



National Assembly of Guyana
Public Accounts Committee

**The Report of the Public Accounts Committee on
the Public Accounts of Guyana for the year 2016**

Eleventh and Twelfth Parliaments (2018 – 2022)

Presented to the National Assembly

On July 21, 2022

1.0 Background

1.1 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.

1.2 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.

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

2.0 Current Membership of the Committee

2.1 In accordance with Membership of the Public Accounts Committee is derived in keeping with the seat with SO 82.

CHAIRPERSON (1)

A Partnership for National Unity/ Alliance For Change (APNU/ AFC)

(Nominated by the Committee of Selection on 15th September, 2020)

(Elected Chairperson by the Committee on 2nd July, 2021)

Mr. Jermaine Figueira, M.P.

Other Members

The People's Progressive Party Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 15th September, 2020)

Hon. Gail Teixeira, M.P.,

Minister of Parliamentary Affairs and Governance, Government Chief Whip

Hon. Bishop Juan A. Edghill, M.S., J.P., M.P.,

Minister of Public Works

Mr. Dharamkumar Seeraj, M.P.

Dr. Vishwa D.B. Mahadeo, M.P.

Mr. Sanjeev J. Datadin, M.P.

From A Partnership for National Unity + Alliance for Change (APNU+AFC) (3)

(Nominated by the Committee of Selection on 15th September 2020)

Mr. David A. Patterson, M.P.

Ms. Juretha V. Fernandes, M.P.

Mr. Ganesh A. Mahipaul, M.P.

Advisors

Mr. Deodat Sharma - Auditor General

Mr. Sukrishnalall Pasha - Finance Secretary

Ms. Jennifer Chapman - Accountant General

2.2 It should be noted that the PAC of the Eleventh Parliament commenced reviewing the Auditor General's Annual Report for the year 2016 on 19th February, 2018, and concluded in the 12th Parliament on 3rd January, 2022.

2.3 The Members of the PAC in the Eleventh Parliament were: -

MEMBERS OF THE COMMITTEE (9)

CHAIRPERSON (1)

Mr. Mohamed Irfaan Ali, M.P.

Other Members

**From A Partnership For National Unity/Alliance For Change (APNU/AFC) (5)
(Nominated by the Committee of Selection on 4th 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.

**From the People's Progressive Party (PPP) (3)
(Nominated by the Committee of Selection on 4th September, 2015)**

Ms. Pauline Campbell-Sukhai, M.P.

Bishop Juan A. Edghill, M.S., J.P., M.P.

Mr. Nigel D. Dharamlall, M.P.

Advisors

The Auditor General - (Mr. Deodat Sharma)

The Finance Secretary - (Dr. Hector Butts)

The Accountant General (ag) - (Ms. Jennifer Chapman)

38th Meeting of the Public Accounts Committee	26th March 2018
39th Meeting of the Public Accounts Committee	9th April 2018
40th Meeting of the Public Accounts Committee	16th April 2018
41st Meeting of the Public Accounts Committee	30th April 2018
42nd Meeting of the Public Accounts Committee	18th June 2018
43rd Meeting of the Public Accounts Committee	9th July 2018
44th Meeting of the Public Accounts Committee	6th August 2018
1st Meeting of the Public Accounts Committee	28th December 2020
2nd Meeting of the Public Accounts Committee	4th January 2021
3rd Meeting of the Public Accounts Committee	11th January 2021
4th Meeting of the Public Accounts Committee	18th January 2021
5th Meeting of the Public Accounts Committee	20th January 2021
6th Meeting of the Public Accounts Committee	1st February 2021
7th Meeting of the Public Accounts Committee	15th March 2021
8th Meeting of the Public Accounts Committee	12th April 2021
9th Meeting of the Public Accounts Committee	2nd July 2021
10th Meeting of the Public Accounts Committee	7th July 2021
11th Meeting of the Public Accounts Committee	12th July 2021
12th Meeting of the Public Accounts Committee	14th July 2021
13th Meeting of the Public Accounts Committee	19th July 2021

14th Meeting of the Public Accounts Committee	26th July 2021
15th Meeting of the Public Accounts Committee	30th July 2021
16th Meeting of the Public Accounts Committee	6th August 2021
17th Meeting of the Public Accounts Committee	11th October 2021
18th Meeting of the Public Accounts Committee	15th October 2021
19th Meeting of the Public Accounts Committee	18th October 2021
20th Meeting of the Public Accounts Committee	1st November 2021
21st Meeting of the Public Accounts Committee	8th November 2021
22nd Meeting of the Public Accounts Committee	15th November 2021
23rd Meeting of the Public Accounts Committee	22nd November 2021
24th Meeting of the Public Accounts Committee	29th November 2021
25th Meeting of the Public Accounts Committee	6th December 2021
26th Meeting of the Public Accounts Committee	20th December, 2021
27th Meeting of the Public Accounts Committee	3rd January 2022
34th Meeting of the Public Accounts Committee	21st March 2022
36th Meeting of the Public Accounts Committee	4th April 2022
37th Meeting of the Public Accounts Committee Update	11th April 2022
42nd Meeting of the Public Accounts Committee	16th May 2022

7.0 Introduction

7.1 The Auditor General is required to submit the Report on the Public Accounts to the Speaker of the National Assembly, no later than nine (9) months after the close of the year, in accordance with Section 74 (2) of the Fiscal Management and Accountability Act (FMAA) 2003.

7.2 The Public Accounts Committee adopted the methodology of previous years, in obtaining testimonies from Public Officers. Prior to appearing before PAC, the Heads of Budget Agencies and Regional Executive Officers 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. The PAC created a schedule of hearings with the reporting agencies. The Accounting Officers and their technical officers were invited to the Committee's meetings to answer to queries highlighted in the 2016 Annual Auditor General's Report.

8.0 The Public Accounts Committee's (PAC) – Mandate

8.1 The Public Accounts Committee (PAC) derives its mandate from Article 223(5-8) of the Constitution of Guyana (2003) and Standing Order (82) of the National Assembly.

8.2 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.

8.3 The duty of the Public Accounts Committee is to examine the accounts showing the appropriation of the sums granted by the Assembly to meet Public Expenditure and such other accounts laid before the Assembly as the Assembly may refer to the Committee together with the Auditor General's Report thereon.

8.4 The PAC examines the economy and the efficiency of the administration of these public expenditures by:

- 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 taxes, loans or grants by any foreign state or organization.

8.5 The Public Accounts Committee is also responsible for the following:

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

9.0 Powers of the Public Accounts Committee (PAC)

9.1 The PAC exercises powers in keeping with the Legislative Bodies Evidence Act, Chapter 1:08, allowing, for the summoning of witnesses to give evidence and or provide documents to the Committee.

10.0 Appearance of Accounting Officers

10.1 The 12th Parliament PAC in 2020 noted that the names of ministries and their portfolio responsibilities have changed as did several PSs and REOs had also been changed.

10.2 All Accounting Officers are required to appear before the PAC and to come prepared to answer for their stewardship of public expenditure, to respond to queries in the Auditor General's Report and to queries raised by Members of the PAC.

10.3 The PAC expressed concern that former Accounting Officers who were invited to attend meetings did not appear despite several attempts by the PAC staff. Whilst the Committee noted that some may have migrated and other, their whereabouts could not be ascertained. The Committee noted that an Accounting Officer while present could not recall all details that transpired during his tenure when questioned.

11.0 Government Response to PAC's Report

11.1 Standing Order 82(3) states that, within ninety (90) days of presenting a report from the Public Accounts Committee, the Government shall table its Treasury Memorandum, as its response thereto.

12.0 General Challenges Observed Across Budget Agencies

12.1 The Committee began its deliberation of the 2016 Auditor General's Report on the 19th February, 2018. Some of the general challenges observed by the Committee across various budget agencies were:

- a) Accounting Officers and Engineering staff were cited for signing off on incomplete and unverified projects;
- b) There existed persistent, non - adherence to Stores Regulations, Fiscal Management and Accountability Act, and Procurement Act by the Accounting Officers;
- c) There were several instances where monies were not refunded to the Consolidated Fund at the end of the financial year;
- d) They were some agencies that failed to submit financial statements within the statutory period to the Auditor General;

- e) Logbooks were not properly maintained across agencies, nor checked regularly by supervisory staff;
- f) The issue of clearing outstanding Cheque Orders persisted, especially in the Regions;
- g) There were outstanding Police Reports for incidents of malpractice and theft which posed a challenge to bringing charges or bringing to conclusion on these matters ;
- h) The Regions continued to have a large number of vacancies;
- i) There were many instances of overpayments to contractors by all Budget Agencies, some reimbursement pending for years;
- j) Full payments were made for goods, services and works in breach of the Procurement Act;
- k) There was non-delivery of items after full payments were made by a number of budget agencies;
- l) Delivery of items after full payment came in some cases, a year or two (2) later, which was a breach of the Procurement Act;
- m) There was no reconciliation of the Combined Received and Issued Vouchers (CRIV), the pharmaceuticals and medical supplies delivered by the Ministry of Health to the Regions; and
- n) There were outstanding Financial Statements by several subvention agencies.

13.0 Overpayments to Contractors

13.1 The Public Accounts Committee noted that, there were numerous instances of overpayments to contractors by some Ministries, Regions, and Agencies at the time of reporting. The overpayments resulted from payments made for works without prior assessments.

13.2 Some of these agencies and Regions were as follows:

- Ministry of Public Infrastructure
- Guyana Defence Force
- Ministry of Foreign Affairs
- Ministry of the Presidency
- Ministry of Indigenous Peoples' Affairs
- Ministry of Social Protection
- Ministry of Education

- Ministry of Public Security
- Ministry of Public Health
- Guyana Police Force
- Region 1
- Region 3
- Region 4
- Region 6
- Region 9
- Region 10

13.3 However, at the time of examining the Public Accounts, the Heads of some budget agencies reported that some overpayments were recovered.

14.0 *Specific findings with regards to overpayments by Budget Agencies to contractors:*

- (i) Their works were incomplete, but the works were signed off by Engineers as complete and hence contractors were paid.
- (ii) No authorization for variations were provided, yet contractors were paid without these approved variation orders.
- (iii) Contractors completed unapproved works.
- (iv) There were discrepancies in measured works between the Ministry's Engineers and the Engineers at the Audit Office.
- (v) Their appearance in a number of cases that these were poorly supervised at the Ministerial *and Regional Administration, including the Regional Works Committees.*

15.0 General Recommendations for Overpayment of contractors

- (i) Accounting Officers should ensure that they are in full compliance with the Fiscal Management and Accountability Act 2003 (FMAA) to avoid overpayments.
- (ii) Failing to follow the FMAA, Accounting Officers, Engineers and Clerks of Work should be sanctioned/surcharged for signing off documents that resulted in overpayments to contractors.
- (iii) Accounting Officers should continue to take the necessary actions to recover overpayments.
- (iv) Accounting Officers should write the Public Service Ministry requesting the creation of additional posts for more technical staff such as Engineer and or the Public Service

Commission (PSC) recommending the filling of vacancies to improve scrutiny and verification of projects.

16.0 Overpayment of Staff

16.1 It was noted that overpayment of staff in the Public Service, Regional Administration, and the Disciplined Services continued but at a reduced level due to the introduction of the IFMIS.

16.2 Due to the logistical problems in the interior areas, many Regional Administration and Disciplined Services were unaware that staff had resigned or went AWOL and as a result the payroll had included them.

17.0 Non- adherence to Financial Legislation:

17.1 The Committee noted that the following Agencies and Regions had breached the financial legislation of the country:

Agencies/Regions	Legislation breached
Ministry of Communities	Municipal and District Councils Act, Chapter 28:01, section 177
Ministry of Natural Resources	Fiscal Management and Accountability Act 2003, section 55
Ministry of Public Infrastructure	Procurement Act 2003
Office of the Prime Minister	Fiscal Management and Accountability Act 2003, section 43
Ministry of Public Health	Procurement Act 2003
Ministry of Education	Fiscal Management and Accountability Act 2003, sections 11, and 85
Ministry of Foreign Affairs	Stores Regulation
Ministry of Public Security	Procurement Act 2003
Ministry of Public Telecommunications	Fiscal Management and Accountability Act 2003
Region No. 6	Stores Regulation
Region No. 10	Procurement Act 2003

18.0 Non- submission of Financial Statements by Subvention Agencies

18.1 The following are some of the Agencies that continued to operate in breach of Section (80) of the Fiscal Management and Accountability Act with regard to the preparation and timely submission of financial statements to the Audit Office for audit by the 30th of April for each year:

- National Parks Commission
- National Sports Commission
- Demerara Harbour Bridge Co.
- National Communications Network
- National Data Management Authority
- Guyana Revenue Authority
- The Environmental Protection Agency
- The Guyana Lands and Surveys Commission
- The Protected Areas Commission

EXAMINATION OF AGENCIES/ MINISTRIES

19.0 Ministry of Communities

19.1 The Public Accounts Committee, at its 36th and 37th Meetings (2018), was concerned about expenditure for the Georgetown Restoration Programme, valued at \$200M. The Auditor General stated that, for the programme, no documents were presented for verification.

Recommendation # 1

- *The Committee recommended that the Auditor General conduct a forensic audit to ascertain how the funds allocated to the Georgetown Restoration Programme were expended by the Mayor and City Council (M&CC).*

19.2 The Committee, at its 37th Meeting (2018), acknowledged that there was a systemic problem with payment vouchers at the M&CC. It was reported that there were one hundred and sixty-seven (167) instances where payment vouchers were cashed without the authorized officer's certification. Also, one hundred and forty (140) payment vouchers did not have the City Treasurer's approval.

19.3 The Committee also noted that the M&CC failed to submit documents required by the Audit Office, which is a violation of the law.

Recommendations # 2

- *The Committee recommended that the Auditor General conduct an investigation to ascertain why payment vouchers were cashed without being certified and without the City Treasurer's approval.*
- *The Committee also was strident in its insistence that the MC& C and any other agency cannot withhold documents required by the Audit Office and was of the view that sanctions should be meted out in keeping with the Audit Act.*

19.4 The Committee, at its 37th Meeting (2018), was concerned about the various Regional and Neighbourhood Democratic Councils not adhering to the various Financial Laws of Guyana.

Recommendation # 3

- *The Committee recommended that the Accounting Officer should use part of its budget for training for Chairpersons and members of the Finance, Tender and Works Committees and staff from the Accounts Department of the various Councils on the procedures outlined in the following laws:*
 - *Municipal and District Councils Act, Chapter 28:01, Audit - Sections 177- 201;*
 - *Audit Act 2004, Sections 37 and 38;*
 - *Fiscal Management and Accountability Act 2003, Section 43; and*
 - *Procurement Act and Regulations.*

20.0 Ministry of Natural Resources

20.1 The PAC, at its 4th Meeting (2021), was concerned about the non-submission of financial statements by the National Parks Commission (NPC) and the Protected Areas Commission (PAC). The Auditor General stated that the agencies were given one (1) month to respond to the queries in 2016. However, the Agencies never responded.

Recommendations # 4

- *The Committee recommended that the relevant Accounting Officer ensure that the National Parks Commission (NPC), the Protected Areas Commission (PAC), and other agencies, under his purview, submit their outstanding Financial Statements.*
- *The Committee recommended that the Accounting Officers hire reputable Chartered Accountants to assist in putting the various agencies' Financial Statements in order.*

21.0 Environmental Protection Agency (EPA)

21.1 The Committee, at its 4th Meeting (2021), expressed concerns about the agency retaining unspent balances for the design and construction of a building in the EPA compound instead of refunding it to the Consolidated Fund at the end of the fiscal year. This was a breach of Section 43 of the FMAA.

Recommendation # 5

- *The Committee recommended that the Accounting Officer must follow the procedures set out in the Fiscal Management and Accountability Act 2003 (FMAA), Section 55.*

22.0 Ministry of Foreign Affairs

22.1 The PAC, at its 4th Meeting (2021), was concerned about unspent balances retained by the Embassies of Guyana in various countries. The Accounting Officer stated that the sums were being transferred through an intermediary bank, which took approximately ten (10) days to clear.

Recommendations # 6

The Committee recommended that the Accounting Officer should prepare quarterly remittances reports.

- *The Committee recommended that the Accounting Officer must take measures to reduce the number of unspent balances at the end of the year and ensure they are returned to the Consolidated Fund in keeping with the FMAA.*
- *The Committee recommended that the Accounting Officer should discuss with the Ministry of Finance, arrangements to connect Guyana's Embassies' budgeted funds to the Integrated Financial Management and Accounting System (IFMAS). The Ministry of Finance should assist expediting this process.*

22.2 Additionally, the Committee, at its 4th Meeting (2021), was concerned about the prior year's issue of outstanding advances reappearing in the Auditor General's Report for an individual who is now deceased.

Recommendation # 7

- *The Committee recommended that the Accounting Officer should write the Finance Secretary to seek approval to have the sums written off, since the person was now deceased, and the transaction dated back to 1995.*

23.0 Ministry of Public Infrastructure

23.1 The Committee, at its 4th Meeting (2021), was concerned about the outstanding rent owed and the amount of rent paid by Government Officials living in Government quarters.

Recommendation # 8

- *The Accounting Officer should follow the policies outlined in Rules of the Public Service on renting Government quarters to Public Officers.*

23.2 The Committee, at its 4th Meeting (2021), was also concerned about the *incomplete work* by contractors, *overpayment* to contractors, and, in some instances, an extension that was granted for some projects even though the performance bonds had lapsed.

Recommendations # 9

- *The Committee recommended that the Accounting Officer implement the following:*
 - (i) *The Accounting Officer should only approve payment for measured works completed to avoid overpayments to contractors.*
 - (ii) *The Accounting Officer should ensure that the Engineers were surcharged for overpayment to contracts in keeping with Section 43 of the Fiscal Management and Accountability Act (FMAA) 2003.*
 - (iii) *The Accounting Officer should urge contractors to complete work as per contract, failing to do this would lead to them incurring liquidated damages.*
 - (iv) *The Accounting Officer should ensure that performance bonds were enforced to provide the requisite coverage for the contract period.*
 - (v) *The Accounting Officer should pay careful attention to resolving the issue of the overpaid sum of \$3.308M for the construction of pavements in the Hinterland Road Project.*

23.3 The Committee, at its 4th Meeting (2021), further expressed concerned about the non-delivery of three (3) motion scales to the Ministry, for which the contractor had received full payment.

23.4 The Committee noted that this matter was before the court.

23.5 The Committee met with the Ministry of Public Infrastructure for a second time at its 5th Meeting (2021) and expressed concern about the type of sanctions which should be placed in the contracts for incomplete and substandard works by contractors.

Recommendations # 10

- *The Committee recommended that the Accounting Officer write the Public Procurement Commission to enquire about modalities for debarring errant contractors.*
- *The Committee recommended that the Accounting Officer write the Attorney General requesting assistance on how to recoup monies from contractors who were overpaid.*

24.0 Office of the Prime Minister

24.1 The Committee, at its 11th Meeting (2021), was concerned that contracts being authorized and executed by the National Communications Network (NCN) Board, which were in breach of the Procurement Act 2003 and the Fiscal Management and Accountability Act.

Recommendation # 11

- *The Committee recommended that the Accounting Officer follow the procedures outlined in the Procurement Act, the Fiscal Management and Accountability Act 2003, Section 43, and the Finance Secretary's circulars when entering a contract with a third party on behalf of NCN.*

25.0 Ministry of the Presidency

25.1 The PAC, at its 12th Meeting (2021), was concerned about the recurring issue of the non-delivery of the close-circuit television (CCTV) system. The Accounting Officer indicated that the supplier had filed for bankruptcy.

Recommendation #12

- *The Committee recommended that the Accounting Officer exhaust every option to resolve the matter before approaching the Finance Secretary to have the sums written off in accordance with Finance Circular No.2 of 2018.*

26.0 Ministry of Indigenous Peoples' Affairs

26.1 The PAC, at its 12th Meeting (2021), was concerned about the non-submission of the bill of quantities and final Certificate of Completion for the contract, for the resurfacing of the compound at the Head Office of the Ministry of Indigenous Peoples' Affairs.

Recommendation # 13

- *The Committee recommended that the Accounting Officer submit the Bill of Quantities and final certificate of completed works to the Auditor General in order to resolve the matter.*

26.2 The Committee, at its 12th Meeting (2021), was also concerned about the number of outstanding Cheque Orders to be cleared. The Accounting Officer indicated that she could not locate the relevant documents to reduce the outstanding cheque orders.

Recommendations # 14

- *The Committee recommended that the Accounting Officer take the necessary actions to locate the invoices and payment vouchers to clear the outstanding cheque orders.*
- *The Committee recommended that the Accounting Officer seek the supplier's assistance to have copies of the Cheque Orders received. Where the supplier was unable to assist, the Accountant General should be written, to request the reconstruction of the missing vouchers.*

26.3 The Committee, at its 12th Meeting (2021), further expressed concern about the outstanding advances paid from the Amerindian Purpose Fund (APF). The Accounting Officer indicated that the relevant documents to clear some of the advances were submitted to the Special Organised Crime Unit (SOCU).

Recommendation # 15

- *The Committee recommended that the Accounting Officer make certified hard and soft copies of all documents before submitting the original to the Audit Office for verification. These certified copies should be stored in a secure location.*

27.0 Ministry of Education

27.1 The PAC, at its 14th Meeting (2021), was concerned about the security service contracted by the Ministry since the contract documents and tender board awards were not presented for audit examination. The Accounting Officer indicated that the Ministry was unsuccessful in contacting the former Operations/Audit Officer from the central Ministry, responsible for collecting and accounting for documents.

Recommendation # 16

The Committee recommended that the Accounting Officer make certified hard and soft copies of all documents before submitting the original to the Audit Office for verification. These certified copies should be stored in a secure location.

27.2 Further, the Committee, at its 14th Meeting (2021), was concerned about the poor maintenance of Logbooks for thirty-six (36) vehicles in the Hinterland areas.

Recommendation # 17

- *The Committee recommended that the Accounting Officer should train the relevant staff on the use and importance of log- books. There should be checks regularly by supervisory staff to ensure these Log Books were being maintained.*

27.3 The Committee, at its 14th Meeting (2021), further expressed concern about the amount of unrepresented payment vouchers at the time of examination by the Auditors. The Accounting Officer stated that some of the vouchers at the Ministry could not be found.

Recommendations # 18

- *The Committee recommended that Accounting Officer establish an efficient system to store and label vouchers for easy retrieval when required for an investigation or review by the Auditor General.*
- *The Committee recommended that Accounting Officer should exhaust all possibilities to recover the payment vouchers. Thereafter, if the vouchers could not be found, the Accounting Officer should write the Accountant General seeking permission to reconstruct the vouchers.*

28.0 Ministry of Finance

28.1 The Committee, at its 15th Meeting (2021), was concerned about the old Consolidated Bank Account No. 400, which was not fully reconciled since 1988. However, the Accounting Officer reported that there had been many efforts to reconstruct the cash book which were unsuccessful. This old Consolidated Bank account had an overdraft of \$45.550 Billion at the end of 2004.

Recommendation # 19

The Committee recommended that the Finance Secretary should write Cabinet seeking approval to have the overdraft from the old Consolidated Bank Account, No. 400 written-off.

29.0 Guyana Revenue Authority (GRA)

29.1 The Committee, at its 15th Meeting (2021), was concerned about the outstanding overtime payment to the Guyana Revenue Authority (GRA) from 2012 to 2016 from the following Merchants - Guyana National Industrial Company Incorporated (G.N.I.C.), John Fernandes Limited (J.F.L.), Guyana National Shipping Corporation (G.N.S.C.), Demerara Shipping Company Limited (D.S.C.L), Muneshwars Limited, Guyana Post Office Corporation (G.P.O.C.) and QTREX International.

Recommendation # 20

- *The Accounting Officer should make strident efforts to recover the outstanding overtime payment from the following Merchants: - Guyana National Industrial Company Incorporated (G.N.I.C.), John Fernandes Limited (J.F.L.), Guyana National Shipping Corporation (G.N.S.C.), Demerara Shipping Company Limited (D.S.C.L), Muneshwars Limited, Guyana Post Office Corporation (G.P.O.C.) and QTREX INTERNATIONAL.*

30.0 Ministry of Public Health

30.1 The Committee, at its 16th Meeting (2021), was concerned about outstanding drugs and medical supplies owed to the Ministry by the following agencies.

- (i) IDA foundation- \$13.028M;
- (ii) PAHO - \$5.738M;
- (iii) Inter-Continental Pharma Inc.- \$5.174M; and,
- (iv) Scientific Supplies and Technology - \$2.474M.

Recommendations # 21

- *The Committee recommended that the Accounting Officer implement measures to recover the outstanding drugs and medical supplies from IDA Foundation, PAHO, Inter-Continental Pharma Inc., and Scientific Supplies and Technology.*
- *The Committee highlighted the need for compliance with the Procurement Act of 2003 and proper contract management.*
- *The Committee recommended that the Accounting Officer ensure CRIVs are used as a means of reconciliation of the drugs and medical supplies.*

30.2 Additionally, the Committee, at its 16th Meeting (2021), was concerned about the situation surrounding the rental of a bond at Sussex Street by the Ministry to store drugs and medical supplies.

Recommendation # 22

- *The Auditor General should conduct a special audit into the transaction involved in the rental of a bond at Sussex Street by the Ministry.*

30.3 Further, the Committee, at its 16th Meeting (2021), expressed concern about the funds budgeted for drugs and medical supplies being used for the Ministry's payroll. The Accounting Officer stated that his staff erred when inputting the correct line item.

Recommendation # 23

- *The Committee recommended that the Accounting Officer should have better supervision and management over the system and employees responsible for inputting budgetary request from the Ministry of Finance through the Integrated Financial Management Information System (IFMIS).*

31.0 Ministry of Social Protection

31.1 The PAC, at its 13th Meeting (2021), was concerned about the issue of a reconciliation statement which revealed that the Guyana Post Office Corporation was indebted to the Ministry of Social Protection. Included in the indebted sum was an amount represented in fraudulent coupons. Moreover, the reconciliation statement of the Imprest Bank Account continued to reflect an unreconciled difference.

Recommendations # 24

- *The Committee recommended that the Accounting Officer reconcile the Old Age Pension Bank Account to have the unreconciled difference cleared and to ascertain the Guyana Post Office Corporation's indebtedness to the Ministry of Social Protection.*
- *The Committee recommended that the Accounting Officer close the Old Age Pension Bank Account and open a new account to facilitate the payment of the Old Age Pension whilst at the same time ensuring that the reconciliation of the Old Age Account is done.*

32.0 Ministry of Legal Affairs

32.1 The PAC, at its 11th Meeting (2021), expressed concerns about the issue of a loan agreement which had not being signed between the Co-operative Republic of Guyana and the Inter-American Development Bank before budgetary allocation was made for the Justice Sector Reform Project. As a result, there were setbacks since the activities were not executed for the year under review as the agency budgeted for monies that were not available.

Recommendation # 25

- *The Committee recommended that the Finance Secretary should ensure that loan agreements were signed before making budgetary allocations to any Ministry.*

33.0 Guyana Defence Force

33.1 The PAC, at its 11th Meeting (2021), expressed concerns about the issue of full payment being made to a supplier for vehicles purchased by the Guyana Defence Force (GDF) before the vehicles were delivered. The Committee noted that this was a breach of the Fiscal Management and Accountability Act. It should be noted that the procedures to be followed when making full payment to contractors /suppliers were in the Standard Bidding Document. However, despite repeated requests, a copy of the contract/purchase agreement between the GDF and the supplier was not presented to the Auditor.

Recommendations # 26

- *The Committee recommended that the Accounting Officer collaborate with the Finance Secretary and the Auditor General to train staff on the procedures outlined in the Fiscal Management and Accountability Act 2003, Section 43, and the Procurement Act of Guyana.*
- *The Committee recommended that the Accounting Officer furnish a certified copy of the contract/purchase agreement between the supplier and the Guyana Defence force (GDF) to the Audit Office for examination.*
- *The Committee recommended that the Accounting Officer ensure that the rules regarding payments to contractors/ suppliers are in accordance with the Standard Bidding Document.*

34.0 Ministry of Public Security- Guyana Police Force

34.1 At its 13th Meeting (2021), the Committee expressed concern about the issue of overpayment of salaries to officers who were absent without leave (AWOL). The Accounting Officer informed the Committee that, whenever ranks walked off the job or resigned, there was a gap between the time termination notices were prepared and the time the Finance Department received it. In some instances, notices were sent months after an individual's service had been terminated or he/she had resigned. As a result, pay change directives were forwarded late resulting in overpayments to that employee.

Recommendations # 27

- *The Committee recommended that the Accounting Officers improve systems of communication with the commercial banks, so as to accommodate the withholding of payments immediately for those officers who had been absent from duty without leave or notice for more than Seventy-Two (72) hours.*
- *The Committee recommended that the Accounting Officer ensure Finance Circulars are dispatched to the Guyana Police Force, regarding Officers absent without leave.*

- *The Committee recommended that the Accounting Officer ensure the Ministry utilized technology to the fullest extent to reduce the time information was communicated between the Guyana Police Force locations and Head Quarters.*

35.0 Ministry of Public Security (excluding Police)

35.1 The issue of overpayments to contractors continued to be of grave concern to the Committee at its 14th Meeting (2021). The Accounting Officer informed the Committee that several discrepancies resulted in overpayments to contractors, such as: not having the approved variation order in the file, contractors completing unapproved works, and discrepancies in measured works between the Ministry's Engineers and the Engineers at the Audit Office.

Recommendations # 28

- *The Committee recommended that the Finance Secretary ensure that Circulars pertaining to overpayments are sent again to all agencies, reminding them of the procedures that should be followed.*
- *The Committee recommended that the Accounting Officers write the Public Service Commission recommending that additional Engineers and Clerks of Work be employed to improve scrutiny and verification of projects by the agency.*

REGIONS

36.0 Region No. 1- Barima/ Waini

36.1 The PAC, at its 22nd Meeting (2021), expressed concerns about the issue of overpayment to the contractor for the construction of a bridge at Arocuro, Mabaruma. Physical verification of the works revealed that the contractor was overpaid. In addition, the complete signed contract documents were not presented for audit examination. However, only a copy of the priced bill of quantity from the contractor and a valuation were presented. As a result, the terms and conditions of the contract and the technical specifications could not be determined.

Recommendations # 29

- *The Committee recommended that the Accounting Officer should write the Finance Secretary for guidance on writing off outstanding debts that had been reoccurring.*
- *The Committee recommended that the Accounting Officer ensure that completed works are accurately measured and quantified before payments are made to contractors.*
- *The Committee recommended that the Accounting Officer examine the quality of staffing required by the Regional Administration for Engineering projects.*

37.0 Region No. 2 – Pomeroon/Supenaam

37.1 The PAC, at its 21st Meeting (2021), flagged the issue concerning advances given to Officers which remained outstanding. Additionally, the Committee expressed concern that even though it is required that an Officer clear all outstanding advances before being issued another, twenty-six (26) Officers had multiple outstanding advances.

Recommendation # 30

- *In accordance with the Fiscal Management and Accountability Act (FMAA) No. 20 of 2003, Section 8 & 9, the Accounting Officer should deduct outstanding advances from the Officers' salaries after informing them.*

38.0 Region No. 3- Essequibo Islands/West Demerara

38.1 The Committee, at its 38th Meeting (2018), was concerned about the issue of unpaid rent owed by officers who occupied Government quarters in Region No. 3. The Accounting Officer revealed that, only twenty-one (21) Officers were paying rent of the sixty-seven (67) Government Quarters occupied. He added that letters were sent to the defaulting Officers. However, to date, no response has been received.

Recommendation # 31

- *The Committee recommended that the Accounting Officer write the relevant Officers informing them that deductions would be made from their salaries. Thereafter, the necessary arrangements should be made for the outstanding rents to be deducted.*

38.2 The PAC, at its 38th Meeting (2018), also expressed concerns about the issue of contracts not awarded to the lowest responsive bidder. An examination of the Region's books revealed that, in twenty-two (22) instances, contracts were not awarded to the lowest or most competitive bidders, despite the Evaluation Committee recommending the lowest evaluated bidders in each instance. In addition, no reasons/ justifications were seen in the minutes of the Tender Board as to why the recommendations of the Evaluation Committee were not followed.

Recommendations # 32:

- *The Committee recommended that the Accounting Officer must ensure that all documents are presented for audit examination and that the Procurement Act 2003 is fully complied with.*
- *The Committee recommended that the Accounting Officer give justification(s) why the lowest responsive bidder was not awarded the contract in the tender board minutes.*
- *The Committee recommended that the Finance Secretary should provide the Region with a Finance Circular to guide on the documentation and preparation of tender board minutes.*

39.0 Region No. 4 – Demerara/Mahaica

39.1 The Committee, at its 43rd Meeting (2018), was concerned with the issue of the Regional Administration not having possession of the legal documents for 300 buildings under its control. Several queries were made concerning the Regional Administration not obtaining rent for 132 buildings under its control. Hence, the Committee expressed its dissatisfaction that no steps were taken to seek guidance from the Attorney General on the matter after two (2) years.

Recommendations # 33

- *The Committee recommended that the Accounting Officer collaborate with the Accounting Officer at the Ministry of Public Infrastructure to obtain the legal documentation for the buildings.*

- *The Committee recommended that the Accounting Officer continue to pursue legal guidance from the Attorney General on the matter of not having possession of the legal documents for buildings under its control.*

40.0 Region No. 5- Mahaica/ Berbice

40.1 The Committee, at its 19th Meeting (2021), was concerned about the Region's failure to contact or locate the former Regional Executive Officer to answer queries raised in the Auditor General's Report during his tenure.

Recommendation # 34

- *The Committee recommended that the Regional Executive Officer (REO) of Region No. 5 write the Chief Immigration Officer to determine whether the former REO is overseas or not, and if no information was forthcoming from the above attempt, advertisements should be placed on the radio, television, newspapers, and the Parliament of Guyana's website.*

41.0 Region No. 6- East Berbice/ Corentyne

41.1 The PAC, at its 39th Meeting (2018), expressed concern about the issue of salaries being overpaid to eight (8) individuals. However, individuals who were overpaid were written in order to recover the overpaid sums, and subsequently, some of the overpaid salaries were recovered.

Recommendation # 35:

- *The Committee recommended that the Accounting Officer should write to the Ministry of Finance to ascertain whether the overpaid individuals were still employed in the Public Service.*

41.2 The Committee, at its 42nd Meeting (2018), noted with concern the unpreparedness of the Accounting Officer of Region No. 6 and the team to answer queries raised by Members in relation to Regulations governing procurement.

Recommendation # 36

- *The Committee recommended that the Finance Secretary conducts training seminars with all Regional Engineers on the Laws and Regulations governing procurement.*

41.3 The PAC, at its 19th Meeting (2021), was concerned about the issue of expenditure on fuel and lubricants for the years 2007 and 2008. An investigation was carried out which revealed that the quantities of fuel and lubricants acknowledged and recorded as having been received were often less than that stated on the invoices as having been delivered by the supplier.

Recommendation # 37

- *The Committee recommended that the Regional Executive Officer write the Commissioner of Police for a progress report on the investigation into the unaccounted payment vouchers.*

42.0 Region No. 7- Cuyuni/Mazaruni

42.1 The PAC, at its 40th Meeting (2018), expressed concerns about the issue of vacancies in the Region and how they were advertised. It was revealed that the Regional Administration had a total of twenty-two (22) vacancies, even though they were advertised in the Public Service Commission Staff Vacancy Circular. These vacancies included critical posts such as Chief Accountant, Senior Personnel Officer, and District Development Officer. These critical vacancies did affect the operations of the Region.

Recommendation # 38

- *The Committee recommended that the Accounting Officer work closely with the Public Service Ministry and the Public Service Commission to review how vacancies are advertised and filled in the Region.*

43.0 Region No. 8 (Potaro/Siparuni)

43.1 The Committee, at its 22nd Meeting (2021), expressed concerns about the difficulties experienced in contacting former Permanent Secretaries and former Regional Executive Officers to answer queries in the Auditor General's Report for their tenure.

Recommendations # 39

- *The Committee recommended that the Accounting Officer, in cases where there were no mailing addresses for former Permanent Secretaries and former Regional Executive Officers, advertisements should be placed on the radio, television, newspapers, and the Parliament of Guyana website.*

- *The Committee recommended that the Accounting Officer write the Chief Immigration Officer to ascertain whether the former Accounting Officer had left the jurisdiction.*

44.0 Region No. 9 Upper Takatu/ Upper Essequibo

44.1 The PAC, at its 40th Meeting (2018), was concerned about systems not being in place to equip persons in the Region to fill the vacancies that existed. It was pointed out that previously the PSC had conducted interviews in the Region to acquire suitably qualified persons to fill the vacancies. However, those efforts proved futile as the positions also required several years of experience.

Recommendation # 40

- *The Committee recommended that the Accounting Officer work in conjunction with the Ministry of Public Service and the Public Service Commission to employ academically qualified youths to fill vacant positions within the Region while having on-the-job training.*

44.2 The PAC, at its 21st Meeting (2021), was concerned about the issue of overpayment regarding the upgrading to the Karasabai Health Centre. However, it was revealed that these works were not completed. The Committee requested an update on the issue and the Contractor's name.

Recommendation # 41

- *The Committee recommended that the Accounting Officer write the contractor to recoup the overpaid sum for upgrading to the Karasabai Health Centre, which was left incomplete.*

45.0 Region No. 10 – Upper Demerara/Berbice

45.1 The Committee, at its 19th Meeting (2021), flagged the issue of overpayment to contractors due to inefficient oversight by the Engineering Department. The Committee also expressed concerns about the significant reoccurrence of overpayments and stated that all final payments should be made based on measured works completed. However, there were instances where contractors completed work, with variations that were not approved.

Recommendation # 42

- *The Committee recommended that the Accounting Officer ensure the Engineering Department exercises stringent oversight for projects in Region No. 10 to avoid overpayments.*

General Recommendations

- a) The Accounting Officers, Engineers and Clerks of Works should be sanctioned and surcharge for breaching Section 43 of the FMAA 2003.
- b) When Former Accounting Officers cannot be contacted through normal channels, advertisements should be placed on the radio, television, newspapers, and the Parliament of Guyana website.
- c) The Accounting Officer should ensure that members of the Works Committee visit and verify works (take photos) before signing off the final payment.
- d) The Accounting Officers and the Works Committees of the ten (10) Regional Democratic Councils should play a more active supervisory role in monitoring projects and approving satisfactory completion of works to avoid overpayment.
- e) The Commissioner of Police should ensure that matters that were referred to the Guyana Police Force by the Accounting Officers were treated with some urgency so that queries raised in the Auditor General's Report could be resolved.
- f) New Accounting Officers should acquaint themselves with the various tools for guidance such as the Stores Regulations 1993, the Procurement Act 2003, the Audit Act 2004, and the Fiscal Management and Accountability Act 2003.
- g) Accounting Officers should adhere to the payment terms as outlined in the Standard Bidding Document.
- h) Accounting Officers should ensure that their subvention agencies submit Financial Statements by the 30th of April each year for audit examination, as required by the Fiscal Management and Account Act.
- i) Accounting Officers should ensure that Combined Received and Issued Vouchers (CRIV) are used for the reconciliation of drugs and medical supplies delivered.
- j) Accounting Officer should make hard and soft certified copies of all documents before submitting the original to the Audit Office or other agencies for verification. These documents must be kept in a secure location.
- k) Accounting Officers should be prepared to adequately answer queries raised by the Audit Office and Members of the PAC.

- l) Accounting Officers should keep copies of the tender board minutes.

- m) The Accounting Officer who is normally the Chairman of the NTBA should keep copies of the Tender Board Minutes.

46.0 Conclusion

46.1 The Public Accounts Committees has pronounced on Auditor General’s 2016 Report, underscoring the need for improvement in the management of public funds, given the plethora of queries the report had attracted. The Committee also made a number of recommendations aimed at enhancing the performance of Accounting Officers across Ministries, Departments and Regions.

46.2 In essence, the PAC called upon Government Officials to pay urgent attention to the shortcomings identified in the Auditor General’s Report for the Fiscal Year ended 31st December, 2016 and to take the necessary actions to resolve those shortcomings. Moreover, the Committee identified increased training of the relevant Staff on managing Government funds, as interventions that could positively affect public expenditure.

46.3 Moreover, the PAC expects that all Accounting Officers and Staff of Agencies should adhere to the established Rules and regulation, to avoid repetition of the deficiencies and breaches of the Financial Laws of Guyana.

47.0 Acknowledgement

47.1 The PAC wishes to thank the Clerk of the National Assembly and staff for their continued support to the work of the Committee. It further wishes to acknowledge the assistance provided to the Committee by the advisors who are assigned to it, during the examination of the Auditor General’s 2016 report.


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CHAIRPERSON
PUBLIC ACCOUNTS COMMITTEE