



● **National Assembly of Guyana  
Public Accounts Committee**

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**The Report of the Public Accounts  
Committee on the Public Accounts of  
Guyana for the year 2015**

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- **Eleventh Parliament (2015-2018)**  
Report, together with the minutes of proceedings

*Presented to the National Assembly*

*On August 8, 2018*

## **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 and those agencies that were flagged in the Auditor General's Report.

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

## **Introduction**

The Public Accounts Committee (PAC) is a Standing Committee of the Parliament of Guyana. It was institutionalised by Standing Order 70 (2), 1957, and has been in continuous existence since then. 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 PAC adopted the methodology, as that of previous years, in obtaining testimonies from Public Officers. Prior to appearing before PAC, the Heads of Budget Agencies were written to, requesting them to offer their comments, on the relevant sections of the Auditor General's Report relating to their areas of responsibility. Their responses are considered by the Members of the Committee with the assistance of their advisors and technical officers during its deliberations.

In accordance with Standing Order No. 104 (4) the Minutes of proceedings are attached hereto (see Appendix 1).

## **Powers of the Public Accounts Committee**

The Public Accounts Committee in keeping with the Legislative Bodies (Evidence) Act, Chapter 1:08 exercises powers which allows for the summoning of witnesses to give evidence and or provide documents to the Committee. The Act also provides for a person who refuses or neglects to attend without sufficient cause to be apprehended and held in custody for a period not exceeding one week.

## **The Public Accounts Committee's Mandate**

The PAC derives its mandate from Article 223(5-8) of the Constitution of the Cooperative Republic of Guyana (2003) and Standing Order (82) 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.

The Public Accounts Committee focuses on the economy and the efficiency of its administration which includes:

- a) All central and local government bodies and entities;
- b) All bodies and entities in which the state has a controlling interest; and
- c) All projects funded by way of loans or grants by any foreign state or organisation.

The Public Accounts Committee is also responsible for the following:

- a) To nominate the members of the Public Procurement Commission for approval by the National Assembly and thereafter, for appointment by the President; and
- b) To determine the emoluments and allowances payable to the members of the Public Procurement Commission in consultation with the Commission.

### **Major achievement of the Public Accounts Committee in the Eleventh Parliament**

At its 17<sup>th</sup> Meeting, the Public Accounts Committee nominated the members of the Public Procurement Commission (PPC), which was fully supported by the Members of the National Assembly.

On 28<sup>th</sup> October, 2016, the members of the Public Procurement Commission were sworn into office by the President of Guyana in keeping with Article 212X (2) of the Constitution.

### **Current Membership of the Committee**

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

### **Current Members of the Committee (9)**

**Chairman from the People's Progressive Party (PPC) (1)**  
(Nominated by the Committee of Selection on 4<sup>th</sup> September, 2015)  
(Elected by the Committee on 9<sup>th</sup> September, 2015)

Mr. Mohamed Irfaan Ali, M.P.

**Members from A Partnership of National Unity/Alliance for Change (APNU/AFC) (5)**  
(Nominated by the Committee of Selection on 4<sup>th</sup> September, 2015)

Hon. Volda A. Lawrence, M.P., Minister of Public Health

Hon. Valarie Patterson, M.P., Minister within the Ministry of Communities

Mr. Jermaine Figueira, M.P.

Mr. Charrandas Persaud, M.P.

Mr. Audwin Rutherford, M.P.

**Members from the People's Progressive Party (PPP) (3)**  
(Nominated by the Committee of Selection on 4<sup>th</sup> September, 2015)

Ms. Pauline Campbell-Sukhai, M.P.

Bishop Juan A. Edghill, M.P.

Mr. Nigel D. Dharamlall, M.P.

**Advisors to the Committee**

In keeping with the Financial Regulations the PAC is provided with technical advice from the following persons:-

- The Auditor General - (Mr. Deodat Sharma)
- The Finance Secretary - (Dr. Hector Butts)
- The Accountant General (ag) - (Col. Jawahar Persaud)

**Change of Advisor to the Committee**

At the 21<sup>st</sup> Meeting held on 18<sup>th</sup> January, 2017, Ms Jennifer Chapman, Accountant General (ag), replaced Col. Jawahar Persaud as Advisor to the Committee.

**Meetings of the Committee**

The Committee held seventeen (13) meetings during the first Session of the Eleventh Parliament (2015-2018), to examine the Public Accounts of Guyana for the fiscal year ended 31<sup>st</sup> December, 2015 and the Auditor General's Report thereon.

Number of Meetings	Date of Meetings
22 <sup>nd</sup> Meeting	6 <sup>th</sup> February, 2017
23 <sup>rd</sup> Meeting	13 <sup>th</sup> February, 2017
24 <sup>th</sup> Meeting	20 <sup>th</sup> February, 2017
25 <sup>th</sup> Meeting	3 <sup>rd</sup> April, 2017
26 <sup>th</sup> Meeting	10 <sup>th</sup> April, 2017

27 <sup>th</sup> Meeting	15 <sup>th</sup> May, 2017
28 <sup>th</sup> Meeting	22 <sup>nd</sup> May, 2017
29 <sup>th</sup> Meeting	29 <sup>th</sup> May, 2017
30 <sup>th</sup> Meeting	5 <sup>th</sup> June, 2017
31 <sup>st</sup> Meeting	12 <sup>th</sup> June, 2017
32 <sup>nd</sup> Meeting	19 <sup>th</sup> June, 2017
33 <sup>rd</sup> Meeting	10 <sup>th</sup> July, 2017
34 <sup>th</sup> Meeting	17 <sup>th</sup> July, 2017

### **Special Meeting held by the Committee**

On Monday, 27<sup>th</sup> February, 2017 a special meeting was held, by Members of the PAC, with Regional Executive Officers, Regional Chairpersons, Deputy Chairpersons and the Regional Finance Committees Chairpersons. The main purpose of the meeting was to discuss issues with regard to the examination of the Regions Public Accounts for the year 2015.

### **The Public Procurement Commission (PPC)**

At its 17<sup>th</sup> Meeting, the Committee considered the nominees for appointment to the Public Procurement Commission. After deliberations the Committee declared that the following nominees should be appointed to the Public Procurement Commission, namely:

- Ms. Emily Dodson
- Mrs. Carol Corbin
- Mr. Ivor B. English
- Dr. Nanda Gopaul
- Mr. Sukrishnalall Pasha

At its 18<sup>th</sup> and 19<sup>th</sup> Meetings the Committee considered the Terms of Reference, emoluments and allowances payable to the Members of the Public Procurement Commission.

### **Government Response to PAC's Report**

Standing Orders 82 (3) mandates 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, however, notes with satisfaction that the Government has been tabling Treasury Memorandum for those reports submitted.

The PAC's report on the 2010 and 2011 Public Accounts was passed by the National Assembly on 19<sup>th</sup> January, 2018. Additionally, the report for the years 2012, 2013 and 2014 was passed by the National Assembly on 15<sup>th</sup> March, 2018. These reports were referred to the Government for its response thereto.

### **General Challenges observed across Budget Agencies**

On the 6<sup>th</sup> February, 2017, the Committee began its deliberation of the Auditor General's Report for 2015, where a number of issues were highlighted. The main issues are as follows:

- The unpreparedness of Accounting Officers to manage/answer questions posed by the Committee;
- Some Accounting Officers continued to show total disregard for a number of the recommendations proposed by the Public Accounts Committee;
- Accounting Officers/agencies continued to breach the Fiscal Management & Accountability (FMAA) Act 2003;
- Non-compliance with stipulated time frame for the clearing of cheque orders;
- Non-adherence to the Stores Regulations;
- Failure by some agencies to submit financial statements within the statutory period;
- A number of persons were occupying Government Quarters without paying the required rent, eventhough, they were not entitled to rent free government quarters;
- The Regions continued to have a number of vacancies yet to be filled;
- Accounting Officers were continually having staled-dated cheques in their possessions;
- Drugs donated to Regions with a short shelf life or expired;
- Accounting Officers not implementing measures to avoid the recurrence of overpayments; and
- Inadequate supervision of projects.

### **Non-refund of monies to the Consolidated Fund**

Appropriation Accounts for the following Ministries/Agencies/Regions continue to be overstated due to failure to credit unspent balances to the Consolidated Fund in accordance with Section 43 of the Fiscal Management & Accountability Act 2003:

- Ministry of Culture, Youth and Sport
- Guyana Elections Commission
- Ministry of Public Security
- Regions No. 1, 4 and 5

### **Non-submission of Financial Statements by Subvention Agencies**

The following Ministries/Agencies continue to operate in breach of Section 80 of the Fiscal Management & Accountability Act 2003 with regard to the preparation and timely submission of financial statements:

- Georgetown Public Hospital Corporation
- Office of the Prime Minister
  - Lethem Power Company, Mahdia Power Company
  - Port Kaituma Power & Light Company Inc.
- Ministry of Tourism, Industry and Commerce
  - Guyana Tourism Authority
  - Competition and Consumer Protection Commission
  - Guyana Consumer Association
  - Consumer Advisory Bureau
- Ministry of Public Infrastructure
  - Demerara Harbour Bridge Corporation
  - Transport and Harbour Department
  - Cheddi Jagan International Airport Corporation
  - Maritime Administration Department

### **Maintenance of Log Books**

While some Agencies have improved in the maintenance of log books, the Committee observes that the following Agencies continue with the poor record-keeping of logs books:

- Ministry of Social Protection
- Ministry of Indigenous Peoples' Affairs
- Ministry of Public Health
- Georgetown Public Hospital Corporation
- Guyana Defence Force
- Regions No. 8, 9 and 10

### **Un-cleared Payment Voucher and Cheque Orders**

The Heads of the following Budget Agencies continue to disregard the regulations governing the clearing of payment vouchers and cheque orders:

- Ministry of Education
- Ministry of Indigenous Peoples' Affairs
- Ministry of Public Health



- Regions No. 1, 4, 5, 6, 8, and 9

### **Breach of the Procurement Act 2003 and Regulations**

The Committee expressed great discontent on the continued breach of the Procurement Act and Regulations by Head of Budget Agencies. These includes:

- Ministry of Finance
- Regions No. 1 and 4

### **Non-adherence to Stores Regulations**

The non-adherence to the Stores Regulations continues to be relegated by the following Agencies:

- Ministry of Culture, Youth and Sport
- Ministry of Education
- Ministry of Social Protection
- Ministry of Tourism, Industry and Commerce
- Ministry of the Presidency
- Guyana Revenue Authority
- Guyana Elections Commission
- Guyana Defence Force
- Regions No. 7, 8, 9 and 10

### **Maintenance of Utility Registers**

The Committee in acknowledging that some Agencies have improved in the maintenance of Utility Registers, notes that the following Agencies continued to err in this regard:

- Ministry of Social Protection
- Ministry of Public Health
- Regions No. 4, 5 and 7

### **Overpayments to Contractors**

While the Committee commends some Heads of Budget Agencies who have recovered overpayments, it notes that the following Agencies continue to be anomalous in this regard:

- Ministry of Culture, Youth and Sport

- Ministry of Indigenous Peoples' Affair
- Ministry of Social Protection
- Ministry of Tourism, Industry and Commerce
- Ministry of Public Health
- Ministry of Public Security
- Guyana Defence Force
- Regions No. 1, 2, 3, 4, 5, 6, 7, 8 and 9

### **Refund of salaries and consequential deductions**

The Committee commends some Ministries and Regions for their efforts made to recover monies from the National Insurance Scheme (NIS) and Guyana Revenue Authority (GRA) with respect to deductions that were paid inadvertently. The Committee hopes that those Heads of Budget Agencies who failed in this regard, will continue to work assiduously in recouping those deductions.

### **Specific issues relating to some Ministries, Departments and Regions**

#### **Region No. 1 - Barima/Waini**

The Committee expressed concern about the Agency's inability to recoup overpayments from contractors and the number of outstanding cheque orders that remain to be cleared.<sup>1</sup> The Head of Budget Agency explained that reminder letters were sent to the contractors to liquidate damages. He also indicated that the agency was working with the Accountant General to have the cheque orders cleared.

The Committee expressed great dissatisfaction with the inconsistency of responses proffered by the Head of Budget Agency and acknowledged that the Officer repeatedly misled the Committee.

#### ***Recommendations***

- The Clerk of the Committee should seek advice from the Clerk of the National Assembly on the way forward relating to the Accounting Officer who intentionally misled the Committee;

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<sup>1</sup>2015 Auditor General's Report (Para 526)

- The Clerk of the Committee should write the Minister of Communities notifying him of the Accounting Officer's response and letters should be sent to the Finance Secretary and the Permanent Secretary of the Ministry of Communities informing them of the Committee's decision to have sanctions instituted against the Officer; and
- PAC should hold a meeting with the Regional Executive Officers, the Regional Chairpersons and the Chairpersons of the Finance Committees to address the issues highlighted in the Auditor General's Report.

### **Region No. 2 - Pomeroon/Supenaam**

The Committee questioned the system used for fuel storage in the Region and the National Drainage and Irrigation Authority (NDIA).<sup>2</sup> The Head of Budget Agency stated that NDIA was not in a position to have a separate tank but a proposal was made to have the Guyana Oil Company Limited (GUYOIL) store NDIA's fuel.

#### ***Recommendation***

- The Head of Budget Agency should revisit the issue of fuel storage for both NDIA and the Region and present a detailed report.

### **Region No. 4 - Demerara/Mahaica**

The Committee flagged the issue in relation to an investigation of fuel and lubricants obtained from GUYOIL for sixteen vehicles not registered with the Region.<sup>3</sup> The Head of Budget Agency informed the Committee that the matter was with the Police and a reminder letter was sent on 10<sup>th</sup> February, 2017.

The issue of updating the Region's Store ledgers was also of concern to the Committee.<sup>4</sup> The Head of the Budget Agency told the Committee that the Region was updating their ledgers. Notwithstanding that, staff constraints were a major difficulty encountered by the Region.

#### ***Recommendation***

- The Ministry of Communities should ensure that the existing staff vacancies within the Regions are filled.

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<sup>2</sup> 2015 Auditor General's Report (Para 542)

<sup>3</sup> Ibid (Para 569 and 570)

<sup>4</sup> Ibid (Para 574 and 575)

### **Region No. 5 - Mahaica/Berbice**

The Committee reiterates its concerns on the issue of overpaid salaries and reminded the Head of the Budget Agency of the recommendation that the amounts overpaid for 2012 should be written off by engaging the Finance Secretary.<sup>5</sup>

The Committee also expressed concern about the Region's missing assets.<sup>6</sup> The Head of Budget Agency stated that the State Assets Recovery Unit (SARU) had conducted an investigation which proved futile.

Queries were also made in relation to the issue of contracts not being awarded to the lowest bidder and the reasons not being recorded in the Tender Board Minutes. The Head of the Budget Agency explained that the reasons were inadvertently omitted, however, the Minutes were subsequently corrected.

#### ***Recommendation***

- The Head of Budget Agency should submit a loss report to the Finance Secretary in an effort to resolve the issue of missing assets.

### **Region No. 6 – East Berbice/Corentyne**

The Committee queried why overpayments to Contractors continued to occur in the Region. The Permanent Secretary, Ministry of Communities informed the Committee that the recurrences were due to poor contract management and monitoring of works throughout the Region. More so, some of the contractors were contesting the measurements recorded by the Audit Office.<sup>7</sup>

Queries were also made in relation to the reasons why cheques were cut for the total invoice/contract sum before services were rendered or products supplied. The Head of Budget Agency acknowledged that the Region erred in that regard and indicated that the issue was corrected.<sup>8</sup>

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<sup>5</sup> 2015 Auditor General's Report (Para 590)

<sup>6</sup> Ibid (Para 592)

<sup>7</sup> Ibid (Para 612)

<sup>8</sup> Ibid (Para 617)

The Committee expressed great dissatisfaction that monies allocated for drugs and medical supplies were underutilised eventhough there is a shortage of drugs and medical supplies within the Region. The Head of Budget Agency informed the Committee that \$38M was spent on drugs and medical supplies by the Region while the Ministry of Public Health expended \$5.371M. The Committee requested the Auditor General to follow up on the matter.<sup>9</sup>

### ***Recommendation***

- The Regional Engineer and the Contractor should revisit the works completed in the Region and a report should be presented to the Auditor General for a decision to be made regarding the overpayments.

### **Region No. 7 - Cuyuni/Mazaruni**

The Committee raised concern on the issue regarding the non-maintenance of several registers.<sup>10</sup> The Head of the Budget Agency stated that the agency continues to be without a Stores Clerk and other critical staff to assist in that regard, eventhough, vacancies were advertised by the Public Service Commisison.

### ***Recommendation***

- There should be systems in place to facilitate advertising for vacant positions within the Regions and shortlisting of suitable qualified applicants.

### **Region No. 8 - Potaro/Siparuni**

The Committee queried the reasons why some employees were without NIS numbers.<sup>11</sup> The Head of Budget Agency stated that efforts were being made to have the matter resolved.

The Committee also enquired among other issues, overpayments to Contractors and the maintenance of log books. However, Members expressed great dissatisfaction with the responses provided by the Head of the Budget Agency to the queries made. As a result, the examination of the Agency was terminated. The Committee was unable to conclude its examination of the Region as a result of the unpreparedness of the Head of the Budget Agency.

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<sup>9</sup> 2015 Auditor General's Report (Para 615)

<sup>10</sup> Ibid (Para 633 and 634)

<sup>11</sup> Ibid (Para 649)

### ***Recommendations***

- New recruits must have NIS numbers before being placed on the payroll;
- The Region should make it mandatory to recruit persons who were in possession of NIS numbers and Taxpayers Identification Numbers (TIN);
- The Auditor General should conduct a special audit in relation to all the overpayments; and
- The Head of the Budget Agency should submit a detailed report on the paragraphs which remained open for consideration by PAC.

### **Region No. 9 - Upper Takatu/Upper Essequibo**

The Committee expressed concern with regard to the issue of two contracts, with identical scope of works, being awarded to the same Contractor. Additionally, the contracts were signed on the same day and identical payments were also made on the exact date.<sup>12</sup> The Head of Budget Agency informed the Committee that the Contractor had indicated that he was advised by the Regional Engineer to change the original scope of works on the Bill of Quantities.

### ***Recommendation***

- The Auditor General should carry out a special audit on the matter.

### **Region No. 10 - Upper Demerara/Berbice**

The Committee notes the success in recovering some overpayments from contractors, however, enquired about the systems implemented to avoid recurrences. The Head of Budget Agency stated that there was greater involvement of the Works Committee in the supervision of projects. Additionally, a proposal was submitted to the Permanent Secretary and the Finance Secretary to have Project Officers equally accountable for overpayments.

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<sup>12</sup>2015 Auditor General's Report (Para 698 and 699)

## **Ministry of Communities**

### **Department of Housing and Water**

The Committee expressed dissatisfaction with the non-submission of financial statements for the Georgetown Mayor and City Council for the years 2006 to 2013 and 2015.<sup>13</sup> The Head of the Budget Agency informed the Committee that, consequent to a flood, some of the documents used in preparing the financial statements were damaged.

The Committee also questioned why 140 payment vouchers were approved without the signature of the City Treasurer. The Head of the Budget Agency explained that it was an oversight that the vouchers were approved without the Treasurer's signature.

### ***Recommendation***

- The Auditor General should carry out a special audit on the matter.

## **Ministry of Public Infrastructure**

The Committee queried on the issue concerning the completion of the new access road to CJIA. The Head of Budget Agency stated that the non-removal of the utility pole by the Guyana Telephone & Telegraph Company (GTT) caused a major set back for the completion of the project. He further stated that GTT was written to in 2016 and had submitted an invoice for the removal of the utility pole.

## **Ministry of Agriculture**

The Committee was pleased with the Agency's presentation. However, the Committee queried whether the sums approved by the National Assembly remained as a loan to the Guyana Sugar Corporation (GuySuCo).<sup>14</sup> The Head of Budget Agency noted that the sums were released as a loan via a Cabinet decision, however, meetings were held between the Ministry and GuySuCo and as a result, the Ministry is now approaching Cabinet to have the decision amended from a loan to a subsidy.

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<sup>13</sup> 2015 Auditor General's Report (Para 354 and 355)

<sup>14</sup> *Ibid* (Para 272 and 273)

### **Guyana Revenue Authority (GRA)**

The Committee flagged the issue of private warehouses, particularly with respect to Car Care Enterprise Auto Sales; where two vehicles listed in the register were not at the warehouse during audits and there was no evidence that the said vehicles were released by the Administration, however, when the Auditors re-visited 12 days later the vehicles re-appeared.<sup>15</sup> The Head of Budget Agency informed that an Officer from GRA was present on both occasions.

Concerns were raised by the Committee that there were no cameras installed at the warehouse and after the incident a verbal warning was issued to the warehouse operator, who has since denied the allegations.

#### ***Recommendation***

- The Head of Budget Agency should ensure that security cameras are installed at all warehouses and footage should be stored for at least 30 days.

### **Ministry of Social Protection**

The Committee expressed strong concerns with respect to the updating of the Old Age Pension Database in a timely mannerly and the unavailability of funds at Post Offices to cash pension vouchers.<sup>16</sup> The Head of Budget Agency stated that at the end of each month money is paid over to the Post Offices to facilitate payments for the next month.

### **Ministry of Business**

The Committee queried the reasons why the call center at Enmore was not completed and the reason for the discontinuation of the Wakenaam Factory.

The Head of Budget Agency informed the Committee that external works were ongoing at the Enmore call center and some internal works were done due to vandalism. Notwithstanding, the Contractor had requested an extension. Additionally, a review of the Wakenaam Chip Factory is being undertaken by the Ministry.

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<sup>15</sup> 2015 Auditor General's Report (Para 135)

<sup>16</sup> Ibid (Para 460)



## **Ministry of Tourism, Industry and Commerce**

The Committee expressed concern with respect to the non-submission of financial statements/reports by the four statutory agencies under the control of the Ministry within the statutory period<sup>17</sup> and the incomplete works at the National Exhibition Centre Sophia.<sup>18</sup> The Head of the Budget Agency explained that efforts were being made to have the outstanding financial statements prepared and submitted to the Auditor General's Office. Further, the Ministry was engaging Kares Engineering Inc. to complete the outstanding works, however, efforts proved futile. As a result, the Ministry has written the Solicitor General regarding the issue.

## **Office of the Prime Minister**

The Committee questioned the two cheques paid to a supplier before the vehicle was delivered.<sup>19</sup> The Committee was informed that both cheques were cut at the same time, however, the intentions of paying both out at the same time was a mistake.

## **Recommendations**

- The Office should ensure that monies are utilised for the purpose it was budgeted for or be returned to the Consolidated Fund; and
- The Head of Budget Agency should ensure that at the end of each year unspent monies are returned to the Consolidated Fund and a rolled over approval should be sought from the Ministry of Finance.

## **Ministry of the Presidency**

The Committee raised the issue involving the land for the Rice Cereal Plant at Anna Regina that was not transferred and the balance of the account managed by Institute of Applied Science and Technology (IAST).<sup>20</sup> The Head of Budget Agency informed the Committee that a meeting with the Minister of State, who is pursuing the matter, will be held and a full report would be submitted.

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<sup>17</sup> 2015 Auditor General's Report (Para 274)

<sup>18</sup> Ibid (Para 277)

<sup>19</sup> Ibid (Para 82 and 83)

<sup>20</sup> Ibid (Para 189)

The Committee queried the issue of an American company, Moonblink Communications Inc., being paid in full for the supply and installation of CCTV systems but, to date, the items were not delivered.<sup>21</sup> The Head of Budget Agency told the Committee that based on advice received, the Minister of State is following up on the matter. Additionally, the Ministry has engaged the local Embassy to assist in that regard.

### **Georgetown Public Hospital Corporation**

The non-submission of financial statements for audit in accordance with sections 48 and 64 of the Public Corporation Act and unspent monies not being refunded to the Consolidated Fund at the end of the fiscal year were queried by the Committee.<sup>22</sup> The Head of Budget Agency informed the Committee that, in an effort to ascertain the reasons for the non-submission of the financial statements, the Agency would send a letter to the Finance Director in that regard. The Committee was also informed that all monies were refunded to the Consolidated Fund, however, the Auditor General did not concur. The Committee hence, requested all documentation to be submitted in relation to the funds.

The Committee also queried the issue of the non-delivery of an X-ray machine to the Agency.<sup>23</sup> The Head of Budget Agency stated that resulting from the investigation conducted by the Guyana Police Force, the Force advised that the transactions should be written off since the two companies were defunct.

### **Recommendation**

- The Agency should seek the assistance from the local Embassy to have the principal company be made accountable for the X-Ray machine.

### **Ministry of Public Health**

The issue regarding suppliers who failed to deliver drugs and medical supplies to the Agency in a timely manner was of great concern to the Committee.<sup>24</sup> The Head of Budget Agency told the Committee that a number of suppliers had delivered in full while others had committed to deliver the outstanding supplies.

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<sup>21</sup> 2015 Auditor General's Report (Para 192 and 193)

<sup>22</sup> Ibid (Para 445 and 446)

<sup>23</sup> Ibid (Para 447)

<sup>24</sup> Ibid (Para 374)

### ***Recommendation***

- The Auditor General should conduct a value for money audit on drugs and medical supplies and a detailed audit of drugs within the Ministry.

### **Ministry of Public Security**

The Committee flagged the issue of the non-receipt of an industrial washer and dryer.<sup>25</sup> The Head of Budget Agency stated that the items were not received and were sole sourced from an American Supplier.

### ***Recommendation***

- The Head of Budget Agency should write the local Embassy, through its Ambassador, requesting their intervention on the matter.

### **Guyana Police Force**

The Committee was informed that most of the recommendations given at the last meeting were implemented. However, the Committee enquired on the method used to avoid recurrence of overpayments of salaries.<sup>26</sup> The Head of Budget Agency told the Committee that the Human Resources Department together with the Commanders of Divisions are responsible in ensuring that submissions are reported, at its earliest. This will assist the Accounts Department on holding of salaries.

### **Ministry of Foreign Affairs**

The PAC raised concern of several recurring issues relating to the lateness in return of undisbursed sums to the Consolidated Fund at the stipulated time and unspent balances from many overseas missions.<sup>27</sup> The Head of Budget Agency explained that some missions unspent balances were refunded.

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<sup>25</sup> 2015 Auditor General's Report (Para 508)

<sup>26</sup> Ibid (Para 520)

<sup>27</sup> Ibid (Para 173)

### ***Recommendation***

- The Head of Budget Agency should ensure that Missions comply with the Fiscal Management and Accountability Act 2003 as it relates to unspent balances.

### **Ministry of Indigenous Peoples' Affairs**

The Committee expressed great dissatisfaction on the status of the outstanding cheque orders.<sup>28</sup> The Head of Budget Agency explained that there are challenges that hinder the clearance of cheque orders due to the vast geographical areas.

### **Ministry of Education**

The issue of non-compliance with the Stores Regulations was flagged by the Committee.<sup>29</sup> The Head of Budget Agency noted that there is a shortage of staff which hinders the work, thus, records were not being updated.

The Committee queried the current status of the Housing Revolving Fund Project aimed at assisting teachers in acquiring loans to build their own homes.<sup>30</sup> The Head of Budget Agency stated that there were a number of difficulties encountered due to the logistics of the fund. Nevertheless, advice was sought from the Finance Secretary on the way forward.

The Finance Secretary told the Committee that he was seeking guidance on how to proceed with this matter.

### ***Recommendation***

- All defaulting officers should be written.

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<sup>28</sup> 2015 Auditor General's Report (Para 231)

<sup>29</sup> Ibid (Para 312)

<sup>30</sup> Ibid (Para 315)

## **Department of Culture, Youth and Sports**

The Committee expressed dissatisfaction with the non documentation and non-delivery of Seiko track & field electronic system and starting gun.<sup>31</sup> The Head of Budget Agency noted that the matter was reported to the police and the investigation revealed that no one was linked to the theft of the items. Moreover, a loss report was being prepared to be submitted to the Finance Secretary.

### ***Recommendation***

- Special emphasis should be placed on security and accountability of items purchased by Government Agencies.

### **General Proposed Recommendations**

- All witnesses appearing before the PAC would be required to take an oath, in accordance with Section 4 (1) of the Legislative Bodies (Evidence) Act, Chapter 1:08;
- The Finance Secretary should sanction officials employed by the Ministries and Regions for signing off on incomplete works;
- Permanent Secretaries should make representation to have vacancies fill in the shortest possible time. (Regions should short list and send same to the Public Service Commission thus vacancies will be filled faster);
- The Auditor General and Permanent Secretary of the Ministry of Communities should conduct an analysis with regard to the procurement of drugs. (shortage of drugs in the entire country);
- The Ministry of the Presidency, Department of Public Service should review the incentive scheme in an effort to correct deficiencies with regard to staffing within the various Regions;
- The Ministries of Public Health and Communities in collaboration with Regional Health Officers should create policy guidelines on the procedures to be followed when accepting donated drugs;

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<sup>31</sup> Ibid (Para 430)

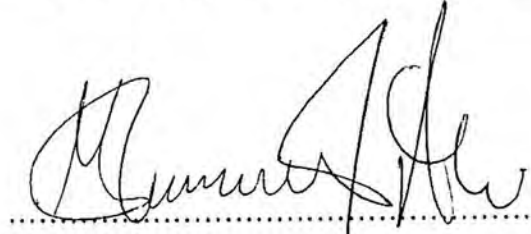
- Nationwide, training programmes for all Stores Supervisors/Clerks should be pursued;
- There is need for Consultants to be held accountable for overpayments on projects;
- Section 3 (1) of the Legislative Bodies (Evidence) Act, Chapter 1:08 would be reinforced to allow for Third-party witnesses to be invited to appear before PAC, when necessary.
- All monies not utilised at the end of the year should be returned to the Consolidated Fund and rebudgeted for in the proceeding year;
- Emphasis should be placed on the security and accountability of items purchased by Government Agencies; and
- The Finance Secretary should address all matters with regard to Stores Departments having the full complement of Staff.

## Conclusion

The Public Accounts Committee is pleased to report that it has once again fulfilled its oversight mandate by engaging Accounting Officers on queries raised in the 2015 Auditor General's Report.

The Committee, however, wishes to emphasise its dissatisfaction with regard to the fact that some Accounting Officers, during its deliberations, were unprepared to answer queries raised by Members of the Committee and in some instances, the accuracy of the information provided. Additionally, the Committee wishes to communicate its observation that several of the concerns highlighted in the Auditor General's Report were recurring issues. Notwithstanding, the Committee anticipates that systems will be implemented by Ministries/Agencies/Regions to address the issues.

The Chairperson wishes to express sincere appreciation to the other Members of the committee, its advisors and their staff for their invaluable support during its deliberations. The PAC also acknowledges the assiduous efforts of the Clerk of the National Assembly and the Parliamentary Staff in assisting the Committee in ensuring that its objectives were achieved in a timely manner.



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MR. MOHAMED IRFAAN ALI, M.P.,

CHAIRPERSON,  
PUBLIC ACCOUNTS COMMITTEE.