

TREASURY MEMORANDUM

TO: The Speaker and Members of the National Assembly

FROM: Finance Secretary, Ministry of Finance

DATE: June 7, 2018

FILE NO: FS 60/1/1

SUBJECT: Treasury Memorandum Pursuant to Resolution No. 79/2018 dated March 15, 2018 of the National Assembly on the Public Accounts of Guyana for the years 2012, 2013 and 2014.

A. INTRODUCTION

- A1.1** This Treasury Memorandum details the Government's related comments on and actions taken or intends to undertake in response to the report of the Public Accounts Committee (PAC) on the Public Accounts of Guyana for the years 2012, 2013 and 2014. However, the immediacy with which the 2012/2014 Public Accounts Committee Report followed the 2010/2011 Report leaves little room for further comments on the institutionalisation efforts posited previously.
- A1.2** The responses will follow the same format in which the issues are presented in the Report of the PAC for the years 2012 to 2014, as specified in the two (2) broad categories:
- A1.21** General Challenges Observed Across Budget Agencies; and
- A1.22** Specific Issues Relating to some Ministries, Departments and Regions.
- A1.3** The Ministry of Finance (MoF) recognizes and takes seriously many of the issues raised in the Reports of the Auditor General as well as the concerns highlighted in the reports of the PAC of the National Assembly, which intend to ensure that public financial management (PFM) is conducted in a manner that is efficient, disciplined, and transparent. As such, the number of issues raised in this Report could be reduced progressively as the MoF improves the efficiency of PFM with action in five broad areas as follows:
- A1.31** use of prudent financial management policies;
- A1.32** use of improved information technology;
- A1.33** closer monitoring of the activities within the agencies through the conduct of frequent inspections;
- A1.34** ongoing training programmes to enhance ability; and

- A1.35** revision of relevant laws---the Fiscal Management & Accountability Act 2003 (FMAA), the Procurement Act 2003, and the Audit Act 2004 that delineate Regulations, and Circulars governing PFM.
- A1.4** Government continues to emphasize the need to modernize the PFM system and to this end monitors and enacts regulations, and issues circulars to aid the Fiscal Management and Accountability Act (FMAA) 2003, the Procurement Act 2003, and the Audit Act 2004, respectively.
- A1.5** Further, Government set up an Internal Audit Division within the MoF in 2014 to ease internal control need to keep the modernization financial systems in step with continuous quality improvement for management and control of these systems.
- A1.6** Given the transformation of our PFM system is ongoing, and the imperative that capacity be developed continuously and aligned with good international practices, training programmes have been designed and delivered regularly to support and enable the efficient and effective functioning of all Budget Agencies (Ministries, Departments and Regions). Training programmes include:
- A1.61** regulatory framework for PFM;
 - A1.62** budget preparation and implementation;
 - A1.63** payments and receipts processes;
 - A1.64** financial roles and responsibilities of public officers;
 - A1.65** bank reconciliation;
 - A1.66** voucher examination;
 - A.1.67** risk management;
 - A1.68** internal control;
 - A1.69** information technology governance;
 - A1.70** internal auditing (attributes, tools & techniques); and
 - A1.71** management of internal audit systems.

A2 CURRENT ACTIVITIES

A2.1 IFMAS UPGRADE

- A2.1.1** The MoF has moved ahead with the upgraded version of Government's Public Financial Management software – Integrated Financial Management and Accounting System (IFMAS). The core modules of version 6.5e, in IFMAS, have been enhanced to include new and additional functions and reports; inclusive, inter alia, of the Purchasing, Assets and Budget Planning has been added to the current list of core modules. This upgrade will improve public accountability, operational efficiency, and fiscal discipline. In addition, the IFMAS has been renamed Integrated Financial Management and Information System –IFMIS.

A2.2 IPSAS

A2.2.1 Under the umbrella of the Caribbean Regional Technical Assistance Centre (CARTAC), MoF is focusing on the public accounting function of the Accountant General's Department (AGD). In this regard CARTAC's latest mission identified the challenges and opportunities facing the public accounting function and suggested a new format of accounts in line with International Public Sector Accounting Standards (IPSAS).

A3 FUTURE INITIATIVES

A3.1 To improve efficiency and effectiveness and efficacy of PFM several improvements of the IFMIS are targeted to include:

A3.11 upgrading, as proper, all automated systems;

A3.12 the expansion and maintenance of connectivity to all Central Government Agencies;

A3.13 continuous reliability of and accessibility to the system by all Budget Agencies;

A3.14 full automation of the reconciliation process; and

A3.16 upgrading of Laws, regulations, and circulars.

B GENERAL CHALLENGES OBSERVED ACROSS BUDGET AGENCIES

B1.0 This section reports various observations made by the PAC. Some because they affect directly the same activities, are placed under headings reflective of those similarities. Following these observations are the steps that the MoF, in collaboration with other stakeholders, will pursue to negate the impact these deficiencies are having on the efficiency, effectiveness and efficacy of PFM across budget agencies.

B2.0 Contracts

B2.1 The Government is cognisant of the need to improve the procurement practices with a view to have value for money. Head of Budget Agencies (HoBAs) are apprised of the Auditor General's concerns and has invited the Auditor General as an advisor to its meeting with HoBAs at which he reiterated his concerns. He is supported by the presence of the Chairman of the NPTAB.

B2.2 In addition, Circulars have been issued to instruct HoBAs to refrain from such practices if they do, and to inform them that not doing so would be in violation of Sections 10, 15 and 85 of the FMAA. Government intends to take continued violation seriously.

B2.3 Several Agencies have taken steps to reduce, if not, end the occurrence of over payments to contractors as follows:

B2.31 monitoring continuously contracts across agencies as well as the unmitigated resoluteness by the PAC when dealing with agencies that did not set up procedures in the execution of contractual works--the latter has

in effect created increased awareness of the systemic weaknesses across agencies;

- B2.32** held meetings involving the PAC, the Finance Secretary, Accountant General, and the Auditor General with a view to discuss and arrive at decisive strategies aimed at enforcing protection mechanisms as well as the institution of disciplinary action against defaulters;
 - B2.33** employed engineers, and established field audit units, which serve to give the necessary technical capabilities as well as audit oversight;
 - B2.34** implemented requirement that technical staffs give detailed reports when signing off on works; reports must include photographic evidence before, during and on completion of projects---this is seen as another deterrent against designated officials signing off against incomplete works;
 - B2.35** informed officers that appropriate action would be taken resulting in persons being surcharged if overpayments to contractors occur;
 - B2.36** instituting surcharge against all delinquent officials signing-off on incomplete contracts and reinforcing it with the PAC request that the names of these officials be published in the Annual Reports of the Auditor General;
 - B2.37** including mandatory protective clauses and their sustained validity throughout the duration of the contract as well as the development and implementation of a policy intended to address the prompt application of the Insurance and Performance Bond;
 - B2.38** introduced a system whereby variations when necessary are approved by the right tender board in keeping with statutory rules and regulations;
 - B2.39** making a concerted effort to involve the Works Committees of the Regional Democratic Councils in certifying works within the various Regions as well as making the Bill of Quantities available to Neighbourhood Democratic Councils to create more awareness and oversight.
- B2.4** In instances where overpayments occurred Agencies would be required to provide progress reports relating to the execution of the overpayment recovery plans they put in place.

B3 Stale dated cheques and monies not refunded to the Consolidated Fund

The Accountant General Department checks this issue constantly. Indeed, most of these cheques have been paid over to the Consolidated Fund instead of being updated and used to transact their intended purposes. Such action resulted in Agencies having to re-budget for those expenditures in the following year.

B4 Staffing challenges (vacancies) across Regions

Staffing continues to be a challenge because of resignation, retirement, resistance to working in interior of Guyana at current incentives, application, approval by DPS and PSC; and especially non-function of the Public Service Commission. The Finance Secretary formed a sub-committee of HoBAs to address this matter. Recommendations will be made shortly for changes in regard to employment in some regions.

B5 Subvention Agencies – failure to submit Financial Statements

The MoF is aware of the problems associated with non-submission as well as the lack of timeliness in the submission of Annual Financial Reports from several Subvention Agencies and looked to address same by issuing a Circular No. 7/2016 dated 2016-09-06 and which specifically targeted the Statutory and Constitutional bodies as well as the Public Enterprises. Agencies continue to be reminded of their financial responsibilities at every interactive forum involving the MoF.

B6 Log Books – maintained improperly across Agencies

The MoF is aware of the problems surrounding the inconsistencies in the maintenance of Log Books and has been using every interactive session arranged to discuss the Auditor General's findings, and to emphasise the importance of adhering to the contents of Circular No. 3/2011 dated August 16, 2011, which elaborates on the maintenance of Log Books for motor vehicles, and inventory of all plant and machinery following the Stores Regulations (Section 29).

B7 Outstanding Cheque Orders

Regarding non-compliance with stipulated time frame for clearance of cheque orders, the MoF is updating a Circular to address the complexities that have been emanating over the use of the Cheque Order System as a medium of payment, especially as it relates to outlying areas.

B8 Refund of Salaries and Consequential Deductions

Personnel Departments, within Budget Agencies, are urged continually to be proactive in ensuring that payroll changes/ amendments are done on time. In addition, upon verification of prior payments Agencies have been able to obtain refunds from both the Guyana Revenue Authority and the National Insurance Scheme. Further, the MoF has implemented a system which allows Agencies to place formal requests that cheques issued in respect of deduction for the Guyana Revenue Authority and the National Insurance Scheme to be cancelled in instances where overpayments are detected. New cheques issued to reflect the amended sums due to those entities.

B9 Outstanding Police Reports

- B9.1** A complete list of outstanding Police Reports was extracted from the Auditor General's Annual Report and sent to the Commissioner of Police who response as follows:
- B9.1.1** **Office of the President:** Regarding the one hundred and three (103) stolen laptops from OLPF an investigation was conducted, and no charge instituted following legal advice; and Mr. Richard Khanai was charged with receiving stolen articles of two computers, found guilty and fined one hundred thousand dollars (\$100,000.00) ---the file is with SOCU.
 - B9.1.2** **Guyana Election Commission:** Regarding the reported eleven (11) digital cameras from GEC stores in 2005, efforts are being made to locate the file on the matter.
 - B9.1.3** **Guyana Election Commission:** Regarding the sixteen (16) stolen 450-gallons water tanks as reported on August 29, 2014, there is no record of any report to the Police.
 - B9.1.4** **Ministry of Local Government and Regional Development:** Regarding the national Clean-up Programme, there is no record of any report to the police.
 - B9.1.5** **Public Service Ministry:** Regarding the air conditioning unit that could not be found after national election of 11th May 2015, there is no record of any report to the police.
 - B9.1.6** **Ministry of Amerindian Affairs:** Regarding the request to Police for help in finding former employees dismissed in 2011, there is no record of any report to the Police
 - B9.1.7** **Ministry of Agriculture:** Regarding water pumps bought during 2013 that could not be accounted for during audit inspection, efforts are being made to find the relevant file.
 - B9.1.8** **Ministry of Public Works:** Regarding the salaries valued Seven Million Eight Hundred and Forty-Seven Thousand dollars (\$7,847,000.00) which were stolen from the Force Account Unit by armed bandits, persons were charged criminally and appeared in Court.
 - B9.1.9** **Ministry of Education:** Regarding the misappropriation of One Hundred and Thirty-Six Thousand Six Hundred and Thirty-Seven dollars (\$136,637.00) in 1997, no report has been found.
 - B9.1.10** **Georgetown Public Hospital Corporation (GPHC):** Regarding the misappropriation of Five Million One Hundred and Fifteen Thousand dollars (\$5,115,000.00) during 2013, the documents were collected from the GPHC to conduct an audit--- this has not yet been given to the Police.

- B9.1.11 Supreme Court of the Judicature:** Regarding the overdrawn account in 2013 of Four Million Two Hundred and Two Thousand dollars (\$4,202,000.00), Tiffany Peters was charged and convicted, and sentence to sixty (60) months for theft of Three Million and Forty-five Thousand dollars (\$3,045,000.00) and received a dismissal for the One Million One Hundred and Fifty-Seven Thousand dollars (\$1,157,000.00).
- B9.1.12 Region 2 – Pomeroon/Supenaam:** Regarding approval not received for the write-off of gasoline valued at Four Million three Hundred and seven Thousand dollars (\$4,307,000.00) and the lost from storage of cash money valued Three Million Six Hundred and Nine-two Thousand dollars (\$3,692,000.00) from Anna Regina Multilateral School in 2004, efforts are being made to find the file.
- B9.1.13 Region 4 Demerara/Mahaica:** Regarding the upliftment of Seven Hundred and Thirty-Three Thousand and Seventy-Six dollars (\$733,076.00) for fuel used by vehicles not owned by the Region. The Auditor Department of Region 4 has never given the documents for the Police to conduct the investigation.
- B9.1.14 Region 6 East Berbice/Corentyne:** Regarding the use of fuel to the value of Twenty-one Million Nine Hundred and Forty-Two Thousand dollars (\$21,942,000.00) not being accounted for in Whim Stores, Manarabisi, and Black Bush Polder Pump Stations in 2007, the Police requested more information which has not been given by the Auditor General Office to date.
- B9.1.15 Region 10 Upper Demerara/Berbice:** Regarding the alleged robbery on February 17, 2011 of Five Million Five Hundred and Forty-Three Thousand dollars (\$5,543,000.00) from the PAS (Finance) office of the Regional Accounting Unit Safe, efforts are being made to find the file.

B9.2 The MoF will remain in contact with the Guyana Police Force on the outstanding matters above.

B10 Missing File Jackets for Court Cases

This issue is being addressed under the Agency - Supreme Court.

B11 Procurement System – frequent use of sole sourcing and disregard for Tender Board Regulations

Sole sourcing is an accepted method of procurement in the Law. Whenever a potential abuse is suspected, the burden of proof is on the procuring agency to justify the source. HoBAs are encouraged to adhere to the Tender Board regulations.

B12 Expired Drugs donated to Regions

Regarding the issue of expired drugs, the problem will be eliminated with a set of comprehensive guidelines that has been set up in the Ministry of Public Health for donated drugs to the sector. These guidelines follow those set up by the World Health Organization, and stipulate that all supplies of medicine must be based on stated needs of the country and relevant to the health services provided in Guyana. In this regard, interested donor must consult in advance with the Ministry of Public Health or the intended recipients who will be channelled to the MMU and requires the signature of a Director whose responsibility it is to have the shelf life of at least one year of all drugs verified.

B13 Non-adherence to Stores Regulations

The establishment of the Internal Audit Section within the MoF will assist in further strengthening the current system of internal controls through its continual monitoring of storekeeping practices. It all depends on the Heads of Budget Agencies in ensuring that they adhere to the Regulations and pay keen attention to the audit reports that highlight deficiencies and provide recommendations for improvement in the system.

B14 Non- establishment of the Public Procurement Commission

A five (5) member Public Procurement Commission (PPC) was established on October 29, 2016, in accordance with Article 212W of the Constitution of Guyana.

B15 PAC Meetings - Accounting Officers lack of preparedness and not adhering to recommendations aimed at addressing repetitive challenges.

These concerns have been recognized and actions taken by Government in the provision of advice and guidelines to the Ministries, Departments and Regions Regarding responses to issues raised by the Public Accounts Committee and ongoing training to enhance public financial management.

C SPECIFIC ISSUES RELATING TO SOME MINISTRIES, DEPARTMENTS AND REGIONS

C1 Ministry of Natural Resources and the Environment

Regarding the methods used in the procurement of fuel, the Ministry has taken cognisance of the recommendation made by the Public Accounts Committee (PAC) and endeavours to avoid a recurrence.

C2 Ministry of Public Works

- C2.1** Regarding the matter of the stolen payroll, the investigation by the Police continues. The HoBA has sent several reminders to the Commissioner to bring conclusion to this matter. Owing to the passage of time and the exhaustive efforts to have this matter concluded the Ministry is contemplating to pursue same with cabinet to bring closure to the matter. The MoF would have to ensure, before that happens, that all aspects of the law are applied before requesting such write-off.
- C2.2** The HoBA expressed grave dissatisfaction with the three-years delay of the works undertaken on the access road of the Cheddie Jagan International Airport due mainly to hindrances caused by the Guyana Telephone and Telegraph Company underground connectivity networks across the terrain. However, the project was granted Practical Completion in August 2017(Certificate of Practical Completion dated August 30, 2017 refers).

C3 Office of the President

- C3.1** Regarding laptops listed as obsolete and recommended for disposal, the HoBA posited that they are being distributed to the ICT Hubs across the country and are also being used in the same way as a regular PC with no mobility. It was discovered that the laptops can be used once they are kept plugged into a regular power supply, since it was the batteries that malfunctioned.

C4 The Supreme Court of Judicature

- C4.1** Regarding the missing file jackets for Court Cases the HoBA indicated as follows:
- C4.1.1** the Supreme Court of the Judicature (SCJ) has instituted *transfer and* maintenance of these Registers, and will also address the instances whereby case jackets transferred to other magisterial districts are being returned with new numbers;
- C4.1.2** request has been made to the Audit Manager to have an updated list of missing case jacket numbers, sent to the Supreme Court to speed up the process;
- C4.2** Regarding non-approvals from Departmental Tender Board, National Procurement & Tender Administration Board and non-compliance with Stores Regulations:
- C4.2.1** The Registrar informed that the Supreme Court has since implemented strict measures to ensure that procedures and practices are reviewed (quarterly) to detect whether there is non-adherence to regulations governing the procurement of services and materials, non-compliance with tender board requirements as well as non-compliance with stores regulations.
- C4.2.2** Regarding the observation that log books are kept improperly, the Registrar informed that this matter has been addressed properly. Also, all log books will be written up by the designated drivers, signed off and presented for audit inspection.

C5 Guyana Elections Commission

C5.1 Regarding the sixteen (16) water tanks that were stolen the Chief Executive Officer apprised that the matter has been resolved. The cost of the tanks, four hundred and twenty-four thousand dollars (\$424,000), was recovered through refund and deductions from:

C5.1.1 the security service provider Massy Security for \$300,000 vide cheque number 70006829 dated 08-02-2016; and

C5.1.2 Gecom for \$124,000 from the security provider.

C6 Ministry of Labour, Human Services, and Social Security

C6.1 Regarding the matter concerning the updating of the database, this was dealt with in detail in the Treasury Memorandum for 2010/2011.

C6.2 Regarding the comments contained in the Report of the PAC for 2012/2014, the HoBA informs that the Ministry receives timely death returns from the Guyana Registrar's Office and several funeral parlours and that this information is used to update /cleanse the Old Age Pension database on a monthly basis. The issue sheets are also used. Further, the Ministry has also engaged the Ministry of Public Health for help regarding the provision of timely death returns.

C7 Guyana Police Force

The Head of Budget Agency has submitted a Status Report in response to a written request for an updated position regarding "Outstanding Police Reports" being awaited by various Agencies within the Government of Guyana. The status of the outstanding reports however does not provide much optimism for bringing closure to the number of outstanding cases as reported in the Auditor General's Reports.

Regarding the process being followed in the disposal of uniforms of the Guyana Police Force (GPF), the MoF intends to work closely with the GPF with a view to ensure that the practice should be that the Auditor General or his representative be present to verify the destruction of these assets (uniforms).

C8 Georgetown Public Hospital Corporation (GPHC)

C8.1 Regarding the converting of an existing project bank account, under the GPHC the Corporation's Main Bank Account the Finance Secretary has advised on the setting up of that account recently.

C8.2 Regarding breach of Section 80 of the Fiscal Management and Accountability Act as it relates to the preparation and submission of Financial Statements the CEO of GPHC acknowledged being in breach. However, the Corporation has signalled

its intention to work diligently to have the Statement for 2015 completed as the entity was able to complete the assessment and valuation of its fixed assets.

C9 Ministry of Health

C9.1 In response to the issues regarding late delivery of supplies and the prevention of timely refunds to the Appropriation Accounts, the HoBA informed that the Ministry of Health has:

C9.1.1 setup a Procurement Unit with the sole purpose of not only ensuring strict management of contracts, but to ensure that the appropriate course of actions is met out whenever there are deviations from contractual agreements;

C9.1.2 taking the route of seeking multiyear contracts for the supply of drugs; and

C9.1.3 issued to errant suppliers as it relates to late delivery of drugs as well as the non-deliveries of some.

C9.2 Regarding the non-adherence to the Stores Regulations, the Ministry has made the following efforts in its attempt to ensure adherence:

C9.2.1 sought and received approval to employ Asset Inventory Clerks, and achieved a 40 % completion status, since the clerk's employment on April 6, 2018;

C9.2.2 mark the asset inventory Capital items before issuing from the Central Supplies Unit;

C9.2.3 implemented and keep updating constantly a Permanent Stores Register; and

C9.2.4 implemented a system for periodic stock counts.

C10 Ministry of Culture, Youth and Sport

C10.1 In response to the concerns of PAC over the revenues collected in respect of rental of the Guyana National Stadium as well as the sale of the Guyana Classic not being deposited in the Consolidated Fund, the HoBA explained that the revenues, effective from July 29, 2016, are being remitted to the Consolidated Fund.

C10.2 Regarding the non-refund of monies to the Consolidated Fund resulting in overstatement of the Appropriation Accounts, the Ministry of the Presidency, under which Culture, Youth & Sport is now a Department, informed that effective from September 14, 2016, the Ministry has since been compliant.

C10.3 Regarding the non-submission of Financial Statements by Subvention Agencies, the National Trust of Guyana and the National Sports Commission, the Ministry of the Presidency gave an update as follows:

- C10.3.1** National Trust of Guyana is up-to-date with its Financial Statements—the Ministry received Cabinet’s Approval on February 6, 2018 for National Trust 2016 Report and for the Financial Report to be laid in the National Assembly; and
- C10.3.2** The National Sports Commission awaits a response from the Office of the Auditor General to their letter concerning the Auditor General’s report for the fiscal years 2012, 2013, 2014, 2015, and 2016 since all financial statements for have been submitted.

C11 Ministry of Education

- C11.1** Regarding the concern that five (5) vehicles outside of the Ministry’s fleet received fuel and lubricants from GUYOIL, the HoBA stated that after a review of the records it was found that the numbers for the vehicles in question were recorded incorrectly.
- C11.2** Regarding the overpayment to contractors, the HoBA indicated that of the three (3) contractors mentioned in the Audit Report for 2014, the full amounts being overpayments were recovered from two (2) of them. Regarding the third contractor, the Ministry continues to pursue the matter and will seek guidance from the MoF on the matter.
- C11.3** Regarding non-adherence to Stores Regulation, the HoBA advised that training is being provided to all store personnel to ensure that there is compliance with the relevant regulations. Concomitantly, there is internal monitoring being done by the Internal Auditor.

C12 Ministry of Local Government

- C12.1** Regarding the financial management challenges, the Ministry of Communities held an Action Roundtable Workshop targeting municipal treasurers, town clerks and finance committee chairmen and addressed issues including outstanding Financial Statements of municipalities. According to the Municipal and District Council’s Act, Chapter 28: 01 of the Laws of Guyana, Section 176, the responsibility of giving Financial Statements for the Councils lies solely with the Treasurer of the Councils. The latter’s appointment is solely the responsibility of the Council and not that of the Ministry of Communities. The HoBA explained that the failure of the Councils to give these statements is a challenge that has several root causes including the financial standing of the Council to employ the necessary skills. The HoBA pointed out, further, that an analysis of the officers holding positions of Treasurer would reveal the deficiency in ability on part of the Council to attract greater skills.
- C11.2** Regarding the challenges of Linden Town Council, it is expected that at conclusion of the above-mentioned workshop that they would be able to improve on its performance, the completion and submission of its Financial Statements covering all the periods it has been in arrears.
- C11.3** The Ministry of Communities, in addition to the expectations after the conclusion of the workshop, has set up a forum with the sole intention to develop and promulgate collaboratively financial management in the municipalities.

C13 Region No. 1 – Barima /Waini

C13.1 The HoBA in response to the large amount of outstanding cheque orders not being cleared has indicated that in an effort to lessen the magnitude of the existing breach it has been able to clear one hundred and ninety-three (193) out of a total of three hundred and ninety-nine (399) outstanding cheque orders.

C14 Region No. 2 Pomeroon/ Supenaam

C14.1 Regarding the recent audit report that fourteen (14) persons are occupying government quarters without the requisite documentation, the HoBA explained three (3) persons have vacated the building leaving occupancy of eleven (11). There are many issues surrounding the current occupancy, including a claim of lease being granted to one individual. Therefore, the HoBA sought to address the issues pertaining to occupancy of government quarters within the Region by writing the Attorney General, through the Permanent Secretary of the Ministry of Communities seeking advice on the way forward.

C15 Region No. 4 - Demerara/ Mahaica

C15.1 Regarding the recent audit report that three unauthorised vehicles were collecting fuel at GUYOIL, the HoBA took the following action:

C15.1.1 provided GUYOIL with a list of all vehicles owned and administered by the Region 4 Administration

C15.1.2 instructed GUYOIL that only listed vehicles are authorised to uplift fuel; and

C15.1.3 provided GUYOIL with a list of the officers [Regional Executive Officer, Deputy Regional Executive Officer and the Principal Assistant Secretary (Finance) authorised to sign Internal Stores Regulation (ISR)] to uplift fuel.

C15.2 The action taken by the HoBA is also in keeping with that recommended by the PAC.

C16 Region No. 5--Mahaica/ Berbice

C16.1 In response to the overpayments on contracts during prior years concluding on December 2014, the HoBA explained that despite all the efforts aimed at recovery only forty thousand dollars (\$40,000) have so far been recovered. However the Regional Administration is in receipt of information that the contractors involved are still tendering within the Government of Guyana and this ought to bolster attempts aimed at recovery.

C16.2 The HoBA acknowledges the comments made by the PAC in relation to the Administration's inability to clear cheque orders within the stipulated time frame of sixteen (16) days.

C16.3 However the HoBA apprised that it is always a difficult challenge to have some cheque orders cleared by the official time frame. The MoF recognises this challenge, particularly as it pertains to the Regions, and will issue a circular with a view to counteract, mostly at the Regional level.

C16.4 It must be pointed out however, that except for a few cheque orders, all others relating to the prior years ending with 2014 have since been cleared.

C17 Region No. 6 - East Berbice/Corentyne

C17.1 Regarding the investigation into the matter involving the unaccounted fuel and lubricants, the Auditor General has been written to, asking that the relevant documents be resubmitted, since engagement with the officer-in charge of the Fraud Unit revealed that his Unit was not in receipt of the pertinent documents. The Auditor General, at the 21st Meeting of the PAC, confirmed that the Criminal Investigation Department is working along with his Office on the matter. Further, the Payment Vouchers and other related documents are in the possession of the Audit Office. However as recent as 2018-05 15, the Regional Administration was informed by the CID Headquarters that they have not received documents from the Auditor General so as to proceed with the investigation. The Auditor General has since been edified of this and further requested to make available the payment vouchers to the police.

C17.2 In order to address the lapses which may have contributed to the fuel loss, HoBA related that the Regional Administration has since put systems in place to ensure that fuel and lubricants bought and issued are accounted for in accordance with the Stores Regulations. The system includes the strengthening of internal control mechanisms, and the provision of adequate resources for the effective monitoring of the system as it relates to receipts and issues of fuel and lubricants. The monitoring is being conducted by Superintendent of Works, Overseers and Rangers, and supported by increased scrutiny by the Field Auditor.

D CONCLUSION

D.1 This Treasury Memorandum serves to respond to the queries and recommendations in the PAC Report pursuant to Resolution No. 79/2018, dated March 15, 2018 of the National Assembly on the Public Accounts of Guyana for the years 2012, 2013 and 2014. In this regard, it recognizes the references made to waste, abuse, and mismanagement of public resources as well as the lack of fiscal transparency, accountability, discipline, and full compliance with FMA Act, Audit Act, and the Procurement Act, over this period.

D.2 Government considers the queries and recommendations as helpful to understand better the performance of existing service delivery, showing ways to improve them and opportunities to provide new services that improve the well-being of citizens. As such, the Treasury Memorandum continues to be an integral part of the Government's systematic drive and on-going efforts to inform the National Assembly of its efforts at improving PFM in general, and transparency and accountability in the conduct of Government's business. It provides succinct, but cogent responses to the comments, observations and recommendations that are made in the Report.

- D.3** By the responses, it also outlines specifically actions taken by Government in the provision of advice and guidelines to the Ministries, Departments and Regions regarding responses to issues raised by the PAC and provide ongoing training to enhance PFM.
- D.4** The level of compliance by the HoBAs regarding the queries in the report under review, is noteworthy as shown by improvements reflected in many areas. However, there is room for improvement. It is expected that these issues will continue to be addressed, as the benefits of the modernisation process as the employment of good practices continue to increase within the PFM system.

