



**National Assembly of Guyana
Public Accounts Committee**

**The Report of the Public Accounts
Committee on the Public Accounts of
Guyana for the years 2010 & 2011**

Eleventh Parliament (2015-2016)

Report, together with the minutes of proceedings

Presented to the National Assembly

On November 28, 2016

Background

The Public Accounts Committee (PAC) was established in British Guiana in 1957 by Standing Order 70(2) and is now provided for by Standing Order 82 (1) of the National Assembly. This Standing Committee is established at the commencement of the life of each Parliament and continues for the duration of the Parliament unless otherwise provided for. The business of the PAC does not lapse by session but continues into the life of the next Parliament.

The Committee continues in the tradition of Standing Order 82 (1), to examine the accounts of agencies that were appropriated public funds by the National Assembly. Those agencies were highlighted in the Auditor General's Report.

The Chairmanship of this Committee is retained by the Member of the Main Opposition Party throughout the life of the Committee. (See *Standing Order 82(2)*)

Current Membership of the Committee

In accordance with amendments to the Standing Order (86) in December 2012, Membership of the Public Accounts Committee is derived in keeping with the seat allocation in the Tenth Parliament.

MEMBERS OF THE COMMITTEE (9)

CHAIRMAN (1)

From A Partnership for National Unity (APNU)

(Nominated by the Committee of Selection on 7th March, 2012)

(Elected by the Committee on 16th March, 2012)

Mr. Carl B. Greenidge, M.P.

From the People's Progressive Party/ Civic (PPP/C) (4)

(Nominated by the Committee of Selection on 7th March, 2012)

Ms. Gail Teixeira, M.P., Chief Whip

Mr. Manzoor Nadir, M.P.

Ms. Bibi S. Shadick, M.P.

Mr. Odinga N. Lumumba, M.P.

From A Partnership for National Unity (APNU) (3)

(Nominated by the Committee of Selection on 7th March, 2012)

Mrs. Volda Lawrence, M.P.

Mr. Keith Scott, M.P.

Mr. Jaipaul Sharma, M.P.

Members from the Alliance For Change (AFC) (1)

(Nominated by the Committee of Selection on 7th March, 2012)

Mr. Trevor Williams, M.P.

Change in Membership

Mr. Jaipaul Sharma resigned on 3rd April, 2014 as a Member of the National Assembly and the PAC. He was replaced by Mr. Ernest Elliot M.P., who had been nominated on 30th April 2014 by the Committee of Selection.

Advisors

The following persons provide the PAC with technical advice in keeping with the Financial Regulations.

The Auditor General (Ag.) (Mr. Deodat Sharma)
Finance Secretary (Mr. Neermal Rekha)
The Accountant General (Ag) (Col. Jawahar Persaud)

Meetings of the Committee

The Committee held fifty meetings during the First Session of the Tenth Parliament (2011-2016). Most of these meetings were to examine queries against budget agencies in the Auditor General's 2010/2011 Reports.

16 TH MARCH, 2012, 1 st Meeting	28 TH MAY, 2012, 2 nd Meeting
11 TH JUNE, 2012, 3 rd Meeting	18 TH JUNE, 2012, 4 th Meeting
25 TH JUNE, 2012, 5 th Meeting	16 TH JULY, 2012, 6 th Meeting
6 TH AUGUST, 2012, 7 th Meeting	10 TH AUGUST, 2012, 8 th Meeting
29 TH OCTOBER, 2012, 9 th Meeting	5 TH NOVEMBER, 2012, 10 th Meeting
12 TH NOVEMBER, 2012, 11 th Meeting	19 TH NOVEMBER, 2012, 12 th Meeting

3 RD DECEMBER, 2012, 13 th Meeting	10 TH DECEMBER, 2012, 14 th Meeting
24 TH DECEMBER, 2012, 15 th Meeting	7 TH JANUARY, 2013, 16 th Meeting
14 TH JANUARY, 2013, 17 th Meeting	21 ST JANUARY, 2013, 18 th Meeting
28 TH JANUARY, 2013, 19 th Meeting	4 TH FEBRUARY, 2013, 20 th Meeting
11 TH FEBRUARY, 2013, 21 st Meeting	28 TH FEBRUARY, 2013, 22 nd Meeting
11 TH MARCH, 2013, 23 rd Meeting	18 TH MARCH, 2013, 24 th Meeting
16 TH MAY, 2013, 25 th Meeting	30 TH MAY, 2013, 26 th Meeting
10 TH JUNE, 2013, 27 th Meeting	8 TH JULY, 2013, 28 th Meeting
15 TH JULY, 2013, 29 th Meeting	22 ND JULY, 2013, 30 th Meeting
29 TH JULY, 2013, 31 st Meeting	5 TH AUGUST, 2013, 32 nd Meeting
18 TH NOVEMBER, 2013, 33 rd Meeting	25 TH NOVEMBER, 2013, 34 th Meeting
2 ND DECEMBER, 2013, 35 th Meeting	9 TH DECEMBER, 2013, 36 th Meeting
11 th DECEMBER, 2013, 37 th Meeting	16 TH DECEMBER, 2013, 38 th Meeting
20 TH JANUARY, 2014, 39 th Meeting	27 TH JANUARY, 2014, 40 th Meeting
3 rd FEBRUARY, 2014, 41 st Meeting	13 TH FEBRUARY, 2014, 42 nd Meeting
17 TH FEBRUARY, 2014, 43 rd Meeting	3 RD MARCH, 2014, 44 th Meeting
20 TH MARCH, 2014, 45 th Meeting	28 TH APRIL, 2014, 46 th Meeting
8 TH MAY 2014, 47 th Meeting	2 ND JUNE, 2014, 48 th Meeting
9 th JUNE, 2014, 49 th Meeting	15 TH JUNE, 2014, 50 th Meeting

Introduction

The Public Accounts Committee (PAC) is a Standing Committee of the Parliament of Guyana. The PAC was institutionalised by Standing Order 70(2), 1957, and continuous to existence. It has grown in influence over the years, boosted by the constitutional reform process initiated in 2000 along with the Audit Act of 2004 and the Rules, Policies and Procedures Manual.

The Public Accounts Committee's (PAC) – Mandate

The PAC derives its mandate from Article 223(5-8) of the Constitution of Guyana (2003) and Standing Orders of the National Assembly. The PAC exercises supervisory oversight of the functioning of the Audit Office in accordance with the Rules, Policies and Procedures Manual, the Audit Act and any other Law.

Powers of the PAC

The PAC exercises Powers in keeping with the Evidence Act Chapter 1:08 which allows for the summoning of witnesses to give evidence and or provide documents to the Committee. It also has penalties for non-compliance without proper reason.

Appearance of Accounting Officers

The PAC acknowledges that in a few instances some former Accounting Officers who were invited to attend meetings did not appear. In most cases these were officers had left the service and some may have emigrated and could not be reached.

Government Response to PAC's Report

Standing Order 82(3) states that within ninety days of the presentation of the PAC's report, the Government shall table its Treasury Memorandum, as its response thereto. The Committee, notes, that although the Government has been tabling Treasury Memoranda for those reports submitted (up to 2009) in most instances few of the recommendations had been accepted and implemented. In some instance, such as with CANU and State Planning Secretariat, the National Assembly had to ensure that these recommendations were implemented.

General Challenges Observed Across Budget Agencies

The Committee observed that:

- Across budget agencies, Accounting Officers and/or engineering staff appear to persistently sign off on incomplete projects.
- Accounting Officers were not implementing appropriate measures to avoid the recurrence of overpayment.
- Government Agencies seemed reluctant to use the performance based gratuity (specifically the withholding of increments) of Accounting Officers as a means of promoting efficiency.
- The re-cycling, of Accounting Officers who had been cited for inefficiency from one agency to another.
- Performance Bonds and Insurance were seldom utilised as surety by Ministries/Regions against shoddy and incomplete work done by contractors. The lack of clearly defined policies as it relates to the invoking the Insurance and Performance bonds at the appropriate time.

- The Auditor General's Engineering Department appears overstretched, given the number of expected interventions and the increase in capital works across agencies.
- The Ministry of Local Government appears lax regarding the staffing challenges in the Regions. There is limited evidence of improvements derived from adequate monitoring and or remedial measures such as training.
- The agencies continue to encounter engineering challenges across budget agencies which have not been addressed, more particularly in the Regions.
- Accounting Officers when challenged by the comments in the Auditor General's reports for signing off on incomplete projects are in the habit of behaving as though the contractors are automatically and legally liable for rectifying the defects.
- There is no across the board policy on the issue of Insurance Bond (duration) and mobilization fees, against the backdrop of geography and importance of a project.
- A significant number of issues appearing before to the PAC is as a result of failure to put in place appropriate or timely policies and or remedies. One such example, is the unclear arrangements for the writing off of losses, which keeps recurring as queries annually.
- The classification of a section of a Ministry/Public Service as a Local Organization, borders on being in conflict with the FM&A Act.
- A large number of Accounting Officers appear to have failed to prepare for their meetings with the PAC.
- Agencies are taking on the average, one year (minimal) to rectify queries highlighted in the Auditor General's Report.
- Widespread non-compliance with the stipulated time-frame for the clearing of cheque orders.

- Log Books not properly maintained continues to be a perennial problem across Ministries/Departments/Regions.
- The volume of the Auditor General's report and the variation in the significance of the points being raised.
- Unresolved prior years matters which are numerous.

Examination of Agencies

Ministries

Ministry of Agriculture- The PAC at its 9th and 10th meetings engaged the agency on a number of issues. Discussions ensued about the fuel arrangements made with GUYOIL, lost and/or misplaced assets. The Committee expressed dismay on learning that the Accounting Officer could only locate three out of five staff members who were still indebted to the Ministry¹. The Accounting Officer was told to implement the following recommendation in conjunction with the Accountant General:

Recommendation- The Accounting Officer should surcharge the Officer who did not provide timely information to effect the necessary payroll changes.

Ministry of Foreign Affairs- The PAC at its 11th meeting congratulated the Director General and her staff for exemplary performance, but had a concern in relation to overseas Missions not remitting their revenues to the Consolidated Fund at the required time (at the end of each year).

¹Para172 of 2010).

Recommendation- The Ministry should open a separate account for all cash revenues emanating from Missions at the end of the year.

Ministry of Education -The PAC was pleased with the agency's presentation when it appeared at its 10th and 39th Meetings. However, the Committee took issue with payment to a total of eleven (11) teachers and four (4) public officers after they had resigned. Of concern also, was the fact that the Ministry had overpaid a contractor by approximately 30% of the contract sum and no one was penalised or surcharged. Noteworthy was the fact that the overpaid sums had not been recouped.

Recommendations - a) that the Ministry should submit the names of the persons overpaid to the Ministry of Finance with a view to having deductions made from their vacation allowance;

b) that the debt be written off by the Finance Secretary after verifying that the individuals could not be located;

c) that the names be submitted to the port authorities (immigration) for blacklisting; and

d) that the Accounting Officer should acquaint herself with the relevant section of the Fiscal Management and Accountability Act (FMA) relating to sanctions and to enforce the appropriate sanctions once Officers had been found culpable.

Ministry of Public Works-The PAC at its 11th meeting expressed concern with regard to transferring of funds (to compensate farmers) to the Public Trustee Account rather than the Consolidated Fund.²

²Para 189 of 2010

Recommendation- The Accounting Officer should seek the guidance of the Attorney General with respect to retrieving and returning the funds to the Consolidated Fund.

*Ministry of Legal Affairs-*At the 12th meeting of the PAC, a number of concerns had been raised but the discussions focused on the use of First Federation Building and the small fees Companies were required to pay to be registered in accordance with the Companies Act of 1991.

Recommendation- That due consideration should be given by the Ministry of Legal Affairs to increasing the filing fees paid by Companies.

*Ministry of Tourism and Commerce-*The PAC at its 13th meeting viewed with concern, the significant costs that continued to be incurred by the agency in the hiring of taxis.

Recommendations - a) Duty free concession should be granted to technical Staff within the Ministry in an effort to reduce the use and cost of taxis;

b) The Ministry should seek to acquire motor cycles and bicycles for the Office Assistants; and

c) Revisit arrangements for transporting and the purchase of vehicles (proper financial assessment should be conducted).

Ministry of Labour, Human Services and Social Security –During its examination of the Ministry at the 16th and 44th meetings, the Committee expressed strong concern with respect to a number of issues. These included the database for pensioners who were new applicants³ and the process of removal of pensioners from the existing data base⁴. Hence, the following were recommendation made to the Accounting Officer:

³Para 278 - 2010

⁴Para 271 - 2011

- Recommendations-*
- a) *The Ministry should gather information from the Board of Guardian as regards new applicants;*
 - b) *The Accounting Officer should implement an integrated system between the Ministry, Guyana Elections Commission and the National Insurance Scheme to gather information speedily;*
 - c) *The Accounting Officer should engage in discussions with the General Registrar Office (GRO) in an effort to have information on a monthly rather than quarterly basis;*
 - d) *The Accounting Officer should ascertain whether the information from (GRO) could be presented in a disaggregate format to aid the work of the Ministry;*
 - e) *The Accounting Officer should seek the service of an external system analyst to regularly check and review the agency's system;*
 - f) *The Accounting Officer should ensure that checks were made with the various police stations and communities with respect to the whereabouts of pensioners' before removing them from the database;*
 - g) *The Accounting Officer should solicit legal opinion from the Attorney General's Office concerning the decommissioned ID cards being rejected at post offices;*
 - h) *The Accounting Officer should implement an electronic system to gather records of deaths from the General Registrar's Office in a timely manner;*
and
 - i) *The Accounting Officer should review the regulations with respect to the retroactive payment for old age pension since the current three month duration was too short.*

Ministry of Health- The PAC at its 17th and 43rd meetings expressed concern on a number of issues including transactions with the New GPC:- outstanding supplies, the procurement and storage of drugs by the agency, the huge cost associated with the expiration of drugs and the alleged loss of records due to a fire. The Committee was informed that adequate storage was a challenge. It was also told that the Linden Hospital was experiencing a challenge in receiving needed funds although Cabinet had cleared the issue.⁵

Recommendation- a) The Accounting Officer should seek the advice of the Ministry of Finance to correct the situation with respect to the Linden Hospital;

b) The Accounting Officer should pay greater attention with regard to the estimation of drugs needed within a particular year with a view to setting notional value on donated drugs received.

c) Provide guidelines to supplier/s of donated drugs (self-life, etc.), and categories of drugs needed.

d) That the Agency in its 2013 work plan, employ a more systematic approach to safe-guard its records and further, liaise with the Finance Secretary and the Auditor General to examine the scope of all record keeping and effect recommendations for a comprehensive off site backup system in cases of disaster. This recommendation should not be confined to that Agency but, implemented in all Ministries and Departments.

⁵Para 257 of 2011

Ministry of Local Government- The Committee at its 18th and 45th meetings expressed concerns on a number of issues. These include overpayments and poorly maintained Master Inventories. It was dissatisfied at the state of the financial accounting at the NDCs,⁶ and was not convinced that the Ministry of Local Government was doing enough to improve the situation.

Recommendation- *The annual subventions to NDCs (\$3m) should be withheld until accounts were brought up-to-date.*

Ministry of Amerindian Affairs- The PAC at its 38th meeting expressed concern that cheques for Capital provision for the Amerindian Development Fund were unpaid for nearly two years although a commitment had been made to have the sums returned to the Consolidated Fund⁷. The Committee also expressed strong concern with the comments in the Auditor General's Report regarding a large unspent sum at December 31, 2011.

Recommendations-

- a) *The Minister of Amerindian Affairs be formally notified on the matter that unspent monies must be returned to the Consolidated Fund; and*
- b) *The Accounting Officer examines and addresses all the issues raised in the Auditor General's 2011 report before appearing for the examination of the 2012 Auditor General's report.*

Ministry of Home Affairs- The PAC at its 42nd meeting expressed concern about the queries of overpayments, particularly to a certain contractor.⁸ Members also took issue with the non-receipt of supplies that were procured in 2011 and paid in full but had not been delivered in 2014. (Para 292/3 of 2011).

Recommendation- *The Accounting Officer should recover the overpayment from the E&A Consultancy that had signed off the project.*

⁶Para 159-160 of 2010

⁷Paras 165-167 of 2010.

⁸Para 295 of 2011

Ministry of Finance-The PAC at its 47th and 48th meetings highlighted a number of unclosed government accounts from prior years and the accuracy and validity of Assets and Liabilities under the purview of the Ministry. The Committee also expressed concern about the state of the Sugar Welfare Fund (SILWC) and the Ministry's failure to implement the recommendations of consecutive Auditor General's reports. The Committee felt that swift policy decisions (interventions) could easily remedy some of the outstanding queries.

Overdraft balance on the old Consolidated Fund

Concerns were expressed regarding the timeline for writing off of old accounts dating back to 1988.

Recommendation - that due consideration should be given to ensure that the matter was resolved and the accounts closed. The Finance Secretary should put forward the requisite recommendation in this regard.

Continued Abuse of the Contingency Fund

The 'continual abuse' of the Contingency Fund attracted an extensive discussion. Members of the Committee expressed grave concern on this issue.

The Auditor General had stated that in accordance with the financial rules and regulations there were certain criteria which had to be met before an advance was approved. He, however, pointed out that some of the projects for which advances had been approved, should have been foreseen and therefore, included in the annual expenditure of the agencies.

Some Members of the Committee challenged the term "continual abuse" used by the Auditor General; however other Members of the Committee were not satisfied with the explanation proffered by the Finance Secretary, in trying to justify the approval of advances from the Contingency Fund. The Auditor General, however, maintained that some of the projects should have been included in the annual expenditure of the agencies; hence in his view the Contingency Fund was continually being abused.

At the end of the discussion, there was no consensus on the term used by the Auditor General, as the term was disputed by some Members.

Recommendation - that the Finance Secretary and the Auditor General consult on the interpretation of the criteria as set out in the *FMA Act* for the approval of advances.

The Non- Establishment of the Bid Protest Committee

The Committee engaged in discussions regarding the non-establishment of the Bid Protest Committee. Answers were sought as to whether the law required that the Committee be established or whether it should be done at the pleasure of the National Procurement and Tender Administration Board.

The Auditor General, quoting from the Regulations to the Procurement Act 12 (1), indicated that “the Administration shall establish a Bid Committee to deal with alleged breaches of the Act by the procuring entities”.

Recommendation – that the Ministry of Finance seek to establish the Bid Committee to deal with complaints by contractors, in keeping with the regulations.

Guyana Defence Force (GDF) - The PAC at its 10th and 40th meetings engaged the agency on a range of issues as highlighted by the Auditor General’s report. However, the Accounting Officer had a challenge in answering the queries about pre-payment for fuel which was deemed by the AG to be overpayments. The Committee resolved that since this problem had been arising from precautionary purchases and was an issue affecting multiple agencies, the regulations and law should be addressed by the Minister of Finance. It also expressed concern on the overpayment of the contractor at Camp Seweyo and the absence of bond and insurance.

Recommendations - a) *The FMA Act and/or Regulations should be amended to provide for the present pre-paid arrangements for fuel across agencies; and*
b) *The GDF should expose and train relevant staff in the use of the FMA Act and the Financial Regulations.*

Guyana Elections Commission-The PAC, at its 12th and 41st meetings had cause to express its displeasure with the Chief Elections Officer (ag) in relation to the longstanding issues of the outstanding advances and films bought from ACME.

During its engagement with the Chief Elections Officer (ag), the Committee sought clarification on the advance of \$500,000 which had been taken by him in 2006 for the purpose of covering elections expenses but had not been cleared. Subsequently, he had reported that the sum had disappeared. His responses were found to be inconsistent. In spite of being told that he was obliged to repay the advance, the officer claimed that the Guyana Elections Commission, at one of its statutory meeting, had decided that he should not repay the advance. However, he failed to provide the relevant minutes and a number of documents relating to the advance, requested by the PAC.

The Committee was subsequently informed by the Officer that it would have write to the Chairman of GECOM for the required information as (he) the Chief Elections Officer (ag), had no authority to transmit the documents requested. Consequently, the Committee wrote the Chief Elections Officer (ag) requesting him to reappear before it with a view to further clarifying the issues in question. Due to his non-appearance, the Committee thereafter, met with the newly appointed Chief Elections Officer and reiterated its earlier recommendations.

- Recommendation – a)** *That the Guyana Elections Commission conform to the Fiscal Management and Accountability Act, the Financial Rules and Regulations and the Constitution regarding the issue of public funds,*
- b)** *That the Chief Elections Officer (ag) be cited for breach of the Financial Regulations and that the advance should be repaid; and*
- c)** *That GECOM uplift from ACME the outstanding stocks or pursue a criminal case against ACME.*

Georgetown Public Hospital Corporation (GPHC)-The PAC at its 14th and 43rd meetings engaged the agencies on a number of queries as highlighted by the Auditor General's report. It zeroed in on the issue of storage and space for supplies, since these were challenges for the agency given that the Diamond Bond was inadequate for GPHC and MOH supplies. As a consequence, drugs worth millions of dollars had expired and those soon to be expired could not be delivered in a timely manner. The Committee also expressed concern about the procurement arrangements (single sourcing) which allowed a large quantity of supplies to be undelivered for years. The Committee noted a breach of the FMA Act since the agency was affected by monthly disbursement of funds. It reiterated that GPHC is a Subvention Agency and therefore should receive subvention rather than an appropriation.

Recommendations- a) The GPHC should immediately commence plans to acquire its own Storage Bond;

b) A more systematic dialogue with the Pharmacy and Therapeutic Committee should be undertaken so as to anticipate the changes in demand of drugs; and

c) Review the policy in place for receiving supplies against stocks and pattern of use.

Guyana Police Force - The PAC at its 14th meeting expressed concern about a number of issues as were highlighted by the Auditor General's report. The explanation given as to why 110 Log books for vehicles had not been presented to the auditors for examination⁹ was unsatisfactory. The Committee also had strong concerns about the discrepancies uncovered at 50% of the sample of Police Stations on the issue of storage of Bail Money (Para 305 of 2010).

Recommendations - a) The current management system should be reviewed to ensure that vehicles are properly monitored and maintained;

⁹Para 304 of 2010

- b) Defaulting Officers should be held accountable and disciplined for non-adherence to rules and regulations governing the use of vehicles;*
- c) A periodic review should be conducted to evaluate the progress of the system after it was revised; and*
- d) A complete audit (100%) of all Police Stations should be carried out, on the storage of bail money in next cycle of auditing.*

The Supreme Court of Judicature -The Committee at its 36th meeting discussed a number of queries highlighted by the Auditor General's report. It agreed that unsystematic removal of case jackets in magisterial districts was of concern and that something should be done about the situation. The issue of overpayment of a contractor and the nature of contracts awarded was also of concern to the Committee.¹⁰

- Recommendation-*** *a) The agency should consult with an expert in that field to address the inconsistencies in the current system; and*
- b) The agency should review the standard contract to ensure that the contractor is accountable for the quality of service provided.*

Office of the President - The Committee at its 37th meeting discussed the appropriateness of classifying the Presidential Guards Service and Castellani House as Local Organisations.¹¹ The Committee expressed the view that the current situation needs to be remedied.

Recommendation – The Auditor General, the Ministry of Finance and the Accounting Officer should further examine the issue of criteria for classifying Local Organisations.

¹⁰Para 345 of 2011.

¹¹Para 66 - 2010.

Guyana Revenue Authority (GRA) - The PAC at its 46th meeting viewed with concern a number of issues highlighted by the Auditor General in relation to this agency. These included the sparse issuance of professional certificates, incomplete ship files and the effects of transacting business in Guyana. It also engaged in the non-compliance with the Income Tax Act by self-employed persons due to inadequate knowledge of the law. The PAC was alarmed, and voiced strong concerns about the freedom with which Liquor Licences could be acquired. Frank discussions ensued on the societal ills that accompany failure to deal with complaints, and the need to review the parameters of adherence to conditions prior to the re-issue of Liquor Licences. Hence, the Committee recommended to the Accounting Officer that:

- Recommendations* – a) *The GRA seek to immediately conduct a public education programme via radio and television regarding the remission of taxes by self-employed persons;*
- b) *Conditions associated with the issuing of licences and penalties for breaching licences should be printed on the licenses;*
- c) *The GRA should review the Regulations with the other relevant agencies regarding Liquor licenses with a view of making them more stringent; and*
- d) *The GRA should increase the cost for obtaining a Liquor Licence*

Regions 1-10

No.1-Barima Waini - The PAC at its 26th and 44th meetings raised strong concerns with an advance for impoldering farm lands when no work was done¹² and overpayment to a contractor working in the compound of the Accounting Officer.¹³ The Committee found the Accounting Officer's explanations grossly inadequate to a number of its queries and suspended its engagement with the Region during the 26th meeting. It continued to be unimpressed when it re-

¹²Para 370 of 2011

¹³Para 372-373 of 2011

engaged the Region at its 44th meeting given the levels of overpayments highlighted and the quality of responses proffered by the Accounting Officer.

- Recommendations - a)** *The Accounting Officer legally pursues the engineer who signed off on the rehabilitation of the Regional Administration Building to recover the overpayment; and*
- b)** *The Auditor General should do a 100% audit of this agency in the next auditing cycle.*

No.4- Demerara/Mahaica- The Committee at its 20th meeting viewed with concern, several issues highlighted the Auditor General's Report. These include: overpayments, services, purchases, approval for works and Tender Board Minutes. It, however, zeroed in on Fuel & Lubricants and Services. The Committee was particularly concerned about discrepancies in the security services procured by the agency and the illegal uplifting of fuel from GUYOIL.

- Recommendations - a)** *The Ministry of Local Government and Regional Development should launch an investigation into the fuel fraud;*
- b)** *The Accounting Officer should also immediately initiate an investigation into the fuel fraud;*
- c)** *The Accounting Officer should provide the police with a specimen of the signatures of the Officers who were authorized to sign the ISR; and*
- d)** *The Accounting Officer should write to GUYOIL to undertake an investigation.*

No. 5- Mahaica Berbice- The Committee at its 21st meeting expressed concerns on numerous queries as highlighted by the Auditor General's report. It took particular interest on an issue of overpayment to a contractor, based on the explanations provided by the Accounting Officer. The meeting saw robust exchanges on the construction of perimeter drains and the queries emanating from construction of poly-clinic. Members were alarmed at the fact that deficient contract documents were used on both occasions to the peril of the employer.

Recommendations - a) The Accounting Officer should embark on training for the Engineers, Clerks of Works, etc, as it relates to project management;

b) The Accounting Officer should have greater public oversight for projects by engaging Communities; and

c) The Accounting Officer should ensure that photographic evidence of completed projects are filed as proof.

No.6- East Berbice Corentyne - The Committee at its 22nd meeting expressed concerns on a number of issues raised by the Auditor General for this agency. It was alarmed at large overpayments to contractors with no penalties for those responsible, and the determination of dietary supplies to Canje Hospital. However, it showed a keen interest in discussions on *unaccounted fuel and lubricant* (Para 416 of 2010) and gave the following advice, as recommendation.

Recommendations- a) The Accounting Officer should investigate whether a fraud had occurred or there was neglect of duty, before approaching the police;

b) The Ministry of Home Affairs should organise sessions with the Regional Administration on the procedures when dealing with fraud;

c) The Finance Secretary and Accountant General should provide training for the Accounting Officer and Deputy on issues of fraud; and

d) The Accounting Officer needs to devote more resources and time to monitoring systems under his purview.

No.7- Cuyuni/ Mazaruni - The Committee at its 19th meeting discussed the issues highlighted in Auditor General's Report and noted mainly, the challenges faced by the agency as it relates to communication, maintenance of log books and unclaimed salaries.

Recommendation- The Accounting Officer needs to use radio sets and or the Police Force Control mechanism to improve communication in and out of the Region.

No.8 - Potaro/ Siparuni -The Committee at its 27th meeting was forced to defer its engagement with the agency due to errors in the Auditor General's Report on the agency and the inadequate responses given by the Accounting Officer to queries.

The Committee at its 44th meeting re-engaged the agency for clarification on queries for 2011. It was concerned about the many instances of overpayments as sited by the Auditor General. It also was alarmed at the non delivery of school furniture in 2014, which was paid for since 2011.

Recommendations- a) The agency should work closer with the Auditor General's Office in developing a data-base of contractors for the Region; and

b) The Ministry of Local Government should discuss with the agency, the sanctioning of Officers who signed off on incomplete projects.

No.10-Upper Demerara/Upper Berbice -The Committee at its 18th, 29th and 32nd meetings expressed frustration at the Agency's responses to numerous queries as raised by the Auditor General's 2010/11 Reports. The responses given by the Superintendent of Works and the Accounting Officer were on most occasions unhelpful to the Committee. This was evident, since on every occasion that the agency appeared before the Committee, the engagements had to be aborted. It should be noted that the transgressions cited against the Accounting Officer, Superintendent of Works and the Engineering department were consistent to prior years and not unique to 2010 and 2011. These include: persistent overpayments on contracts, signing off on projects before their completion and issuance of complete payment before the commencement of projects.

Recommendations- a) The Accounting Officer should approach GECOM to verify the defaulting contractors' current addresses;

- b) The Accounting Officer should seek to ascertain whether the defaulting contractors were functioning in any other Region;*
- c) The Accounting Officer should send a lawyer's letter to the defaulting contractors who could be located;*
- d) The Ministry of Local Government should urgently pursue separate and specific training for all the staff of the agency; and*
- e) The Auditor General should do a 100% audit of this Region in the next two auditing cycles.*

It should be noted that there were Agencies (Ministries /Regions/Sub Agencies) which appeared before the PAC for issues highlighted in the Auditor General's 2010/11 Reports, but were not cited in this report. Those issues were amicably resolved during their engagements with the Committee and Advisers, and no recommendations were made.

General Recommendations

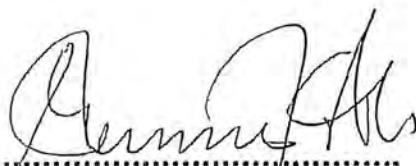
- The employment contract for Accounting Officers should be used as a tool to improve efficiency across agencies.- Finance Secretary
- The Finance Secretary should be empowered to surcharge or delegate (same) to Accounting Officers based on simplified Rules (amendment to the relevant section of the FMA Act)- Minister of Finance
- Accounting Officers and/or Engineering staff that knowingly wait until the end of December to sign off on incomplete projects should be removed from the system. – Finance Secretary
- The Rules/Regulations that informs the staff strength of the Auditor General’s Office should be amended to allow for an increase in the staff complement from (four to eight) in the engineering department- PAC/ Parliament
- The language used in the Auditor General’s Report should address the specifics of the issues raised and thereby giving clarity to details.- Auditor General
- The Auditor General’s Report should highlight inter agency challenges (as queries) when reporting on both agencies.- Auditor General
- The Finance Secretary should recommend (amendments) simplifying the criteria for the writing off of losses and make it available all Ministries/Departments/Regions.– Finance Secretary
- TIN Certificate should be issued to citizens from 16 years old- Minister of Finance

Conclusion

The engagements of the Committee for the last fifty meetings were occasioned in a large way to engaging issues raised in the Auditor General's 2010 and 2011 reports on the Public Accounts of Guyana. The evidence emanating from these encounters suggests that they were not unique to those years. This in itself, points to the need for a revisit of the training and or selection methods employed by the Government. Correspondingly, the need has arisen for weighted sanctions to be employed on errant Accounting Officers as a means of reducing leakage.

The fact that no Accounting Officer is on record of being sanctioned for inefficiency, fraud or dereliction of duty, has allowed a certain culture to grow. This is evident in the types of frivolous responses some Accounting Officers gave to the PAC, when queries were made about serious financial irregularities at their agencies. Hence, the oversight role of the PAC as guardian of public expenditure is in a way pacified or called into question by the public.

The Committee was heartened by the evidence of improvement in a number of agencies. However, there continues to be systemic challenges faced by some agencies, especially the Regions, for which training and or the recycling of staff did not address. Thus, inherent in the recommendations forwarded are measures for improvement in the performance in the various agencies.



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