works	139,611	139,611	139,611	139,269	(342)	76,829
	4 Education Delivery	110,105	110,105	110,105	110,040	(65)	39,884
	5 Health Services	70,839	70,839	70,839	70,478	(361)	30,315
80	Region 10 - Upper Demerara/Berbice						
	1 Regional Administration & Finance	34,000	34,000	34,000	27,425	(6,575)	21,498
	2 Public Works	208,744	219,194	219,194	199,588	(19,606)	62,322
	3 Education Delivery	87,683	87,683	87,683	50,306	(37,377)	38,213
	4 Health Services	82,514	82,514	82,514	65,107	(17,407)	28,291
	SUB TOTAL	52,183,806	60,308,644	60,308,644	46,618,057	(13,690,587)	30,664,885

MS. J. CHAPMAN
ACCOUNTANT GENERAL (ag.)

HON. WINSTON D. JORDAN
MINISTER OF FINANCE

**STATEMENT OF EXPENDITURE IN RESPECT
OF THOSE SERVICES WHICH BY LAW ARE
DIRECTLY CHARGED UPON THE CONSOLIDATED FUND
OF THE GOVERNMENT OF GUYANA
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2016**

Agency No.	Description	Employment		Total Expenditure 2016	Total Expenditure 2015
		Wages and Salaries 2016	Overhead Expenses 2016		
		\$'000	\$'000	\$'000	\$'000
01	Office of the President	0	0	0	14,047
05	Ministry of Presidency	20,610	3,100	23,710	7,513
07	Parliament Office	0	0	0	233,128
09	Public and Police Service Commission	0	0	0	14,789
10	Teaching Service Commission	0	0	0	7,948
11	Elections Commission	0	0	0	34,382
51	Ministry of Home Affairs	0	0	0	19,717
54	Ministry of Public Security	23,554	2,650	26,205	8,150
55	Supreme Court of Judicature	0	0	0	0
56	Public Prosecutions	0	0	0	13,569
57	Office of the Ombudsman	0	0	0	11,056
58	Public Service Appellate Tribunal	0	0	0	0
	Sub-total	44,164	5,750	49,915	364,299
03	Ministry of Finance				
	Pension and Gratuities	3,822,268	0	3,822,268	3,346,491
	Payments to Dependent's Pension Fund	77,804	0	77,804	77,804
	Sub-total	3,900,072	0	3,900,072	3,424,295
90	Public Debt				
	Internal Principal	35,478	0	35,478	35,478
	Internal Interest	1,863,059	0	1,863,059	1,789,583
	External Principal	6,710,241	0	6,710,241	9,748,347
	External Interest	3,602,637	0	3,602,637	3,519,111
	Sub-total	12,211,416	0	12,211,416	15,092,519
	GRAND TOTAL			16,161,403	18,881,113

MS. J. CHAPMAN
ACCOUNTANT GENERAL (ag.)

HON. WINSTON D. JORDAN
MINISTER OF FINANCE

**STATEMENT OF RECEIPTS & PAYMENTS OF THE CONTINGENCIES FUND
OF THE GOVERNMENT OF GUYANA
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2016**

**AMOUNT
2016**

\$000

RECEIPTS (Replenishment)

Financial Paper 1/2016 931,018

Total Receipts 931,018

PAYMENTS (Drawing Rights)

Warrant No.	Date of Warrant	Ministry/Department/Region	Amount
1	4/25/2016	Ministry of Public Infrastructure	150,000
2	7/14/2016	Ministry of Public Infrastructure	256,758
3	5/23/2016	Guyana Defence Force	20,000
4	5/23/2016	Guyana Defence Force	35,000
5	5/23/2016	Guyana Defence Force	46,000
6	5/23/2016	Guyana Defence Force	30,000
7	5/23/2016	Guyana Defence Force	54,000
8	7/25/2016	Ministry of Public Health	63,541
9	7/28/2016	Ministry of Agriculture	234,716
10	7/29/2016	Region #6	41,003
		Total Payments	931,018
		Summary	2016
			\$000
		Uncleared advances for 2015	799,898
		Add: Payments(Drawing Rights) Authorised in 2016	931,018
		Less: Replishments Authorised in 2015	(799,897,637)
		Less: Replenishments	(931,018,292)
		Balance Outstanding as at 31/12/2016	<u>0</u>

MS. J. CHAPMAN
ACCOUNTANT GENERAL (ag.)

HON. WINSTON D. JORDAN
MINISTER OF FINANCE

**FINANCIAL REPORT OF THE DEPOSIT FUND
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2016**

Type of Deposit	Amount 2016	Amount 2015
	\$'000	\$'000
Dependents Pension Fund	1,016,541	990,175
Sugar Industry Welfare Committee	50,691	50,691
Sugar Industry Welfare Labour Fund	975,930	1,087,705
Sugar Industry Rehabilitation Fund	72,432	72,432
Sugar Industry Price Stabilization Fund	14,033	14,033
Miscellaneous	3,719,645	3,931,045
Total	5,849,272	6,146,081

Type of Advances	Amount 2016	Amount 2015
	\$'000	\$'000
Personal	14,824	14,024
Gratuity	1,281,408	1,162,001
Auto Advance	123,364	127,447
Guyana Gold Board	8,650,148	8,650,148
Imprest & Cash on Hand	1,240,579	1,207,697
Deposit Fund Advance Warrants	208,410	208,410
Crown Agents	406,246	401,831
Statutory and Other Bodies	1,554,456	1,554,456
Total	13,479,435	13,326,014

MS. J. CHAPMAN
ACCOUNTANT GENERAL (ag.)

HON. WINSTON D. JORDAN
MINISTER OF FINANCE

**STATEMENT OF CURRENT ASSETS AND LIABILITIES OF THE GOVERNMENT OF GUYANA
AS AT 31 DECEMBER 2016**

	<u>Notes</u>	2016 <u>\$'000</u>	2016 <u>\$'000</u>	2015 <u>\$'000</u>	2015 <u>\$'000</u>
CURRENT ASSETS					
<u>Central Government Bank Balances</u>					
<u>Consolidated Fund</u>					
New 407 Account		(86,100,652)		(53,788,173)	
Old 400 Account		(46,776,183)	(132,876,835)	(46,776,183)	(100,564,355)
LIS 11 Bank Account			0		0
WSG Bank A/c -Loan			11,495		41,119
WSG Bank A/c - TC841			0		0
WSG Bank A/c -TC 842			0		0
SMDR ATN/OC-1409-GY			0		0
2000 Series	2		15,234,757		11,483,159
Deposits Fund					
General Account			0		0
Non-sub Accounting Ministries/Departments (<i>Account # 3001</i>)			7,772		2,439,801
Other Ministries/Departments			19,027,078		19,598,661
Monetary Sterilisation Account	3		78,350,709		66,249,184
Redemption of T-Bills (<i>Account # 404</i>)			(3)		(3)
			<u>(20,245,026)</u>		<u>(752,435)</u>
CURRENT LIABILITIES					
<u>Treasury Bills</u>					
90 Days & K Series		5,972,542		8,397,884	
180 & 360 Days	3	73,901,601	79,874,143	66,948,108	75,345,992
Interest (Outstanding)					
<u>Other Liabilities</u>					
Dependents Pension Fund		1,016,541		990,175	
Sugar Industry Welfare Committee		50,691		50,691	
Sugar Industry Welfare Labour Fund		975,930		1,087,705	
Sugar Industry Rehabilitation Fund		72,432		72,432	
Sugar Industry Price Stabilization Fund		14,033		14,033	
Miscellaneous		3,719,645	5,849,272	3,931,045	6,146,081
Total Current Liabilities			<u>85,723,415</u>		<u>81,492,073</u>
NET CURRENT LIABILITIES			<u>105,968,441</u>		<u>82,244,508</u>

MS. J. CHAPMAN
ACCOUNTANT GENERAL (ag.)

HON. WINSTON D. JORDAN
MINISTER OF FINANCE

Notes to and Forming Part of the Financial Statements

Note 1 Summary of Significant Accounting Policies

1.1 Basis of Preparation

The financial statements have been prepared in accordance with Guyana's Generally Accepted Accounting Standards and Principles. The modified cash basis of accounting convention is followed for determining when a financial transaction is recorded in the Government's records. This means, only when cash is paid or received is a transaction recorded.

The notes to the financial statements form an integral part to understanding the statements and must be read in conjunction with the statements.

The accounting policies have been applied consistently throughout the period.

1.2 Reporting Entity

The financial statements are for the Government of Guyana. The Consolidated Financial Statements comprise the accounts of Ministries and Departments of Government. They do not include Statutory Bodies and Wholly-owned subsidiaries.

The consolidated financial statements only include those entities that perform their accounting through the Integrated Financial Management and Accounting System. Various Ministries implement projects that are funded directly by donors either via loans or grants and accounted for separately, however, their gross transactions are recorded in the government's accounts via "dummy transactions". This would mean an actual timing difference between actual transaction and when captured in the Integrated Financial Management and Accounting System (IFMAS).

1.3 Cash

Cash means notes and coins held and any deposits held at call with a bank or financial institution. Cash is recognized at its nominal amount. Interest is credited to revenue as it is received or to expense when it is deducted from the bank account.

1.4 Loans/Advances Receivable

Loans are recognized at the amounts lent. Provision is made for bad loans when collection of the loan or part thereof is judged to be less rather than more likely. Interest, if charged, is credited to revenue as it is received. This is a slight variation from the cash basis of accounting.

1.5 Refunds of Previous Year Expenditures

Expenditures refunded to the Consolidated Fund from previous years are recorded as revenue receipts in the current year and not as reductions of current year's expenditures. The banking effect also is what can be called a contra entry.

1.6 Capital Revenue

Capital Revenue comprises mainly of loan, grant and debt relief proceeds. Loan proceeds are not recorded as a liability on the balance sheet but as capital revenue on the statement of receipts and payments. The Statement of Receipts and Disbursements (Capital) for the Ministry of Finance includes amounts for budget support that were not paid into the Consolidated Fund Bank account as at 31st December 2016 but were received in the respective 2000 Series Bank Accounts (refer to note 2).

1.7 Monetary Sterilization Account

The purpose of the Monetary Sterilization Account is to remove excess liquidity from the financial system. The vehicle for performing this is that government issued 182 and 365 day Treasury Bills. The cost to the government is the interest charge on the redeemed T-bills as they come due. This is a statutory cost charged to internal interest expense. The monetary sterilization liability should be exactly offset by the monetary sterilization bank account, creating a fully funded liability.

1.8 Reporting Currency

The reporting currency is Guyana Dollar (GY\$)

1.9 Authorization Date

The financial statements were authorized for issue on April 28th 2017 by Hon. Winston D. Jordan, Minister of Finance.

Note 2 2000 Series Bank Accounts

The 2000 series are a combination various project, grant, debt relief and balance of payment accounts. These accounts do not form part of the Consolidated Bank Account Number 01610000407, however, they are government funds. Please see Appendix 1 attached.

Appendix 1

ACC'T #	Description	2016	2015	Net Change
200810	Personal Investment Account	2,548,237	2,548,237	0
200830	Government of Guyana Project Account	0	0	0
200840	EEC Food Aid	0	0	0
200850	EEC Special Account	0	0	0
200860	Structural Adjustment	0	0	0
200870	Debenture Sinking Fund	0	0	0
200890	Chinese Commodity	0	0	0
200900	Accountant General RMBY Loan	0	0	0
200920	AG-GEC/WARTSILA Agreement	0	0	0
200940	Deposits - Guy Cooperative Agri. Dev. Bank	0	0	0
200950	Agricultural Sector Loan	0	0	0
200960	DIA	254,507,181	254,507,181	0
200990	Long Creek Settlement CIDA Project	0	0	0
201000	UK Programme Aid: GEA	0	0	0
201010	UK Programme Aid: Rice	0	0	0
201040	CDB/Gov't of Guy ERP Grant	0	0	0
201050	Ministry of Agriculture Rehabilitation Project	0	0	0
201080	Main Road Rehab Sub-Account 980	0	0	0
201090	SIMAP Pahse 2 Sub-Account	0	0	0
201100	Remedial Maintenance Project-Geo Sewerage	0	0	0
201110	Infrastructural Dev Fund Account	0	0	0
201130	Ministry of Finance/Financial Sector reform Programme	0	0	0
201160	Ministry of Finance-Agri Sector Prog 965-SF/GY	0	0	0
201180	Japanese-Non Project Grant Aid Deposit	0	0	0
201230	Japanese Agricultural Grant	0	0	0
201280	Guyana/USA Economy Support Grant	0	0	0
201300	030 Stale Dated Cheques	7,257,850	7,257,850	0
201340	CARICOM Headquarters Buildings Project	15,340,845	15,340,845	0
	TOTAL INACTIVE TO BE TRANSFERRED TO 407	279,654,113	279,654,113	0
	OLD ACCOUNTS			
200880	Accountant General	2,490,231,995	3,018,523,985	(528,291,990)
200970	HIA	3,098,089	3,098,089	0
200980	IDB - Technical Coop Small Projects Swiss Fund	2,584,442	1,640,933	943,509
	New Accounts for 2004			
201380	GOG/IDB Fiscal & Financial Management Programme	1,601,236,251	1,601,236,251	0
	New Accounts for 2005			
201400	GOG/IBRD Global Fund-National Initiative to Accelerat Access...	102,432,985	12,611,060	89,821,925
201410	GOG/IBRD Global Fund-National Initiative to Accelerat Access...	0	0	0
201420	GOG/IBRD Global Fund for Tuberculosis	0	0	0
	New Accounts for 2006			
201440	Multilateral Debt Relief	464,217,348	464,217,348	0
201450	Japanese Non-Project Grant Aid	66,023,589	66,023,589	0
	New Accounts for 2008			
201490	Official Power Sector 1938	1,032,500,000	1,032,500,000	0
201500	Japanese Non-Project Grant Aid Year 21	185,723,514	185,723,514	0
201510	Official READ M of A Lo # 742 Gr # 8015	0	0	0
201520	Official Global Fund/MOH Mal/Reg 9	9,600,548	19,307,505	(9,706,957)
	New Accounts for 2010			
201590	Off Global Fund / MOH TB	34,717,079	8,983,049	25,734,030
	New Accounts for 2012			
201600	LCDS Institutional Strengthen	39,085,172	38,416,487	668,685
201610	Off-GFC LCDS Proj US Acct	0	0	0
	New Accounts for 2013			
201620	Off-SBB LCDS US	5,691,140	18,869,970	(13,178,830)
	New Accounts for 2014			
201630	Off-UAWARP MOA GUYLO#0001	0	10,189,954	(10,189,954)
201640	Off-SMDR ATM/OC-14039-GY	11,106,869	35,034,480	(23,927,611)
201650	CARICOM MULTILATERAL CLEARING FACILITY WRITE OFF	2,969,336,738	4,454,005,132	(1,484,668,394)
201660	Off- SEPG-GRT/FM-13897-GY	43,132	7,098,204	(7,055,072)
201680	OFF- IDB/GOG IMPL. SEC. STRAT	136,738,766	56,663,311	80,075,455

ACC'T #	Description	2016	2015	Net Change
New Accounts for 2015				
201681	OFF-GUY FOR TNC UNEP US\$	7,227,500	10,325,000	(3,097,500)
201682	OFF-GUY LCDS OUTREACH US\$	0	6,678,210	(6,678,210)
201684	OFF-AOG PEU 14809	16,263,816	48,966,313	(32,702,497)
201685	OFF- PPM FMS ATN/OC 14815-GY	38,608,446	15,487,500	23,120,946
201686	OFF-EARLY CHILDHOOD EDUCATION	71,622,859	82,367,687	(10,744,828)
201970	JAPANESE NON-PROJECT GRANT AID YEAR 2013	5,537,077	5,537,077	0
New Accounts for 2016				
201390	BUDGETARY SUPPORT	5,491,429,394	0	5,491,429,394
201683	OFF IDB/GOG CIT. SEC. STRENGTHEN	103,250,000	0	103,250,000
201687	OFF - NAC GUYANA	19,731,366	0	19,731,366
201688	OFF - STRENGTHENING OF CTVET	5,620,001	0	5,620,001
201689	OFFICIAL CCRPMOAG AC#132408	41,444,963	0	41,444,963
201690	OFFICIAL USD HINTERLAND PROG	21		21
	TOTAL ACTIVE	14,955,103,100	11,203,504,648	3,751,598,452
	TOTAL (ACTIVE & INACTIVE)	15,234,757,213	11,483,158,761	3,751,598,452

Note 3 **Monetary Sterilisation Account**

The Monetary Sterilisation account deficit of \$1.523 billion is the difference between the outstanding liability \$79.874 billion and cash held for purpose of retiring the liability \$78.351 billion. The difference of \$1.523 billion relates to unpaid discounts to the Bank of Guyana by the Government of Guyana of \$994M as at 31 December 2016, and unexplained debits totalling \$669.696M and credits totalling \$140.341M.

Note 4 **Old Agency - New Agency Mapping**

The 2016 National Budget was presented to the National Assembly with the merging of several Ministries and Departments into new Ministries. Please see Appendix 2 for details.

Appendix 2

Old Agency - New Agency Mapping

Old Agency Code	Old Agency	New Agency
24	Ministry of Natural Resources and Environment	Ministry of Natural Resources
22	Ministry of Tourism (2 months)	Ministry of Public Telecommunication

**STATEMENT OF PUBLIC DEBT
AS AT 31 DECEMBER 2016**

SUMMARY SHEET

DESCRIPTION	EXTERNAL	INTERNAL	TOTAL
	G\$'000	G\$'000	G\$'000
UNFUNDED	235,711,300	43,509,875	279,221,175
FUNDED	0	3,898,537	3,898,537
SUB TOTAL	<u>235,711,300</u>	<u>47,408,412</u>	<u>283,119,712</u>
SHORT-TERM Treasury Bills (91 days & K Series)	0	5,997,650	5,997,650
MEDIUM -TERM Treasury Bills (182 & 365 days)	0	75,470,300	75,470,300
GRAND TOTAL	<u><u>235,711,300</u></u>	<u><u>128,876,362</u></u>	<u><u>364,587,662</u></u>

MS. J. CHAPMAN
ACCOUNTANT GENERAL (ag)

HON. WINSTON D. JORDAN
MINISTER OF FINANCE

NAME OF CREDITOR/ LOAN IDENTIFICATION/ DESCRIPTION OF LOAN	LOAN CURR- ENCY	REVISED/ ORIGINAL AMOUNT OF LOAN	OPENING BALANCE AS AT 01.01.2016	AMOUNT DIS- BURSED IN 2016	DEBT SERVICE COST DUE & PAYABLE IN 2016		ACTUAL DEBT SERVICE COST PAID IN 2016			DEBT RELIEF (DEBT CANCELL- ATION/ WRITE- OFF)	CLOSING BALANCE AS AT 31.12.16	GUYANA DOLLAR EQ- UIVALENT 31.12.16	TERMS AND CONDITIONS OF LOAN
					PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL				
					a	b	a	b	8=7a+7b				
		'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	
INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)													
Secondary Schools Reform Project Credit No. 2879-0 GUA	SDR	2,081	1,686	0	62	13	62	13	75	0	1,624	451,999	The borrower shall repay the principal amount, the credit in semi-annual installments payable after 1 October 2006 and ending 1 April, 2036.
Water Supply and Technical Assistance Credit No. 2559-0 GUA	SDR	2,606	1,506	0	84	10	84	10	94	0	1,422	395,778	Repayments commence on 1/6/2004 in 60 semi-annual install.and ends 1/12/2033. Int. rate each install. and including int. payable on 1/12/2013 shall be 1% of principal and 2% on bal. outstanding.
Public Sector Technical Assistant Project Credit No. 3726 - GY	SDR	3,600	2,275	0	48	16	48	16	64	0	2,227	619,829	This loan shall be repaid in semi annual installments commencing 15 June 2013 ending 15 December 2042.
Improving Teachers Education Project 4803-GY	SDR	2,800	2,785	0	0	21	0	21	21	0	2,785	775,134	The borrower shall repay the principal amount, the credit in semi-annual installments payable on 1 June 2015 and ending 1 June, 2030.
University of Guyana Science & Technology Support Project 4969- GY	SDR	6,200	3,719	1,976	0	38	0	38	38	0	5,695	1,585,059	The borrower shall repay the principal amount, the credit in semi-annual installments payable on 1 December 2021 and ending 1 June 2031.
Secondary Education Improvement Project - 5473 - GY	SDR	6,500	868	323	0	22	0	22	22	0	1,191	331,485	Repayment commencing June 1, 2019 to and including December 1, 2028 at 1.65% of Principal amount of credit and commencing June 1, 2029 to and including December 1, 2038. at 3.35% of Principal amount of credit.
Flood Risk Management Project - 5474 - GY	SDR	7,700	1,909	141	0	37	0	37	37	0	2,050	570,565	Repayment commencing December 1, 2019 to and including June 1, 2029 at 1.65% of Principal amount of credit and commencing December 1, 2029 to and including June 1, 2039. at 3.35% of Principal amount of credit.
Additional financing for University of Guyana Science and Technology Support Project-5753	SDR	2,700	0	1,608	0	7	0	7	7	0	1,608	447,546	Repayment commencing June 1, 2021 to and including December 1, 2030 at 1.65% of Principal amount of credit and commencing June 1, 2031 to and including December 1, 2040. at 3.35% of Principal amount of credit.
Caribbean Development Bank (CDB)													
Caribbean Court of Justice 01/SFR-OR-GUY (OCR)	USD	4,400	3,025	0	220	91	220	91	311	0	2,805	579,233	This loan shall be repaid in 80 equal quarterly repayments beginning 1 October, 2009, ending 1 July, 2029.
Caribbean Court of Justice 01/SFR-OR-GUY (SFR)	USD	4,400	3,025	0	220	59	220	59	279	0	2,805	579,233	This loan shall be repaid in 80 equal quarterly repayments beginning 1 October, 2009, ending 1 July, 2029.
C/F												6,335,859	

NAME OF CREDITOR/ LOAN IDENTIFICATION/ DESCRIPTION OF LOAN	LOAN CURR- ENCY	REVISED/ ORIGINAL AMOUNT OF LOAN	OPENING BALANCE AS AT 01.01.2016	AMOUNT DIS- BURSED IN 2016	DEBT SERVICE COST DUE & PAYABLE IN 2016		ACTUAL DEBT SERVICE COST PAID IN 2016			DEBT RELIEF (DEBT CANCELL- ATION/ WRITE- OFF)	CLOSING BALANCE AS AT 31.12.16	GUYANA DOLLAR EQ- UIVALENT 31.12.16	TERMS AND CONDITIONS OF LOAN
					PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL PAYMENT				
1	2	3	4	5	6	7	8	9	10	11			
B/F		'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	
												6,335,859	
Third Road Project 2/SFR-OR-GUY (OCR)	USD	9,102	5,243	0	511	156	511	156	667	0	4,732	977,158	This loan shall be repaid in 68 equal quarterly repayments beginning 1 July, 2009, ending 1 April, 2026.
Third Road Project 2/SFR-OR-GUY (SFR)	USD	10,000	9,000	0	500	176	500	176	676	0	8,500	1,755,250	This loan shall be repaid in 80 equal quarterly repayments beginning 1 January, 2014, ending 1 October, 2033.
Skeldon Sugar Modernisation 3/SFR-OR-GUY (OCR)	USD XEU	14,321	8,868	0	845	264	845	264	1,109	0	8,023	1,656,750	This loan shall be repaid in 68 equal quarterly repayments beginning 1 July, 2009, ending 1 April, 2026.
Skeldon Sugar Modernisation 3/SFR-OR-GUY (SFR)	USD XEU	14,035	12,539	0	697	246	697	246	943	0	11,842	2,445,373	This loan shall be repaid in 80 equal quarterly repayments beginning 1 January, 2014, ending 1 October 2033.
Reconstruction of Sea Defences (2nd Loan) 4/SFR-OR-GUY (OCR)	USD	3,684	2,383	0	217	71	217	71	288	0	2,166	447,279	This loan shall be repaid in 68 equal quarterly repayments beginning 1 January, 2010, ending 1 October 2026.
Reconstruction of Sea Defences (2nd Loan) 4/SFR-OR-GUY (SFR)	USD	3,249	3,087	0	162	61	162	61	223	0	2,925	604,013	This loan shall be repaid in 80 equal quarterly repayments beginning 1 January, 2015, ending 1 October 2034.
Community Services Enhancement Project 5/SFR-OR-GUY (OCR)	USD	3,580	2,631	0	211	79	211	79	290	0	2,420	499,730	This loan shall be repaid in 68 equal quarterly repayments beginning 1 July, 2011, ending 1 April 2028.
Community Services Enhancement Project 5/SFR-OR-GUY (SFR)	USD	9,453	9,453	0	118	189	118	189	307	0	9,335	1,927,678	This loan shall be repaid in 80 equal quarterly repayments beginning 1 October, 2016, ending 1 July 2036.
Community Roads Improvement Programme 6/SFR-OR-GUY (OCR)	USD	4,015	3,852	0	170	117	170	117	287	0	3,682	760,333	This loan shall be repaid in 68 equal quarterly repayments beginning 1 April, 2016, ending 1 October 2033.
Community Roads Improvement Programme 6/SFR-OR-GUY (SFR)	USD	12,277	12,270	0	0	245	0	245	245	0	12,270	2,533,755	This loan shall be repaid in 80 equal quarterly repayments beginning 1 April, 2021, ending 1 January 2041.
CDB Debt Service to EEC Wisco 6/SFR-R	XEU	600	155	0	22	2	22	2	24	0	133	28,970	Annuity base repayment semi annually beginning 1 January, 1994.
Fourth Road Project W.C.D. Road Improvement 7/SFR-OR-GUY (OCR)	USD	9,200	3,471	2,992	0	168	0	168	168	0	6,463	1,334,610	This loan shall be repaid in 68 equal quarterly installments beginning 1 April, 2019.
Fourth Road Project W.C.D. Road Improvement 7/SFR-OR-GUY (SFR)	USD	25,000	9,075	5,922	0	189	0	189	189	0	14,997	3,096,881	This loan shall be repaid in 80 equal quarterly repayments beginning 1 April, 2023.
Economic Recovery Programme 7/SFR-GUY	USD	42,000	20,650	0	1,400	403	1,400	403	1,803	0	19,250	3,975,125	This loan shall be repaid in 120 equal quarterly repayments beginning 30 September, 2000, ending 1 July 2030.
C/F												28,378,761	

NAME OF CREDITOR/ LOAN IDENTIFICATION/ DESCRIPTION OF LOAN	LOAN CURR- ENCY	REVISED/ ORIGINAL AMOUNT OF LOAN	OPENING BALANCE AS AT 01.01.2016	AMOUNT DIS- BURSED IN 2016	DEBT SERVICE COST DUE & PAYABLE IN 2016		ACTUAL DEBT SERVICE COST PAID IN 2016			DEBT RELIEF (DEBT CANCELL- ATION/ WRITE- OFF)	CLOSING BALANCE AS AT 31.12.16	GUYANA DOLLAR EQ- UIVALENT 31.12.16	TERMS AND CONDITIONS OF LOAN
					PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL				
					a	b	a	b	8=7a+7b				
B/F		`000	`000	`000	`000	`000	`000	`000	`000	`000	`000	28,378,761	
Sea Defence West Coast Barbice 8/SFR-GUY	USD XEU	7,180 0	4,576 0	0	241 0	90 0	241 0	90 0	331 0	0	4,335 0	895,178 0	This loan shall be repaid in 120 equal quarterly repayments beginning 31 December, 2004, ending 1 October 2034.
Sea and River Defence Resilience Project - 8 SFR-OR-GUY - OCR	USD	2,900	38	19	0	30	0	30	30	0	57	11,771	This loan shall be repaid in 68 Equal or approximately equal and consecutive quarterly installments on each due date commencing on the first due date after the expiry of five years following the date of this loan agreement or on such later due date as the Bank may specify in writing.
Sea and River Defence Resilience Project - 8 SFR-OR-GUY - SFR	USD	22,100	0	841	0	2	0	2	0	0	841	173,667	This loan shall be repaid in 80 Equal or approximately equal and consecutive quarterly installments on each due date commencing on the first due date after the expiry of ten years following the date of this loan agreement or on such later due date as the Bank may specify in writing.
Drainage and Irrigation 9/SFR-GUY	USD	5,026	4,480	0	168	88	168	88	256	0	4,312	890,428	This loan shall be repaid in 120 equal quarterly repayments beginning 1 October, 2012, ending 1 July 2042.
Second Road Project 10/SFR-GUY	USD	10,702	7,758	0	357	153	357	153	510	0	7,401	1,528,307	This loan shall be repaid in 120 equal quarterly repayments beginning 30 September, 2007, ending 1 July 2037.
Water Rehabilitation Project 11/SFR-GUY	USD	8,801	6,236	0	293	122	293	122	415	0	5,943	1,227,230	This loan shall be repaid in 120 equal quarterly repayments beginning 31 March 2007, ending 1 January 2037.
Poor Rural Community Support Services 13/SFR-GUY	USD	5,100	4,080	0	255	80	255	80	335	0	3,825	789,863	This loan shall be repaid in 80 equal quarterly repayments beginning 1 January, 2012, ending 1 October 2031.
Natural Disaster Management 17/SFR-GUY	USD	500	295	0	29	6	29	6	35	0	266	54,929	This loan shall be repaid in 68 equal quarterly repayments beginning 1 January, 2009, ending 1 October 2025.
Enhancement of Tech., Voc., Edu. Training Prog (TVET) 18/SFR-GUY	USD	7,500	7,424	0	0	148	0	148	148	0	7,424	1,533,056	This loan shall be repaid in 80 equal quarterly repayments beginning 1 July, 2020, ending 1 April 2040.
Sugar Industry Mechanisation Project 9/SFR-OR-GUY-OCR	USD	662	1	4	0	7	0	7	7	0	5	1,033	This loan shall be repaid in 68 equal or approximately equal and consecutive quarterly installments on each due date and interest being paid at a rate of 3.95% per annum on a quarterly basis each year.
Sugar Industry Mechanisation Project 9/SFR-OR-GUY-SFR	USD	6,838	0	0	0	0	0	0	0	0	0	0	This loan shall be repaid in 80 equal or approximately equal and consecutive quarterly installments on each due date and interest being paid at a rate of 2% per annum on a quarterly basis each year.
C/F												35,484,220	

NAME OF CREDITOR/ LOAN IDENTIFICATION/ DESCRIPTION OF LOAN	LOAN CURR- ENCY	REVISED/ ORIGINAL AMOUNT OF LOAN	OPENING BALANCE AS AT 01.01.2016	AMOUNT DIS- BURSED IN 2016	DEBT SERVICE COST DUE & PAYABLE IN 2016		ACTUAL DEBT SERVICE COST PAID IN 2016			DEBT RELIEF (DEBT CANCELL- ATION/ WRITE- OFF)	CLOSING BALANCE AS AT 31.12.16	GUYANA DOLLAR EQ- UIVALENT 31.12.16	TERMS AND CONDITIONS OF LOAN
					PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL				
					a	b	a	b	8=7a+7b				
		`000	`000	`000	`000	`000	`000	`000	`000	`000	`000		
B/F												35,484,220	
CARICOM DEVELOPMENT FUND- (CDF)													
Upgrade Weather Access Roads- Region #3, Parika and Ruby & Upgrade Fair- Weather Access Dams - Kuru Kuru to Laluni, Region 4 and Onvergwagt Loan No. GUY/L0001	USD	6,224	4,428	1,797	330	172	330	172	502	0	5,895	1,217,318	This loan amounts to US\$7,317,996 comprising of two components. The first component shall be repaid in quarterly installments at an annual interest rate of 3.0% per annum. First repayment 30 March, 2015 and ending 30 December, 2030. The second component amounting to US\$2,657,789 is considered as a grant and shall not be repaid.
For the Consultancy, Non Consultancy Services and Works for Rural Agricultural Infrastructure Development in Small Scale Farming Communities, to be completed in thirty (30) months Loan No.ROG/L0002	USD	6,625	0	0	0	0	0	0	0	0	0	0	0 This loan amounts to US\$10,432,263 comprising of two components. The first component shall be repaid in 60 equal or approximately equal and consecutive quarterly installments at an annual interest rate of 3% per annum. The second component amounting to US\$3,807,263 is considered as a grant and shall not be repaid.
DEVELOPMENT BANK (IDB)													
Health Care Delivery Programme Loan No. 544-SF/GY	USD	1,257	125	0	42	2	42	2	44	0	83	17,140	Interest is calculated at 9% per annum on the outstanding bal. until 24-11-88 & thereafter at 2% per annum. Credit Commission Commitment fee is charged at 0.5% per annum on the undisbursed bal. Interest and credit commission fees are payable on 24-05 and 24-11 each year effective from 24-11-79. The principal shall be repaid by half yearly repayments on 5-4 and 40 yrs loan with an initial grace period of 10 yrs. 60 semi-annual installments beginning 8-10-2002. Int. rate of 1% for first 10 years thereafter. Final installment payable on 8.10.2032.
Food Crop Production Marketing Programme - Loan No. 583/SF - GY	USD	1,600	241	0	53	5	53	5	58	0	188	38,822	Principal repayable in 60 semi-annual installments from 6-7-90 to 6-1-2020. Interest is calculated at 1% per annum on the outstanding bal. of the loan until 6-1-90 and thereafter 20% per annum and payable on 6-1 and 6-7 each year w.e.f 6-7-80. A credit commission commitment fee is also charged.
Main Road Rehabilitation - Transportation Loan No. 999/SF-GY	USD JPK	41,000	9,296 37,246	0 0	413 1,655	184 737	413 1,655	184 737	597 2,392	0 0	8,883 35,591	1,834,340 63,163	This loan shall be completely repaid by the Borrower by means of 60 semi-annual, equal installments. Interest shall be paid semi-annually on the outstanding daily balance of the loan at the rate of 1% per annum until 18 March 2008 and 2% per annum thereafter.
Urban Development Programme Loan No. 1021/SF-GY	USD CAD DKK XEU	20,000	4,464 592 1,650 298	0 0 0 0	190 25 70 13	88 12 33 6	190 25 70 13	88 12 33 6	278 37 103 19	0 0 0 0	4,274 567 1,580 285	882,581 86,842 46,393 62,078	Loan to be repaid in 60 equal semi-annual installments beginning 13 September 2009 and ending 13 September 2039.
C/F												39,732,894	

NAME OF CREDITOR/ LOAN IDENTIFICATION/ DESCRIPTION OF LOAN	LOAN CURR- ENCY	REVISED/ ORIGINAL AMOUNT OF LOAN	OPENING BALANCE AS AT 01.01.2016	AMOUNT DIS- BURSED IN 2016	DEBT SERVICE COST DUE & PAYABLE IN 2016		ACTUAL DEBT SERVICE COST PAID IN 2016			DEBT RELIEF (DEBT CANCELL- ATION/ WRITE- OFF)	CLOSING BALANCE AS AT 31.12.16	GUYANA DOLLAR EQ- UIVALENT 31.12.16	TERMS AND CONDITIONS OF LOAN
					PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL PAYMENT				
1	2	3	4	5	6	7	8	9	10	11			
B/F		'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	
												39,732,894	
Transportation - Loan No. 1042- 1/SF-GY	USD XEU	20,200	0 8,124	0 0	0 332	0 161	0 332	0 161	0 493	0 0	0 7,792	0 1,697,224	The loan shall be completely repaid by the Borrower by means of 60 semi-annual equal installments. Interest shall be paid semi-annually on the outstanding daily balance of the loan at the rate of 1% per annum until 4 February 2010 and 2% per annum thereafter.
Transportation - Loan No. 1042- 2 /SF-GY	USD	9,800	1,515	0	62	30	62	30	92	0	1,453	300,045	The loan shall be completely repaid by the Borrower by means of 60 semi-annual equal installments. Interest shall be paid semi-annually on the outstanding daily balance of the loan at the rate of 1% per annum until 4 February 2010 and 2% per annum thereafter.
Low Income Settlement Programme Loan No. 1044/SF-GY	USD XEU XEU	27,000	5,411 72 2,094	0 0 0	221 3 85	107 1 41	221 3 85	107 1 41	328 4 126	0 0 0	5,190 69 2,009	1,071,735 15,029 437,593	This loan shall be completely repaid in 60 semi-annual installments. The first shall be paid on 2010-12-14.
Georgetown Sewerage and Water Rehabilitation Loan No. 1047/SF-GY	USD XEU	27,000	10,570 102	0 0	432 4	209 2	432 4	209 2	641 6	0 0	10,138 98	2,093,497 21,346	60 Semi annual equal installments commencing 2010-12-14 and to be concluded 2040-06-14. Disbursements shall expire 5 years from the effective date of contract.
Environmental Protection Loan No. 1052/SF-GY	USD	900	307	0	12	6	12	6	18	0	295	60,918	The loan shall be completely repaid by the Borrower by means of 60 semi-annual equal installments. Interest shall be paid semi-annually on the outstanding daily balance of the loan at the rate of 1% per annum until 24 May 2010 and 2% per annum thereafter.
Social Impact Amelioration Prog Simap111- Loan No.1085	USD	20,000	11,979	0	452	238	452	238	690	0	11,527	2,380,326	The first installment shall be paid on 15th July 2012 & interest shall be paid semi-annually at 1% until January 15 2012 & 2% thereafter. Loan to be closed 2042/01/15.
Mahaica- Rosignol Road Rehabilitation Project Loan No.1094	USD XEU CAD	40,000	5,765 1,407 3,704	0 0 0	217 53 140	114 28 73	217 53 140	114 28 73	331 81 213	0 0 0	5,548 1,354 3,564	1,145,662 294,923 545,866	The first installment shall be paid on 15th July 2012 & interest shall be paid semi-annually at 1% until January 15 2012 & 2% thereafter. Loan to be closed 2042/01/15 this loan had cancellation in 2008.
Unserviced Areas Electrification Prog Loan No.1103	USD XEU	34,400	15,028 1,821	0 0	557 67	298 36	557 67	298 36	855 103	0 0	14,471 1,754	2,988,262 382,050	This loan shall be repaid semi-annual consecutive equal installments. The first installment shall be paid on 3 March 2013 & last installment 3 September 2042.
Basic Education Access Management Support Loan No. 1107	USD CAD JPK	33,500	17,836 4,698 85,891	0 0 0	661 174 3,181	354 93 1,704	661 174 3,181	354 93 1,704	1,015 267 4,885	0 0 0	17,175 4,524 82,710	3,546,638 692,901 146,784	This loan shall be completed by 60 semi-annual, consecutive equal installments w.e.f 2013-01-25 to 2042-07-25
Basic Nutrition Programme Loan No. 1120 SF-GY	USD	5,000	3,999	0	145	79	145	79	224	0	3,854	795,851	This loan shall be repaid in 60 semi-annual installments. The first payment on 19 November 2013 and last on 19 May 2043. Disbursement shall expire 4 years from the effective date of contract.
C/F												58,349,541	

NAME OF CREDITOR/ LOAN IDENTIFICATION/ DESCRIPTION OF LOAN	LOAN CURR- ENCY	REVISED/ ORIGINAL AMOUNT OF LOAN	OPENING BALANCE AS AT 01.01.2016	AMOUNT DIS- BURSED IN 2016	DEBT SERVICE COST DUE & PAYABLE IN 2016		ACTUAL DEBT SERVICE COST PAID IN 2016			DEBT RELIEF (DEBT CANCELL- ATION/ WRITE- OFF)	CLOSING BALANCE AS AT 31.12.16	GUYANA DOLLAR EQ- UIVALENT 31.12.16	TERMS AND CONDITIONS OF LOAN
					PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL				
					a	b	a	b	8=7a+7b				
		'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	
B/F												58,349,541	
Social Statistics and Policy Analysis Program Loan No.1516/SF-GY	USD	3,450	2,628	0	92	52	92	52	144	0	2,536	523,684	The first installment shall be paid on 24th September 2014 and interest shall be paid semi-annually at 1% until March 24 2014 and 2% thereafter. Loan to be closed 2044/03/24.
Health Sector Programme Loan No.1548/SF-GY	USD	23,000	22,617	0	767	449	767	449	1,216	0	21,850	4,512,025	The loan shall be completely repaid by the borrower by means of semi-annual consecutive , and insofar as possible equal installments no later than May 27,2045.
Fiscal & Financial Management Prog Loan No. 1550/SF-GY	USD	15,000	4,944	0	170	98	170	98	268	0	4,774	985,831	Interest shall be paid semi-annually on the outstanding daily balance of the loan at the rate of 1% per annum until 30/7/2044 and 2% per annum thereafter.
Fiscal & Financial Management Prog Loan No. 1551/SF-GY	USD	13,000	8,811	0	304	175	304	175	479	0	8,507	1,756,696	Interest shall be paid semi-annually on the outstanding daily balance of the loan at the rate of 1% per annum until 30/7/2044 and 2% per annum thereafter.
	CAD		2,621	0	90	52	90	52	142	0	2,531	387,651	
	CAD		105	0	4	2	4	2	6	0	101	15,469	
	GBP		376	0	13	7	13	7	20	0	363	92,110	
New Amsterdam Road Project Loan No.1554/SF-GY	USD	37,300	35,570	0	1,206	705	1,206	705	1,911	0	34,364	7,096,166	Loan shall be repaid semiannual, consecutive equal installments. The first installment on 6 Dec. 2015 and last installment 6 June 2045.
	XEU		829	0	28	16	28	16	44	0	801	174,471	
Agriculture Support Services Prog Loan No. 1558/SF-GY	USD	22,500	16,347	0	564	324	564	324	888	0	15,783	3,259,190	This loan shall be repaid semi-annual consecutive and in so far possible equal installments. The first installment shall be paid on the 24 March 2015 and the last 24 March 2044. The first interest shall be made on 24 March 2005.
Public Management Modernisation Program Loan No.1604/SF-GY	USD	5,000	2,967	0	101	59	101	59	160	0	2,866	591,829	The loan shall be repaid semi-annual, consecutive and equal installments. The first installment 15 Dec.2015 and last installment 15 June 2045.
Georgetown Solid Waste Mng. Prog. Loan No. 1730/SF- GY	USD	18,070	15,188	0	0	154	0	154	154	0	15,188	3,136,322	The borrower shall repay this loan in 60 semi-annual installments commencing on the 22 August 2017 ending 22 February 2047 and Int. at 1% per annum for first 10 years 2007 and 2% thereafter beginning 22 April 2017.
Georgetown Solid Waste Mng. Prog. Loan No. 1731/SF- GY	USD	2,500	0	0	0	6	0	6	6	0	0	0	This loan shall be completely repaid by the Borrower by means of semi-annual, equal installments during a period equivalent to the remaining validity period of the Guarantee. The loan shall be completely repaid by the Borrower by means of two semi-annual, consecutive equal installments.The first shall be paid on 22-08-17 and the last no later than 22-02-18. Interest shall be paid semi-annually on the outstanding daily balance of the loan at the rate of 1% per annum until 22 February 2017 and 2% per annum thereafter.
C/F												80,880,984	

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					PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL				
					a	b	a	b	8=7a+7b				
B/F		`000	`000	`000	`000	`000	`000	`000	`000	`000	`000	80,880,984	
Prog. For Modernisation of Justice Admin. Loan No. 1745/SF- GY	USD	15,000	15,000	0	0	150	0	150	150	0	15,000	3,097,500	Loan shall be repaid semi-annual, consecutive equal installments. The first installment on 6 Jun. 2017 and last installment 6 June 2057.
Prog. For Modernisation of Justice Admin. Loan No. 1746/SF- GY	USD	10,000	9,994	0	0	100	0	100	100	0	9,994	2,063,761	Loan shall be repaid in 60 semi-annual, consecutive equal installments. The first installment on 20 September 2017 and last installment 20 March 2047.
Support For Competitiveness Loan No. 1750/SF- GY	USD	18,000	18,000	0	0	180	0	180	180	0	18,000	3,717,000	Loan shall be repaid in 60 semi-annual installments commencing on 20 September 2017 ending 20 March 2047 and Int. at 1% per annum for first 10 years and 2% thereafter beginning 20 September 2017.
Support For Competitiveness Loan No. 1751/SF- GY	USD	8,650	7,444	0	0	74	0	74	74	0	7,444	1,537,186	Loan shall be repaid in 60 semi-annual installments commencing on 20 September 2017 ending 20 March 2047 and Int. at 1% per annum for first 10 years and 2% thereafter beginning 20 September 2017.
Citizen Security Programme Loan No. 1752/SF- GY	USD	19,800	19,799	0	0	198	0	198	198	0	19,799	4,088,494	Loan shall be repaid in 60 semi-annual, consecutive equal installments. The first installment on 31 July 2018 and last installment 31 January 2047. and int at 1% per annum until the 31 January 2018 and 2% thereafter.
Transport Infrastructure Rehab. Prog. Loan No. 1803/SF- GY	USD	27,000	24,180	0	0	242	0	242	242	0	24,180	4,993,170	Loan shall be repaid in 60 semi-annual, consecutive equal installments. The first installment on 11 January 2018 and last installment 11 July 2047. and int at 1% per annum until the 11 January 2018 and 2% thereafter.
Agricultural Export Diversification Programme Loan No 1929/BL - GY	USD	10,450	10,448	0	0	26	0	26	26	0	10,448	2,157,512	This loan shall be repaid in a 1 shot payment on 6 April 2048 and Int. is 0.25% per annum.
Agricultural Export Diversification Programme Loan No 1929/BL - GY	USD	10,450	9,620	0	428	490	428	490	918	0	9,192	1,898,148	This loan shall be repaid by consecutive and equal installments. The 1st installment due 6 yrs from the date of this contract and the last 30 yrs from the said date.
Power Sector Support Programme Loan No 1938/ BL - GY	USD	6,000	6,000	0	0	15	0	15	15	0	6,000	1,239,000	This loan shall be repaid in a 1 shot payment on 6 April 2048 and Int. is 0.25% per annum.
Power Sector Support Programme Loan No 1938/ BL - GY	USD	6,000	5,510	0	245	261	245	261	506	0	5,265	1,087,223	This loan shall be repaid in semi-annual consecutive and equal installments. The 1st installments beginning 6 April 2014 ending 6 April 2038.
C/F												106,759,977	

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					PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL				
					a	b	a	b	8=7a+7b				
		'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	
B/F												106,759,977	
Financial Sector Reform Prog. 2091/ BL - GY Fixed	USD	2,500	2,347	0	102	136	102	136	238	0	2,245	463,593	This loan shall be repaid in semi-annual consecutive and equal installments. First installments beginning 12 December 2014 and ending 12 December 2038. Int is 5.54% per annum.
Financial Sector Reform Prog. 2091/ BL - GY Fixed	USD	2,500	2,500	0	0	6	0	6	6	0	2,500	516,250	This loan shall be repaid in a 1 shot payment on 12 December 2048 and Int. is 0.25% per annum.
Urban Development of Housing Prog. 2102 / BL - GY	USD	13,950	13,350	0	568	352	568	352	920	0	12,782	2,639,483	This loan shall be repaid in a 1 shot payment on 17 April 2049 and Int. is 0.25% per annum.
Urban Development of Housing Prog. 2102 / BL - GY	USD	13,950	13,918	0	0	35	0	35	35	0	13,918	2,874,067	This loan shall be repaid in semi-annual consecutive and equal installments. First installment beginning 17 April 2015 and ending 17 April 2049. Int is 4.66% per annum.
Transportation Rehab Project 2215 / BL-GY	USD	12,400	8,622	1,750	0	22	0	22	22	0	10,372	2,141,818	This loan shall be repaid in a 1 shot payment on 21 March 2050 and Int. is 0.25% per annum.
Transportation Rehab Project 2215 / BL-GY	USD	12,400	8,622	1,750	373	350	373	350	723	0	9,999	2,064,794	This loan shall be repaid in semi-annual consecutive and equal installments. First installment beginning 21 March 2016 and ending 21 March 2040.
Capital Markets Prog. 2235 / BL - GY	USD	2,500	2,449	0	102	120	102	120	222	0	2,347	484,656	This loan shall be repaid in a 1 shot payment on 23 November 2049 and Int. is 0.25% per annum.
Capital Markets Prog. 2235 / BL - GY	USD	2,500	2,500	0	0	6	0	6	6	0	2,500	516,250	This loan shall be repaid in semi-annual consecutive and equal installments. First installment beginning 23 November 2015 and ending 23 November 2039. Int is 4.28% per annum.
Health Sector Reform Prog. 2270 / BL-GY OCR	USD	2,500	942	128	0	2	0	2	2	0	1,070	220,955	This loan shall be repaid in a 1 shot payment on 17 February 2050 and Int. is 0.25% per annum.
Health Sector Reform Prog. 2270 / BL-GY SFR	USD	2,500	942	128	38	25	38	25	63	0	1,032	213,108	This loan shall be repaid in semi-annual consecutive and equal installments. First installment beginning 17 February 2016 and ending 17 February 2040. Int is 4.66% per annum.
Water and Sanitation Rehab. Proj. 2326 / BL- GY	USD	1,000	1,000	0	20	38	20	38	58	0	980	202,370	This loan shall be repaid in a 1 shot payment on 26 July 2050 and Int. is 0.25% per annum.
Water and Sanitation Rehab. Proj. 2326 / BL- GY	USD	1,000	1,000	0	0	3	0	3	3	0	1,000	206,500	This loan shall be repaid in semi-annual consecutive and equal installments. First installment beginning 26 July 2016 and ending 26 July 2040. Int is 4.66% per annum.
C/F												119,303,819	

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					PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL PAYMENT				
1	2	3	4	5	6	7	8	9	10	11	10=(4+5+6b-7a-7b)-9		
B/F		`000	`000	`000	`000	`000	`000	`000	`000	`000	`000	119,303,819	
Water and Sanitation Rehab. Proj. 2428 / BL- GY OCR	USD	4,750	4,750	0	0	12	0	12	12	0	4,750	980,875	This loan shall be repaid in a 1 shot payment on 8 December 2050 and Int. is 0.25% per annum.
Water and Sanitation Rehab. Proj. 2428 / BL- GY FSO	USD	4,750	4,750	0	97	206	97	206	303	0	4,653	960,845	This loan shall be repaid in semi-annual consecutive and equal installments. First installment beginning 8 December 2016 and ending 8 December 2040.
Private Sector Development Prog. 2441 / BL - GY	USD	2,500	2,500	0	0	6	0	6	6	0	2,500	516,250	This loan shall be repaid in a 1 shot payment on 9 November, 2050 and Int. is 0.25% per annum.
Private Sector Development Prog. 2441 / BL - GY	USD	2,500	2,500	0	51	141	51	141	192	0	2,449	505,719	This loan shall be repaid in semi-annual consecutive and equal installments. First installment beginning 9 November 2016 and ending 9 November 2040. Int is 4.99% per annum.
Transportation Rehab. Proj. 2454 / BL- GY	USD	10,000	9,000	1,021	0	23	0	23	23	0	10,021	2,069,337	This loan shall be repaid in a 1 shot payment on 8 December 2050 and Int. is 0.25% per annum.
Transportation Rehab. Proj. 2454 / BL- GY	USD	10,000	9,000	979	199	381	199	381	580	0	9,780	2,019,570	This loan shall be repaid in semi-annual consecutive and equal installments. First installment beginning 8 December 2016 and ending 8 December 2040.
Linden Water Supply Rehabilitation Prog 2535 BL-GY	USD	6,000	5,772	228	0	205	0	205	205	0	6,000	1,239,000	This loan shall be repaid in a 1 shot payment on 13 July 2051. and Int. is 0.25% per annum.
Linden Water Supply Rehabilitation Prog 2535 BL-GY	USD	6,000	5,772	228	0	15	0	15	15	0	6,000	1,239,000	This loan shall be repaid in semi-annual consecutive and equal installments. First installment beginning 13 July 2017 and ending 13 July 2041.
New Energy Programme 2567 BL-GY	USD	2,500	1,088	0	0	28	0	28	28	0	1,088	224,672	This loan shall be repaid in a 1 shot payment on 23 September 2051 and Int. is 0.25% per annum.
New Energy Programme 2567 BL-GY	USD	2,500	1,088	0	0	3	0	3	3	0	1,088	224,672	This loan shall be repaid in semi-annual consecutive and equal installments. First installment beginning 23 September 2017 and ending 23 September 2041. Int is 4.66% per annum.
Road Network Upgrade & Expansion Prog 2741 BL-GY	USD	33,100	705	0	0	2	0	2	2	0	705	145,583	This loan shall be repaid in a one shot payment on 15 March 2053.
Road Network Upgrade & Expansion Prog 2741 BL-GY	USD	33,100	705	0	0	192	0	192	192	0	705	145,583	Repayment begins 72 months from the date of contract and ends no later than 30 years on the same date.
C/F												129,574,923	

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					PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL				
					a	b	a	b	8=7a+7b				
		'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	
B/F												129,574,923	
Environment Sector Strengthening Prog 3106 BL-GY (OCR)	USD	8,460	8,460	0	0	21	0	21	21	0	8,460	1,746,990	The first installment shall be paid 6 years from the date of signature of this contract and the last installment shall be paid no later than 30 years from the same date.
Environment Sector Strengthening Prog 3106 BL-GY (FSO)	USD	8,460	8,460	0	0	439	0	439	439	0	8,460	1,746,990	This portion of the loan shall be repaid in one single installment 40 years from the date of signature of this contract.
Power Utility Upgrade Program - 3238 OC- GY	USD	22,500	300	1,585	0	133	0	133	133	0	1,885	389,253	The first repayment installment shall be paid 72 months from the date of signature of this contract and the last installment shall be paid no later than 30 years from the same date.
Power Utility Upgrade Program - 3239 BL- GY	USD	7,571	0	0	0	43	0	43	43	0	0	0	The first repayment installment shall be paid 72 months from the date of signature of this contract and the last installment shall be paid no later than 30 years from the same date.
Power Utility Upgrade Program - 3239 BL- GY	USD	7,571	0	0	0	0	0	0	0	0	0	0	This portion of the loan shall be repaid in one single installment 40 years from the date of signature of this contract.
Water Supply and Sanitation Infrastructure Improvement Program - 3242 OC- GY	USD	7,500	1,000	0	0	56	0	56	56	0	1,000	206,500	The first repayment installment shall be paid 72 months from the date of signature of this contract and the last installment shall be paid no later than 30 years from the same date.
Water Supply and Sanitation Infrastructure Improvement Program - 3243 BL- GY	USD	4,669	0	0	0	27	0	27	27	0	0	0	The first repayment installment shall be paid 72 months from the date of signature of this contract and the last installment shall be paid no later than 30 years from the same date.
Water Supply and Sanitation Infrastructure Improvement Program - 3243 BL- GY	USD	4,669	0	0	0	0	0	0	0	0	0	0	This portion of the loan shall be repaid in one single installment 40 years from the date of signature of this contract.
Reform/Modernisation of State - 3369/BL GY-OCR	USD	7,500	100	400	0	41	0	41	41	0	500	103,250	The first repayment installment shall be paid 72 months from the date of signature of this contract and the last installment shall be paid no later than 30 years from the same date.
Reform/Modernisation of State - 3369/BL GY-FSO	USD	7,500	100	400	0	0	0	0	0	0	500	103,250	This portion of loan shall be repaid in one single installment 40 years from the date of signature of this contract.
Environment and Natural Disaster 3422-BL/GY (OCR)	USD	8,580	8,580	0	0	326	0	326	326	0	8,580	1,771,770	The first repayment installment shall be paid 6 years from the date of signature of this contract and the last installment shall be paid no later than 30 years from the same date.
Environment and Natural Disaster 3422-BL/GY (FSO)	USD	8,580	8,580	0	0	21	0	21	21	0	8,580	1,771,770	This portion of loan shall be repaid in one single installment 40 years from the date of signature of this contract.
C/F												137,414,695	

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					PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL				
					a	b	a	b	8=7a+7b				
1	2	3	4	5	6	7	8	9	10	11			
B/F		`000	`000	`000	`000	`000	`000	`000	`000	`000	`000	`000	
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT												137,414,695	
CAD/Guyana Poor Rural Communities Support Services Project 436 - GY	SDR	7,300	4,639	0	221	34	221	34	255	0	4,418	1,229,638	Principal payment shall be made semi-annually on 1 April and 1 October commencing 1/4/2007 and ending 1 /10/2036.
OPEC Fund for International Development 1058 H	USD	7,500	5,625	0	375	55	375	55	430	0	5,250	1,084,125	Repayment of 40 equal and consecutive semi-annual installments. Commencing 2011-01-15 and ending 2030-07-15.
GUYMINE'S Liabilities Ruston Bucyrus plc	GBP	21	21	0	0	0	0	0	0	0	21	5,329	The Bond no.3/1994 to Ruston Bucyrus plc for GBP21,273.94 date of maturity 17 May 2006.
PL 480 for 1999	USD	7,000	674	0	48	17	48	17	65	0	626	129,269	26 Annual Principal repayments commencing 2004-12-30 and ending 2029-12-30.
Rehabilitation of the Bauxite Industry Sysmin - 3663/Gua/P	XEU	10,496	6,294	0	405	62	405	62	467	0	5,889	1,282,720	Principal repayment in 51 semi-annual installments beginning 1 March 2005, ending 1 March 2030.
Financing Project (READ) IFAD 742 - GY	SDR	1,850	1,850	0	0	14	0	14	14	0	1,850	514,900	This loan shall be repaid in 60 semi-annual payments beginning June 15, 2018, ending December 15, 2047.
OPEC Fund for International Development 716pg	USD	15,188	9,112	0	608	90	608	90	698	0	8,504	1,756,076	Principal repayment shall be made semi-annually commencing 2006/02/16, ending 2030/08/16.
Rescheduling of Guyana Debt/ Trinidad & Tobago.	USD	55,979	25,320	0	6,245	773	6,245	773	7,018	0	19,075	3,938,988	Principal repayment shall be made semi-annually on 23/5 and 23/11 beginning 23/05/2006 and ending 23/05/2019
Non- Paris Club Creditors													
Yugoslavia Credit Agreement	USD	1,175	1,310	0	0	24	0	0	0	0	1,334	275,471	Repayment of this loan shall be made semi-annually on 6 principal repayments of the loan shall be paid 21/6 and 21/12. Yearly beginning 83/12/21.
United Arab Emirates Economic Co-operation	UAE	19,840	28,093	0	0	476	0	0	0	0	28,569	1,610,035	The principal repayment of loan amount paid 4/3 yearly beginning 4-3-78. Interest is paid on 4/3 yearly beginning 4/3/78 and ending 4/3/87.
Argentina	USD	6,783	14,541	0	0	340	0	0	0	0	14,881	3,072,927	Repayable 1996 to 1998 at 7.5%.
Kuwait	KWD	3,000	21,856	0	0	763	0	0	0	0	22,619	15,320,376	Repayable 1982 to 1993 at 7.5% to 10.8%.
C/F												167,634,547	

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					PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL				
					a	b	a	b	8=7a+7b				
1	2	3	4	5	6	7	8	9	10	11			
B/F		`000	`000	`000	`000	`000	`000	`000	`000	`000	`000	167,634,547	
Libya	USD	10,000	42,945	0	0	283	0	0	0	0	43,228	8,926,582	Repayable 1981 to 1993 at varying interest rates.
Italy Procurement of Equipment for the rehab. maint. and construct. of drainage and irrigation facilities in Mahaica.	XEU	3,305	2,969	0	175	29	175	29	204	0	2,794	608,578	36 semi-annual installments beginning April 23, 2015, ending October 23 2032.
Export Import Bank of China													
The design and supply of the co-generation plant under the Skeldon Sugar Modernisation Project	YUAN	270,000	163,643	0	17,226	3,195	17,226	3,195	20,421	0	146,417	4,361,013	31 equal semi-annual installments commencing 21 March 2010, ending on 21 March 2025.
Guyana Power and Light Infrastructure Development Project	YUAN	270,000	239,929	0	15,995	4,797	15,995	4,797	20,792	0	223,934	6,669,847	31 equal semi-annual installments commencing 21 September 2015, ending on 29 June 2030.
Supply and Implementation Service Contract for Guyana E-Government Project	YUAN	215,000	214,118	0	0	4,261	0	4,261	4,261	0	214,118	6,377,479	31 equal semi-annual installments commencing 21 March 2017, ending on 21 September 2032.
CJIA Loan Extension Project	YUAN	825,000	181,099	218,879	0	7,146	0	7,146	7,146	0	399,978	11,913,297	31 equal semi-annual installments commencing 21 March 2018, ending on 17 December 2032.
Exim Bank of India													
Construction of Cricket Stadium	USD	19,000	11,409	0	1,265	197	1,265	197	1,462	0	10,144	2,094,736	30 equal semi-annual installments commencing 14.01.2010 & ending 14.07.2024. Interest rate 1.75 %.
Construction of Traffic Lights	USD	2,100	1,540	0	140	27	140	27	167	0	1,400	289,100	Repayment of 30 installments to be paid 2 times each year on 14 January and 14 July commencing 2012-01-14 and ending 2026-07-14
Acquisition and Installation of Irrigation Pumps	USD	2,991	2,725	0	195	48	195	48	243	0	2,530	522,445	30 equal semi-annual installments commencing 14 January 2015, ending on 14 July 2029.
Multi Speciality Hospital Project	USD	4,285	4,285	0	0	151	0	151	151	0	4,285	884,853	30 equal semi-annual installments commencing 14 January 2018,
Procurement of an Ocean Ferry	USD	10,000	0	0	0	0	0	0	0	0	0	0	The principal amount shall be repaid in semi-annual substantially equal installments commencing on the 14th January, 2022 and ending on the 14th July, 2036.
East Bank East Coast Road Linkage Project	USD	50,000	0	0	0	0	0	0	0	0	0	0	The principal amount shall be repaid in semi-annual equal substantially equal installments commencing on the 14th January, 2021 and ending on the 14th January,2036.
C/F												210,282,477	

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					PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL				
					a	b	a	b	8=7a+7b				
1	2	3	4	5	6	7	8	9	10	11	10=(4+5+6b-7a-7b)-9		
		'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	
B/F												210,282,477	
Bulgaria	USD	323	161	0	108	0	108	0	108	0	53	10,945	Accumulated loan amount was reduced by 90 %. Repayment for remaining balance shall be done semi-annually with equal installments. Loan to be fully repaid in 3 years, first payment due 30 September 2014.
VENEZUELA													
PetroCaribe Agreement-7th shipment 2014	USD	3,199	2,262	0	0	45	0	0	0	0	2,307	476,396	Repayment of 23 installments to be paid once each year commencing 2017-02-13 & ending 2039-02-13.
PetroCaribe Agreement-8th shipment 2014	USD	2,479	2,479	0	0	50	0	0	0	0	2,529	522,239	Repayment of 23 installments to be paid once each year commencing 2017-02-26 & ending 2039-02-26.
PetroCaribe Agreement-9th shipment 2014	USD	2,337	2,337	0	0	47	0	0	0	0	2,384	492,296	Repayment of 23 installments to be paid once each year commencing 2017-03-09 & ending 2039-03-09.
PetroCaribe Agreement-10th shipment 2014	USD	2,311	2,311	0	0	46	0	0	0	0	2,357	486,721	Repayment of 23 installments to be paid once each year commencing 2017-03-11 & ending 2039-03-11.
PetroCaribe Agreement-11th shipment 2014	USD	2,118	2,118	0	0	43	0	0	0	0	2,161	446,247	Repayment of 23 installments to be paid once each year commencing 2017-03-15 & ending 2039-03-15.
PetroCaribe Agreement-12th shipment 2014	USD	2,494	2,494	0	0	50	0	0	0	0	2,544	525,336	Repayment of 23 installments to be paid once each year commencing 2017-03-23 & ending 2039-03-23.
PetroCaribe Agreement-13th shipment 2014	USD	2,077	2,077	0	0	42	0	0	0	0	2,119	437,574	Repayment of 23 installments to be paid once each year commencing 2017-03-24 & ending 2039-03-24.
PetroCaribe Agreement-14th shipment 2014	USD	2,743	2,743	0	0	55	0	0	0	0	2,798	577,787	Repayment of 23 installments to be paid once each year commencing 2017-04-04 & ending 2039-04-04.
PetroCaribe Agreement-15th shipment 2014	USD	2,527	2,527	0	0	51	0	0	0	0	2,578	532,357	Repayment of 23 installments to be paid once each year commencing 2017-04-10 & ending 2039-04-10.
PetroCaribe Agreement-16th shipment 2014	USD	3,238	3,238	0	0	65	0	0	0	0	3,303	682,070	Repayment of 23 installments to be paid once each year commencing 2017-04-13 & ending 2039-04-13.
PetroCaribe Agreement-17th shipment 2014	USD	2,452	2,452	0	0	49	0	0	0	0	2,501	516,457	Repayment of 23 installments to be paid once each year commencing 2017-04-30 & ending 2039-04-30.
PetroCaribe Agreement-18th shipment 2014	USD	2,461	2,461	0	0	49	0	0	0	0	2,510	518,315	Repayment of 23 installments to be paid once each year commencing 2017-05-02 & ending 2039-05-02.
C/F												216,507,213	

NAME OF CREDITOR/ LOAN IDENTIFICATION/ DESCRIPTION OF LOAN	LOAN CURR- ENCY	REVISED/ ORIGINAL AMOUNT OF LOAN	OPENING BALANCE AS AT 01.01.2016	AMOUNT DIS- BURSED IN 2016	DEBT SERVICE COST DUE & PAYABLE IN 2016		ACTUAL DEBT SERVICE COST PAID IN 2016			DEBT RELIEF (DEBT CANCELL- ATION/ WRITE- OFF)	CLOSING BALANCE AS AT 31.12.16	GUYANA DOLLAR EQ- UIVALENT 31.12.16	TERMS AND CONDITIONS OF LOAN
					PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL				
					a	b	a	b	8=7a+7b				
B/F		`000	`000	`000	`000	`000	`000	`000	`000	`000	`000	216,507,213	
PetroCaribe Agreement-19th shipment 2014	USD	1,837	1,837	0	0	37	0	0	0	0	1,874	386,981	Repayment of 23 installments to be paid once each year commencing 2017-05-14 & ending 2039-05-14.
PetroCaribe Agreement-20th shipment 2014	USD	2,142	2,142	0	0	43	0	0	0	0	2,185	451,203	Repayment of 23 installments to be paid once each year commencing 2017-05-16 & ending 2039-05-16.
PetroCaribe Agreement-21st shipment 2014	USD	2,535	2,535	0	0	51	0	0	0	0	2,586	534,009	Repayment of 23 installments to be paid once each year commencing 2017-06-01 & ending 2039-06-01.
PetroCaribe Agreement-22nd shipment 2014	USD	2,233	2,233	0	0	45	0	0	0	0	2,278	470,407	Repayment of 23 installments to be paid once each year commencing 2017-06-03 & ending 2039-06-03.
PetroCaribe Agreement-23rd shipment 2014	USD	2,298	2,298	0	0	46	0	0	0	0	2,344	484,036	Repayment of 23 installments to be paid once each year commencing 2017-06-13 & ending 2039-06-13.
PetroCaribe Agreement-24th shipment 2014	USD	2,928	2,928	0	0	59	0	0	0	0	2,987	616,816	Repayment of 23 installments to be paid once each year commencing 2017-06-17 & ending 2039-06-17.
PetroCaribe Agreement-25th shipment 2014	USD	2,217	2,217	0	0	45	0	0	0	0	2,262	467,103	Repayment of 23 installments to be paid once each year commencing 2017-06-27 & ending 2039-06-27.
PetroCaribe Agreement-26th shipment 2014	USD	1,786	1,786	0	0	36	0	0	0	0	1,822	376,243	Repayment of 23 installments to be paid once each year commencing 2017-07-02 & ending 2039-07-02.
PetroCaribe Agreement-27th shipment 2014	USD	2,756	2,756	0	0	55	0	0	0	0	2,811	580,472	Repayment of 23 installments to be paid once each year commencing 2017-07-09 & ending 2039-07-09.
PetroCaribe Agreement-28th shipment 2014	USD	2,208	2,208	0	0	44	0	0	0	0	2,252	465,038	Repayment of 23 installments to be paid once each year commencing 2017-07-15 & ending 2039-07-15.
PetroCaribe Agreement-29th shipment 2014	USD	2,538	2,538	0	0	51	0	0	0	0	2,589	534,629	Repayment of 23 installments to be paid once each year commencing 2017-07-30 & ending 2039-07-30.
PetroCaribe Agreement-30th shipment 2014	USD	2,294	2,294	0	0	46	0	0	0	0	2,340	483,210	Repayment of 23 installments to be paid once each year commencing 2017-07-31 & ending 2039-07-31.
PetroCaribe Agreement-31st shipment 2014	USD	2,364	2,364	0	0	48	0	0	0	0	2,412	498,078	Repayment of 23 installments to be paid once each year commencing 2017-08-04 & ending 2039-08-04
PetroCaribe Agreement-32nd shipment 2014	USD	2,320	2,320	0	0	47	0	0	0	0	2,367	488,786	Repayment of 23 installments to be paid once each year commencing 2017-08-14 & ending 2039-08-14.
C/F												223,344,222	

NAME OF CREDITOR/ LOAN IDENTIFICATION/ DESCRIPTION OF LOAN	LOAN CURR- ENCY	REVISED/ ORIGINAL AMOUNT OF LOAN	OPENING BALANCE AS AT 01.01.2016	AMOUNT DIS- BURSED IN 2016	DEBT SERVICE COST DUE & PAYABLE IN 2016		ACTUAL DEBT SERVICE COST PAID IN 2016			DEBT RELIEF (DEBT CANCELL- ATION/ WRITE- OFF)	CLOSING BALANCE AS AT 31.12.16	GUYANA DOLLAR EQ- UIVALENT 31.12.16	TERMS AND CONDITIONS OF LOAN
					PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL				
					a	b	a	b	8=7a+7b				
		'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	
B/F												223,344,222	
PetroCaribe Agreement-33rd shipment 2014	USD	2,101	2,101	0	0	42	0	0	0	0	2,143	442,530	Repayment of 23 installments to be paid once each year commencing 2017-08-26 & ending 2039-08-26.
PetroCaribe Agreement-34th shipment 2014	USD	2,976	2,976	0	0	60	0	0	0	0	3,036	626,934	Repayment of 23 installments to be paid once each year commencing 2017-08-28 & ending 2039-08-28.
PetroCaribe Agreement-35th shipment 2014	USD	2,513	2,513	0	0	51	0	0	0	0	2,564	529,466	Repayment of 23 installments to be paid once each year commencing 2017-09-10 & ending 2039-09-10.
PetroCaribe Agreement-36th shipment 2014	USD	1,922	1,922	0	0	39	0	0	0	0	1,961	404,947	Repayment of 23 installments to be paid once each year commencing 2017-09-14 & ending 2039-09-14.
PetroCaribe Agreement-37th shipment 2014	USD	2,174	2,174	0	0	44	0	0	0	0	2,218	458,017	Repayment of 23 installments to be paid once each year commencing 2017-09-18 & ending 2039-09-18.
PetroCaribe Agreement-38th shipment 2014	USD	1,926	1,926	0	0	39	0	0	0	0	1,965	405,773	Repayment of 23 installments to be paid once each year commencing 2017-09-26 & ending 2039-09-26.
PetroCaribe Agreement-39th shipment 2014	USD	2,228	2,228	0	0	45	0	0	0	0	2,273	469,375	Repayment of 23 installments to be paid once each year commencing 2017-09-27 & ending 2039-09-27.
PetroCaribe Agreement-40th shipment 2014	USD	1,322	1,322	0	0	27	0	0	0	0	1,349	278,569	Repayment of 23 installments to be paid once each year commencing 2017-10-10 & ending 2039-10-10.
PetroCaribe Agreement-41st shipment 2014	USD	1,918	1,918	0	0	39	0	0	0	0	1,957	404,121	Repayment of 23 installments to be paid once each year commencing 2017-10-12 & ending 2039-10-12.
PetroCaribe Agreement-42nd shipment 2014	USD	932	932	0	0	19	0	0	0	0	951	196,382	Repayment of 23 installments to be paid once each year commencing 2017-10-18 & ending 2039-10-18.
PetroCaribe Agreement-43rd shipment 2014	USD	1,428	1,428	0	0	29	0	0	0	0	1,457	300,871	Repayment of 23 installments to be paid once each year commencing 2017-10-25 & ending 2039-10-25.
PetroCaribe Agreement-44th shipment 2014	USD	2,418	2,418	0	0	49	0	0	0	0	2,467	509,436	Repayment of 23 installments to be paid once each year commencing 2017-10-29 & ending 2039-10-29.
PetroCaribe Agreement-45th shipment 2014	USD	1,098	1,098	0	0	22	0	0	0	0	1,120	231,280	Repayment of 23 installments to be paid once each year commencing 2017-11-13 & ending 2039-11-13.
PetroCaribe Agreement-46th shipment 2014	USD	1,388	1,388	0	0	28	0	0	0	0	1,416	292,404	Repayment of 23 installments to be paid once each year commencing 2017-11-15 & ending 2039-11-15.
PetroCaribe Agreement-47th shipment 2014	USD	1,251	1,251	0	0	25	0	0	0	0	1,276	263,494	Repayment of 23 installments to be paid once each year commencing 2017-11-20 & ending 2039-11-20.
C/F												229,157,816	

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					PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL				
					a	b	a	b	8=7a+7b				
		'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	
B/F												229,157,816	
PetroCaribe Agreement-48th shipment 2014	USD	1,189	1,189	0	0	24	0	0	0	0	1,213	250,485	Repayment of 23 installments to be paid once each year commencing 2017-11-24 & ending 2039-11-24.
PetroCaribe Agreement-49th shipment 2014	USD	1,012	1,012	0	0	20	0	0	0	0	1,032	213,108	Repayment of 23 installments to be paid once each year commencing 2017-11-25 & ending 2039-11-25.
PetroCaribe Agreement-50th shipment 2014	USD	826	826	0	0	17	0	0	0	0	843	174,080	Repayment of 23 installments to be paid once each year commencing 2017-12-08 & ending 2039-12-08.
PetroCaribe Agreement-51st shipment 2014	USD	928	928	0	0	19	0	0	0	0	947	195,556	Repayment of 23 installments to be paid once each year commencing 2017-12-08 & ending 2039-12-08.
PetroCaribe Agreement-52nd shipment 2014	USD	866	866	0	0	17	0	0	0	0	883	182,340	Repayment of 23 installments to be paid once each year commencing 2017-12-28 & ending 2039-12-28.
PetroCaribe Agreement-53rd shipment 2014	USD	913	913	0	0	18	0	0	0	0	931	192,252	Repayment of 23 installments to be paid once each year commencing 2017-12-28 & ending 2039-12-28.
2015 shipments													
PetroCaribe Agreement-1st shipment 2015	USD	713	713	0	0	7	0	0	0	0	720	148,680	Repayment of 1% interest per annum until January 12 2040 commencing on January 12 2018.
PetroCaribe Agreement-2nd shipment 2015	USD	832	832	0	0	8	0	0	0	0	840	173,460	Repayment of 1% interest per annum until January 17 2040 commencing on January 17 2018.
PetroCaribe Agreement-3rd shipment 2015	USD	638	638	0	0	6	0	0	0	0	644	132,986	Repayment of 1% interest per annum until January 19 2040 commencing on January 19 2018.
PetroCaribe Agreement-4th shipment 2015	USD	675	675	0	0	7	0	0	0	0	682	140,833	Repayment of 1% interest per annum until January 24 2040 commencing on January 24 2018.
PetroCaribe Agreement-5th shipment 2015	USD	844	844	0	0	8	0	0	0	0	852	175,938	Repayment of 1% interest per annum until January 30 2040 commencing on January 30 2018.
PetroCaribe Agreement-6th shipment 2015	USD	1,035	1,035	0	0	10	0	0	0	0	1,045	215,793	Repayment of 1% interest per annum until February 8 2040 commencing on February 8 2018.
PetroCaribe Agreement-7th shipment 2015	USD	472	472	0	0	5	0	0	0	0	477	98,501	Repayment of 1% interest per annum until February 13 2040 commencing on February 13 2018.
PetroCaribe Agreement-8th shipment 2015	USD	1,130	1,130	0	0	11	0	0	0	0	1,141	235,617	Repayment of 1% interest per annum until February 20 2040 commencing on February 20 2018.
C/F												231,687,441	

NAME OF CREDITOR/ LOAN IDENTIFICATION/ DESCRIPTION OF LOAN	LOAN CURR- ENCY	REVISED/ ORIGINAL AMOUNT OF LOAN	OPENING BALANCE AS AT 01.01.2016	AMOUNT DIS- BURSED IN 2016	DEBT SERVICE COST DUE & PAYABLE IN 2016		ACTUAL DEBT SERVICE COST PAID IN 2016			DEBT RELIEF (DEBT CANCELL- ATION/ WRITE- OFF)	CLOSING BALANCE AS AT 31.12.16	GUYANA DOLLAR EQ- UIVALENT 31.12.16	TERMS AND CONDITIONS OF LOAN
					PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL				
					a	b	a	b	8=7a+7b				
1	2	3	4	5	6	7	8	9	10	11			
B/F		'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	
												231,687,441	
PetroCaribe Agreement-9th shipment 2015	USD	1,076	1,076	0	0	11	0	0	0	0	1,087	224,466	Repayment of 1% interest per annum until February 26 2040 commencing on February 26 2018.
PetroCaribe Agreement-10th shipment 2015	USD	574	574	0	0	6	0	0	0	0	580	119,770	Repayment of 1% interest per annum until March 12 2040 commencing on March 12 2018.
PetroCaribe Agreement-11th shipment 2015	USD	902	902	0	0	9	0	0	0	0	911	188,122	Repayment of 1% interest per annum until March 14 2040 commencing on March 14 2018.
PetroCaribe Agreement-12th shipment 2015	USD	912	912	0	0	9	0	0	0	0	921	190,187	Repayment of 1% interest per annum until March 24 2040 commencing on March 24 2018.
PetroCaribe Agreement-13th shipment 2015	USD	323	323	0	0	3	0	0	0	0	326	67,319	Repayment of 1% interest per annum until March 26 2040 commencing on March 26 2018.
PetroCaribe Agreement-14th shipment 2015	USD	963	963	0	0	10	0	0	0	0	973	200,925	Repayment of 1% interest per annum until April 11 2040 commencing on April 11 2018.
PetroCaribe Agreement-15th shipment 2015	USD	929	929	0	0	9	0	0	0	0	938	193,697	Repayment of 1% interest per annum until April 21 2040 commencing on April 21 2018.
PetroCaribe Agreement-16th shipment 2015	USD	1,328	1,328	0	0	13	0	0	0	0	1,341	276,917	Repayment of 1% interest per annum until April 23 2040 commencing on April 23 2018.
PetroCaribe Agreement-17th shipment 2015	USD	1,347	1,347	0	0	13	0	0	0	0	1,360	280,840	Repayment of 1% interest per annum until April 26 2040 commencing on April 26 2018.
PetroCaribe Agreement-18th shipment 2015	USD	1,320	1,320	0	0	13	0	0	0	0	1,333	275,265	Repayment of 1% interest per annum until May 15 2040 commencing on May 15 2018.
PetroCaribe Agreement-19th shipment 2015	USD	903	903	0	0	9	0	0	0	0	912	188,328	Repayment of 1% interest per annum until May 15 2040 commencing on May 15 2018.
PetroCaribe Agreement-20th shipment 2015	USD	1,307	1,307	0	0	13	0	0	0	0	1,320	272,580	Repayment of 1% interest per annum until May 19 2040 commencing on May 19 2018.
PetroCaribe Agreement-21st shipment 2015	USD	1,248	1,248	0	0	12	0	0	0	0	1,260	260,190	Repayment of 1% interest per annum until May 27 2040 commencing on May 27 2018.
PetroCaribe Agreement-22nd shipment 2015	USD	1,211	1,211	0	0	12	0	0	0	0	1,223	252,550	Repayment of 1% interest per annum until June 2 2040 commencing on June 2 2018.
C/F												234,678,594	

NAME OF CREDITOR/ LOAN IDENTIFICATION/ DESCRIPTION OF LOAN	LOAN CURR- ENCY	REVISED/ ORIGINAL AMOUNT OF LOAN	OPENING BALANCE AS AT 01.01.2016	AMOUNT DIS- BURSED IN 2016	DEBT SERVICE COST DUE & PAYABLE IN 2016		ACTUAL DEBT SERVICE COST PAID IN 2016			DEBT RELIEF (DEBT CANCELL- ATION/ WRITE- OFF)	CLOSING BALANCE AS AT 31.12.16	GUYANA DOLLAR EQ- UIVALENT 31.12.16	TERMS AND CONDITIONS OF LOAN
					PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL				
					a	b	a	b	8=7a+7b				
1	2	3	4	5	6	7	8	9	10	11			
B/F		`000	`000	`000	`000	`000	`000	`000	`000	`000	`000	234,678,594	
PetroCaribe Agreement-23rd shipment 2015	USD	578	578	0	0	6	0	0	0	0	584	120,596	Repayment of 1% interest per annum until June 6 2040 commencing on June 6 2018.
PetroCaribe Agreement-24th shipment 2015	USD	1,548	1,548	0	0	15	0	0	0	0	1,563	322,760	Repayment of 1% interest per annum until June 17 2040 commencing on June 17 2018.
PetroCaribe Agreement-25th shipment 2015	USD	578	578	0	0	6	0	0	0	0	584	120,596	Repayment of 1% interest per annum until June 21 2040 commencing on June 21 2018.
PetroCaribe Agreement-26th shipment 2015	USD	1,396	1,396	0	0	14	0	0	0	0	1,410	291,165	Repayment of 1% interest per annum until June 25 2040 commencing on June 25 2018.
PetroCaribe Agreement-27th shipment 2015	USD	851	851	0	0	9	0	0	0	0	860	177,590	Repayment of 1% interest per annum until July 4 2040 commencing on July 4 2018.
GRAND TOTAL												235,711,300	

*** Notes to the Accounts**

*_/1 It is to be noted that the amounts reflected under Actual Debt Service for loans - Fourth Road Project W.C.D. Road Improvement - CDB 7/SFR-OR-GUY(OCR), Fourth Road Project W.C.D. Road Improvement - CDB 7/SFR-OR-GUY(SFR), Sea & River Defence Resilience Project - CDB 8/SFR-OR-GUY(OCR), and Sugar Industry Mechanization Project CDB-9/ SFR-OR-GUY (OCR) includes the amounts financed from the Loan Resources.

Table below reflects the Actual Payments made from Public Debt Section and Recorded in Files and the difference from Loan Resources

Name of Creditor	Loan Identification	CURRENCY	Recorded in Public Debt Register (Debit Advice)	Paid from Loan Resources
			\$'000	
CDB	Fourth Road Project W.C.D. Road Improvement - 7/SFR-OR-GUY (OCR)	USD	55	113
CDB	Fourth Road Project W.C.D. Road Improvement - 7/SFR-OR-GUY (SFR)	USD	0	189
CDB	Sea & River Defence Resilience Project - 8/SFR OR GUY OCR	USD	10	20
CDB	Sea & River Defence Resilience Project - 8/SFR OR GUY SFR	USD	0	2
CDB	Sugar Industry Mechanisation Project - 9/SFR OR GUY (OCR)	USD	3	4

*_/2 In 2015 the Seventh (7th) Oil Debt Compensation Agreement between Guyana and Venezuela has not been concluded. This Agreement specifies that in 2015, the white rice and Paddy shipped to Venezuela from Guyana to compensate Guyana's Oil Debt to Venezuela. Oil Shipment under the PetroCaribe Agreement from Shipment thirty three (33) of 2013 to shipment twenty seven (27) of 2015 are included in the Seventh (7th) Oil Debt Compensation Agreement. The 2015 Sales Contract for Oil Shipment one (1) of 2015 to Shipment twenty seven (27) of 2015 under the PetroCaribe Agreement is to be concluded between the Governments of Guyana and Venezuela in the near future. The Promissory Notes were prepared reflecting the shipments made in 2013 to 2015 through the Sales Contract. Since the oil shipments were made to Guyana, the terms and conditions outlined in the Promissory Notes are Enforceable and Valid.

**ANALYSIS OF PUBLIC DEBT
BY CURRENCIES AS AT 31 DECEMBER 2016**

NO.	DESCRIPTION	RATE AT 31-12-16	NO. OF UNITS OF CURRENCY OUTSTANDING \$'000	G\$'000 EQUIVALENT
1	UNITED STATES DOLLARS (US\$)	206.50000	849,636	175,449,834
2	JAPANESE YEN (JPK)	1.77468	118,301	209,946
3	POUND STERLING (GBP)	253.74720	384	97,439
4	SPECIAL DRAWING RIGHTS (SDR)	278.32459	24,870	6,921,933
5	CANADIAN DOLLAR (CAD)	153.16105	11,287	1,728,729
6	EUROPEAN CURRENCY UNITS (XEU)	217.81620	22,978	5,004,981
7	YUAN RENMINBIS (CNY)	29.78488	984,447	29,321,636
8	UAE DIRHAMS (AED)	56.35601	28,569	1,610,035
9	SWEDISH KRONA (SEK)	22.78471	0	0
10	DANISH KRONES (DKK)	29.36237	1,580	46,393
11	SWISS FRANCS (SFR)	203.65014	0	0
12	KUWAITI DINARS (KWD)	677.32330	22,619	15,320,376
	GRAND TOTAL			235,711,300

**STATEMENT OF PUBLIC DEBT
EQUATED ANNUITY DEBENTURES 2016**

DESCRIPTION 1	AUTH-ORITY 2	DATE OF FIRST INSTALL-MENT 3	DATE OF FINAL INSTALL-MENT 4	DUE DATE OF INSTALL-MENT 5	AMOUNT OF LOAN 31-12-15 6	LOAN MADE IN 2016 7	AMOUNT OF LOAN 31-12-16 (8)=(6)+(7)	AMOUNT RE-PAID AT 31-12-15 9	AMOUNT RE-PAID IN 2016 10	AMOUNT RE-PAID AS AT 31-12-16 (11)=(9)+(10)	AMOUNT OUT-STANDING AT 31-12-15 (12)=(6)-(9)	AMOUNT OUT-STANDING AT 31-12-16 (13)=(8)-(11)
Government of Guyana debenture to National Paint Co. (1997)	Loan Act 11 of 73	30-11-91	31-05-97	31-5 & 30-11	\$'000 3,485	\$'000 0	\$'000 3,485	\$'000 1,405	\$'000 0	\$'000 1,405	\$'000 2,080	\$'000 2,080
TOTAL					3,485	0	3,485	1,405	0	1,405	2,080	2,080

**STATEMENT OF PUBLIC DEBT
NON - INTEREST BEARING DEBENTURE 2016**

DESCRIPTION (1)	AMOUNT OF LOAN (2)	LOAN MADE IN 2016 (3)	AMOUNT OF LOAN AT 31 - 12 - 16 (4)=(2)+(3)	AMOUNT REPAID AT 31-12-15 (5)	AMOUNT REPAID IN 2016 (6)	AMOUNT REPAID AT 31-12-16 (7)=(5)+(6)	AMOUNT OUT- STANDING 31-12-15 (8)=(2)-(5)	AMOUNT OUT- STANDING 31-12-16 (9)=(4)-(7)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non Interest Bearing Debenture ID 31/12/00 (93 rd Issue)	4,892,539	0	4,892,539	0	0	0	4,892,539	4,892,539
Non Interest Bearing Debenture ID 31/12/01 (94th Issue)	14,851,975	0	14,851,975	0	0	0	14,851,975	14,851,975
Non Interest Bearing Debenture ID 31/12/02 (95th Issue)	2,566,705	0	2,566,705	0	0	0	2,566,705	2,566,705
Non Interest Bearing Debenture ID 31/12/04 (97th Issue)	2,578,508	0	2,578,508	0	0	0	2,578,508	2,578,508
Non Interest Bearing Debenture ID 31/12/06 (99th Issue)	4,091,091	0	4,091,091	0	0	0	4,091,091	4,091,091
Non Interest Bearing Debenture ID 31/12/07 (100th Issue)	7,151,884	0	7,151,884	0	0	0	7,151,884	7,151,884
Non Interest Bearing Debenture ID 31/12/12 (105th Issue)	416,666	0	416,666	0	0	0	416,666	416,666
Non Interest Bearing Debenture ID 31/12/13 (106th Issue)	1,602,715	0	1,602,715	0	0	0	1,602,715	1,602,715
Non Interest Bearing Debenture ID 31/12/14 (107th Issue)	30,862	0	30,862	0	0	0	30,862	30,862
Non Interest Bearing Debenture ID 31/12/15 (108th Issue)	104,437	0	104,437	0	0	0	104,437	104,437
Non Interest Bearing Debenture ID 31/12/16 (109th Issue)	0	21,402	21,402	0	0	0	0	21,402
TOTAL	38,287,382	21,402	38,308,784	0	0	0	38,287,382	38,308,784

**STATEMENT OF PUBLIC DEBT
VARIABLE INTEREST RATES DEBENTURES 2016**

DESCRIPTION 1	AUTH- ORITY 2	DATE OF FIRST INSTALL- MENT 3	AMOUNT OF LOAN 4	LOAN MADE IN 2016 5	AMOUNT OF LOAN 31-12-16 (6)=(4)+(5)	AMOUNT REPAID AT 31-12-15 7	AMOUNT REPAID IN 2016 8	AMOUNT REPAID AS AT 31-12-16 (9)=(7)+(8)	AMOUNT OUT- STANDING AT 31-12-15 (10)=(4)-(7)	AMOUNT OUT- STANDING AT 31-12-16 (11)=(6)-(9)
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Variable Interest Rate Fixed Date Debentures 1st series 1995	5/1991	On Demand	2,835,122	0	2,835,122	0	0	0	2,835,122	2,835,122
Variable Interest Rate Fixed Date on demand Debenture 1st series 1996	5/1991	On Demand	927,449	0	927,449	0	0	0	927,449	927,449
Variable Interest Rate Debenture 3rd Series 1997	5/1991	On Demand	135,966	0	135,966	0	0	0	135,966	135,966
TOTAL			3,898,537	0	3,898,537	0	0	0	3,898,537	3,898,537

**STATEMENT OF PUBLIC DEBT
INTERNAL LOANS 2016- UNFUNDED**

DESCRIPTION 1	CUR- RENCY LOAN 2	DATE OF FINAL INSTAL- MENT 3	ORIGINAL AMOUNT OF LOAN 4	AMOUNT OF LOAN 12/31/2015 5	LOAN MADE IN 2016 6	AMOUNT OF LOAN 12/31/2016 7=(5)+(6)	AMOUNT RE-PAID AT 12/31/2015 8	AMOUNT REPAID IN 2016 9	AMOUNT OF LOAN REPAID AS AT 31-12-16 10=(8)+(9)	AMOUNT OUT- STANDING AT 31-12-15 11=(5)-(8)	AMOUNT OUT- STANDING AT 31-12-16 12=(7)-(10)	GUYANA EQUIVALENT DOLLAR 13
Caricom Headquarters Building Project with NIS - 25yrs (US \$4 m)	USD	12/1/2025	\$'000 4,000	\$'000 4,000	\$'000 0	\$'000 4,000	\$'000 2,297	\$'000 170	\$'000 2,467	\$'000 1,703	\$'000 1,533	\$'000 316,565
TOTAL			4,000	4,000	0	4,000	2,297	170	2,467	1,703	1,533	316,565

**STATEMENT OF PUBLIC DEBT
Non-Negotiable Debentures Serial Number 01/2016 National Insurance Scheme (NIS)**

DESCRIPTION 1	CUR- RENCY BOND 2	DATE OF FINAL INSTAL- MENT 3	ORIGINAL AMOUNT OF BOND 4	AMOUNT OF BOND 12/31/2015 5	BOND MADE IN 2016 6	AMOUNT OF BOND 12/31/2016 7=(5)+(6)	AMOUNT RE-PAID AT 12/31/2015 8	AMOUNT REPAID IN 2016 9	AMOUNT OF BOND REPAID AS AT 31-12-16 10=(8)+(9)	AMOUNT OUT- STANDING AT 31-12-15 11=(5)-(8)	AMOUNT OUT- STANDING AT 31-12-16 12=(7)-(10)	GUYANA EQUIVALENT DOLLAR 13
NIS Debentures 01/2016	GUY	12/1/2036	\$'000 4,882,446	\$'000 0	\$'000 4,882,446	\$'000 4,882,446	\$'000 0	\$'000 0	\$'000 0	\$'000 0	\$'000 4,882,446	\$'000 4,882,446
TOTAL			4,882,446	0	4,882,446	4,882,446	0	0	0	0	4,882,446	4,882,446
TOTAL INTERNAL UNFUNDED PRINCIPAL												5,199,011

**STATEMENT OF PUBLIC DEBT
TREASURY BILLS OUTSTANDING FOR 2016**

DATE OF ISSUE	ISSUE NO.	DESCRIPTION	SUBSCRIBED AMOUNT	FACE VALUE
		<u>91 DAYS</u>	G\$'000	G\$'000
11.11.2016	625	Treasury Bill issued in 2016	4,979,072	5,000,000
		Sub Total	4,979,072	5,000,000
11.11.2016	K154	Treasury Bill issued in 2016	549,339	551,650
16.12.2016	K155	Treasury Bill issued in 2016	444,131	446,000
		Sub-Total	993,470	997,650
		Total (91 days & K Series)	5,972,542	5,997,650
			=====	=====
		<u>182-365 Days</u>		
182 Days				
22.07.2016		Treasury Bill#A 259	1,982,965	2,000,000
16.09.2016		Treasury Bill#A 260	4,857,154	4,898,150
25.11.2016		Treasury Bill#A 261	251,292	253,400
		Sub-Total	7,091,411	7,151,550
365 Days				
	29.01.2016	Treasury Bill# B 441	6,838,065	7,000,000
	05.02.2016	Treasury Bill# B 442	1,035,482	1,060,000
	26.02.2016	Treasury Bill# B 443	6,841,030	7,000,000
	11.03.2016	Treasury Bill# B 444	3,911,115	4,000,000
	08.04.2016	Treasury Bill# B 445	2,932,153	3,000,000
	15.04.2016	Treasury Bill# B 446	684,215	700,000
	20.05.2016	Treasury Bill# B 447	2,281,791	2,334,600
	03.06.2016	Treasury Bill# B 448	3,050,408	3,120,550
C/F			27,574,259	28,215,150
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DATE OF ISSUE	ISSUE NO.	DESCRIPTION	SUBSCRIBED AMOUNT	FACE VALUE
B/F			G\$'000	G\$'000
			27,574,259	28,215,150
	08.07.2016	Treasury Bill# B 449	2,443,850	2,500,000
	29.07.2016	Treasury Bill# B 450	4,044,292	4,136,500
	05.08.2016	Treasury Bill# B 451	3,911,205	4,000,000
	12.08.2016	Treasury Bill# B 452	3,423,364	3,500,000
	09.09.2016	Treasury Bill# B 453	6,848,870	7,000,000
	21.10.2016	Treasury Bill# B 454	4,892,620	5,000,000
	18.11.2016	Treasury Bill# B 455	6,361,935	6,500,000
	09.12.2016	Treasury Bill# B 456	7,309,255	7,467,100
		Sub-Total	66,809,650	68,318,750
		Total (182 & 365 days)	73,901,061	75,470,300
	Grand Total	79,873,603	81,467,950	