

**THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2007)**

**MINUTES OF THE
1st MEETING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD AT 4.50 P.M
ON THURSDAY, 21st DECEMBER, 2006
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS,
GEORGETOWN**

ATTENDANCE

The Hon. Hari N. Ramkarran, S.C., M.P., Speaker
(As Presiding Officer for the election of the Chairman)

MEMBERS OF THE COMMITTEE (7)

**Members of the People's Progressive Party/Civic (5)
(Nominated by the Committee of Selection on 14th December, 2006)**

Mrs. Indranie Chandarpal, M.P., Chief Whip

Ms. Bibi S. Shadick, M.P

Mr. Mohamed Irfaan Ali, M.P

Mr. Komal Chand, C.C.H., J.P., M.P

Mr. Dharamkumar Seeraj, M.P

**Members of the People's National Congress/Reform1 Guyana (PNCR-1G) (3)
(Nominated by the Committee of Selection on 14th December, 2006)**

Mr. Winston S. Murray, C.C.H., M.P (Alternate)

Mr. Anthony Vieria, M.P

Mrs. Volda A. Lawrence, M.P

**Member of the Alliance for Change (AFC)(1)
(Nominated by the Committee of Selection on 14th December, 2006)**

Mr. David Patterson, M.P

So. 1/2 2004 PNC M of W

Officers

Mr. Sherlock E. Isaacs	-	Clerk of the National Assembly
Ms. Debra H. Cadogan	-	Assistant Head of Committees Division
Mrs. Claudia Daniels- Greenidge	-	Clerk of Committee

ITEM 1: **CALL TO ORDER**

- 1.1 The Speaker as Presiding Officer for the election of a Chairperson for the Committee called the meeting to order at 4.50 pm.

ITEM 2: **ELECTION OF CHAIRPERSON FOR THE PUBLIC ACCOUNTS COMMITTEE**

- 2.1 The Speaker called for the nomination of a Chairperson for the Committee.
- 2.2 Mr. Winston Murray proposed and Mrs. Bibi Shadick seconded the nomination of Ms. Volda Lawrence.
- 2.3 There being no other nominations the Speaker declared Ms. Volda Lawrence elected as Chairperson of the Committee.

ADJOURNMENT

At 5.00 p.m the meeting was adjourned *sine die*.

Confirmed thisday of February, 2007

Volda Lawrence
Ms. Volda Lawrence
Chairperson

**THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2007)**

**MINUTES OF THE 8TH MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 2.10 P.M.
ON MONDAY, 7TH MAY, 2007
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN**

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)

(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P.

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip

Ms Bibi S. Shadick, M.P

Mr. Mohamed Irfaan Ali, M.P

Mr. Komal Chand, C.C.H., J.P., M.P.

Mr. Dharamkumar Seeraj, M.P.

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P.

Mr. Anthony Vieira, M.P.

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P.

Adviser

The Auditor General (Ag.) (Mr. Deodat Sharma)

Officers

Ms Debra H. Cadogan - Assistant Head of Committees Division
Ms Sonia Maxell - Assistant Clerk of Committee

ITEM 1: CALL TO ORDER

1.1 The Chairperson called the Meeting to order at 2.15 p.m.

ITEM 2: CIRCULATION OF DOCUMENTS

2.1 The following documents were circulated prior to the Meeting:

- (i) Notice of the 8th Meeting dated 4th May, 2007;
- (ii) Minutes of the 7th Meeting held on 30th April, 2007;
- (iii) Copy of Supplemental Budget of the Audit Office of Guyana for the year 2007
- (iv) Copies of letters from the Auditor General re: Audit Office:-
 - Ref No. 47/AG: 10/2007/29
 - Ref No. 48/AG: 10/2007/30
 - Red No. 49/AG: 10/2007/31
 - Red No. 51/AG: 10/2007/34
- (v) Copies of Comments from the Accounting Officer of the Ministry of Finance (General) and the Auditor General's Briefing Notes thereon.

2.2 The following document was circulated at the meeting:

- Copy of letter from the Auditor General dated 4th May, 2007 re: Appointment to Substantive Positions
- Copy of Memorandum to Members dated 7th May, 2007 re: Supplementary Information/Follow-up Action 2003/2004 Public Accounts of Guyana

ITEM 3: CONFIRMATION OF MINUTES OF THE 7TH MEETING HELD ON 30TH APRIL, 2007

Corrections

3.1 Page 40, paragraph 3.1 (i) and (ii) – Circulation of Documents

3.1.1 The following amendments were made:

- (i) Substitution of the word “Meeting” for the word “Meting”
- (ii) Substitution of the “23rd” for “123rd”

3.2 Page 41, paragraph 4.7.1 - Contents of Minutes of Proceedings

3.2.1 In response to an enquiry, the Chairperson informed the Committee that she was advised by the Clerk that the Minutes should reflect decisions. However the matter was engaging the attention of the Clerk of the National Assembly. The Committee would be informed of the outcome of the engagement.

3.3 Page 45, paragraph 7.2.1 – Notices to the Media

3.3.1 Substitution of the following for the paragraph:

“Based on the fact that only one Media house was in attendance, the Committee agreed that invitations should be extended to all Media Houses to attend Meetings of the Committee. The invitation should include the name of the Agency that was schedule to appear before the Committee.”

ITEM 4: MATTERS ARISING

4.1 Page 39, paragraph 2.1.4 – Invitation of Media to Meetings of Committee

4.1.1 A Member expressed concern that the media was invited to a meeting at which the Committee was considering sensitive issues of the Audit Office. She suggested that since the Committee was supervising the work of the Audit Office the Media should not be invited to meetings of that nature.

4.1.1 The Chairperson referred to Standing Orders 94 (9) (a), (b) and (c) and informed Members that it was in accordance with 9(b) that the decision was made.

4.1.2 The Member then proposed for the Committee's consideration that the Media should only be invited to meetings when the Committee was conducting examination of the Public Accounts of the various Ministries and Agencies.

4.1.3 The Chairperson did not concur with this request.

4.1.4 Thereafter the Member indicated that she would submit her proposal in writing to the Committee.

4.2 **Page 41, paragraph 4.4.1 - Appointment of Senior Officer within the Audit Office**

4.2.1 A Member referred to Sections 14 (1) of the Audit Act and sections of the Rules, Policies and Procedures Manual of the Audit Office and pointed out to Members that there were conflicting as it relate to the Appointments of Senior Officers of the Audit Office.

4.2.2 The Committee agreed that the issue should be held in abeyance until the relevant section of the Manual could be ascertained to provide clarity on the issue.

4.3 **Page 43, paragraph 6.1.2 – Instructions to the Auditor General**

4.3.1 A Member drew the Committee's attention to articles 223 (4) and (5) of the Constitution which states:

“(3) The Auditor General shall submit his report to the Speaker of the National Assembly, who shall cause them to be laid before the National Assembly”

“(4) The Public Accounts Committee may exercise general supervision over the functioning of the office of the Auditor General in accordance with the Rules, Policies and Procedures Manual for the functioning of the office of the Auditor General as prepared by the Auditor General and approved by the Public Accounts Committee”

Hence, the Committee did not have the authority to instruct the Auditor General as stated in paragraph 6.1.2.

4.3.2 From the discussions which ensued, it was felt that there was need for synchronising the Audit Act, Rules, Policies and Procedures Manual and Constitution, as the documents seemed to be contradictory to each other.

4.3.3 It was then suggested that the Committee through the FFMP might wish to recruit the services of a Consultant to harmonise the three documents. S.V. Jones & Associates, the previous Consultant should not be recruited.

4.3.4 The Committees Division was requested to verify that monies were available through the FFMP Project.

Appointment of Director, Works and Structure

4.3.5 At this point, the Chairperson referred to letter 51AG: 102007/34 dated 4th May, 2007 re: Organisation Structure and Manning Level of the Audit Office from the Auditor General. She expressed the view that the Auditor General was an Adviser to the Committee and as such could not understand that after agreeing to the directives from the Committee he reported that he would like to register his objection to the directives.

4.3.6 The Auditor General reported that his objection was merely on the fact that his Office was mandated by the Audit Act to conduct performance audits and as such the appointment of Mr. Smith as Director would have created, among other things, an anomaly in the management structure.

4.3.7 A lengthy discussion ensued. The Committee then agreed to the following:

- (i) That the letter to Mr. Phillip Smith dated 27th April 2005 offering him appointment as Director, Works & Structure be withdrawn and all outstanding payments the position attracted be made;
- (ii) Mr. Smith should be appointed to act as Director, Works and Structure and be given the acting allowances equivalent to those of Director (Ag.);

4.4 Page 43, paragraph 6.2.3 – Short Term Consultancy at the Audit Office

4.4.1 In response to an enquiry as to whether the Auditor General had submitted the above document for consideration by the Committee the Chairperson responded in the negative.

4.4.2 The Auditor General was advised to submit for consideration by the Committee a report reflecting his views and recommendations on the Short Term Consultancy at the Audit Office document.

4.5 Page 44, paragraph 6.4.2 – Advertisement

4.5.1 In response to an enquiry the Auditor General reported that the qualifications stated in the advertisement were in keeping with that of the manual except for that of Directors, Works & Structure.

4.5.2 The Committee proceeded to consider the advertisement submitted by the Auditor General and after some suggestions asked that the Auditor General resubmit another draft for its consideration.

4.6 Page 44, paragraph 6.6.1 – Confirmation of Appointment

4.6.1 The Committee noted that the Auditor General had submitted for its approval the list of Officers at the senior levels who were to be confirmed in their substantive position but had subsequently withdrawn the request.

4.7 Page 45, paragraph 7.1.1 – Supplemental Budget of the Audit Office

4.7.1 A Member questioned how effective the budget of the Audit Office would be since almost half the year had elapsed and wondered whether the delay in finalizing the budget was not placing pressure on the limited staff available at the Office which could ultimately impede the progress of the completion of the Auditor General Report for 2005.

4.7.2 The Auditor General was required to submit the supplemental budget of the Audit Office for consideration by the Committee at its next meeting.

ITEM 5: TO EXAMINE THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEAR 2004 TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING

<i>Minister/Department/Officer</i>	<i>Paragraph in Auditor General's Report</i>	<i>Accounting Officer</i>
4. Ministry of Finance (General)	10 -105 (96)	Mr. Neermal Rekha Finance Secretary

- 5.1 At 3.15 p.m. the Committee proceeded to consider the Report on the Public Accounts with respect to the Ministry of Finance together with the Comments submitted by the Accounting Officer.
- 5.1.1 Officers present for the examination were:
- (1) Mr. Neermal Rekha, Finance Secretary (Accounting Officer)
 - (2) Ms Lorene Baird, Deputy Finance Secretary
 - (3) Mr. Hardutt Autar, Accountant General (Ag.)
 - (4) Mr. George Abrams, Deputy Accountant General (Ag.)
- 5.1.2 **Paragraph 10 – Consolidated Fund**
- 5.1.2.1 The Committee noted the transfer of \$5 billion dollars from the old Consolidated Fund Bank Account to a new Account and advised that in the future the information should be given to the Auditor General for the purpose of continuity.
- 5.1.3 Paragraph 11 was considered.
- 5.14 **Paragraphs 12 and 13: Transfers to the Consolidated Fund**
- 5.1.4.1 In light of the comments of the Accounting Officer that the amount transferred was \$3.956 billion and not \$3.355 billion as stated in the Auditor General's report, the Committee requested the Auditor General to verify the comments.
- 5.1.5 Paragraphs 14 to 18 were considered.
- 5.1.6 **Paragraph 19 – Unreconciled Bank Accounts - 2003**
- 5.1.6.1 The Accounting Officer in response to an enquiry informed Members that Bank Accounts Nos. 201130 and 201160 which had sums totalling \$5M as stated in the in the 2003 Auditor Report were reconciled.
- 5.1.7 **Paragraph 20 – HIPIC Initiative**
- 5.1.7.1 The Financial Secretary informed the Committee that the Accounts Nos. 201010 and 2010000 could not be closed and their balances transferred to the Consolidated Fund since the agreement of the accounts was part of the HIPIC Initiative.
- 5.1.7.2 He stated that he would need to be advised of the way forward.

- 5.1.8 Paragraphs 21 to 24 were considered.
- 5.1.9 **Paragraph 25 - Refund of Unspent Amounts**
- 5.1.9.1 The Accounting Officer reported to the Committee that the difficulty of getting Ministries to refund unspent amounts released to them was an issue that was of grave concern to the Ministry of Finance and suggested that the PAC could issue a policy directive to Ministries with a view of resolving this matter.
- 5.1.9.2 The Finance Secretary was requested to provide the Committee, within two weeks' time, with a list of the defaulting Ministries.
- 5.1.9.3 The Finance Secretary was required to collaborate with the Auditor General on this issue with the aim of formulating recommendations to resolve the matter.
- 5.1.9.4 The Committee noted the comments of the Accounting Officer that the Ministry of Finance had begun collaborating with the Bank of Guyana on a monthly basis on the issue of unreconciled accounts in an effort to resolve the matter.
- 5.1.10 **Paragraph 26 - Reconciliation of the Consolidated Fund**
- 5.1.10.1 The Accountant General reported that a cash book maintenance system was established to correct the situation but reiterated that with the implementation of the IFMAS system the situation would be better managed.
- 5.1.11 Paragraphs 26 to 27 were considered.
- 5.1.12 **Paragraph 28 – Statement of Receipt of Payments of the Consolidated Fund**
- 5.1.12.1 The Committee noted the decrease in the in the excess of payments over receipts made from the Consolidated Fund from a total of \$11,094,276 in 2003 to \$266,056 in 2004.
- 5.1.12.2 The Accounting Officer was requested to submit to the Committee, within two weeks, advice on what facilitated this development.
- 5.1.13 Paragraph 29 was considered.

- 5.1.14 **Paragraph 30 – Miscellaneous Revenues**
- 5.1.14.1 The Committee questioned whether it should not be the Ministries that were in receipt of the gifts rather than the Ministry of Finance that should be held accountable for unreported gifts.
- 5.1.14.2 The Deputy Finance Secretary informed Members that the MOF and the Auditor General were in the process of collaborating in an effort to resolve the issue.
- 5.1.15 Paragraphs 31 to 48 were considered.
- 5.1.16 **Paragraph 49 – Statement of Public Debt**
- 5.1.16.1 In response to an enquiry by the Committee as it related to the accuracy and validity of the statement of Public Debt the Finance Secretary reported that the situation had been addressed. To this the Auditor General concurred.
- 5.1.17 Paragraphs 51 to 52 were considered.
- 5.1.18 **Paragraph 53 – Transfer of Liabilities to Public Debt**
- 5.1.18.1 The Committee noted the Auditor General's comment and enquired what steps were taken by the MOF and the Accountant General's Department.
- 5.1.18.2 The Accounting Officer informed Members that of the five categories, two have been cleared, one written off and the remaining two were still under consideration.
- 5.1.18.3 The Accounting Officer undertook to have the issue resolve as early as possible.
- 5.1.19 Paragraphs 54 to 57 were considered.
- 5.1.20 **Paragraph 58: Outstanding Loans and Advances**
- 5.1.20.1 The Committee noted the comments of the Accounting Officer that he would approach Cabinet in one week's time to have the outstanding Loans and Advances to LINMINE, Mards Rice Milling Company Limited to the sum of \$6.647 billion written off.

- 5.1.21 **Paragraph 60 – Interest on Internal and External Debt**
- 5.1.21.1 Members noted that the external principal for the repayment of internal and external debt were considerably high and enquired the source of the loan.
- 5.1.21.2 The Auditor General informed the Committee that the interest included payment of overdraft, bank payments, etc.
- 5.1.21.3 The Auditor General was required to submit to the Committee a breakdown of the categories of interest.
- 5.1.22 Paragraphs 61 to 66 were considered.
- 5.1.23 **Paragraph 67 – Supplemental Estimate for Outstanding Amount**
- 5.1.23.1 The Accounting Officer was required to apprise the Committee of the status of the matter.
- 5.1.24 **Paragraph 68 – Over Expenditure of Amount Totaling \$2.647 billion**
- 5.1.24.1 The Committee requested the Auditor General and the Finance Secretary to collaborate on the issue with the aim of resolving the matter.
- 5.1.25 Paragraphs 69 to 74 were considered.
- 5.1.26 **Paragraph 75 – Deposited Funds in Bank Account Totalling \$2.994 billion**
- 5.1.26.1 The Committee noted the comments by the Auditor General and requested that the Accountant General pursue the matter with the Auditor General.
- 5.1.27 Paragraphs 76 to 78 were considered.
- 5.1.28 **Paragraph 78 – Statement of Balances**
- 5.1.28.1 The Committee noted the comments of the Auditor General on this issue.
- 5.1.28.2 The Accountant General assured the Committee that with the passage of time the situation would be sanitized.

5.1.29 At 4.50 p.m. the Committee agreed to defer further consideration of the examination of the Public Accounts for the year 2004 in respect of the Ministry of Finance to Monday, 14th May, 2007.

ITEM 6: ANY OTHER BUSINESS

6.1 **Schedule of Meeting**

6.1.1 The Committee agreed it would continue at 1.30 p.m. discussion on the supplemental budget of the Audit Office.

6.1.2 Thereafter it would conclude examination of the Public Accounts for the 2004 in respect of the Ministry of Finance (General). The Committee would also examine Programmes 1 to 4 of the Ministry of Finance.

Adjournment

At 4.30 p.m. the meeting was adjourned to 1.00 p.m. on Monday, 7th May, 2007.

4th
Confirmed this 14th day of May, 2007

Volda Lawrence
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Mrs. Volda A. Lawrence, M.P.
Chairperson

**THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2007)**

**MINUTES OF THE 9TH MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 1.40 P.M.
ON MONDAY, 14TH MAY, 2007
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN**

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)
(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P.

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip

Ms Bibi S. Shadick, M.P

Mr. Mohamed Irfaan Ali, M.P

Mr. Komal Chand, C.C.H., J.P., M.P.

Mr. Dharamkumar Seeraj, M.P. - (Excused)

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P.

Mr. Anthony Vieira, M.P.

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P. - (Absent)

ADVISER

Mr. Thomas Nestor, Audit Director (Ag.)
For Auditor General (Ag.)

Officers

Ms Debra H. Cadogan - Assistant Head of Committees Division
Ms Sonia Maxell - Assistant Clerk of Committee

ITEM 1: CALL TO ORDER

1.1 The Chairperson called the Meeting to order at 1.40 p.m.

ITEM 2: ANNOUNCEMENTS

2.1 Welcome

2.1.1 The Chairperson extended a warm welcome to Mr. Hari N. Jewan, Project Manager, Project Execution Unit of the Parliament Office, who was attending the PAC Meeting for the first time.

2.2 Excuses

2.2.1 The Chairperson informed the Committee that Mr. Dharamkumar Seeraj, M.P had asked to be excused from the Meeting.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents were circulated prior to the Meeting:

- (i) Notice of the 9th Meeting dated 11th May, 2007;
- (ii) Minutes of the 8th Meeting held on 7th May, 2007;
- (iii) Copy of letter Ref. No. 56/AG: 10/200/37 dated the Auditor General (Ag.) re: Submissions required to be made by the Audit Office;
- (iv) Copies of Comment from the Accounting Officer of the Ministry of Finance (General Programmes 1, 2, 3, & 4) and the Auditor General's Briefing Notes thereon.

2.2 The following document was circulated at the meeting:

- Draft Terms of Reference for the Position of Secretariat Assistant to the Public Accounts Committee

ITEM 4: CONFIRMATION OF MINUTES OF THE 8TH MEETING HELD ON 7TH MAY, 2007

Corrections

4.1 **Page 48, paragraph 3.3.1 – Notices to the Media**

4.1.1 Substitution of the word “scheduled” for the word “schedule” after the word “was” in the penultimate line.

4.2 **Page 50, paragraph 4.3.5**

4.2.1 Substitution of “Works and Structures” for “Works and Structure” in the sub-heading

4.3 **Page 50, paragraph 4.3.7**

4.3.1 **First Bullet**

4.3.1.1 Deletion of the words “and all outstanding payments the position attracted be made” at the end of the bullet.

4.3.2 **Second Bullet**

4.3.2.1 Substitution of the following for the second bullet:

“Mr. Smith should be appointed to act as Director Works and Structures and be given the acting allowances consistent with those given to the other Directors (Ag.) and with effect from the same date.”

4.3.3 **Page 51, paragraph 4.5.1 - Advertisement**

4.4.1 The following amendments were made:

4.4.1.1 (i) Substitution of the word “Director” for the word “Directors” after the word “of” in the last line.

(ii) Substitution of the word “Structures” for the word “Structure” at the end of the paragraph.

- 4.5 **Page 52, paragraph 5.1.7.2 – HIPIC Initiative**
- 4.5.1 Substitution of the word “on” for the word “of” after the word “advised”.
- 4.6 **Page 53, paragraph 5.1.12.1 – Statement of Receipt of Payment of the Consolidated Fund**
- 4.6.1 Deletion of the words “in the” before the word “excess” in the first line.
- 4.7 **Page 54, paragraph 5.1.18.3 – Transfer of Liabilities to Public Debt**
- 4.7.1 Substitution of the word “resolved” for the word “resolve” after the word “issue” in the first line.
- 4.8 **Page 55, paragraphs 5.1.21.1 and 5.1.21.2 – Interest on External Debts**
- (i) Substitution of the following for the paragraph 5.1.21.1:
- “A Member noted that under internal loans the interest appeared to be very high in comparison to the principal.”*
- (ii) Substitution of the following for paragraph 5.1.21.2:
- “The Accountant General informed the Committee that the interest included payment of overdrafts bank charges etc”.*
- 4.9 **Page 56, Adjournment**
- 4.9.1 Substitution of the following for the paragraph:
- “At 4.55 p.m. the meeting was adjourned to 1.30 p.m. on Monday, 14th May, 2007”.*
- 4.10 Thereafter, the Minutes were confirmed on a motion moved and seconded by Mrs. Indranie Chandarpal and Mr. Anthony Vieira, respectively.

ITEM 5: MATTERS ARISING

4.1 **Page 48, paragraph 4.1.1 – Invitation to the Media to Meetings of Committee**

4.1.1 The Chairperson reminded Members' that Standing Orders 94 (b) was applied hence the media was allowed to cover proceedings of the Meeting.

4.1.2 She said that she sought further clarification on this issue and drew Members' attention to page 94 (3.1.6) of the Committees Manual.

4.1.3 The Chairperson indicated that the Committee had the prerogative to extend invitation to Media Houses, but that they should only be invited to meetings that were not of a sensitive nature such as the overview of the Audit Office.

4.1.4 To this Members concurred. Mrs. Shadick indicated that her proposal to the Committee would have expressed similar views.

4.2 **Page 50, paragraph 4.3.4 – Availability of Monies through the FFMP Project**

4.2.1 In response to an enquiry the Chairperson informed the Committee that monies were available through the FFMP Project within the Parliament Office for the recruitment of Consultants to synchronize the Audit Act and the Rules, Policies and Procedures Manual.

4.3 **Page 52, paragraph 5.1.4.1 – Transfers to the Consolidate Fund Appointment**

4.3.1 The Committee agreed that the Accounting Officer within two weeks should verify the amount transferred to the Consolidated Fund was \$3.956 billion and not \$3,355 billion as was stated in the Auditor General's Report.

ITEM 5: TO CONTINUE EXAMINATION OF THE SUPPLEMENTAL BUDGET OF THE AUDIT OFFICE

5.1 The Chairperson drew Members' attention to letter dated 11th May, 2007 from the Auditor General requesting the Committee to defer consideration of the above item to its next meeting.

ITEM 5: TO CONTINUE EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEAR 2004 TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING

<i>Minister/Department/Officer</i>	<i>Paragraph in Auditor General's Report</i>	<i>Accounting Officer</i>
4. Ministry of Finance (General)	80 -1 05 (26)	Mr. Neermal Rekha Finance Secretary
- Programme 1 (Administration)	164 – 239 (76)	
- Programme 2 (Accountant General)	240 – 247 (8)	
- Customs & Trade Administration	248 -265 (18)	
- Internal Revenue	266 0 278 (13)	

5.1 At 2.30 p.m. the Committee proceeded to consider the Report on the Public Accounts with respect to the Ministry of Finance together with the Comments submitted by the Accounting Officer.

5.1.1 Officers present for the examination were:

- (1) Mr. Neermal Rekha, Finance Secretary (Accounting Officer)
- (2) Ms Lorene Baird, Deputy Finance Secretary
- (3) Mr. Hardutt Autar, Accountant General (Ag.)
- (4) Mr. George Abrams, Deputy Accountant General (Ag.)
- (5) Ms. Ingrid Griffith, Deputy Commissioner, Customs and Trade Administration
- (6) Mr. Trevington Bowen, Deputy Commissioner, Internal Revenue

5.1.2 Paragraph 80 was considered.

5.1.3 **Paragraph 81 – Statement of Current Assets and Liabilities**

5.1.3.1 The Committee noted that in comparison to the 2003 Audit Report the current liabilities for 2004 had almost doubled totalling \$49.316 billion.

5.1.3.2 The Accountant General was required to analysed the 2003 and 2004 Audit Reports and submit within two weeks to the Committee the reason for the current liabilities almost being doubled.

- 5.1.3.3 The Auditor General was advised to provide in future comparative figures which would enable the Committee to conduct comparative analysis.
- 5.1.4 Paragraph 82 was considered.
- 5.1.5 **Paragraphs 83 – Unreconciled Consolidated Fund**
- 5.1.5.1 The Committee noted that even though a new Consolidated Fund was opened there was still an unreconciled balance in the account.
- 5.1.5.2 The Accountant General reported that some accounts were reconciled and undertook to submit the information relating to those accounts to the Committee.
- 5.1.5.3 He also reported that with the implementation of IFMAS, balances would be obtained instantaneously.
- 5.1.6 **Paragraphs 84 - Closure of Accounts and Amounts transferred to Consolidated Fund**
- 5.1.6.1 The Accountant General reported that with the implementation of IFMAS, Ministries were no longer required to refund unspent balances. Hence this issue of unreconciled balances should be eliminated.
- 5.1.7 **Paragraph 85 - Unreconciled Bank Accounts Totalling \$9.585 billion**
- 5.1.7.1 The Committee noted the Auditor General's comment on this issue.
- 5.1.7.2 A Member proposed that the Accountant General should provide the Committee with documentation on IFMAS; the information should include the effectiveness of the system. Thereafter he should be prepared to engage the Committee in a discourse on IFMAS.
- 5.1.7.3 The Accountant General informed the Committee that he would submit within three weeks' time documentation, as non-technical as possible, on IFMAS and that at a later date he would engage Members in an oral discourse on the IFMAS.
- 5.1.8 Paragraph 86 was considered.

- 5.1.9 **Paragraph 87 – Redemption of Treasury Bills Account No. 404 Totalling \$12.027,242 Billion**
- 5.1.9.1 A Member noted redemption of treasury bills balances had increased from amounts totalling \$6 billion to \$12.027,242 billion in 2003 and 2004, respectively and questioned whether the accounts were reconciled and the balances paid into the Consolidated Fund.
- 5.1.9.2 The Accountant General indicated that he did not have the information available and reported that the amounts were due to overdrafts and that the Department was in the process of having the amounts cleared in tranches.
- 5.1.9.3 A Member appreciated the Accountant General's response but indicated that it would welcome such flow of explanation in the future. However, he wanted the assurance that an improved mechanism was employed to facilitate a resolution in this matter and that this was no longer an issue.
- 5.1.9.4 The Accountant General was required to submit within two weeks the status on the amounts cleared.
- 5.1.10 **Paragraphs 88 – Inactive Accounts with balances Totalling \$2.204 Billion.**
- 5.1.10.1 The Accountant General and the Finance Secretary were required to collaborate with a view of providing further clarity on this issue.
- 5.1.10.2 The Auditor General was required to verify the Deputy Accountant General's remarks that some of the accounts were closed and reconciled.
- 5.1.11 Paragraphs 89 and 90 were considered.
- 5.1.12 **Paragraph 91 – Monetary Sterilisation Account**
- 5.1.12.1 The Accountant General, Director of Budget and Finance Secretary were required to collaborate and provide the Committee with a response on the way forward on this issue.
- 5.1.13 Paragraphs 92 to 94 were considered.
- 5.1.14 **Paragraph 94 – Unreconciled Cash Book Balances**
- 5.1.14.1 The Committee noted the observations of the Auditor General and requested that the Accounting Officer inform it of the mechanisms to be employed to bring closure to the accounts.

- 5.1.15 Paragraphs 95 to 97 were considered.
- 5.1.16 **Paragraphs 98 and 99 – End of Year Budget Outcome and Reconciliation Report (Expenditure)**
- 5.1.16.1 The Committee noted the observations of the Auditor General and informed the Accounting Officer that the comments made by the Auditor General should be taken seriously.
- 5.1.17 **Paragraphs 100 to 102 – Statement of Contingent Liabilities**
- 5.1.17.1 In light of the Accounting Officer's comments that the liabilities were being addressed with the lending agencies the Committee advised that with a little more diligence conclusion could be reached.
- 5.1.18 Paragraphs 103 to 105 were considered.
- 5.1.19 At 3.48 p.m. the Committee proceeded to consider the Report on the Public Accounts with respect to the Ministry of Finance (Programme 1 – Administration) together with the Comments submitted by the Accounting Officer
- 5.1.20 **Paragraph 164 – State Planning Secretariat**
- 5.1.20.1 In response to an enquiry as to whether the State Planning Act had been repealed the Accounting Officer informed the Committee that he was not in receipt of that information.
- 5.1.20.1 Mr. Murray undertook to provide the Committee with relevant documentation.
- 5.1.21 Paragraphs 165 to 167 were considered.
- 5.1.22 **Paragraphs 168 and 169 – Costs of Operations Totalling \$1.229 Billion**
- 5.1.22.1 The Committee noted the comments by the Accounting Officer that the matter was being addressed by the three entities involved and that he was awaiting a policy decision on the outcome.
- 5.1.23 Paragraphs 170 to 172 were considered.
- 5.1.24 **Paragraph 173 and 174 – Guyana Lottery Funds**
- 5.1.24.1 The Committee noted the comments by the Auditor General were an apparent diversion of the issue of the Lottery Funds in respect of the comments in the 2003 Audit Report.

- 5.1.24.2 The Auditor General informed the Committee that his comments on the paragraph was structured in that particular manner since the reporting was in accordance with the Fiscal Management & Accountability Act. He indicated that the 2005 Audit Report would reflect a change in reporting.
- 5.1.25 Paragraphs 175 to 180 were considered.
- 5.1.26 **Paragraph 181- Construction of Health Centres at Lower Bonasaika Creek and Siparuta.**
- 5.1.26.1 In response to an enquiry the Auditor General informed the Committee that it was in consonance with legal advice that this type of reporting was done to guard against "Audit Liability".
- 5.1.27 Paragraphs 182 to 186 were considered.
- 5.1.28 **Paragraph 187 – Overstatement of Warrants Totalling \$4.468 M**
- 5.1.28.1 In response to an enquiry by the Committee as to whether the overstated warrants were cleared the Accounting Officer indicated that the amounts stated were as a result of duplication of one of the warrants.
- 5.1.28.2 The Auditor General and the Accounting Officer were required to collaborate on the issue with in an effort to provide clarity on the issue.
- 5.1.29 Paragraphs 188 to 191 were considered.
- 5.1.30 **Paragraphs 192 to 193 – Financial Management Programme**
- 5.1.30.1 The Finance Secretary assured the Committee that the execution of all projects were in accordance with Tender Board Procedures.
- 5.1.31 Paragraphs 194 to 196 were considered.
- 5.1.32 **Paragraph 197 – Inter-American Development Bank**
- 5.1.32.1 In response an enquiry the Finance Secretary informed the Committee that the unspent sums were returned to the Ministry of Finance.
- 5.1.33 Paragraph 198 was considered.
- 5.1.34 **Paragraphs 199 to 203 – Guyana Revenue Authority**
- 5.1.34.1 In response to an enquiry as to whether competitive bidding was entertained in the rehabilitation of the building and the purchase of office equipment and furniture or whether it was not a requirement, the

Auditor General informed the Committee that the procedure might have been satisfactorily followed hence the reason it was not sated.

5.1.34.2 The Committee noted the response by the Auditor General and advised that such statements be exclusively stated as to whether or not the Agencies had complied with the auditing procedures.

5.1.35 **Paragraph 204 – Guyana Sugar Corporation**

5.1.35.1 The Committee noted the Auditor General's comment and requested further clarification on the issue.

5.1.35.2 The Auditor General was required to submit within two weeks to the Committee further clarification on the issue.

5.1.36 Paragraph 205 was considered.

5.1.37 **Paragraphs 206 to 211 – Youth Initiative Programme**

5.1.37.1 The Accounting Officer reported to the Committee that while works had not commenced in this regard the monies were still in the bank accounts.

5.1.38 At 5.10 the Committee deferred further examination of the Public Accounts of the Ministry of Finance and informed the Accounting Officer that he would be informed of the new date.

ITEM 6: ANY OTHER BUSINESS

6.1 **Terms of Reference**

6.1.1 The Chairperson drew Members' attention to the Terms of Reference for the recruitment of personnel for the Public Accounts Committee Secretariat and urged Members to study the document for discussion at its next meeting.

6.2 **Public Procurement Commission**

6.2.1 The Chairperson pointed out that the issue on the selection of nominees for the Public Procurement Commission had not been resolved by the previous PAC during the Eighth Parliament and sought proposals from Members on the way forward.

6.2.2 She explained that Members of the Government should nominate a representative to facilitate discussion on the issue.

6.2.3 The Opposition had nominated Mr. Winston Murray, C.C.H., M.P as its representative.

6.2.4 Mrs. Chandarpal informed the Committee that Mr. Komal Chand would conveyed the name of the representative from the Government side.

6.2.5 The Committee agreed that as soon as the representative from the Government side was identified then the two representatives would commence discussions on identifying nominees for appointment by the President to the Public Procurement Commission.

6.3 **Schedule of Meeting**

6.3.1 The Committee agreed that it would meet at 1.30 pm to continue discussions on the supplemental budget for the Audit Office.

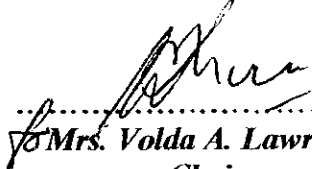
6.3.2 Thereafter it would commence examination of the Public Accounts for the year 2004 in respect of the following Ministries:

- (i) Parliament Office
- (ii) Public Service Ministry
- (iii) Ministry of Amerindian Affairs
- (iv) Ministry of Culture, Youth & Sports

Adjournment

At 5.15 p.m. the meeting was adjourned to 1.30 p.m. on Monday, 21st May, 2007.

Confirmed this 28th day of May, 2007


.....
✓ Mrs. Volda A. Lawrence, M.P.
Chairperson

**THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2007)**

**MINUTES OF THE 10TH MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 2.00 P.M.
ON MONDAY, 21ST MAY, 2007
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN**

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)

(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P.

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip

Ms Bibi S. Shadick, M.P.

Mr. Mohamed Irfaan Ali, M.P.

Mr. Komal Chand, C.C.H., J.P., M.P.

Mr. Dharamkumar Seeraj, M.P. - (Excused)

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P. - (Excused)

Mr. Anthony Vieira, M.P.

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P.

ADVISERS – (3)

The Auditor General (Ag.) (Mr. Deodat Sharma)
The Finance Secretary (Mr. Neermal Rekha)
The Accountant General (Ag) (Mr. Hardutt Autar)

Officers

Ms Debra H. Cadogan - Assistant Head of Committees Division
Ms Sonia Maxell - Assistant Clerk of Committee

In Attendance

Mr. Hari N. Jewan - Manager, Project Execution Unit, FFMP,
Parliament Office

ITEM 1: CALL TO ORDER

1.1 The Chairperson called the Meeting to order at 2.00 p.m.

ITEM 2: ANNOUNCEMENTS

2.1 **Excuses**

2.2.1 The Chairperson informed the Committee that the following Members had asked to be excused from the Meeting:

- (i) Mr. Dharamkumar Seeraj, M.P., and
- (ii) Mr. Winston S. Murray, C.C.H., M.P.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents were circulated prior to the Meeting:

- (i) Notice of the 10th Meeting dated 18th May, 2007;
- (ii) Minutes of the 9th Meeting held on 14th May, 2007;
- (iii) Copy of letter Ref. No. 66/AG: 10/2007/40 dated 17th May, 2007 from the Auditor General (Ag.) re: Amendments to the Rules, Policies and Procedures Manual;

- (iv) Copy of letter Ref No. 67/AG 10/2007/41 dated 17th May, 2007 from the Auditor General (Ag.) re: Conditions of Service of Members of the Works & Structures Unit;
- (v) Copy of letter Ref. Nos. 68/AG 10/2007/42 and 69/AG: 10/2007/43 dated 17th May, 2007 from the Auditor General (Ag.) re: Confirmation of Senior Officers in their Substantive Positions;
- (vi) Copy of letter Ref. Nos. 70/AG 10/2007/43 and 69/AG: 10/2007/43 dated 18th May, 2007 from the Auditor General (Ag.) re: Draft Advertisement and Draft Letter of Withdrawal Addressed to Mr. Phillip Smith;
- (vii) Copies of Comments from the Accounting Officers of the:
 - Parliament Office;
 - Ministry of Local Government;
 - Ministry of Amerindian Affairs;
 - Ministry of Culture, Youth & Sports, and
 - The Auditor General's Briefing Notes thereon.

3.2 The following documents were circulated at the meeting:

- (i) Memorandum dated 2nd July, 2001 from the Permanent Secretary, Public Service Ministry, re: Amendment if Job Specifications, and
- (ii) Omission of the Job Description for Senior Management Positions from the Rules, Polices and Procedures Manual; and
- (iii) Proposals for changes in Job Specifications for the Office of the Auditor General.

3.3 **Suspension of Agenda**

3.3.1 At this point, some Members suggested that the Committee should commence examination of the public accounts of the scheduled Ministries since half an hour had elapsed for the commencement of the meeting.

3.3.2 The Chairperson indicated that she was unaware that the meeting was scheduled for 1.30 p.m. and sought clarification from the Clerk of Committee.

3.3.3 Thereafter, items (1) and (2) of the Agenda were suspended to permit the examination of the public accounts for the year 2004 along with the Auditor General's Report in respect of the following Ministries:

- (i) Parliament Office;
- (ii) Ministry of Local Government;
- (iii) Ministry of Amerindian Affairs;
- (iv) Ministry of Culture, Youth & Sports.

ITEM 4: CORRECTIONS AND CONFIRMATION OF MINUTES OF THE 9TH MEETING HELD ON 14TH MAY, 2007

4.1 This item was deferred to a subsequent Meeting of the Committee.

ITEM 5: TO CONTINUE EXAMINATION OF THE ESTIMATES OF THE AUDIT OFFICE

5.1 This item was deferred to a subsequent Meeting of the Committee.

ITEM 5: TO CONTINUE EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEAR 2004 TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING

<i>Ministry/Department/Agency</i>	<i>Paragraph in Auditor General's Report</i>	<i>Accounting Officer</i>
5. Parliament Office	370 - 376 (7)	Mrs. Lilawtie Coonjah, Deputy Clerk of the National Assembly

5.1 At 2.10 p.m. the Committee proceeded to consider the Report on the Public Accounts with respect to the Parliament Office together with the Comments submitted by the Accounting Officer.

5.1.1 Officers present for the examination were:

- (i) Mrs. Lilawtie Coonjah, Deputy Clerk of the National Assembly (Accounting Officer)
- (ii) Ms Bibi Baldeo, Chief Administrative Officer
- (iii) Mrs. Ingrid Ifill, Accountant

5.1.2 **Paragraph 370 – Registration of Employees with the NIS**

5.1.2.1 In response to an enquiry, the Accounting Officer informed the Committee that the situation with regard to the registration of the thirteen employees had been regularized.

5.1.3 **Paragraph 371 – Misallocation of Expenditure**

5.1.3.1 The Accounting Officer explained that since it was almost the end of the year and it was not possible to acquire approval for funds from the Ministry of Finance, the sum of \$552,000 for consultancy services were expended from the Office's current appropriation.

5.1.3.2 The Committee expressed concern that the Accounting Officer had indicated in her comments that she had knowingly funded capital works from current appropriations.

5.1.3.3 The Ministry of Finance was required to remind Ministries that this practice was not allowed.

5.1.4 **Paragraph 372 – Segregation of Duties**

5.1.4.1 The Accounting Officer informed the Committee that due to staff constraints, one Officer was required to perform the duties of both Procurement Clerk and Issuing Clerk. She reported that the situation had since been resolved.

5.1.5 **Paragraph 373 – Capital Expenditure**

5.1.5.1 In response to an enquiry as to whether the amounts totalling \$23.654M had included refurbishing the MPs Lounge, the Accounting Officer informed the Committee that the amounts were expended on the Parliament Chamber.

5.1.5.2 Based on the Finance Secretary's observation that there were no comments on the remaining paragraphs, the Accounting Officer was reminded that in future comments should be provided for all paragraphs.

5.1.6 The Chairperson informed the Accounting Officer that the Auditor General had indicated that there were improvements in the public accounts for the Parliament Office and applauded her for her efforts.

5.1.7 At 2.30 p.m. the Committee concluded its consideration of the above accounts.

<i>Ministry/Department/Agency</i>	<i>Paragraph in Auditor General's Report</i>	<i>Accounting Officer</i>
6. Ministry of Local Government	392 - 397 (6)	Mr. Ganga Persaud Permanent Secretary

5.2 At 2.31 p.m. the Committee proceeded to consider the Report on the Public Accounts with respect to the Ministry of Local Government together with the Comments submitted by the Accounting Officer.

5.2.1 Officers present for the examination were:

- (i) Mr. Ganga Persaud, Permanent Secretary (Accounting Officer)
- (ii) Mr. Seewchan, Chief Regional Development Officer
- (iii) Ms. Arletha Henry Principal Regional Development Officer
- (iv) Ms. Wrynnette Small, Accountant

5.2.2 **Paragraph 392 - Registration of Employees with NIS**

5.2.2.1 In response to an enquiry, the Accounting Officer informed Members that twenty of the twenty-three employees were registered but had not received their registration numbers. The three employees were still to receive their numbers. However they have all been registered and were in receipts of NIS cards.

5.2.3 Paragraphs 393 to 395 were considered.

5.2.4 **Paragraph 396 - Municipal and District Councils**

5.2.4.1 The Accounting Officer informed the Committee that the Ministry of Local Government had been instituting mechanisms to have Councils submit financial statements.

5.2.4.2 He also informed the Committee that of the thirty-three NDCs seventeen have completed outstanding statements and submitted them for auditing. The remaining Councils were to undergo training in the preparation of the appropriate statements.

5.2.4.3 The Committee, noting that the Linden Town Council's accounts had been audited since 1984, enquired from the Accounting Officer the status of the Council's of the outstanding accounts.

- 5.2.4.4 He informed the Committee that the Linden Town Council had submitted statements for 2003 - 2005 for auditing. He was advised on the manner in which to proceed with those accounts.
- 5.2.4 At 2.55 p.m. the Committee concluded its consideration of the above accounts.

<i>Minister/Department/Officer</i>	<i>Paragraph in Auditor General's Report</i>	<i>Accounting Officer</i>
7. Ministry of Amerindian Affairs	410 - 420 (11)	Mr. M. Haricharan Permanent Secretary

- 5.3 At 2.56 p.m. the Committee proceeded to consider the Report on the Public Accounts with respect to the Ministry of Amerindian Affairs together with the Comments submitted by the Accounting Officer.
- 5.3.1 Officers present for the examination were:
- (i) Mr. M. Haricharan, Permanent Secretary (Accounting Officer)
 - (ii) Mr. Mohabir Bhajonauth, Chief Accountant (Ag.)
- 5.3.2 Paragraphs 410 and 411 were considered.
- 5.3.3 **Paragraph 412 – Purchase of Equipment**
- 5.3.3.1 In response to a query, the Accounting Officer informed the Committee that the eight outboard engines totalling \$4.181M were purchased on separate occasions, hence there was no indication of contract splitting.
- 5.3.3.2 The Committee informed the Accounting Officer that that was undesirable since he would have had prior knowledge of the amount of outboard engines required.
- 5.3.3.3 It felt that this was clearly contract splitting and reminded the Accounting Officer that he should adhere to tender board procedures.
- 5.3.4 **Paragraph 413 – Unspent Sums Totalling \$5.553M**
- 5.3.4.1 In response to a query, the Accounting Office informed the Committee that the above mentioned unspent sums were not paid into the

Consolidated Fund since tranches of monies were requested to conduct surveys in Amerindian communities. He said that the situation would not occur in the future.

- 5.3.4.2 The Accounting Officer was reminded that that was a violation of the Law.
- 5.3.4.3 Paragraph 414 and 415 were considered.
- 5.3.5 **Paragraph 416 – Verification of Works in Amerindian Communities**
- 5.3.5.1 The Auditor General in response to an enquiry informed Members that the Audit Office would use the reports from Amerindian Council's Meeting to verify works done in the respective communities until the works could be physically verified by his Office.
- 5.3.5 **Paragraph 417 – Supply of Furniture to Karaburi School**
- 5.3.5.1 The Accounting Officer was required to submit to the Audit Office documentation to verify that the school supplies, including furniture ,were supplied to the Karaburi school.
- 5.3.6 Paragraphs 418 to 420 were considered.
- 5.3.7 The Committee noted that the Accounting Officer was very often dividing transactions to avoid the limits of adjudication and reminded him of the need to strictly adhere to Tender Board Procedures.
- 5.3.8 At 3.22 p.m. the Committee concluded its consideration of the above accounts.

<i>Minister/Department/Officer</i>	<i>Paragraph in Auditor General's Report</i>	<i>Accounting Officer</i>
8. Ministry of Culture, Youth and Sports	758 - 784 (27)	Mr. Keith H. Booker, M.S.M. Permanent Secretary

- 5.4 At 3.25 p.m. the Committee proceeded to consider the Report on the Public Accounts with respect to the Ministry of Youth and Sports together with the Comments submitted by the Accounting Officer.

- 5.4.1 Officers present for the examination were:
- (i) Mr. Keith H. Booker, M.S.M., Permanent Secretary (Accounting Officer)
 - (ii) Ms Rahoni Lochan, Principal Assistant Secretary (Finance)
 - (iii) Mr. Shelton Daniels, Principal Personnel Officer
 - (iv) Ms Desryn Sofleigh, Assistant Secretary
- 5.4.2 **Paragraph 758 - Staff Vacancy**
- 5.4.2.1 The Accounting Officer reported that the staff vacancy rate was 61% due to the freeze on employment and he was in the process of having the situation rectified. He indicated that most of the vacant positions were of a technical and cultural nature and required special skills such as musicians, etc.
- 5.4.2.2 The Accounting Officer reported that international assistance was expected shortly in the respective disciplines from Cuba and China.
- 5.4.3 **Paragraph 759 – Register for NIS Employees Contributions**
- 5.4.3.1 The Accounting Officer informed the Committee that all forty-four employees had been registered and were in receipt of NIS numbers.
- 5.4.4 **Paragraph 760 – Quotation to Purchase Spare Parts**
- 5.4.4.1 The Committee noted the observations of the Auditor General and indicated that the comments by the Accounting Officer were unacceptable.
- 5.4.4.2 The Accounting Officer was required to submit by Friday, 25th May, 2007 the name of the mechanic(s), the number of vehicle(s) repaired and also the cost of works done.
- 5.4.5 Paragraphs 761 to 762 were considered.
- 5.4.6 **Paragraph 763 – National Trust**
- 5.4.6.1 In light of the Accounting Officer's comments that National Trust was subject to separate reporting, the Committee requested the Accountant General to provide it with clarifications on the matter.
- 5.4.7 Paragraphs 764 to 765 were considered.

- 5.4.8 **Paragraph 766 (a) and (b) – Tender Board Procedures**
- 5.4.8.1 The Committee noted the observations of the Auditor General and the comments from the Accounting Officer and requested the two Officers to collaborate with a view of revisiting the paragraph and submit a response to the Committee.
- 5.4.9 Paragraph 767 to 774 were accepted
- 5.4.10 **Paragraphs 775 (Third Bullet) – Rehabilitation of the Roof at the National Museum**
- 5.4.10.1 The Committee noted the observations of the Auditor General and requested the Accounting Officer to provide it, within two weeks, with a response to the quotations for one of the contracts valued at \$299,000.
- 5.4.11 Paragraphs 776 to 780 were considered.
- 5.4.12 **Paragraph 781 – Central Tender Board Procedures**
- 5.4.12.1 The Accounting Officer reported that the documents referred to by the Auditor General were kept in the confines of the Ministry of Finance and that he was unaware of the process for determining the contract. He reiterated that he had operated in accordance with the Tender Board Procedures.
- 5.4.12.2 The Accounting Officer was required to seek clarification from the Finance Secretary on this matter.
- 5.4.13 Paragraphs 782 to 784 were considered.
- 5.4.14 At 4.48 p.m. the Committee concluded its consideration of the above accounts.

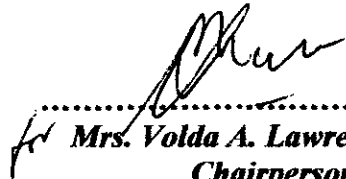
ITEM 6: ANY OTHER BUSINESS

- 6.1 **Tender Board Procedures**
- 6.1.1 The Finance Secretary registered his concerns that in light of the circulars and regulations that were sent to Ministries and Agencies relating to Tender Board Procedures, a great number of Ministries and Agencies were not adhering to tender board procedures.

Adjournment

At 4.50 p.m. the meeting was adjourned to 1.00 p.m. on Monday, 28th May, 2007.

Confirmed this ^{28th}... day of May, 2007


.....
for Mrs. Volda A. Lawrence, M.P.
Chairperson

**THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2007)**

**MINUTES OF THE 11TH MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 2.15 P.M.
ON MONDAY, 28TH MAY, 2007
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN**

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)

(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P. - (Excused)

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip - (Excused)

Ms Bibi S. Shadick, M.P.

Mr. Mohamed Irfaan Ali, M.P.

Mr. Komal Chand, C.C.H., J.P., M.P.

Mr. Dharamkumar Seeraj, M.P.

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P.

Mr. Anthony Vieira, M.P.

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P.

ADVISERS – (3)

The Auditor General (Ag) (Mr. Deodat Sharma)
The Deputy Finance Secretary (Ms Loraine Baird)
For The Finance Secretary
The Accountant General (Ag) (Mr. Hardutt Autar)

Officers

Ms Debra H. Cadogan - Assistant Head of Committees Division
Ms Sonia Maxwell - Assistant Clerk of Committee

In Attendance

Mr. Harry N. Jewan - Manager, Project Execution Unit, FFMP,
Parliament Office

ITEM 1: CALL TO ORDER

- 1.1 Owing to the absence of the substantive Chairperson, Mr. Winston Murray performed the duties of Chairman. He called the Meeting to order at 2.15 p.m.
- 1.2 **Apology**
 - 1.2.1 Mr. Murray apologised for the absence of the Chairperson.

ITEM 2: ANNOUNCEMENTS

- 2.1 **Excuses**
 - 2.2.1 The Chairman informed the Committee that the following Members asked to be excused from the Meeting:
 - (i) Mrs. Volda A. Lawrence, M.P., and
 - (ii) Mrs. Indranie Chandarpal, M.P., Chief Whip
 - 2.2 **Examination of the 2004 Public Accounts**
 - 2.2.1 The Committee noted the observations of a Member that the comparison between the 2003 and 2004 Auditor General's reports during the examination of the 2004 public accounts was delaying the process.

2.3 **Letter from the Clerk of the National Assembly, re: Minutes of Committees**

2.3.1 The Chairman drew Members' attention to a letter addressed to Members of Parliament from the Clerk of the National Assembly. The letter explained the format that Minutes should take.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents were circulated prior to the Meeting:

- (i) Notice of the 11th Meeting dated 25th May, 2007;
- (ii) Minutes of the 9th and 10th Meetings held on 14th and 21st May, 2007, respectively;
- (iii) Copy of Supplemental Budget of the Audit Office of Guyana dated 25th May, 2007;
- (iv) Copies of Comments from the Accounting Officers of the:
 - Ministry of Home Affairs (Excluding Police);
 - Ministry of Home Affairs Programme 2 – Guyana Police Force; and the Auditor General's Briefing Notes thereon,

ITEM 4: CORRECTIONS AND CONFIRMATION OF MINUTES OF THE 9TH MEETING HELD ON 14TH MAY, 2007

Corrections:

4.1 **Page 61, paragraph 4.1.1**

4.1.1 Substitution of the word "Order" for the word "Orders" after the word "Standing" in the first line.

4.2 **Page 62, paragraph 5.1.3.2**

4.2.1 Substitution of the word "analyse" for the word "analysed" after the word "to" in the first line.

4.3 **Page 66, paragraph 5.1.28.2**

4.3.1 Deletion of the word "with" after the word "issue" in the last line.

4.4 Thereafter, the Minutes were confirmed on a motion moved and seconded by Ms Bibi Shadick and Mr. Komal Chand, respectively.

Matters Arising:

4.5 **Page 61, paragraph 4.2.1 – Availability of Monies through the FFMP Project**

4.5.1 In response to a query, Mr. Jewan informed the Committee that funds were available through the FFMP Project to facilitate the recruitment of Consultants to synchronise the Audit Act and the Rules, Policies & Procedures Manual and other related documents. He indicated that the sum of USD\$20,006 was available to undertake this project until 31st December, 2007.

4.5.2 Mr. Jewan also informed Members that the cost for the recruitment of staff for the Committee's Secretariat was not incorporated in the abovementioned amounts.

4.6 **Page 61, paragraph 4.3.1 – Transfers to the Consolidated Fund**

4.6.1 The Committee noted that the Accounting Officer did not provide a response as to the verification that the amount of \$3.956 billion instead of \$3.355 was transferred to the Consolidated Fund and agreed that the Secretariat should write the Accounting Officer reminding him of his submission to the Committee.

4.6.2 In light of the Accountant General's response that the examination of the public accounts of the Ministry of Finance was incomplete, the Committee agreed that the Accountant General would submit a comprehensive response to all queries when the Committee would have completed the Ministry of Finance.

4.7 **Page 62, paragraph 5.1.3.2 – Statement of Current Assets and Liabilities**

4.7.1 The Accounting Officer was reminded to include the above issue in his consolidated response to the Committee at the conclusion of the examination of the public accounts of the examination of the accounts of the Ministry of Finance.

- 4.8 **Page 64, paragraph 5.1.9.4 – Redemption of Treasury Bills Account No 404 Totalling \$12,027,242 Billion**
- 4.8.1 The Accounting Officer was reminded to include the above issue in his consolidated response to the Committee at the conclusion of its examination of the accounts of the Ministry of Finance.
- 4.9 **Page 64, paragraph 5.1.10.1 – Inactive Accounts with balances Totalling \$2.204 billion**
- 4.9.1 The Accounting Officer was reminded to include the above issue in his consolidated response to the Committee at the conclusion of its examination of the accounts of the Ministry of Finance.
- 4.10 **Page 65, paragraph 5.1.20.1 – State Planning Secretariat**
- 4.10.1 The Chairman informed the Committee that the previous advice that the State Planning Secretariat had been abolished should be corrected.
- 4.11 **Page 66, paragraph 5.1.28.2 – Overstatement of Warrants Totalling \$4.468M**
- 4.11.1 The Accounting Officer was reminded to include the above issue in his consolidated response to the Committee at the conclusion of examination of the accounts of the Ministry of Finance
- 4.12 **Page 67, paragraph 5.1.35.2 – Guyana Sugar Corporation**
- 4.12.1 The Accounting Officer was reminded to include the above issue in his consolidated response to the Committee at the conclusion of examination of the accounts of the Ministry of Finance
- 4.13 **Page 68, paragraph 6.2.4 – Public Procurement Commission**
- 4.13.1 Mr. Chand indicated that he would contact Mr. Murray to further discuss the matter.
- 4.13.2 The Chairman informed Members that a letter from the HPS was sent to the General Secretary, PNCR - 1G nominating one of the Government's MP to discuss the matter. He pointed out that according to the law, the PAC was responsible for the nomination of Members to be appointed by His Excellency the President.

ITEM 5:

CORRECTIONS AND CONFIRMATION OF MINUTES OF THE 10TH MEETING HELD ON 21ST MAY, 2007

Corrections

5.1 Page 74, paragraph 5.2.2.1

5.1.1 Substitution of the following for the paragraph:

“In response to an enquiry, the Accounting Officer informed Members that at the time of auditing all employees had been registered but had not received their registration numbers”.

5.2 Thereafter, the Minutes were confirmed on a motion moved and seconded by Ms Bibi Shadick and Mr. Komal Chand, respectively.

Matters Arising

5.3 Page 73, paragraph 5.1.3.3 – Funding Capital Works from Current Appropriations

5.3.1 The Deputy Finance Secretary undertook to follow-up this matter with the aim of the Ministries being reminded that it was inappropriate to fund capital works from current appropriations.

5.4 Page 77, paragraph 5.4.4.2 - Quotation to Purchase Spare Parts

5.4.1 The Secretariat was required to remind the Accounting Officer to submit the name of the mechanic(s), the number of vehicle(s) repaired and also the cost of works done.

5.5 Page 77, paragraph 5.4.6.1 - National Trust

5.5.1 The Accountant General informed the Committee that the National Trust was an autonomous entity and as such was subject to separate reporting.

5.6 Page 78, paragraph 5.4.8.1 - Tender Board Procedures

5.6.1 The Auditor General reported that he was in the process of collaborating with the Accounting Officer and would be submitting the information to the Committee by 1st June, 2007.

5.7 Page 78, paragraph 5.4.12.2 - Central Tender Board Procedures

5.7.1 The Deputy Finance Secretary was required to follow-up the issue with the Accounting Officer.

5.8 **Request from Officials of the IDB/World Bank to Meet Members of the Committee**

5.8.1 The Chairman reported that a Team from the World Bank was in Guyana and had requested, through the Clerk of the National Assembly, to meet with Members of the Committee. He suggested that Members agree on a convenient time and date.

5.8.2 At the invitation of the Chair, Mr. Jewan informed the Committee that the Team was in Guyana to conduct an assessment of the fiduciary oversight and was desirous of meeting with Members of the Committee to ascertain the mandate of the Committee and how it was executed.

5.8.4 Following discussions on this matter, the Committee agreed to meet with the Team at 12.30 p.m. on Wednesday, 30th May, 2007. Mr Jewan was required to advise the Team to submit its TOR for such meeting.

ITEM 6: TO CONTINUE EXAMINATION OF THE SUPPLEMENTARY ESTIMATES OF THE AUDIT OFFICE

6.1 The Committee examined the supplemental budget of the Audit Office and highlighted issues that were conflicting. It noted that even though the Auditor General indicated that there was a need for a total of twenty-two key critical staff the budget had addressed a total of forty-one staff.

6.1.1 The Committee also noted that the new employment cost outlined at Appendix (iv) contradicted the approved number of staff.

6.1.2 The Auditor General in response to an enquiry informed Members that based on advice from the Ministry of Finance the original budget for the Audit Office did not include the amounts for payment of increments and the debunching arrangement for the staff.

6.1.3 The Auditor General was advised to prepare the supplemental budget for the Audit Office, placing emphasis on the following issues:

- (i) payment of merit increment and debunching arrangements for the 112 staff presently in its employ, and
- (ii) arrive at a realistic number of personnel to be recruited for 2007.

ITEM 7:**TO CONTINUE EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEAR 2004 TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING**

<i>Ministry/Department/Agency</i>	<i>Paragraph in Auditor General's Report</i>	<i>Accounting Officer</i>
9. Ministry of Home Affairs (Excluding Police)	930 - 966 (37)	Ms Angela Johnson Permanent Secretary

7.1 At 2.55 p.m. the Committee proceeded to consider the Report on the Public Accounts with respect to the Ministry of Home Affairs (Excluding Police) together with the Comments submitted by the Accounting Officer.

7.1.1 Officers present for the examination were:

- (i) Ms Angela Johnson, Permanent Secretary
- (ii) Ms Winifred Washington, Chief Accountant
- (iii) Mr. Marlon Gentle, Deputy Chief Fire Officer
- (iv) Mr. Poshanand Taam, Deputy Director Prison
- (v) Mr. Owen Williams Assistant Superintendent of Prison
- (vi) Ms Jacqueline Johnson, Station Officer
- (vii) Ms Deborah Donald, Deputy Registrar General
- (viii) Mr. Evon Graham, Superintendent of Police

7.1.2 **Paragraph 930 - Vacant Positions**

7.1.2.1 In response to an enquiry, the Accounting Officer informed the Committee that the percentage of vacancies had been reduced.

7.1.3 **Paragraph 931 - Purchase of Materials, Equipment and Supplies**

7.1.3.1 The Committee noted the response from the Accounting Officer and suggested that a mechanism of "staggered" delivery could be employed with a view of solving the issue.

- 7.1.4 **Paragraph 932 – Purchase of Vehicle Spare and Maintenance of Vehicles**
- 7.1.4.1 In response to an enquiry, the Accounting Officer reported that the vehicles were fire tenders and could not be boarded unless they were replaced. She indicated that three had been already boarded and the remaining six were to be boarded.
- 7.1.5 Paragraph 933 was considered.
- 7.1.6 **Paragraph 934 - Purchase of Other Goods and Services**
- 7.1.6.1 In response to a query, the Accounting Officer indicated that because of staff constraints, staff was shifted to execute other duties. As a consequence the records were not properly maintained. There was no instance of fraud.
- 7.1.7 Paragraphs 935 and 936 were considered.
- 7.1.8 **Paragraph 937 – Timehri Prisons (Bachelor’s Quarters)**
- 7.1.8.1 In response to an enquiry the Auditor General informed the Committee that the works were sub-verified.
- 7.1.9 Paragraph 938 and 939 were considered.
- 7.1.10 **Paragraph 940 – Construction of Bartica Police Station**
- 7.1.10.1 The Accounting Officer reported to the Committee that the matter was reported to the Central Tender Board with a view of having the contractor debarred from future contracts.
- 7.1.10.2 The Accounting Officer was required to provide the Committee by 4th June with information on whether the performance bond was evoked and if so what penalty was employed.
- 7.1.11 **Paragraph 941 – Verification of Works in remote Areas**
- 7.1.11.1 The Auditor General reported that Officers from the Audit Office were unable to verify works in some remote areas because of the inaccessibility of those areas.
- 7.1.12 **Paragraph 942 – construction of Linden Fire Station**
- 7.1.12.1 In response to an enquiry, the Accounting Officer informed the Committee that the construction of the Linden Fire Station was expected to be completed shortly.

- 7.1.13 Paragraphs 943 and 944 were considered.
- 7.1.14 **Paragraph 945 – Buildings (Home Affairs)**
- 7.1.14.1 The Committee noted the reports from the Accounting Officer that oral approval had been received to undertake the works. It advised that she should have written the relevant authority confirming the oral approval.
- 7.1.15 Paragraphs 946 to 955 were considered.
- 7.1.16 **Paragraph 956 – Delivery of Arms and Ammunitions**
- 7.1.16.1 In response to an enquiry, the Accounting Officer reported that the supplier had indicated that the arms and ammunition would be delivered by June, 2007.
- 7.1.16.2 The Accounting Officer also reported that the supplier was no longer engaged in any work by the Ministry.
- 7.1.17 Paragraphs 957 to 959 were considered.
- 7.1.18 Paragraph 960 was considered.
- 7.1.19 **Paragraph 961 – Tender Board Procedures**
- 7.1.19.1 The Accounting Officer was required to collaborate with the Ministry of Finance with the aim of determining whether life jackets were capital or current items.
- 7.1.20 Paragraphs 962 to 966 were considered.
- 7.1.21 The Committee informed the Accounting Officer that it had observed that all capital works seemed to be following tender board procedures and expressed the hope that all succeeding reports would reflect similar practice.
- 7.1.22 At 3.44 p.m. the Committee concluded its consideration of the accounts of the Ministry of Home Affairs (Excluding Police).

<i>Ministry/Department/Agency</i>	<i>Paragraph in Auditor General's Report</i>	<i>Accounting Officer</i>
10. Ministry of Home Affairs Programme 2 – Guyana Police Force	967 - 987 (21)	Mr. Cortland. Gordon Finance Officer

7.2 At 3.45 p.m. the Committee proceeded to consider the Report on the Public Accounts with respect to the Ministry of Home Affairs – Programme 2 (Guyana Police Force) together with the Comments submitted by the Accounting Officer.

7.2.1 Officers present for the examination were:

- (i) Mr. Cortland Gordon, Finance Officer
- (ii) Mr. Edward Wills, Deputy Commissioner of Police (Admin)
- (iii) Mr. Nigel Hoppie, Assistant Superintendent of Police

7.2.2 **Paragraph 967 – Categorization of Provisions for the Purchase of Uniforms and other items for Military Kit**

7.2.2.1 In response to an enquiry, the Deputy Finance Secretary informed Members that she would discuss the matter with the Office of the Budget with a view of providing clarification on the issue.

7.2.2.2 The Accounting Officer informed Members that this issue was discussed in 2007 with Officers from the office of the budget and he was advised that the purchase should continue to be made from the respective subhead.

7.2.3 **Paragraph 968 – Subdivision of Contract totalling \$251.079M**

7.2.3.1 The Committee noted the comments of the Accounting Officer that before conducting business with suppliers, copies of their business registration and Certificate of Compliance were obtained in an effort to determine suppliers' creditability.

7.2.3.2 The Committee applauded the Accounting Officer for his efforts.

- 7.2.4 **Paragraph 969 – Verification of Suppliers**
- 7.2.4.1 In response to an enquiry, the Accounting Officer reported that the items were supplied but the procedures for the supply of the items were improper and that the matter was being investigated by the CID.
- 7.2.5 Paragraph 970 was considered.
- 7.2.6 **Paragraphs 971 – Breaches of Tender Board Procedures**
- 7.2.6.1 In response to an enquiry, the Auditor General reported that November, 2004 was the last date amounts for the various levels of tender board were increased. The Auditor General was advised to make recommendation to the Ministry of Finance with an aim of having the tender board limits increased.
- 7.2.6.2 The Committee agreed that its report to the National Assembly should recommend that in light of the current prices, the categories of tender board limits should be increased
- 7.2.7 Paragraph 972 was considered.
- 7.2.8 **Paragraph 973 - Maintenance of Log Books**
- 7.2.8.1 The Accounting Officer was advised that at the end of each year all log books should be closed and made available for auditing. New log books should be open at the beginning of the year.
- 7.2.9 Paragraph 974 was considered.
- 7.2.10 **Paragraph 975 – Verification of Prices Quoted in the Engineer’s Estimate**
- 7.2.10.1 In response to an enquiry, the Auditor General informed Members that in the absence of the prices for the list of items the Engineer’s Estimates could not be determined.
- 7.2.11 Paragraphs 976 to 978 were considered.
- 7.2.12 **Paragraph 979 to 987 – Awarding of Contracts**
- 7.2.12.1 The Committee noted that in most cases contracts were not awarded to the lowest bidder.

- 7.2.12.2 The Auditor General informed Members that not only the Engineer's estimates but also the evaluation team and the recommendations by the Central Committee were the factors that determined the award of contracts.
- 7.2.12.3 The Deputy Finance Secretary informed the Committee that she would refer this issue to the Central Tender Board with a view to resolve the matter.
- 7.2.13 At 5.10 p.m. the Committee concluded its consideration of the above accounts

Adjournment

At 5.10 p.m. the meeting was adjourned to 2.00 p.m. on Monday, 4th June, 2007.

Confirmed this ^{4th} day of June, 2007

Yelda Lawrence.....
Mr. Winston Murray, C.C.H., M.P.
Presiding Member

**THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2007)**

**MINUTES OF THE 12TH MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 2.10 P.M.
ON MONDAY, 4TH JUNE, 2007
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN**

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)

(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P.

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip - (Excused)

Ms Bibi S. Shadick, M.P - (Excused)

Mr. Mohamed Irfaan Ali, M.P

Mr. Komal Chand, C.C.H., J.P., M.P.

Mr. Dharamkumar Seeraj, M.P.

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P.

Mr. Anthony Vieira, M.P.

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P. - (Excused)

ADVISERS – (3)

The Auditor General (Ag.) (Mr. Deodat Sharma)
The Finance Secretary (Mr. Neermal Rekha)
The Accountant General (Ag) (Mr. Hardutt Autar)

Officers

Ms Debra H. Cadogan - Assistant Head of Committees Division
Ms Sonia Maxwell - Assistant Clerk of Committee

In Attendance

Mr. Harry N. Jewan - Manager, Project Execution Unit, FFMP,
Parliament Office

ITEM 1: CALL TO ORDER

1.1 The Chairperson called the Meeting to order at 2.10 p.m.

ITEM 2: ANNOUNCEMENTS

2.1 **Excuses**

2.2.1 The Chairperson informed the Committee that the following Members had asked to be excused from the Meeting:

- (i) Mrs. Indranie Chandarpal, M.P., Chief Whip, and
- (ii) Ms Bibi S. Shadick, M.P

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents were circulated prior to the Meeting:

- (i) Notice of the 12th Meeting dated 31st May, 2007;
- (ii) Minutes of the 11th Meetings held on 28th May, 2007;
- (iii) Minutes of the 2nd Special Meeting with Members of the PAC and the Joint Mission held on 30th May, 2007 at 1.45 p.m.;

- (iv) Copy of letters dated 1st June, 2007 from the Permanent Secretary, Ministry of Home Affairs re: Report for extension to submit information relating to contract for Bartica Police Station;
- (v) Copies of Comments from the Accounting Officers of the:
 - Ministry of Health;
 - Georgetown Public Hospital Corporation

and the Auditor General's Briefing Notes thereon.

ITEM 4: CORRECTIONS AND CONFIRMATION OF MINUTES OF THE 9TH MEETING HELD ON 14TH MAY, 2007

Corrections:

- 4.1 **Page 81 - Insertion of a paragraph**
 - 4.1.1 Insertion of the following as paragraph 2.2.2:

"Nevertheless, it was agreed, that where necessary, such comparison would be in order".
- 4.2 **Page 83, paragraph 5.4.1 Availability of Monies through the FFMP Project**
 - 4.2.1 The following amendments were made:
 - (i) Substitution of the figure "USD\$20,060" for "UDS\$20,006" after the word "of" in the penultimate line.
 - (ii) Inclusion of the words "consultancies, inclusive of", after the word "undertake" in the penultimate line.
- 4.3 **Page 86, paragraph 6.1.3 and 6.1.3 (ii) – Continuation of Examination of the Supplementary Estimates of the Audit Office**
 - 4.3.1 **Paragraph 6.1.3**
 - Substitution of the words "limited to" for the words "placing emphasis on" after the word "Office" in the last line.

- 4.3.2 **Paragraph 6.1.3 (ii)**
- Substitution of the word “arriving” for the word “arrive”.
- 4.4 **Page 87, paragraph 7.1.3.1 – Purchase of Materials, Equipment and Supplies**
- 4.4.1 Insertion of the word “consolidated purchases for the entire year with” after the word “of” in the second line.
- 4.5 **Page 88, paragraph 7.1.8.1 – Timehri Prisons (Bachelor’s Quarters)**
- 4.5.1 Substitution of the word “divided” for the word “verified” at the end of the paragraph.
- 4.6 **Page 88, paragraph 7.1.10.2 – Construction of Bartica Police Station**
- 4.6.1 Substitution of the word “invoked” for the word “evoked” after the word “was” in the second line.
- 4.7 **Page 90, paragraph 7.2.3.1 – Subdivision of Contract totaling \$251.079M**
- 4.7.1 Substitution of the word “credibility” for the word “creditability” at the end of the paragraph.
- 4.8 **Page 91, paragraph 7.2.6.1 – Breaches of Tender Board Procedures**
- 4.8.1 Substitution of the “discussing whether there was a need to have” for the word “have” in the last line.
- 4.9 **Page 91, paragraph 7.2.10.1 – Verification of Prices Quoted in the Engineer’s Estimates**
- 4.9.1 Substitution of the following for the paragraph:
- “In response to an enquiry, the Auditor General informed Members that in the absence of the list of prices not being included in the Engineer’s estimates it was not possible to determine how prices were arrived at.”*

4.10 **Page 92, paragraph – Awarding of Contracts**

4.10.1 The following amendments were made:

- (i) Substitution of the words “comments of the” after the word “the” in the second line, and
- (ii) Substitution of the words “Tender Board” for the word “Central” before the word “Committee” in the penultimate line.

4.11 Thereafter, the Minutes were confirmed on a motion moved and seconded by Messrs Seeraj and Ali, respectively.

ITEM 5: MATTERS ARISING

5.1 **Page 84, paragraph 4.13.1 – Public Procurement Commission**

5.1.1 In response to a query, Mr. Chand informed the Committee that he was unable to contact Mr. Murray to enable further discussion on the above issue. He undertook to contact Mr. Murray before the next meeting.

5.2 **Page 88, paragraph 7.1.10.2 – Construction of Bartica Police Station**

5.2.1 The Secretariat was required to remind the Accounting Officer of the submission of information to the Committee on whether the performance bond was invoked with a view of having the contractor debarred from future contracts.

5.3 **Page 90, paragraph 7.2.2.1 – Categorization of Provisions for the Purchase of Uniforms and other items for Military Kit**

5.3.1 The Secretariat was required to follow up with the Deputy Finance Secretary with a view of enquiring whether she had discussed the above matter with the Office of the Budget in an effort to provide the Committee with clarification on the matter.

ITEM 6: TO CONSIDER THE DRAFT TOR FOR THE SECRETARIAT ASSISTANT

6.1.1 The Committee commenced consideration of the above Draft TOR for the Secretariat Assistant page by page and agreed to the following amendments:

PAGE 1

BACKGROUND

6.1.2 **Paragraph 1.2**

6.1.2.1 Substitution of the word “comprises” for the words “ is comprised of“ after “FFMP”.

PURPOSE AND OBJECTIVE

6.1.3 **Paragraph (a)**

- (i) Substitution of the word “assist” for the word “facilitate”;
- (ii) Substitution of the words “its oversight” for the words “their supervision” after “Committee”.

6.1.4 **Paragraph (b)**

- (i) Deletion of the words “in providing easy access to information with a view to enhancing the fulfillment of the PAC’s oversight mandate”;
- (ii) Substitution of the words “with a view of assisting the PAC in the fulfillment of its oversight mandate”.

6.1.5 In response to a query, Mr. Jewan informed Members that the sum of USD12,060 was available for the Secretariat Assistant.

6.1.6 He reported that it was stipulated in the IDB Loan Agreement that persons who were recruited based on the funding from the project should be sustained by the Parliament Office at the conclusion of the project.

6.1.7 In light of concerns raised with regard to salary and other issues, the Committee agreed that Messrs Ali and Vieira would meet with Mr. Jewan to discuss the concerns raised and review the draft TOR for the Secretariat Assistant.

6.1.8 The two Members were also required to draft a TOR for submission to the Committee for the recruitment of the Consultant to synchronize the Audit Act, Rules Policies and Procedures Manual and the Constitution of Guyana.

6.1.9 Mr. Jewan was advised to schedule a meeting as early as possible with the two Members.

ITEM 7:

TO CONTINUE EXAMINATION OF THE PUBLIC ACCOUNTS OF THE MINISTRY OF HEALTH FOR THE YEAR 2004 TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

<i>Ministry/Department/ Agency</i>	<i>Paragraph in Auditor General's Report</i>	<i>Accounting Officer</i>
11. Ministry of Health	857 - 910 (54)	Mr. Hydar Ally Permanent Secretary (Ag.)

7.1 At 3.10 p.m. the Committee proceeded to consider the Report on the Public Accounts with respect to the Ministry of Health together with the Comments submitted by the Accounting Officer.

7.1.1 Officers present for the examination were:

- (i) Mr. Hydar Ally, Permanent Secretary (Ag), Accounting Officer
- (ii) Mr. Malcom Watkins, Director (Ag.), MMU – MOH
- (iii) Mrs. Dorett Sealy, Principal Assistant Secretary (G)
- (iv) Ms. Sandra Singh, Principal Assistant Secretary (F)
- (v) Ms Elizabeth Persaud, Chief Accountant (Ag.)
- (vi) Ms Trevlyn Smith, Principal Personnel Officer
- (vii) Ms Rosamond Springer, Assistant Field Auditor
- (viii) Mr. Michael Waithe, Administrative Assistant

7.1.2 **Paragraph 857 – Staff Vacancies**

7.1.2.1 In response to an enquiry, the Accounting Officer informed the Committee that it was difficult to provide the percentage of vacancies but that he had recently received two additional staff in the internal audit sections.

7.1.3 **Paragraph 858 – Unclaimed Salaries Totalling \$3.953M**

7.1.3.1 In response to a query, the Accounting Officer reported that the lack of coordination by Heads of Departments resulted in the untimely submission of pay changes. He informed Members that systems were now in place to eliminate this problem.

7.1.4 Paragraph 859 was considered.

- 7.1.5 **Paragraph 860 - Bank Account Nos. 3083 and 3079**
- 7.1.5.1 In response to an enquiry, the Accounting Officer reported that bank accounts nos. 3083 and 3079 reflected an overdraft sum totalling \$9.140M and \$1.208M, respectively, because there were unrepresented cheques at the closure of the accounts.
- 7.1.5.2 The Accountant General informed the Committee that that had occurred because the bank balances were paid over to the consolidated fund instead of the cash book balances.
- 7.1.5.3 The Accounting Officer was required to collaborate with the Accountant General and the Auditor General in an effort to arrive at a resolution to the matter and to submit a status report on the collaboration to the Committee by the 15th July, 2007.
- 7.1.6 **Paragraphs 861 and 862 – Salaries Bank Account 3083 and the Old Bank Account No. 946**
- 7.1.3.1 The Accounting Officer was required to collaborate with the Accountant General and the Auditor General in an effort to arrive at a resolution to the matter and to submit a status report on their collaboration to the Committee by the 15th July, 2007.
- 7.1.3.2 The Committee noted that the request for supplementary provision to be tabled in the National Assembly was no longer required.
- 7.1.4 **Paragraphs 863 -867 – Arrangement for the Supply of Drugs and Medical Supplies from Overseas**
- 7.1.4.1 The Accounting Officer reported that based on a principle of known and preferred suppliers, the same supplier was retained. He however, indicated that the contract was upgraded on a three year basis. He further stated that he was in the process of preparing a Cabinet paper to have the contract revisited.
- 7.1.4.2 The Accounting Officer was advised that on a three-year basis evaluation should be conducted to determine the suppliers' reliability and credibility.
- 7.1.5 Paragraphs 868 and 869 were considered.

7.1.6 **Paragraph 870 – Unauthorised Overseas Calls and Telephone Charges Totalling \$22,690**

7.1.6.1 In response to an enquiry, the Accounting Officer reported that amounts totalling \$22,690 were recovered and that systems were introduced to avoid a recurrence of the situation.

7.1.6.2 The Accounting Officer was advised that he could apply the blocking system through the Guyana Telephone & Telegraph Company to disallow such calls.

7.1.7 **Paragraph 871 – Unreconciled Accounts Totalling \$313,000**

7.1.7.1 The Committee noted that reconciliation for water charges was outstanding and advised the Accounting Officer to make every effort to reconcile the Utility Charges Register with the Account Analysis Report on a monthly basis.

7.1.8 **Paragraph 872 – Award of Contracts**

7.1.8.1 In light of the Auditor General's observations that with the exception of two security firms, the related contracts had not been renewed, the Accounting Officer was required to submit to the Committee information on those contracts as it related to security services that were renewed and those that were not renewed.

7.1.9 Paragraphs 873 to 877 were considered

7.1.10 **Paragraph 878 – Stores and Other Public Property**

7.1.10.1 The Accounting Officer informed Members that in an attempt to correct the situations highlighted in the Auditor General's report the following mechanisms were employed:

- (i) he was in the process of updating the stock ledger and bin cards;
- (ii) the Suppliers Management System (SMS) was introduced to determine forecasting and scientific aspects of drugs;
- (iii) drugs were kept in a bond under favourable conditions to preserve them;
- (iv) drugs were not distributed to citizens while awaiting test results from Jamaica
- (v) a qualified Pharmacists was responsible for issuing drugs; and
- (vi) Officers from the Food & Drugs Department would visit weekly to examine drugs and thus determine whether they had expired or not.

- 7.1.11 Paragraphs 879 and 880 were considered.
- 7.1.12 **Paragraph 881 - Capital Works (Cheshire Home)**
- 7.1.12.1 Owing to the divergent views expressed by the Accounting Officer and the Auditor General, the Accounting Officer was required to meet with the Auditor General and submit a status report by 15th June, 2007 on the clarification of this issue.
- 7.1.13 Paragraphs 882 and 883 were considered
- 7.1.14 **Paragraphs 884 – 889 - New Amsterdam Hospital**
- 7.1.14.1 In response to a query, the Finance Secretary informed Members that the construction of the New Amsterdam Hospital was a “role over” project and had been constructed in accordance with stipulations of the Japanese Government.
- 7.1.14.2 The Committee noted that the construction of the Hospital was incomplete and that the bank draft for the sum of \$3.909M to expedite purchase of curtains was refunded to the Consolidated Fund. It requested the Accounting Officer to provide it with
- (i) the reasons for the incompleteness for constructing the Hospital; and
 - (ii) information relating to whether or not the curtains were purchased.
- 7.1.15 Paragraphs 890 to 902 were considered.
- 7.1.16 **Paragraph 903 – Supply of Microbiological Equipment**
- 7.1.16.1 The Accounting Officer was required to provide the Committee by 15th June, 2007 with information on whether the outstanding microbiological equipment was supplied or the money was refunded.
- 7.1.17 Paragraphs 904 to 910 were considered.
- 7.1.18 At 4.46 p.m. the Committee concluded its consideration of the accounts of the Ministry of Health.

<i>Ministry/Department/Agency</i>	<i>Paragraph in Auditor General's Report</i>	<i>Accounting Officer</i>
12. Georgetown Public Hospital Corporation	807 - 856 (50)	Mr. Michael Khan, Chief Executive Officer

7.2 At 4.47 p.m. the Committee proceeded to consider the Report on the Public Accounts with respect of the Georgetown Public Hospital Corporation together with the Comments submitted by the Accounting Officer.

7.2.1 Officers present for the examination were:

- (i) Mr. Michael Khan, Chief Executive Officer (Accounting Officer)
- (ii) Mr. Mohamed Karimullah, Director of Finance
- (iii) Ms Audrey Corry, Director of Nursing

7.2.2 In the absence of the knowledge of the prescribed Act to determine whether the Georgetown Public Hospital Corporation was a Budget Agency or a Subvention Agency, the Committee agreed to defer consideration of the above public accounts.

7.2.3 The Accounting Officer undertook to submit to the Committee correspondence to the Attorney General seeking clarification on the status of the Corporation and the prescribed Act.

7.2.4 The Committee agreed that the Permanent Secretary of the Ministry of Health should be present when the above public accounts were being examined.

7.2.5 The Committee also agreed that it would discuss the issues relating to the GPHC with its Advisers prior to the consideration of the accounts.

ITEM 8: TO CONSIDER THE REPORT OF THE PAC FOR THE YEARS 2002 & 2003

8.1 The Committee agreed to consider the above item at its meeting scheduled for 1.00 p.m. on 11th June, 2007.

- 8.1.1 The Secretariat was required to inform Members who were not at the Meeting accordingly.

ITEM 9: ANY OTHER BUSINESS

9.1 **Public Procurement Commission**

- 9.1.1 Mr. Murray informed the Committee that he was submitting the name of Ms Emile Dodson, Engineer and Attorney-at-Law as a replacement for one of its nominees, Mr. Winston Tyrell, who had passed away. He indicated that he would submit her Curricular Vitae to Mr. Chand the Government Representative.

Adjournment

At 5.33 p.m. the meeting was adjourned to 1.00 p.m. on Monday, 11th June, 2007.

Confirmed this 11th day of June, 2007

Volda Lawrence
.....
Mr. Volda A. Lawrence, M.P
Chairperson

**THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2007)**

**MINUTES OF THE 13TH MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 1. 20 P.M.
ON MONDAY, 11TH JUNE, 2007
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN**

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R - 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)

(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P.

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip - (Excused)

Ms Bibi S. Shadick, M.P.

Mr. Mohamed Irfaan Ali, M.P.

Mr. Komal Chand, C.C.H., J.P., M.P.

Mr. Dharamkumar Seeraj, M.P.

Members from the People's National Congress Reform -1 Guyana (PNCR - 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P.

Mr. Anthony Vieira, M.P. - (Excused)

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P.

ADVISERS – (3)

The Auditor General (Ag.) (Mr. Deodat Sharma)
The Finance Secretary (Mr. Neermal Rekha)
The Accountant General (Ag) (Mr. Hardutt Autar)

Officers

Ms Debra H. Cadogan - Assistant Head of Committees Division
Ms Sonia Maxwell - Assistant Clerk of Committee

In Attendance

Mr. Harry N. Jewan - Manager, Project Execution Unit, FFMP,
Parliament Office

ITEM 1: CALL TO ORDER

1.1 The Chairperson called the Meeting to order at 1.20 p.m.

ITEM 2: ANNOUNCEMENTS

2.1 **Excuses**

2.2.1 The Chairperson informed the Committee that the following Members had asked to be excused from the Meeting:

- (i) Mrs. Indranie Chandarpal, M.P., Chief Whip, and
- (ii) Mr. Anthony Vieira, M.P

2.2 **Comments from the Accounting Officer**

2.2.1 The Chairperson advised Members that an updated copy of the Comments from the Accounting Officer, Ministry of Foreign Affairs had been circulated at the meeting.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents were circulated prior to the Meeting –

- (i) Notice of the 13th Meeting dated 7th June, 2007;
- (ii) Minutes of the 12th Meeting held on 4th June, 2007;

- (iii) Copy of letter dated 6th June, 2007 from the Permanent Secretary, Ministry of Culture, Youth & Sports re List of Persons contracted to do mechanical works – 2004;
- (iii) Copy of letter dated June 5, 2007 from the Chief Executive Officer, GPHC, re information requested at meeting of the PAC held on June 4, 2007;
- (iv) Copy of letter 72/AG:10/2007/45 dated 7th June, 2007 from the Auditor General (ag.) re Submission of Supplemental Budget for 2007;
- (v) Copy of Comments from the Accounting Officer of the Ministry of Foreign Affairs and the Auditor General's Briefing Notes thereon.

3.2 The following documents were circulated at the Meeting:

- 3.2.1 (i) Extract from the Fiscal Management and Accountability Act in relation to the Public Hospital Corporation;
- (ii) Extract dated 22nd April, 1999 from the Official Gazette relating to the Public Hospital Corporation;
- (iii) Updated copy of the Comments from the Accounting Officer of the Ministry of Foreign Affairs.

ITEM 4: CORRECTIONS AND CONFIRMATION OF MINUTES OF THE 12TH MEETING HELD ON 4TH JUNE, 2007

Corrections:

4.1 **Page 104, paragraph 9.1.1 – Public Procurement Commission**

4.1.1 The following amendments were agreed to:

- (i) Substitution of “Ms Emily Dodson” for the word “Ms Emile Dodson” in the second line; and
- (ii) Substitution of the word “Curriculum” for the word “Curricular” in the penultimate line.

4.2 Thereafter, the Minutes were confirmed on a motion moved and seconded by Messrs Murray and Ali, respectively.

4.3 **MATTERS ARISING**

4.3.1 **Page 97, paragraph 5.1.1 – Public Procurement Commission**

4.3.1.1 Mr. Chand indicated that he had not contacted Mr. Murray owing to the fact that he was awaiting advice from his Party with regard to the names of the nominees.

4.3.1.2 He reiterated that he needed more guidance on the issue and that the matter was engaging the attention of the stakeholders.

4.3.1.3 Mr. Murray cautioned, that he had been guided by the Leader of the Opposition that the PAC was the forum for such discussion and the finalization of the issue.

4.3.1.4 The Chairperson reminded Members that the selection of nominees for the Public Procurement Commission was an urgent issue and as such should be addressed promptly.

4.3.2 **Page, 98, paragraph 6.1.7 – Draft TOR for Secretariat Assistant**

4.3.2.1 Mr. Ali reported that he had made changes to the TOR for the Secretariat Assistant after consultations with Mr. Vieira and that he had submitted it to Mr. Jewan to be corrected.

4.3.3 **Page, 103, paragraph 7.2.5 – Status of the GPHC**

4.3.3.1 The Auditor General informed the Committee that he had circulated to Members extracts from the Fiscal Management and Accountability Act and the Public Corporation Act with regard to the Georgetown Public Hospital Corporation.

4.3.4 **Page 104, paragraph 9.1.1 – Curriculum Vitae**

4.3.4.1 Mr. Murray reported that he had given Ms Emily Dodson's curriculum vitae to Mr. Chand.

ITEM 5: TO CONSIDER THE REPORT OF THE PAC FOR THE YEARS 2002 & 2003

5.1 The Committee agreed to defer consideration of the report. This would allow Mr. Murray, Chairman during the period under review to peruse the report and indicate at its next meeting his support or amendments.

- 5.1.1 The Committee also agreed to a proposal from Mr. Shadick that Mr. Ramotar, a Member of the PAC during the period under review could peruse the report and submit to his colleagues his support or dissent.

**ITEM 6: TO CONSIDER AND APPROVE THE DRAFT TERMS OF REFERENCE FOR: - SECRETARIAT ASSISTANT
- CONSULTANT**

- 6.1 The Committee agreed to discuss the above item at its next meeting when Messrs Ali and Vieira would have concluded amendments to the document.
- 6.1.1 The Finance Secretary advised the Committee that in keeping with the IDB Loan Agreement the Job Title for the personnel to be attached to the Committee should be Research Assistant instead of Secretariat Assistant.
- 6.1.2 Members agreed to the change.

ITEM 7: TO CONTINUE EXAMINATION OF THE SUPPLEMENTARY ESTIMATES OF THE AUDIT OFFICE

- 7.1 The Committee continued examination of the estimates of the budget of the Audit Office and expressed concerns on the rationale employed for the payment of debunching and merit increment for staff of the Audit Office.
- 7.1.2 The Committee did not endorse the principle to recruit a greater percentage of Audit Supervisors than Auditors in the General Operation category as key and critical staff to be employed during 2007.
- 7.1.3 An extensive discussion ensued and the Committee advised the Auditor General that before resubmitting the supplemental estimates of the budget of the Audit Office he should endeavour to arrive at a consensus at the level of the Executive Committee on the various issues.
- 7.1.4 Further, the Committee advised that where the Executive Committee failed to have unanimous decisions on issues, a majority view should be considered and that should be conveyed to the Committee.

7.1.5 The Committee agreed that the estimates of the budget as it related to Appendices 1, 11 & 111 should be revised taking the following into account:

7.1.6 **APPENDIX 1 & 11**

- (i) Merit increment would not be considered at this point. However, would be entertained in the 2008 Budget.
- (ii) The debunching of staff from the old to the new structure should be in accordance with the Rules, Polices and Procedures Manual. Staff and should be paid debunching with effect from 1st January, 2007.

7.1.7 **APPENDIX 111**

- (i) The recruitment of staff for the Human Resources Division should not be considered at this point.
- (ii) Emphasis should be placed on the recruitment on Auditors instead of Audit Supervisors.
- (iii) Recruitment of the full complement of staff for the Finance and Accounts Division
- (iv) Newly recruited staff should be paid at the minimum of the respective salary scales

7.1.8 In response to an enquiry, the Auditor General informed the Committee that he would resubmit the budget within two weeks.

ITEM 8: TO CONTINUE EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEAR 2004 TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

<i>Ministry/Department/ Agency</i>	<i>Paragraph in Auditor General's Report</i>	<i>Accounting Officer</i>
11. Ministry of Foreign Affairs	279 - 369 (91)	Mrs. Elizabeth Harper Director-General

- 8.1 At 3.20 p.m. the Committee proceeded to consider the Report on the Public Accounts in respect to the Ministry of Foreign Affairs together with the comments submitted by the Accounting Officer.
- 8.1.1 Officers present for the examination were:
- (i) Ms Hairowti Lall, Principal Assistant Secretary (F)
 - (ii) Ms Gillian P. Rowe, Chief Administrative Officer (Ag.)
 - (iii) Mr. Cecil P.P. Singh Ramotar, Accountant
- 8.1.2 Paragraph 279 – Staff Vacancy**
- 8.1.2.1 In response to an enquiry, the Accounting Officer informed the Committee that the situation had improved in 2007, but could not indicate the percentage.
- 8.1.3 Paragraph – Unreconciled amounts totalling \$51.635M**
- 8.1.3.1 The Accounting Officer was advised to prepare a losses report for submission to the Ministry of Finance with a view of having the sum of \$51.635M written off.
- 8.1.3.2 She was required to submit a status report on this issue by the end of June to the Committee.
- 8.1.4 Paragraphs 282 to 288 were considered.
- 8.1.5 Paragraph 290 – Unresolved Amounts Totalling US\$15,763.98**
- 8.1.5.1 The Committee noted the comments of the Accounting Officer that she would write to the Ministry of Finance with the aim of resolving this issue.
- 8.1.6 Paragraphs 291 to 308 were considered.
- 8.1.7 Paragraph 309 – Display of Local Products at Missions**
- 8.1.7.1 In response to an enquiry, the Accounting Officer informed the Committee that she would be pursuing the matter in collaboration with the Ministry of Foreign Trade and the Private Sector.
- 8.1.8 Paragraphs 311 to 316 were considered.

- 8.1.9 Paragraph 317 – Collections for the year 2004**
- 8.1.9.1 In response to an enquiry, the Accountant General reported that all amounts for 2004 were paid over and receipts issued, except for the period September to December 2004 which were paid in 2005. He however, stated that they were in the process of issuing the relevant receipt for that period.
- 8.1.10 Paragraphs 319 to 348 were considered.
- 8.1.11 Paragraph 349 – Advance Totalling \$10,171.63**
- 8.1.11.1 The Accounting Officer was advised that although she was not in receipt of a Police Report on the matter she could submit to the Ministry of Finance a Losses Report for the above sum to be written off.
- 8.1.12 Paragraphs 350 to 355 were considered.
- 8.1.13 Paragraph 356 – Plots of Land Donated to the Embassy of Guyana in the City of Brasilia**
- 8.1.13.1 In response to an enquiry, the Accounting Officer informed the Committee that she was in the process of developing a study on the issue and would submit a proposal to Cabinet on the matter.
- 8.1.13.2 Paragraphs 357 to 364 were considered.
- 8.1.14 Paragraph 365 – Stale-dated Cheques Totalling \$12,591.36**
- 8.1.14.1 The Accounting Officer was advised to approach the Ministry of Finance with a view of obtaining guidance in the clearing of the stale-dated cheques totalling \$US\$12,591.36.
- 8.1.15 Paragraphs 366 to 369 were considered.
- 8.1.16 The Committee noted, the vast improvements of the remittance of funds to the various Missions and the overall accounts of the Ministry of Foreign Affairs and congratulated the Accounting Officer, the Finance Secretary and the Accountant General in their collaborative efforts in this regard.
The entities were also urged to continue their efforts to improve on the accounts of the Ministry of Foreign Affairs.

ITEM 9: ANY OTHER BUSINESS

9.1 **Examination of the Accounts of the Georgetown Public Hospital Corporation**

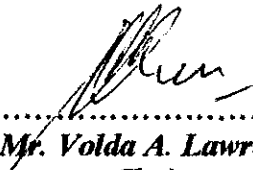
9.1.1 The Chairperson drew Members' attention to the fact that the Committee had not concluded consideration of the examination of the accounts of the GPHC and informed them that they should come prepare to discuss the issue at its next meeting.

9.1.2 The Advisers were required to advice the Committee on the matter.

Adjournment

At 5.15 p.m. the meeting was adjourned to 1.30 p.m. on Monday, 18th June, 2007.

Confirmed this ...^{ed}18th day of June, 2007


.....
Mr. Volda A. Lawrence, M.P
Chairperson

**THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2007)**

**MINUTES OF THE 14TH MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 1. 40 P.M.
ON MONDAY, 18TH JUNE, 2007
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN**

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)

(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P. - (Excused)

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip - (Excused)

Ms Bibi S. Shadick, M.P.

Mr. Mohamed Irfaan Ali, M.P.

Mr. Komal Chand, C.C.H., J.P., M.P.

Mr. Dharamkumar Seeraj, M.P.

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P.

Mr. Anthony Vieira, M.P.

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P.

ADVISERS – (3)

The Auditor General (Ag.) (Mr. Deodat Sharma)
The Finance Secretary (Mr. Neermal Rekha)
The Accountant General (Ag) (Mr. Hardutt Autar)

Officers

Ms Debra H. Cadogan - Assistant Head of Committees Division
Ms Sonia Maxwell - Assistant Clerk of Committee

In Attendance

Mr. Harry N. Jewan - Manager, Project Execution Unit, FFMP,
Parliament Office

ITEM 1: CALL TO ORDER

1.1 Owing to the absence of the substantive Chairperson, Mr. Winston Murray performed the duties of Chairman. He called the Meeting to order at 1.40 p.m.

1.2 Welcome

1.2.1 The Chairman, on behalf of the Committee, expressed a warm welcome to Ms Savitah Samwaroo a new member of staff. He informed Members that Ms Samwaroo was an Assistant Clerk of Committee and would be attending meetings of the Committee.

ITEM 2: ANNOUNCEMENTS

2.1 Excuses

2.2.1 The Chairman informed the Committee that the following Members had asked to be excused from the Meeting:

- (i) Mrs Volda Lawrence, Chairperson,
- (ii) Mrs Indranie Chandarpal, M.P., Chief Whip

ITEM 3: CIRCULATION OF DOCUMENTS

- 3.1 The following documents were circulated prior to the Meeting –
- (i) Notice of the 14th Meeting dated 14th June, 2007;
 - (ii) Minutes of the 13th Meeting held on 11th June, 2007;
 - (iii) Copy of letter dated 13th June, 2007 from REO – Region #6 re: Supplementary Information/Follow-up Action;
 - (iv) Report of the PAC for the years 2002 & 2003;
 - (v) Draft Terms of Reference for Secretariat Assistant;
 - (vi) Copy of Comments from the Accounting Officers of the:
 - Ministry of Tourism, Industry & Commerce;
 - Supreme Court;
 - (vii) Copy of Comments from the Accounting Officers of the:
 - Ministry of Tourism, Industry & Commerce;
 - Supreme Court;
- and the Auditor General's Briefing Notes thereon.

ITEM 4: CORRECTIONS AND CONFIRMATION OF MINUTES OF THE 12TH MEETING HELD ON 4TH JUNE, 2007

Corrections:

- 4.1 **Page 109, paragraph 5.1.1**
- 4.1.1 The following amendments were made:
- (i) Substitution of "Ms Shadick" for "Mr. Shadick" in the first line;
 - (ii) Insertion of the word "comment and a period" after the word "his" in line 2; and
or decent" at the end of the paragraph; and
 - (iii) Deletion of the words "support or decent at the end of the paragraph.
- 4.2 **Page 110, paragraph 7.1.6. (i) – Appendix 1 & 11**
- 4.2.1 Substitution of the words "a request should be submitted" for the words "would be entertained" after the word "however" in the last line.

- 4.3 **Page 110, paragraph 7.1.7 (iv) – Appendix 111**
- 4.3.1 Substitution of the word “recruited” for the word “paid” after the word “be” in the first line.
- 4.4 **Page 113, paragraph 9.1.1**
- 4.4.1 Substitution of the word “prepared” for the word “prepare” in the penultimate line.
- 4.5 **Page 113, Paragraph 9.1.2**
- 4.5.1 Substitution of the word “advise” for “advice”.
- 4.6 Thereafter, the Minutes were confirmed as corrected on a motion moved and seconded by Ms Bibi Shadick and Mr. Komal Chand, respectively.
- 4.7 **MATTERS ARISING**
- 4.7.1 **Page 108, paragraph 4.3.1.2 – Public Procurement Commission**
- 4.7.1.1 In response to an enquiry, Mr. Chand informed the Committee that he was still awaiting advice from his Party as to the names of the nominees.
- 4.8 **Page 109, paragraph 5.1.1 - To Consider the Report of the PAC for the years 2003 and 2003**
- 4.8.1 Ms Shadick informed Members that she was awaiting comments from Mr. Ramotar in relation to the above issue.
- 4.9 **Page 112, paragraph 8.1.13.1 – Plots of Land Donated to the Embassy of Guyana in the City of Brasilia**
- 4.9.1 The Committee noted the response of the Accounting Officer that she had undertook to have the matter discussed at the level of the Cabinet.
- ITEM 5:** **DISCUSSION ON THE STATUS OF THE GEORGETOWN PUBLIC HOSPITAL CORPORATION**
- 5.1 The Accountant General reported to the Committee that at a meeting with the CEO, GPHC, the CEO was informed that the GPHC was listed as a budgetary agency, hence was subject to the

financial regulations of the Fiscal Management and Accountability Act. In terms of the administrative matters the Corporation would be guided by Order No. 3 of 1999.

5.1.1 The Accountant General also reported that over the years the GPHC had been retaining revenue which should have been paid into the Consolidated Fund and that was a violation of the law.

5.1.2 From the discussion which ensued, the Committee agreed that the Committees Division should reschedule the GPHC to appear before it for the examination of its public accounts and that the Permanent Secretary, Ministry of Health should be invited to attend that meeting.

5.1.3 The Committee also agreed that CEO, GPHC, should be informed that since the Corporation was a budget agency it was subject to the following:

- (i) accounts being audited by the Audit Office, and
- (ii) all revenues should be paid into the Consolidated Fund.

ITEM 6: TO CONSIDER THE REPORT OF THE PAC FOR THE YEARS 2002 & 2003

6.1 The Committee agreed that the above item be deferred to the 9th July, 2007.

ITEM 7: TO CONSIDER AND APPROVE THE DRAFT TERMS OF REFERENCE FOR:

- RESEARCH ASSISTANT
- CONSULTANT

7.1 **Research Assistant**

7.1.1 Mr. Vieira informed the Committee that Mr. Ali and himself had developed the TOR for the Research Assistant and thanked Mr. Ali for the final preparation of the document.

7.1.2 Thereafter the Committee adopted the TOR for the Research Assistant and agreed that it should be forwarded to PEM, Mr. Harry N. Jewan for transmission to the IDB for a "no-objection" statement.

7.1.3 The Committee also agreed that the two members should form part of the evaluation team to conduct the evaluation of the candidates selected for recruitment.

7.2 **Consultant**

7.2.1 After some discussions, the Committee agreed that Messrs Ali and Vieira should collaborate with the view of expanding the scope of expectancy of the TOR for the Consultant to be recruited to synchronize the Rules, Policies and Procedures Manual, the Audit Act and other related regulations on the Audit Office.

7.2.3 The Members were also required to form part of the evaluation team to conduct evaluation of the candidates and thereafter to submit to the IDB the name of the successful candidate for IDB's "no-objection" statement.

7.2.4 The Members were required to give the Committee an update on the matter at its next meeting schedule for 25th July, 2007.

ITEM 8: TO CONTINUE EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEAR 2004 TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

<i>Ministry/Department/ Agency</i>	<i>Paragraph in Auditor General's Report</i>	<i>Accounting Officer</i>
14. Ministry of Tourism, Industry & Commerce	478 - 488 (11)	Mr. Mr. Willet Hamilton Permanent Secretary (Ag.)

8.1 At 2.15 p.m. the Committee proceeded to consider the Report on the public accounts with respect to the Ministry of Tourism, Industry & Commerce together with the Comments submitted by the Accounting Officer.

8.1.1 Officers present for the examination were:

- (i) Mr. Willet Hamilton, Permanent Secretary (Ag.)
- (ii) Mr. Roopnarine Ganish, Principal Assistant Secretary (F)
- (iii) Ms. Limoutie Maupra, Accountant
- (iv) Ms. Mignon Hope, Accountant (Ag.)

- 8.1.2 Paragraphs 478 and 479 were considered.
- 8.1.3 **Paragraph 480 – Electricity Charges Totalling \$22.453M**
- 8.1.3.1 The Accounting Officer was advised that there was a need to introduce an electricity register and to maintain proper records therein.
- 8.1.3.2 He was required to submit to the Committee by the end of July, 2007 a status report on the existence of the electricity charges register and the records therein. The report should include a confirmation of the number of meters therein.
- 8.1.4 **Paragraph 481 – Master and Sectional Inventories**
- 8.1.4.1 In response to an enquiry, the Accounting Officer informed the Committee that there was a sectional inventory. He also indicated that a master inventory was established and would be forwarded to the Accountant General's Department.
- 8.1.5 Paragraph 482 was considered.
- 8.1.6 **Paragraph 483 – Rehabilitation of Works to the Ministry**
- 8.1.6.1 In response to an enquiry, the Accounting Officer informed the Committee that he was not the Accounting Officer during the period under review, and that he had perused the files but did not see any approval for a change of programme.
- 8.1.6.2 The Committee expressed its concern at the remarks of the Accounting Officer. It agreed that, once again, the issue of Accounting Officers who were not the Officer for the period under review appearing before the Committee should be addressed in its 2004 Report to the National Assembly.
- 8.1.6.3 The Accounting Officer was reminded that he could have sought the assistance of the Ministry of Finance for the approval for the change in program.
- 8.1.6.4 The Accounting Officer was also advised that in future he should ensure that there is a handing over process.
- 8.1.7 **Paragraph 484 – Rewiring of Ministry' Building Totalling \$5.052M**
- 8.1.7.1 Based on a Member's observation that the amounts quoted in the Auditor General's report were not tallying the Committee

requested the Auditor General to verify what amounts comprise the total of \$5.052M.

- 8.1.8 Paragraph 485 was considered.
- 8.1.9 **Paragraphs 486 and 487 – Installation of Solar System Totalling \$3.715M**
- 8.1.9.1 The Auditor General was requested to conduct a physical examination to ascertain whether or not the sum of \$3.75M was expended for the installation of a solar system and to provide the Committee with a report as early as possible.
- 8.1.10 **Paragraph 488 – Over-expending Totalling \$598,544M**
- 8.1.10.1 In response to an enquiry, the Auditor General informed Members that the amounts totalling \$568,544 were not approved. He stated that for 2005 all monies expended to the Ministry would be done through the IFMAS system and this would eliminate this problem.
- 8.1.10.2 The Committee expressed concerns that Ministries had been expending sums that were not approved by the Ministry of Finance.
- 8.1.10.3 The Committee agreed that the Finance Secretary should convey its concerns to Permanent Secretaries at the statutory meetings.
- 8.1.11 At 3.00 p.m. the Committee concluded its consideration of the above accounts.

<i>Ministry/Department/ Agency</i>	<i>Paragraph in Auditor General's Report</i>	<i>Accounting Officer</i>
15. Supreme Court	1036 - 1075 (40)	Ms Sita Ramlal Registrar

- 8.2 At 3.05 p.m. the Committee proceeded to consider the Report on the Public Accounts with respect to the Supreme Court together with the Comments submitted by the Accounting Officer.

- 8.2.1 Officers present for the examination were:
- (i) Ms. Sita Ramlal, Registrar (Accounting Officer)
 - (ii) Mr. David Kaladin, Administration Manager
 - (iii) Mr. Nelson Rampersaud, Principal Assistant Secretary
 - (iv) Mr. Mohamed Bacchus, Clerk of Court I G.M.D.
 - (v) Ms Sylvia Green, Clerk of Court , W.D.M.D.
- 8.2.2 Paragraphs 1036 and 1037 were considered.
- 8.2.3 **Paragraph 1038 – Verification of Cheque Orders**
- 8.2.3.1 Owing to the divergent views expressed by the Auditor General and the Accounting Officer, the Accounting Officer was required to liaise with Audit Office and the Ministry of Finance with the aim of putting the required system in place.
- 8.2.4 **Paragraph 1039 – Maintenance of Buildings**
- 8.2.4.1 In response to an enquiry, the Accounting Officer informed Members that the physical construction of the Supreme Court had been completed and the payment to the contractor was still outstanding.
- 8.2.4.2 The Auditor General was advised to state as far as practicable multi –year plans.
- 8.2.5 **Paragraph 1041 – Revenue Chart for Revenues Collected**
- 8.2.5.1 The Accounting Officer undertook to liaise with the Accounting Department with the aim of developing the correct routine chart.
- 8.2.6 The Auditor General was advised that where discrepancies occurred in preceding years and closures had been made in the succeeding years these should be stated in his Report.
- 8.2.7 **Paragraph 1042 – Execution Sales Ledger**
- 8.2.7.1 The Committee noted the Auditor General’s concurrence with the Accounting Officer’s response that the above ledger had been corrected and was inspected him.
- 8.2.8 Paragraphs 1043 and 1044 were considered.
- 8.2.9 **Paragraph 1045 - Hiring of taxis Totalling \$7.506M**

- 8.2.9.1 The Accounting Officer was required to submit to the Committee by Friday, 22nd June, 2007, the names of the taxi services or person who provided taxi services to the various districts for 2004.
- 8.2.10 The Committee agreed to address the issue of large amounts of money being spent on the hiring of vehicles rather than to purchases for various agencies.
- 8.2.11 Paragraph 1046 – Sixty-one Civil Case Jackets**
- 8.2.11.1 The Auditor General was required to verify whether the sixty-one civil case jackets were available for auditing and provide the Committee with a report.
- 8.2.12 Paragraphs 1048 and 1049 – Unreconciled Suitors Deposit and Maintenance and Bastardy**
- 8.2.12.1 The Accountant General in response to an enquiry, informed the Committee that balancing on a month by month basis moving backwards could be employed as the way forward on this issue.
- 8.2.13 Paragraph 1050 – Bailiff Records**
- 8.2.13.1 In response to an enquiry the Auditor General informed the Committee that there was a regulation that provided for revenue that was static for seven years within a Ministry to be paid into the Consolidated Fund.
- 8.2.13.2 The Accountant General was advised to enforce that regulation where applicable.
- 8.2.14 Paragraph 1051 – Duplication of Serial Numbers on Receipt Books**
- 8.2.14.2 The Accounting Officer was advised that when such situation occurred the Ministry of Finance should be informed in order that the receipt book(s) could be cancelled and/or withdrawn.
- 8.2.15 Paragraphs 1052 and 1053 were considered.
- 8.2.16 Paragraphs 1054 – Thirty-six Advances Totalling \$243,950**
- 8.2.16.1 The Accounting Officer was advised to file a losses report with the Ministry of Finance with a view of having the amounts written off.
- 8.2.17 Paragraph 1055 was considered.

- 8.2.18 **Paragraph 1056 – Five Civil Case and One hundred and ninety-six Criminal Case Jackets**
- 8.2.18.1 The Committee noted the response of the Accounting Officer and advised the Auditor General to verify that the above case jackets were available for audit examination.
- 8.2.19 **Paragraph 1057 – Commitment Warrants Register**
- 8.2.19.1 In response to an enquiry the Accounting Officer informed Members that prior to arriving at the meeting she had received the commitment warrants for a five-year period.
- 8.2.20 **Paragraph 1058 - Twenty-seven Affiliation Case Jackets**
- 8.2.20.1 The Committee noted the response of the Accounting Officer and advised the Auditor General to verify that the above case jackets were available for audit inspection.
- 8.2.21 **Paragraph 1059 – Salaries Account No. 3110**
- 8.2.21.1 The Accountant General reported that the above account had been closed and the balance of \$793,775 transferred to the Consolidated Fund.
- 8.2.22 Paragraph 1060 was considered.
- 8.2.23 **Paragraph 1061 – Bank Statements – January – April, 2004**
- 8.2.23.1 The Committee noted the response of the Accounting Officer and advised the Auditor General to conduct verification of the above bank statements.
- 8.2.24 **Paragraph 1062 - One hundred Case Jackets**
- 8.2.24.1 In response to an enquiry the Accounting Officer informed Members that a list of the above missing case jackets was not submitted to her.
- 8.2.25 **Paragraph 1063 – Thirty-two Civil Case Jackets and Two-hundred Criminal Case Jackets**
- 8.2.25.1 The Committee noted the response of the Accounting Officer and advised the Auditor General to verify the above case jackets were available for audit inspection.

- 8.2.26 **Paragraph 1064 – Maintenance of Fines Register**
- 8.2.26.1 The Committee noted the response of the Accounting Officer that she had received approval for the establishment of a Monitoring Unit to monitor revenue collection but that she had been unsuccessful in retaining the qualified staff due to the level of salary. The unit was non-functional.
- 8.2.27 Paragraphs 1065 and 1066 were considered.
- 8.2.28 **Paragraph 1067 – Stale-Dated Money Orders Totalling \$57,050**
- 8.2.28.1 In response to an enquiry, the Accounting Officer undertook to follow up the matter with the aim of resolving the issue.
- 8.2.29 **Paragraph 1068 – Control Forms Register**
- 8.2.29.1 The Committee noted the response from the Accounting Officer and advised the Auditor General to conduct reconciliation of the receipt books.
- 8.2.30 **Paragraph 1069 – Duplication of Disbursement Receipt Books**
- 8.2.30.1 The Accounting Officer was advised that when such situation occurred the Ministry of Finance should be informed in order that the receipt book(s) could be cancelled and/or withdrawn.
- 8.2.31 Paragraphs 1070 to 1074 were considered.
- 8.2.32 **Paragraph 1075 – Apparent Discrepancies at Magisterial Districts and Courts.**
- 8.2.32.1 The Accounting Officer was required to submit to the Committee a breakdown of how many matters relating to apparent discrepancies were before the courts and how many were dealt with by the Police.
- 8.2.32.2 The Accounting Officer was advised that where discrepancies and fraud were discovered actions should be taken and developed to avoid recurrences.
- 8.2.32.3 The Committee confirmed that it had limited scope but hoped that its recommendations would be taken into consideration.
- 8.2.33 At 5.15 p.m. the Committee concluded its consideration of the above accounts.

Adjournment

At 5.35 p.m. the meeting was adjourned to 1.30 p.m. on Monday, 25th June, 2007.

Confirmed this ^{4th} 25th day of June, 2007

Volda Lawrence
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Mr. Volda A. Lawrence, M.P
Chairperson

**THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2007)**

**MINUTES OF THE 15TH MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 1. 40 P.M.
ON MONDAY, 25TH JUNE, 2007
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN**

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)

(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P.

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip

Ms Bibi S. Shadick, M.P

Mr. Mohamed Irfaan Ali, M.P

Mr. Komal Chand, C.C.H., J.P., M.P. - (Excused)

Mr. Dharamkumar Seeraj, M.P.

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P.

Mr. Anthony Vieira, M.P. - (Excused)

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P. - (Absent)

ADVISERS – (3)

The Audit Manager (Ag.) (Ms Donna Ellis) For Auditor General
The Finance Secretary (Mr. Neermal Rekha)
The Accountant General (Ag) (Mr. Hardutt Autar)

Officers

Ms Debra H. Cadogan - Assistant Head of Committees Division
Ms Sonia Maxwell - Assistant Clerk of Committee

In Attendance

Mr. Harry N. Jewan - Manager, Project Execution Unit, FFMP,
Parliament Office

ITEM 1: CALL TO ORDER

1.1 The Chairperson called the Meeting to order at 1.40 p.m

ITEM 2: ANNOUNCEMENTS

2.1 **Excuses**

2.2.1 The Chairman informed the Committee that the following Members had asked to be excused from the Meeting:

- (i) Mr. Komal Chand, C.C.H., J.P., M.P., and
- (ii) Mr. Anthony Vieira, M.P.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents were circulated prior to the meeting –

- (i) Notice of the 15th Meeting dated 22nd June, 2007;
- (ii) Minutes of the 14th Meeting held on 18th June, 2007;
- (i) Copy of letter dated 21st June, 2007 from PAS (Finance), Supreme Court re: Taxi Services Rendered;
- (ii) Copy of letter dated 19th June, 2007 re Additional Information – Ministry of Health;

- (v) Supplementary Estimates of the Audit Office;
 - (vi) Copy of Comments from the Accounting Officers of the:
 - (a) Elections Commission
 - (b) Ministry of Agriculture
- and the Auditor General's Briefing Notes thereon;

**ITEM 4: CORRECTIONS AND CONFIRMATION OF MINUTES
OF THE 14TH MEETING HELD ON 18TH JUNE, 2007**

Corrections:

4.1 Page 116, paragraph 4.1.1 (ii)

4.1.1 Deletion of the following:

“or decent” at the end of the paragraph; and” in the last line of the (ii).

4.2 Page 117, paragraph 4.8

4.2.1 Substitution of “2002” for 2003 before the word “and” in the second line.

4.3 Page 117, paragraph 4.9

4.3.1 Substitution of the word “Plot” for the word “Plots” in the first line.

4.4 Page 117, paragraph 4.9.1

4.4.1 Substitution of the word “undertaken” for the word “undertook” after the word “had” in the second line.

4.5 Page 118, paragraph 5.1

4.5.1 Substitution of the following at the end of the paragraph:

“The CEO was informed and he understood and accepted that decision.”

- 4.6 Page 119, paragraph 7.1.3 – Research Assistant**
- 4.6.1 Substitution of the word “interview” for the word “recruited” at the end of the paragraph.
- 4.7 Page 119, paragraph 7.2.1 - Consultant**
- 4.7.1 The following amendments were made to the paragraph:
- (i) Substitution of the word “work” for the word “expectancy” at the beginning of the third line, and
 - (ii) Insertion of “Constitution of Guyana,” after the word “and” in the penultimate line.
- 4.8 Page 119, paragraph 7.2.3**
- 4.8.1 Insertion of the word “two” before the word “Member” in the first line.
- 4.9 Page 119, paragraph 7.2.4**
- 4.9.1 The following amendments were made to the paragraph:
- (i) Insertion of the word “two” before the word “Members” in the first line,
 - (ii) Substitution of the word “scheduled” for “schedule” after the word “meeting” in the last line, and
 - (iii) Substitution of the word “June” for the word “July” in the last line.
- 4.10 Page 120, paragraph 8.1.3.1 – Electricity Charges Totalling \$22.453M**
- 4.10.1 Substitution of the word “reminded” for the word “advised” before the word “that” in the first line.
- 4.11 Page 120, paragraph 8.1.3.2**
- 4.11.1 The following amendments were made:
- Deletion of:
- (i) “and the records therein” after the word “register” in the third line, and

(ii) "therein" at the end of the paragraph.

4.12 Page 120, paragraph 8.1.4

4.12.1 Insertion of the words "Absence of" before the word "Master"

4.13 Page 120, paragraph 8.1.6

4.13.1 Insertion of the words "Change of Programme re:" before the word "Rehabilitation"

4.14 Page 120, paragraph 8.1.6.3

4.14.1 Substitution of the word "of" for the word "for" after the word "approval" in the penultimate line.

4.15 Page 121, paragraph 8.1.9.1 – Installation of Solar System Totalling \$3.715M

4.15.1 Deletion of the words "or not" after the word "whether" in the second line.

4.16 Page 121, paragraph 8.1.10

4.16.1 Deletion of "M" after "\$598,544".

4.17 Page 121, paragraph 8.1.10.1 – Over-expending Totalling \$598,544

4.17.1 Substitution of the word "released" for the word "expended" in the penultimate line.

4.18 Page 121, paragraph 8.1.10.2

4.18.1 Insertion of the word "unauthorized" after the word "expending" in the penultimate line.

4.19 Page 122, paragraph 8.2.3

4.19.1 Substitution of the following for the heading:

"Absence of the Cheque Orders Register"

4.20 Page 122, paragraph 8.2.5.1

4.20.1 The following amendments were made:

- (i) Substitution of the word "Accountant" for the word "Accounting" after the word "the" in the first line; and
- (ii) Insertion of the word "General's" after the word "Accountant" in the first line.

4.21 Page 122, paragraph 8.2.7.1

4.21.1 Insertion of the word "by" after the word "inspected" in the last line.

4.22 Page 123, paragraph 8.2.10

4.22.1 The following amendments were made:

- (i) Insertion of the words "in respect" after the word "issue" in the first line;
- (ii) Substitution of "the" for the word "to" after the word "than" in the second line;
- (iii) Substitution of the word "purchasing" for the word "purchases" in the last line, and
- (iv) Insertion of "of vehicles" before the word "for" in the last line.

4.23 Page 123

(i) Insertion of the following as paragraph 8.2.10.1:

"The Committee expressed the view that the spending of \$7.0556M in one financial year on taxis did not make economic sense."

(ii) Insertion of the following as paragraph 8.2.10.2:

"The Committee enquired from the Accounting Officer whether she had examined the possibility of bidding for the services of taxis."

4.24 Page 123, paragraph 8.2.12

4.24.1 Insertion of the word "Accounts" at the end of the sub-heading.

- 4.25** **Page 123, paragraph 8.2.12.1**
- 4.25.1 Substitution of the following for the paragraph:
- “The Accountant General in response to an enquiry, informed the Committee that balancing transactions on a month to month basis commencing with the most recent years.”*
- 4.25.2 Renumbering of paragraphs “8.2.13.1 and 8.2.13.2” as “8.2.12.2 and 8.2.12.3”, respectively.
- 4.26** **Page 123, paragraph 8.2.13**
- 4.26.1 Substitution of the following for the paragraph:
- “Paragraph 1050 was considered.”*
- 4.26.2 Insertion of the word “Unpresented” at the end of the sub-heading 8.2.18, and at the beginning of sub-headings 8.2.19, 8.2.20, 8.2.24 and 8.2.25, respectively.
- 4.27** **Page 124, paragraph 8.2.24.1**
- (i) Deletion of the word “not” at the end of line 2.
- (ii) Insertion of the words “by the Audit Office at the end of the paragraph.
- 4.28** **Page 125, paragraph 8.2.32.2 – Apparent Discrepancies at Magisterial District Courts.**
- 4.28.1 Insertion of the word “systems” after the word “and” in the penultimate line,
- 4.29 Thereafter the Minutes were confirmed on a motion moved and seconded by Ms Bibi Shadick, and Mr. Winston Murray, respectively.

ITEM 5: MATTERS ARISING

- 5.1** **Page 117, paragraph 4.7.1.1 – Public Procurement Commission**
- 5.1.1 There was no new development on the names of the nominees for Government representatives on the above Commission.

- 5.2 Page 118, paragraph 5.1.2 – Rescheduling of the GPHC**
- 5.2.1 The Committee agreed to reschedule the examination of the public accounts of the GPHC to a date outside of the scheduled dates of Ministries and Agencies.
- 5.3 Page 118, paragraph 7.1.2 – Research Assistant**
- 5.3.1 In response to an enquiry, Mr. Jewan informed the Committee that the TOR for the recruitment of the Research Assistant had been submitted to IDB for a “no-objection statement”.
- 5.4 Page 119, paragraph 7.2.1 - TOR for Consultant**
- 5.4.1 Mr. Jewan in response to an enquiry reported that he had received the TOR for the Consultant from Mr. Ali and was awaiting Mr. Vieira’s comments before submitting it to IDB for a no-objection statement.
- 5.5 Page 122, paragraph 8.2.3.1 – Absence of Cheque Orders Register**
- 5.5.1 In response to an enquiry, the Accountant General reported that the Accounting Officer of the Supreme Court had contacted his Ministry and was advised of the course of action to be taken to resolve the issue of the Cheque Orders Register.
- 5.6 Page 123, paragraph 8.2.10 – Hiring of Taxis Totalling \$7.506M**
- 5.6.1 The Secretariat was required to write the Accounting Officer requesting her to submit to it a break down of the disbursement of the sum of \$7.506M to the various taxi services.
- 5.7 Page 124, paragraph 8.2.25.1 – Unpresented Civil Case Jackets and Criminal Case Jackets**
- 5.7.1 In response to an enquiry as to whether the Auditor General had verified that the above case jackets were available for audit, the Committee was advised that the information would be conveyed to it at its next meeting.
- 5.8 Page 125, paragraphs 8.2.32.1 and 8.2.32.2 – Apparent Discrepancies at Magisterial Districts and Courts**
- 5.8.1 The Secretariat was requested to write the Accounting Officer requesting that she submit to the Committee information on what

action had been taken with regard to the discrepancies at the Magisterial Districts and Courts.

ITEM 6: TO CONTINUE EXAMINATION OF THE SUPPLEMENTARY ESTIMATES OF THE AUDIT OFFICE

- 6.1 The Committee proceeded to examine the Supplemental Estimates submitted by the Auditor General.
- 6.1.1 In light of the explanation given, the Auditor General was advised to submit to the Committee a summary which would provide a better understanding of the appendices.
- 6.1.2 The Committee agreed to continue its deliberation on the above estimates at its next meeting.

ITEM 7: TO CONTINUE EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEAR 2004 TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

<i>Ministry/Department/ Agency</i>	<i>Paragraph in Auditor General's Report</i>	<i>Accounting Officer</i>
16. Elections Commission	384 -391 (8)	Mr. Gocool Boodoo Chief Election Officer/ Commissioner of Registration

- 7.1 At 3.10 p.m. the Committee proceeded to consider the Report on the Public Accounts with respect to the Elections Commission together with the Comments submitted by the Accounting Officer.
- 7.1.1 Officers present for the examination were:
 - (i) Mr. Gocool Boodoo, Chief Election Officer (Accounting Officer)
 - (ii) Mr. Jaipaul Sharma, Chief Accountant
- 7.1.2 Paragraphs 384 and 386 were considered.

- 7.1.3 **Paragraph 387 – Losses Report Totalling \$1.845M**
- 7.1.3.1 The Accounting Officer explained that a losses report for the above sum was submitted to the Ministry of Finance and that he was awaiting a police report since the persons culpable might have fled the jurisdiction.
- 7.1.3.2 He said that the Audit Department was reintroduced and there was effective supervision of the junior staff.
- 7.1.4 **Paragraph 388 – Understated Amounts Totalling \$158,550**
- 7.1.4.1 The Accounting Officer in response to an enquiry informed the Committee that the duplication of the accounts had been corrected.
- 7.1.5 Paragraphs 389 to 391 were considered.
- 7.1.6 The Committee noted the improvements in the 2004 report as against the reports for previous years and congratulated the Chief Elections Officer for his efforts.
- 7.1.7 At 3.20 the Committee concluded its consideration of the above accounts.

<i>Ministry/Department/ Agency</i>	<i>Paragraph in Auditor General's Report</i>	<i>Accounting Officer</i>
17.Ministry of Agriculture	421 – 477(57)	Dr. Dindyal Permaul Permanent Secretary

- 7.2 At 3.23 p.m. the Committee proceeded to consider the Report on the Public Accounts with respect to the Ministry of Agriculture together with the Comments submitted by the Accounting Officer.
- 7.2.1 Officers present for the examination were
- (i) Dr Dindyal Permaul, Permanent Secretary (Accounting Officer)
 - (ii) Ms. Prema Ramanah, Deputy Permanent Secretary
 - (iii) Mr. Brian Greenidge, Deputy Permanent Secretary
 - (iv) Mr. Robert Taylor, Principal Assistant Secretary

7.2.2 **Paragraph 421 – Staff Vacancy**

7.2.2.1 In response to an enquiry, the Accounting Officer informed the Committee that there was difficulty in replacing critical staff especially at senior management levels.

7.2.2.2 He indicated that he was in the process of acquiring approval for the recruitment for such levels of staff.

7.2.3 Paragraph 422 was considered.

7.2.4 **Paragraph 423 – Registration of Staff with the NIS**

7.2.4.1 The Accounting Officer undertook to submit to the Committee the number of staff that were not registered with the NIS.

7.2.4.2 He was requested to verify whether the amount expended on NIS was \$9.802M or \$19,730,585.

7.2.5 **Paragraph 424 – Payment Vouchers Totalling \$18.006M**

7.2.5.1 The Accounting Officer in response to an enquiry informed the Committee that under the Ministry of Agriculture's procurement, provision was made for emergency specialized producers. He also indicated that the Ministry had the authority to expend approximately eight hundred thousand to four million dollars with the approval of Ministerial Tender Board.

7.2.5.2 The Accountant General advised the Committee that the Ministry of Agriculture was authorized to expend the following amounts under the respective categories:

- (i) 1M – 4M: goods and services
- (ii) 1M – 8M: construction services
- (iii) 1M – 3M: consultation services

7.2.6 **Paragraph 425 – Misplaced Log Books**

7.2.6.1 The Accounting Officer undertook to submit to the Committee by the 15th July, 2007 the number of vehicles under the control of Ministry.

7.2.7 Paragraphs 426 to 432 were considered.

- 7.2.8 **Paragraph 433: Clearing Cheque Orders**
- 7.2.8.1 The Accounting Officer undertook to provide the Committee with a status report on the clearing of cheque orders.
- 7.2.9 **Paragraph 434 – Non Verification of Allotment Transfers**
- 7.2.9.1 The Committee noted the comments of the Accounting Officer and advised him to re-examine the issue with a view of producing the necessary documentation for audit examination.
- 7.2.9.2 The Accounting Officer was also required to provide the Committee with an update on this matter.
- 7.2.10 **Paragraph 435 – Absence of Master Inventory**
- 7.2.10.1 The Committee noted the comments of the Accounting Officer to recruit qualified staff with a view to providing the level of control needed. He was required to provide the Committee with an update on this matter.
- 7.2.11 Paragraphs 436 to 444 were considered.
- 7.2.12 **Paragraphs 445 – Unpresented Warrants**
- 7.2.12.1 The Committee noted the comments of the Auditor General that warrants for 2004 were still outstanding and advised the Accounting Officer to present the warrants for audit inspection and to provide the Committee with an update.
- 7.2.13 Paragraphs 446 to 457 were considered.
- 7.2.14 **Paragraphs 458 (2) – Untimely Payments of NIS Employees Contributions**
- 7.2.14.1 The Committee noted the response of the Accounting Officer and informed him that it would appreciate up-to-date information in the future.
- 7.2.14.2 In response to an enquiry, the Accounting Officer informed the Committee that he was not aware of any reciprocity of any monies by NIS.
- 7.2.15 Paragraphs 459 to 466 were considered.

7.2.16 **Paragraph 467 – New Guyana Marketing Corporation**

7.2.16.1 The Auditor General concurred with the comments of the Accounting Officer and informed the Committee that the contractor was paid the sum of \$532,113 which was an outstanding payment.

7.2.17 Paragraphs 468 to 477 were considered.

Comments received from the Accounting Officer

7.2.18 The Committee noted that the responses were not one of the best it had received from the Ministry and expressed the hope that there were improvements in this regard in the future.

7.2.19 The Accounting Officer was advised to re-examine the comments submitted and provide the Committee with an update of the accounts that were under query.

7.2.20 At 4.40 p.m. the Committee concluded its consideration of the above accounts.

ITEM 8: ANY OTHER BUSINESS

8.1 Public Procurement Act

8.1.1 The Finance Secretary drew Members' attention to paragraph 224 which dealt with a matter relating to procurement. He advised the Committee that Part 4, Sections 25 to 29 provide guidelines for the procurement process.

8.2 Issues Raised by the Committee in 2004 Audit Report

8.2.1 The Committee agreed to write the CNA requesting the services of the Research Assistant to assist it in identifying those issues it had highlighted that should be mentioned in the 2004 Report and also to extract the information from the Minutes and Records of Proceedings of the Committee for the period under review.

Adjournment

At 4.55 p.m. the meeting was adjourned to 1.30 p.m. on Monday, 9th July, 2007.

Confirmed this 9th day of July, 2007

Volda Lawrence

Mr. Volda A. Lawrence, M.P
Chairperson

**THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2007)**

**MINUTES OF THE 16TH MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 2. 45 P.M.
ON MONDAY, 9TH JULY, 2007
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN**

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)

(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P.

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip

Ms Bibi S. Shadick, M.P

Mr. Mohamed Irfaan Ali, M.P

Mr. Komal Chand, C.C.H., J.P., M.P. - (Excused)

Mr. Dharamkumar Seeraj, M.P.

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P.

Mr. Anthony Vieira, M.P.

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P.

ADVISERS – (3)

The Finance Secretary (Mr. Neermal Rekha)
The Deputy Accountant General (Ag) (Mr. George Abrams)
For the Accountant General
The Audit Manager (Ag.) (Ms Donna Ellis)
For Auditor General

Officers

Ms Debra H. Cadogan - Assistant Head of Committees Division
Ms Sonia Maxwell - Assistant Clerk of Committee

In Attendance

Mr. Harry N. Jewan - Manager, Project Execution Unit, FFMP,
Parliament Office
Ms. Letta Barker - Assistant Clerk of Committee

ITEM 1: CALL TO ORDER

1.1 The Chairperson called the Meeting to order at 1.45 p.m.

ITEM 2: ANNOUNCEMENTS

2.1 Excuses

2.2.1 The Chairperson informed the Committee that Mr. Komal Chand, C.C.H., J.P., M.P had asked to be excused from the Meeting.

2.2 Welcome

2.2.1 A warm welcome was extended to Ms. Letta Barker, Assistant Clerk of Committee who was attending her first meeting.

2.3 Agenda

2.3.1 The Committee agreed to the following insertion after “Matters Arising”

“To consider the Draft Terms of Reference (TOR) for Consultancy”

ITEM 3:

CIRCULATION OF DOCUMENTS

3.1 The following documents were circulated prior to the meeting –

- (i) Notice of the 16th Meeting dated 6th July, 2007;
- (ii) Minutes of the 15th Meeting held on 25th June, 2007;
- (iii) Copy of letter 78/AG: 10/2007/47 dated 28th June, 2007 from the Auditor General (Ag.) re Supplementary Budget Issues for the Audit Office
- (iv) Copy of Memo. dated 26th June, 2007 from the Regional Executive Officer – Region No. 6 re Paragraph 492 Water & Electricity Charges;
- (v) Copy of Comments from the Accounting Officers of the:
 - (a) Ministry of Labour, Human Services & Social Security;
 - (b) Ministry of Housing & Water;
 - (c) Ministry of Legal Affairs;

and the Auditor General's Briefing Notes thereon;

3.2 The following documents were circulated at the meeting:

- (i) Copy of Record of Proceedings of the 5th Meeting of the PAC held on 18th April, 2007;
- (ii) Copy of Draft Terms of Reference re Short term Consultancy;
- (iii) Copy of letter dated 4th July, 2007, re: Audit 2004, Guyana Sugar Corporation Inc. from Ram & Mc Rae.

ITEM 4:

CORRECTIONS AND CONFIRMATION OF MINUTES OF THE 15TH MEETING HELD ON 25TH JUNE, 2007

Corrections

4.1 **Page 129, paragraph 4.1.1**

4.1.1 Substitution of the following for the above paragraph:

"Deletion of line 3 in (ii)".

- 4.2 Thereafter the Minutes were confirmed on a motion moved and seconded by Mrs. Indranie Chandarpal and Mr. Winston Murray, respectively.

ITEM 5: MATTERS ARISING

5.1 Page 133, paragraph 5.1.1 – Public Procurement Commission

5.1.1 Ms Chandarpal informed Members that Mr. Ramotar had returned to Guyana as such the process would be proceeded with.

5.1.2 Mr. Murray indicated that the Opposition was awaiting the submission of the names of the PPP/Cs representative on the Public Procurement Commission.

5.2 Page 134, paragraph, 5.3 – Research Assistant

5.2.1 In response to an enquiry, Mr. Jewan informed Members that the position of Research Assistant had been advertised with a closing date of 6th July, 2007. Thereafter the applications would be evaluated.

5.3 Page 134, paragraph 5.4 – TOR for Consultant

5.3.1 Mr. Jewan reported that the final draft of the above TOR was agreed to by Messrs Ali and Vieira and had been submitted to the Committee for its consideration and approval.

5.4 Page 134, paragraph 5.6.1 – Hiring of Taxis Totalling \$7.506M

5.4.1 The Chairperson informed Members that the Accounting Officer had requested an extension of the date to submit the breakdown of the disbursements totaling \$7.506M to the various taxi services.

5.5 Page 134, paragraph 5.7.1 – Unpresented Civil Case Jackets and Criminal Case Jackets

5.5.1 In response to an enquiry the Auditor General reported that he would complete verification of the civil case jackets and would submit a status report on the matter within two weeks since verification had to be done across the country.

5.6 **Page 134, paragraph 5.8.1 – Apparent Discrepancies at Magisterial Districts and Courts**

5.6.1 The Chairperson informed Members that the letter to the Accounting Officer requesting what action had been taken with regard to the discrepancies at the Magisterial District and Courts would be dispatched shortly.

5.7 **Page 136, paragraph 7.1.3.1 – Losses Report Totalling \$1.845M**

5.7.1 A Member suggested that the Committee should request from Agencies and Ministries a list of matters that were reported to the Police and were still outstanding with a view of the Committee resolving those matters at a higher forum.

5.7.2 She further expressed the need for the Committee to devise a mechanism to evaluate the progress of common issues highlighted within Ministries and Agencies.

5.7.3 The Chairperson proposed that the Committee could access the progress made in relation to those issues when considering its Report for 2002 and 2004, respectively.

5.7.4 The Chairperson explained that some of those issues were addressed in the Committee's 2002 and 2003 Report and, as such, would examine the progress made when considering the Report.

ITEM 6: CONSIDERATION OF THE TOR FOR CONSULTANCY

6.1 The Committee commenced consideration of the Draft TOR for the Consultancy and agreed to the following amendments:

PAGE 1

(i) Paragraph 1

- Insertion of the words "Constitution of Guyana" before the word "Audit" in the third line;
- Insertion of the word "and" after the word "Act" in the third line, and
- Deletion of the words "Constitution of Guyana" after the word "and" in the fourth line.

PAGE 2

- Insertion of the words “an Operational” before the word “Manual” where ever that word appeared.

SCOPE OF WORK

7th Bullet

- Insertion of the words “Public Accounts” after the word “for” in the first line, and
- Substitution of the word “Committee” for the word “Committees”.

PAGE 3

Page three was accepted as presented.

PAGE 4

- Insertion of the words “an operational” before the word “Manual” where ever that word appeared.

6.1.1 Thereafter the draft Terms of Reference (TOR) was adopted as amended.

6.1.2 Mr. Jewan was requested to submit the TOR to the IDB for a “no-objection” statement.

ITEM 7: CONSIDERATION OF EXAMINATION OF THE SUPPLEMENTAL ESTIMATES OF THE AUDIT OFFICE

7.1 The Committee proceeded to examine the Supplemental Estimates submitted by the Auditor General.

7.1.1 The Committee agreed that the supplemental estimates encapsulated the decisions of its previous meetings.

7.1.2 It accepted the recruitment of the key and critical personnel within the Audit Office with effect from the 1st October, 2007 as delineated.

7.1.3 The Committee agreed that it would be guided by the Finance Secretary with regard to the elements related to the relevant Acts to assist it in its recommendations in submitting the supplemental estimates to the Ministry of Finance for approval.

7.2 **Audit Office 2008 Budget**

7.2.1 The Auditor General reported that he was in the process of completing the Audit Office's 2008 Budget and would be submitting the Budget shortly for the Committees approval.

6.2.2 The Auditor General was advised to prepare the budget in accordance with the Rules, Policies & Procedures Manual taking cognizance of the budget circular. The entire budget should be submitted to the Committee.

6.3 **Duty Free Concession**

6.3.1 The Auditor General indicated that he would be submitting recommendations for duty free concession for Officers of the Audit Office who were entitled to such concession for consideration by the Committee.

6.3.2 The Auditor General was advised to submit the relevant attachment from the Rules, Policies & Procedures Manual to support the recommendations.

ITEM 7: TO CONSIDER THE REPORT OF THE PAC FOR THE YEARS 2002 AND 2003

7.1 The Committee agreed to defer this item to its next meeting.

ITEM 8: TO CONTINUE EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEAR 2004 TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

<i>Ministry/Department/ Agency</i>	<i>Paragraph in Auditor General's Report</i>	<i>Accounting Officer</i>
18. Ministry of Labour, Human Services & Social Security	911 - 929 (19)	Mr. Trevor Thomas Permanent Secretary

- 8.1 At 2.50 p.m. the Committee proceeded to consider the Report on the public accounts with respect to the Ministry of Labour, Human Services & Social Security together with the Comments submitted by the Accounting Officer.
- 8.1.1 Officers present for the examination were:
- (i) Mr. Trevor Thomas, Permanent Secretary (Accounting Officer)
 - (ii) Mr. John Cunjie, Principal Assistant Secretary (F)
- 8.1.2 **Paragraph 911- Public Assistance Imprest Bank Account No. 902**
- 8.1.2.1 The Accounting Officer was advised to discuss the matter with the Minister of Labour, Human Services & Social Security with the aim of having a letter sent to the Hon. Minister of Finance on the matter or that a Cabinet Memorandum might be obtained in an effort to resolve the issue expeditiously.
- 8.1.3 **Paragraph 912 –Registration of Staff with the NIS**
- 8.1.3.1 The Accounting Officer was advised to discuss the issue of the non-registration of twenty-eight employees within the Ministry with the Auditor General with the aim of resolving the issue.
- 8.1.4 **Paragraph 913 – Unpresented Log Books**
- 8.1.4.1 The Committee noted the comments of the Accounting Officer and advised him that all log books should be closed at the end of the year and that new books should be issued at the commencement of the year.
- 8.1.5 Paragraph 914 was considered.
- 8.1.6 **Paragraph 915 – Non- Maintenance of Master Inventory**
- 8.1.6.1 The Accounting Officer in response to an enquiry, informed the Committee that there was a list of fixed assets within the Ministry.
- 8.1.7 **Paragraph 916**
- 8.1.7.1 **(a) Lack of Segregation of Duties**
- The Accounting Officer in response to an enquiry reported that the Mahaica Hospital Complex had a capacity of approximately eight patients and it would not be viable to have different Officers for

each duty since they would be eighty percent under utilized. However, he had separated the duties of purchasing and issuing of stocks.

(b) Verification of Stocks

The Accounting Officer informed the Committee that the Ministry was addressing the issue of writing off the spoilt items through its field auditing department.

- 8.1.8 **Paragraph 917 – Reimbursement of Payments for Old Age Pension and Public Assistance**
- 8.1.8.1 The Accountant General was required to submit to the Committee by 16th July, 2007 a status report on the above reimbursement of payments totalling \$91.3M.
- 8.1.9 Paragraphs 918 to 920 were considered.
- 8.1.10 **Paragraph 921 – Irregularities Involving Old Age Pension and Social Security Coupons**
- 8.1.10.1 The Accounting Officer informed the Committee that he was in receipt of a report dated 26th April, 2007 from the Commissioner of Police which stated that no evidence had been unearthed in relation to the reports made to the Police on the matter and recommended that the matter be suspended. That report was under consideration by the Ministry.
- 8.1.10.2 He also informed the Committee that systems were now in place to avoid a recurrence.
- 8.1.11 Paragraphs 922 to 928 were considered.
- 8.1.12 **Paragraph 929 – Cost of Generator Totalling \$4.359M**
- 8.1.12.1 In response to an enquiry the Accounting Officer undertook to submit to the Committee, within one week the technical capacity of the generator.
- 8.1.13 The Chairperson encapsulated the Auditor's General's comments for 2004 and informed the Accounting Officer that the Auditor General had indicated that there was a reduction in the discrepancies within the Ministry. The Accounting Officer was advised that in future his written responses to the Committee should be more detailed.

8.1.14 At 4.20 the Committee concluded its consideration of the above accounts.

<i>Ministry/Department/ Agency</i>	<i>Paragraph in Auditor General's Report</i>	<i>Accounting Officer</i>
19. Ministry of Housing & Water	785 – 806(22)	Mrs. C.E. Moore Permanent Secretary

8.2 At 4.25 p.m. the Committee proceeded to consider the Report on the Public Accounts with respect to the Ministry of Housing & Water together with the Comments submitted by the Accounting Officer.

8.2.1 Officers present for the examination were:

- (i) Mrs. C.E. Moore, Permanent Secretary (Accounting Officer)
- (ii) Ms Myrna Pitt, Chief Executive Officer
- (iii) Ms. Umawattie Bahadur, Finance Officer
- (iv) Mr. Eshwardat Bahadur, Project Accountant
- (v) Ms Maragret Richmond, Chief Accountant (Agriculture)
- (vi) Mr. Sizwe Jackson, Managing Director (Interim), GWI
- (vii) Mr. Ravi Pulboo, Finance Director

8.2.2 **Paragraphs 785 – 786 Current Expenditure**

8.2.2.1 In response to an enquiry, the Accounting Officer informed the Committee that the 2004 audited accounts were submitted to Cabinet. Thereafter it would be submitted to the National Assembly.

8.2.3 **Paragraph 787 – Financial Auditing of the CH&PA**

8.2.3.1 The Accounting Officer reported that financial statements for 2004 accounts were submitted to the Auditor General's Office for audit in 2006.

8.2.4 Paragraphs 788 to 790 were considered.

8.2.5 **Paragraph 791 – 792 Infrastructure Development and Buildings**

8.2.5.1 The Accounting Officer in response to an enquiry informed the Committee that under Chapter 36:24 the Ministry of Housing had the authority to deposit monies that were not expended within the financial year into the Housing Fund, instead of refunding those into the Consolidated Fund.

8.2.5.2 Mr. Murray expressed the view that where funds were released *in block* by the National Assembly, the Ministry of Housing should not be authorized to deposit those monies into a Bank Account instead the monies should be refunded to the Consolidated Fund. He deemed such practice as a device to defeat the financial regulations.

8.2.5.3 At this point, the Accounting Officer circulated Chapter 36:24 of Housing Development Act to Members of the Committee.

8.2.5.4 Mr. Murray delineated that the core issues were:

- (a) custody and investment of the Fund,
- (b) the transition of the monies to the fund

8.2.5.5 The Committee agreed to seek further clarification on the matter from its Advisers at the next meeting. Members were also encouraged to seek a legal opinion on this matter.

8.2.6 Paragraphs 793 to 806 were considered.

8.2.7 At 5.20 the Committee concluded its consideration of the above accounts.

<i>Ministry/Department/ Agency</i>	<i>Paragraph in Auditor General's Report</i>	<i>Accounting Officer</i>
20. Ministry of Legal Affairs	988 – 1015 (28)	Mrs. Mitradevi Ali Permanent Secretary

8.3 The Committee agreed to reschedule the consideration of the public accounts of the above Ministry to 16th July, 2007 at 1.00 p.m.

ITEM 9: ANY OTHER BUSINESS

9.1 Audit 2004 – Guyana Sugar Corporation Inc

9.1.1 The Chairperson drew the Committee's attention to a letter dated 4th July, 2007, re: Audit 2004, Guyana Sugar Corporation Inc. from Ram & Mc Rae.

9.1.2 The Auditor General informed the Committee that the letter should have been directed to the Committee and at the Ministry of Finance which deals with contracted audits and which was chaired by the Finance Secretary.

9.1.3 He indicated that he would submit a copy of the audited accounts to Ram and McRae shortly.

9.1.4 The Auditor General was advised that a letter to that effect could have been sent to Ram and McRae.

9.2 Budget Circular - 2008

9.2.1 The Finance Secretary informed the Committee that the budget circular for 2008 had been completed and would be issued to Ministries and Agencies by Tuesday, 10th July, 2007.

Adjournment

At 5.30 p.m. the meeting was adjourned to 1.00 p.m. on Monday, 16th July, 2007.

Confirmed this 16th day of July, 2007

Volda Lawrence
.....
Mr. Volda A. Lawrence, M.P
Chairperson

**THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2007)**

**MINUTES OF THE 17TH MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 1. 22 P.M.
ON MONDAY, 16TH JULY, 2007
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN**

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)

(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P.

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip

Ms Bibi S. Shadick, M.P

Mr. Mohamed Irfaan Ali, M.P

Mr. Komal Chand, C.C.H., J.P., M.P. - (Excused)

Mr. Dharamkumar Seeraj, M.P.

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P. - (Excused)

Mr. Anthony Vieira, M.P. - (Excused)

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P. - (Excused)

ADVISERS – (3)

The Auditor General (Mr. Deodat Sharma)
The Finance Secretary (Mr. Neermal Rekha)
The Deputy Accountant General (Ag) (Mr. George Abrams)
For the Accountant General

Officers

Ms Debra H. Cadogan - Assistant Head of Committees Division
Ms Sonia Maxwell - Assistant Clerk of Committee

In Attendance

Ms. Letta Barker - Assistant Clerk of Committee
Ms Savitah Samwaroo - Assistant Clerk of Committee

ITEM 1: CALL TO ORDER

- 1.1 The Chairperson called the Meeting to order at 1.22 p.m. and apologized for her late arrival which was due to an urgent family issue.

ITEM 2: ANNOUNCEMENTS

2.1 Excuses

- 2.2.1 The Chairperson informed the Committee that the following members had asked to be excused from the Meeting.

- (i) Mr. Komal Chand, C.C.H., J.P., M.P
- (ii) Mr. Winston S. Murray, C.C.H., M.P
- (iii) Mr. Anthony Vieira, M.P
- (iv) Mr. David Patterson, M.P

Suspension of Agenda

- 2.3.1 The Committee agreed to suspend the Agenda and commenced the examination of the public accounts of the scheduled agencies.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents were circulated prior to the meeting –

- (i) Notice of the 17th Meeting dated 13th July, 2007;
- (ii) Minutes of the 16th Meeting held on 9th July, 2007;
- (iii) Copy of Comments from the Accounting Officers of:
 - 1. Region No. 1 – Barima/Waini
 - 2. Region No. 2 – Pomeroon/Supenaam

and the Auditor General's Briefing Notes thereon;

3.2 The following documents had been circulated at today's meeting:

- (i) Copy of letter from the Permanent Secretary, Ministry of Agriculture dated July 13, 2007 re Updated Submission – Ministry of Agriculture Audited Accounts 2004;
- (ii) Copy of letter from the PAS (Finance), Supreme Court dated July 11, 2007 Re Taxi Services Rendered.

ITEM 4: TO CONTINUE EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEAR 2004 TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

<i>Ministry/Department/ Agency</i>	<i>Paragraph in Auditor General's Report</i>	<i>Accounting Officer</i>
18. Ministry of Legal Affairs	988 - 1015 (28)	Mrs. Mitradevi Ali Permanent Secretary

4.1 At 1.24 p.m. the Committee proceeded to consider the Report on the public accounts with respect to the Ministry of Legal Affairs together with the Comments submitted by the Accounting Officer.

- 4.1.1 Officers present for the examination were:
- (i) Mrs. Mitradevi Ali, Permanent Secretary (Accounting Officer)
 - (ii) Ms Kamla Autar, Principal Assistant Secretary (F)
 - (iii) Ms Carolyn Pavi, Registrar of Deeds (Ag.)
 - (iv) Ms Tricia Smith, Accountant
 - (v) Mr. E Batsten, Trust Officer
 - (vi) Ms Ashmini Sewnauth, Legal Clerk 11
 - (vii) Mr Jermaine Grant, Legal Clerk 11
- 4.1.2 **Paragraph 988 – Staff Vacancy**
- 4.1.2.1 In response an enquiry, the Accounting Officer reported that there had been improvement in the level of staff vacancy in the areas of the legal and drafting Department.
- 4.1.4 Paragraph 989 was considered.
- 4.1.4 **Paragraph 990 – (i) Unpresented Log Books and (ii) Losses Report for Vehicle PHH No. 5882**
- 4.1.4.1 The Accounting Officer in response to an enquiry indicated that at the time of the audit the log books were not updated.
- 4.1.4.2 She also informed the Committee that a losses report was subsequently submitted to the Ministry of Finance and the Auditor General' Office, respectively.
- 4.1.5 **Paragraph 991 – Contribution Paid to the Council of Legal Education Totalling \$94M**
- 4.1.5.1 The Committee noted the comments of the Accounting Officer and advised her on the procedure on the way forward in relation to obtaining the relevant information on the above subject.
- 4.1.6 Paragraphs 992 and 993 were considered.
- 4.1.7 **Paragraph 994 – Unreconciled Amounts Totalling \$834,412**
- 4.1.7.1 The Committee noted the comments of the Accountant General and advised the Accounting Officer that her request to have the sum of \$834,412 written off should be redirected to the Finance Secretary.
- 4.1.8 **Paragraph 995 – Unreconciled Amounts Totalling \$540,412**
- 4.1.8.1 The Auditor General verified the Accounting Officer's comments that the amounts of \$540,412.

- 4.1.9 Paragraphs 996 and 998 were considered.
- 4.1.10 **Paragraphs 999 and 1000 - Absence of Evidence of a Change of Programme**
- 4.1.10.1 The Committee noted the comments of the Accounting Officer and advised her that in future approval should be sought from the Ministry of Finance for a change of programme if monies were to be expended on a programme other than that which it was approved.
- 4.1.11 Paragraphs 1001 and 1002 were considered.
- 4.1.12 **Paragraph 1003 – Absence of Payment Vouchers**
- 4.1.12.1 The Accounting Officer in response to an enquiry informed the Committee that the vouchers totalling \$597,500 was submitted to the Auditor General for verification.
- 4.1.12.2 The Auditor General recommended that since original payment vouchers were required to be transmitted to the Ministry of Finance, Ministries and Agencies should retain copies of the vouchers as a mechanism by which the Audit Office could verify payments.
- 4.1.12.3 A Member posited that that the issue alluded to by the Auditor General was a policy issue that the Committee should take the appropriate steps to have the matter addressed.
- 4.1.13 Paragraph 1004 was considered.
- 4.1.14 **Paragraph 1005 – Contract Splitting**
- 4.1.14.1 The Auditor General in response to an enquiry indicated that in light of the circumstances, the Accounting Officer should have obtained a waiver from the Ministerial Tender Board. She was advised to adhere to the tender board procedures.
- 4.1.15.2 Paragraphs 1006 to 1012 were considered.
- 4.1.16 **Paragraph 1013: Absence of Annotations on Vouchers**
- 4.1.16.1 The Committee noted the comments of the Accounting Officer and advised her that annotations should be written on the vouchers to identify location of items.

4.1.17 **Paragraphs 1014 and 1015 – Unmarked and Non-inventorised Items**

4.1.17.1 In response to an enquiry, the Auditor General informed the Committee that he was in the process of conducting verification of the items and would submit the information to the Committee at a later date.

4.1.18 At 2.10 p.m the Committee concluded its consideration of the above accounts.

<i>Ministry/Department/ Agency</i>	<i>Paragraph in Auditor General's Report</i>	<i>Accounting Officer</i>
21. Region No.1 - Barima/ Waini	1079 – 1092 (14)	Mrs. Mary Williams Regional Executive Officer

4.2 At 2.12 p.m. the Committee proceeded to consider the Report on the public accounts with respect to Region No. 1 - Barima/Waini together with the Comments submitted by the Accounting Officer.

4.2.1 Officers present for the examination were:

- (i) Mrs. Mary Williams, Regional Executive Officer (Accounting Officer)
- (ii) Mr. Nigel Fisher, Deputy Regional Executive Officer
- (iii) Mr. Edmond Inniss, Accountant (Ag.)
- (vi) Mr. CY Rodrigues, Senior Superintendent of Works
- (v) Mr. Roy Gooding, Expediter (Ag.)
- (vi) Mr. Deyon Seechanan, Accounts Clerk
- (vii) Mr. Seewchan, Permanent Secretary, Ministry of Local Government also in Attendance

4.2.2 Paragraphs 1079 to 1080 were considered.

4.2.3 **Paragraph 1081 – Overpayment of Deductions to NIS and GRA**

4.2.3.1 The Committee noted the comments of the Accounting Officer that they were in the process of reconciling with Guyana Revenue Authority (GRA) on the amounts overpaid by employees.

4.2.3.2 The Accounting Officer was advised to discuss with NIS the possibility of crediting the amounts overpaid.

- 4.2.4 **Paragraph 1082 and 1083 – Uncleared Cheque Orders**
- 4.2.4.1 In light of Accounting Officer's comments that the outstanding cheque orders were available for audit, the Committee requested the Auditor General to verify the cheque orders when his Officers were auditing the Region.
- 4.2.5 **Paragraph 1084 – Unpresented Log Books for Unserviceable Vehicles**
- 4.2.5.1 The Accounting Officer reported that of the thirteen log book , six were obtained for audit.
- 4.2.5.2 She also informed the Committee that the Region was now in the process of making a recommendation to the Ministry of Local Government with a view of having the unutilised equipment disposed of through the appropriate mechanism.
- 4.2.5.3 The Accounting Officer was advised that she should close all log books at the end of the year and issue new ones at the beginning of each year.
- 4.2.5.4 She was also advised that separate records could be kept in the Office where prior to Officers departure the relevant entry would be made in a register.
- 4.2.6 **Paragraph 1085 – Unmetered Electricity Charges**
- 4.2.6.1 In response to an enquiry, the Accounting Officer informed the Committee that she was advised by the technical officers not to install the meters since the present cables had exhausted the required time span. However, she would be requesting funds in 2008 to revamp the entire system.
- 4.2.6.2 The Accounting Officer was advised to pursue the matter expeditiously.
- 4.2.7 Paragraphs 1086 and 1087 were considered.
- 4.2.8 **Paragraph 1088 – Preparation of Financial Statements**
- 4.2.8.1 The Accounting Officer in response to an enquiry informed Members that Officers were now equipped to prepare financial statements since they had undergone training by the Ministry of Finance.

- 4.2.9 **Paragraph 1089 2nd bullet – Supplemented pre-numbered Computerised Receipts**
- 4.2.9.1 The Committee noted the comments of the Accounting Officer that the issuing of pre-numbered computerized receipts for official receipt books had ceased from 2007.
- 4.2.10 **Paragraph 1090 1st bullet - Non-Maintenance of Sectional Inventory**
- 4.2.10.1 In response to an enquiry the Accounting Officer informed the Committee that sectional inventories had been implemented and were managed by the Stock Verifier.
- 4.2.11 **Paragraph 1091 – Overpayments totaling \$2.423M on Contracts**
- 4.2.11.1 The Committee noted the comments of the Auditor General that at the time of audit the monies were reflected overpayments.
- 4.2.11.2 It advised the Accounting Officer that advanced payments were serious breeches of the financial regulations and that she should adhere to the Central Tender Board procedures.
- 4.2.12 **Paragraph 1092 – Unmarked Buildings and Un-inventorised Items**
- 4.2.12.1 In response to an enquiry, the Accounting Officer informed Members that to date all items were inventorised and the buildings were marked.
- 4.2.13 The Committee noted that the Accounting Officer was not the Officer during the period under review. However, it was hoped that the discrepancies would be corrected.
- 4.2.14 At 3.05 p.m. the Committee concluded its consideration of the above accounts

<i>Ministry/Department/ Agency</i>	<i>Paragraph in Auditor General's Report</i>	<i>Accounting Officer</i>
22. Region No 2 – Pomeroon / Supernaam	785 – 806 (22)	Mr. S. Meusai Regional Executive Officer

- 4.3 At 3.07 p.m. the Committee proceeded to consider the Report on the Public Accounts with respect to Region No 2 - Pomeroun / Supernaam together with the Comments submitted by the Accounting Officer.
- 4.3.1 Officers present for the examination were:
- (i) Mr. Mohamed Khan, Regional Executive Officer (Ag.)
 - (ii) Mr. Bhagwandeem Jaggat, Principal Assistant Secretary (F) (Ag.)
- 4.3.2 Mr. Seewchan, Permanent Secretary (Ag), Ministry of Local Government was also in attendance.
- 4.3.3 Paragraphs 1093 and 1094 were considered.
- 4.3.4 **Paragraph 1095 - Registration of Staff with the NIS**
- 4.3.4.1 In response to an enquiry the Accounting Officer reported that of the one hundred and twenty persons only one person had not been registered. The form had been dispatched to the officer in the Pomeroun.
- 4.3.5 **Paragraph 1096 – Overpayment of Salaries in the sum of \$538,709 to be written off**
- 4.3.5.1 The Committee noted the comments of the Auditor General and agreed that the Finance Secretary should advise it on the above matter.
- 4.3.5.2 The Accounting Officer was requested to pursue the matter.
- 4.3.6 **Paragraph 1097 – Recovery of amounts totalling \$198,936 as Motorcar Allowance**
- 4.3.6.1 The Accounting Officer was required to submit a status report on the issue to the Committee by 15th August, 2007.
- 4.3.7 **Paragraph 1098 – Uncleared Cheque Orders**
- 4.3.7.1 The Committee noted the Accounting Officer's remarks that the 16 days provided for the clearance of cheque orders was inadequate and advised him that where vouchers could not be remitted to the Ministry of Finance with the specified time, explanations should be attached to those vouchers.

- 4.3.7.2 The Accounting Officer was advised to examine those issues that were highlighted by the Auditor General in his initial comments and addressed them with the hope of rectifying them and submit a response to the Auditor General before the final report was drafted.
- 4.3.8 **Paragraph 1099 – Losses Report on 19,576 gallons of Gasolene Totalling \$4.308M**
- 4.3.8.1 The Committee agreed to await a response from the Finance Secretary on the matter.
- 4.3.9 **Paragraph 1100 - Losses Report on 2,558 Gallons of Diesel Fuel**
- 4.3.9.1 The Accounting Officer reported that the police had completed its investigations and a losses report had been submitted to the Ministry of Finance. No reply was received to date.
- 4.3.9.2 He also reported on the mechanisms in place to avoid the constant apparent spillage of fuel and diesel.
- 4.3.10 Paragraphs 1101 to 1105 were considered.
- 4.3.11 **Paragraph 1106 - Alleged Shortage of Cash totaling \$3.692M**
- 4.3.11.1 The Committee noted the remarks that the Headmaster of the school had since resigned and the senior clerk was no longer at work and expressed concerns that police investigations on issues relating to fraud took extensively long period, while the alleged officers continued to be paid without contributing their services. In some instances criminal matters were barred by statutes of limitations.
- 4.3.11.2 The Committee felt that this issue was prevalent and should be examined carefully with view of developing a mechanism to address the situation.
- 4.3.11.3 It was also suggested that the Crime Chief should appear before the Committee to advise it of the problems encountered when dealing with such issues .
- 4.3.12 Paragraphs 1107 to 1111 were considered.
- 4.3.13 **Paragraph 1112 – Rehabilitation of Buildings and Other Works (Hospitals)**
- 4.3.13.1 The Committee noted the comments of the Accounting Officer and advised the Officer to adhere strictly to appropriation regulations.

- Approval should be sought from the Ministry of Finance for a change of programme when the need arose.
- 4.3.14 Paragraphs 1113 to 1135 were considered.
- 4.3.15 **Paragraph 1136 – Non-Approval for Extension of Programme.**
- 4.3.15.1 The Accounting Officer in response to an enquiry informed the Committee that the approval did not seek an extension for the upgrading of Jaigobin St-Johanna Cecelia programmes and assured the Committee that that situation would not occur in future.
- 4.3.16 Paragraphs 1137 to 1144 were considered.
- 4.3.17 The Committee expressed the hope that those issues which were flagged would not appear in the public accounts of the Region in future.
- 4.3.18 The Permanent Secretary was advised to implore the remaining Regions to submit detailed responses which would aid the Committee in completing the examinations expeditiously.
- 4.3.19 At 4.25 p.m the Committee concluded its consideration of the above Accounts.

ITEM 5: CORRECTIONS AND CONFIRMATION OF MINUTES OF THE 15TH MEETING HELD ON 25TH JUNE, 2007

- 5.1 The Minutes were confirmed without corrections on a motion moved and seconded by Mrs. Bibi Shadick and Mr. Mohamed Irfaan Ali, respectively.

ITEM 6: MATTERS ARISING

- 6.1 **Page 130, paragraph 5.1.1 – Public Procurement Commission**
- 6.1.1 Mrs Chandarpal informed Members that she would pursue the issue with Mr. Ramotar.
- 6.2 **Page 130, paragraph 5.4.1 – Hiring of Taxis Totalling \$7.506M**
- 6.2.1 The Committee expressed its dissatisfaction with the response received from the Accounting Officer on the above subject and requested that its Advisers study the document and advised it as to whether there was a breach of Tender Board regulations under this line item.

- 6.2.2 The Committee also agreed that it would write the Accounting Officer after it had considered the advice received from the Advisers.
- 6.3 **Page 132, paragraph 3.1.2 – TOR for Consultant**
- 6.3.1 The Chairperson informed the Committee that she was advised that the TOR for the Consultant was submitted to IDB for a no-objection statement and a response was expected within one week.
- 6.4 **Page 131, paragraph 5.7.4 – Consideration of the Report of the PAC for the Years 2002 and 2003**
- 6.4.1 The Chairperson undertook to speak to Mr. Murray and obtain his comments with a view to expedite the matter.
- 6.5 **Page 132, paragraph 7.1 –Supplemental Estimates**
- 6.5.1 The Auditor General informed the Committee that he had submitted the financial estimates in accordance with the circular for endorsement by the Chairperson for transmission to the Ministry of Finance.
- 6.5.2 **Page 133, paragraph 7.2.2 – Audit Office 2008 Budget**
- 6.5.3 The Auditor General informed the Committee that he was still preparing the Audit Office's 2008 budget for consideration by the Committee.
- 6.6 **Page 137, paragraph 8.2.5.4 - Transition of CH&PA Funds to the Housing Fund**
- 6.6.1 The Chairperson reminded its Advisers that the Committee was still awaiting clarifications on the issue.
- 6.6.2 The Clerk was requested to remind the Finance Secretary that the Committee was awaiting his guidance on the matter.
- 6.7 **Page 138, paragraph 9.1.4 – Letter to Ram and McRae**
- 6.7.1 The Auditor General informed the Committee that he had dispatched the relevant letter to Ram and McRae.

ITEM 7: TO CONSIDER THE REPORT OF THE PAC FOR THE YEARS 2002 AND 2003

7.1 The Committee agreed to defer this item to its next meeting.

ITEM 8: ANY OTHER BUSINESS

8.1 **Follow-up Action by Accounting Officers**

8.1.1 A Member posited that the Committee should continue to emphasized that Accounting Officers should take seriously the response submitted to the Committee and to ensure that they were detailed.

Adjournment

At 4.55 p.m. the meeting was adjourned to 1.00 p.m. on Monday, 23rd July, 2007.

Confirmed this 23rd day of July, 2007

.....Volda Lawrence.....
Mr. Volda A. Lawrence, M.P
Chairperson

**THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2007)**

**MINUTES OF THE 18TH MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 1. 17 P.M.
ON MONDAY, 23RD JULY, 2007
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN**

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)

(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P.

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip

Ms Bibi S. Shadick, M.P

Mr. Mohamed Irfaan Ali, M.P - (Excused)

Mr. Komal Chand, C.C.H., J.P., M.P. - (Excused)

Mr. Dharamkumar Seeraj, M.P.

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P.

Mr. Anthony Vieira, M.P. - (Excused)

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P.

ADVISERS – (3)

The Auditor General (Mr. Deodat Sharma)
The Finance Secretary (Mr. Neermal Rekha)
The Accountant General (Ag) (Mr. Hardatt Autar)

Officers

Ms Debra H. Cadogan - Assistant Head of Committees Division
Ms Sonia Maxwell - Assistant Clerk of Committee

In Attendance

Ms. Letta Barker - Assistant Clerk of Committee
Ms Savitah Samwaroo - Assistant Clerk of Committee

ITEM 1: CALL TO ORDER

1.1 The Chairperson called the meeting to order at 1.17 p.m.

ITEM 2: ANNOUNCEMENTS

2.1 **Excuses**

2.1.1 The Chairperson informed the meeting that the following Members had asked to be excused from the meeting:

- (i) Mr. Komal Chand, C.C.H., J.P., M.P
- (ii) Mr. Mohamed Irfaan Ali, M.P
- (iii) Mr. Anthony Vieira, M.P

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents were circulated prior to the meeting –

- (i) Notice of the 18th Meeting dated 20th July, 2007;
- (ii) Minutes of the 17th Meeting held on 16th July, 2007;
- (iii) Copy of Comments from the Accounting Officers of:
 - Region No. 3 – Essequibo Islands/West Demerara
 - Region No. 7 – Cuyuni/Mazaruni
 - Georgetown Public Hospital Corporation;

- (iv) The Auditor General's Briefing Notes on Agencies at (iii),
- (v) Copy of letter dated July 13, 2007 from the Permanent Secretary, Ministry of Health, re Additional Information for 2004 Accounts;

3.2 The following document had been circulated at the meeting:

- Estimates of Current and Capital Expenditure - 2008 of the Audit Office.

ITEM 4: CORRECTIONS AND CONFIRMATION OF MINUTES OF THE 17TH MEETING HELD ON 16TH JULY, 2007

Corrections

- 4.1 **Page 142, paragraph (iii)**
 - 4.1.1 Substitution of "Ms Carolyn Paul" for "Ms Carolyn Pavi"
- 4.2 **Page 145 paragraph 4.2.5.4 – Unpresent Log Books for Unserviceable Vehicles**
 - 4.2.1 Substitution of "Officers'" for "Officers" after the word "to" in the penultimate line.
- 4.3 **Page 146, paragraph 4.2.11.1 – Overpayments Totalling \$2.423M on Contracts**
 - 4.3.1 The following amendments were made:
 - (a) **Paragraph 4.2.11.1**
 - Insertion of the word "as" after the word "reflected" in the last line.
 - (b) **Paragraph 4.2.11.2**
 - Substitution of the word "advance" for the word "advanced" after the word "that" in the first line.
 - Substitution of the word "breaches" for the word "breeches" in the penultimate line.

4.4 **Page 147, paragraph 4.3.6.1 – Recovery of Amounts Totalling \$198,936 as Motorcar Allowance**

4.4.1 The following amendments were made:

- (a) Substitution of “Permanent Secretary (Ag.)” for “Accounting Officer” after the word “The” in the first line.
- (b) Inclusion of the following as paragraph 4.3.6.2:

“The Regional Executive Officer was requested to write the Officer with a view of having the amounts of \$198,936 repaid”.

4.5 **Page 148, paragraph 4.3.11.3 – Alleged Shortage of Cash Totalling \$3.692M**

4.5.1 Substitution of the following for the paragraph:

“It was also suggested that advice be sought from the Commissioner of Police on the problems encountered when investigating such issues”.

4.6 Thereafter the Minutes were confirmed on a motion moved by Ms. Bibi Shadick and seconded by Mr. Dharamkumar Seeraj.

ITEM 5: MATTERS ARISING

5.1 **Page 148, paragraph 4.3.11 – Police Instituting Charges Against Alleged Individuals**

5.1.1 A Member related to the above issues and posited that indictable charges could be initiated against an individual at anytime.

5.2 **Page 149, paragraph 6.1.1 – Public Procurement Commission**

5.2.1 Mrs. Chandarpal informed the Committee that she had spoken to Mr. Donald Ramotar in relation to the list of names for the Government’s representative on the above Commission and he indicated that the matter was under consideration.

5.3 **Page 150, paragraph 6.3.1 – TOR for Consultant**

5.3.1 The Chairperson reported that she was advised by Mr. Jewan that he had not received a response from IDB on the above matter.

- 5.4 **Page 150, paragraph 6.4.1 – Consideration of the Report of the PAC for the Years 2002 and 2003**
- 5.4.1 Mrs. Chandarpal suggested that the Committee expedite and conclude the above matter.
- 5.4.2 The Chairperson proposed that the Committee consider the above issue at the conclusion of the examination of the public accounts of the scheduled agencies
- 5.5 **Page 150, paragraph 6.5.1 – Supplemental Estimates for the Audit Office**
- 5.5.1 The Finance Secretary sought clarifications as to whether the Speaker would be the authority to sign the warrant to effect transmittal of the supplemental estimates of the Audit Office through the appropriate stages.
- 5.5.2 The Clerk of the Committee was requested to seek advice from the Clerk of the National Assembly.
- 5.6 **Page 150, paragraph 6.5.3 – Audit Office 2008 Budget**
- 5.6.1 The Committee noted that the Auditor General had submitted the Audit Office budget of 2008 for consideration by the Committee.
- 5.7 **Page 150, paragraph 6.6.1 Transition of CH&PA Funds to the Housing Fund**
- 5.7.1 In response to an enquiry by the Chairperson, the Accountant General reported that he, the Auditor General and the Finance Secretary discussed the issue. A meeting was expected to be convened with Officials from the CH&PA to further discuss the matter.
- 5.8 **Conclusion of Meetings**
- 5.8.1 Some Members were of the view that since meetings were convened at 1.00 p.m. the Committee should seek to conclude its deliberations at 4.30 p.m. This would facilitate them to attend another engagement which was scheduled for 5.00 p.m.

5.8.2 The Chairperson referred to the limited responses submitted to the Committee by Accounting Officers, hence the need for prolonged clarifications by Members. However, the Committee would consider the suggestion when it would have been examining the Auditor General's 2005 Report.

ITEM 6: TO CONTINUE EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEAR 2004 TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

<i>Ministry/Department/ Agency</i>	<i>Paragraphs in Auditor General's Report</i>	<i>Accounting Officer</i>
23. Region No. 7 – Cuyuni/ Mazaruni	1340-1366 (27)	Mr. Peter Ramotar Regional Executive Officer

6.1 At 1.50 p.m. the Committee proceeded to consider the Report on the public accounts with respect to Region No. 7 – Cuyuni/ Mazaruni together with the Comments submitted by the Accounting Officer.

6.1.1 Officers present for the examination were:

- (i) Mr. Peter Ramotar, Regional Executive Officer (Accounting Officer)
- (ii) Mr. Mark Dutchin, Superintendent of Works
- (iii) Mr. Deryck Persaud, District Development Officer 1
- (iv) Ms Donna Federicks, Chief Accountant (Ag.)

6.1.2 Mr. Seewchan, Permanent Secretary (Ag.), Ministry of Local Government was also in attendance.

6.1.3 Paragraph 1340 – Staff Vacancy

6.1.3.1 In response to an enquiry, the Accounting Officer reported that for the years 2006 and 2007, respectively the position of teachers had been categorized and placed under the relevant line item. However, he could not give an update for 2005.

- 6.1.4 **Paragraph 1341 - Salaries Totalling \$2.151M Inappropriately Charged to Other Subhead**
- 6.1.4.1 The Committee noted the observation of the Auditor General and expressed the view that there was need for the regularization of the employment of the part-time employees.
- 6.1.4.2 The recommendation of the Finance Secretary that the Regional Executive Officer and the Permanent Secretary discuss with Budget Officers this issue with a view of resolving this matter for the 2008 budget was endorsed by the Committee.
- 6.1.5 **Paragraph 1342 - Registration of Staff with the NIS**
- 6.1.5.1 The Committee noted the comments of the Accounting Officer that all staff members with the exception of those that were part-time had been registered with the NIS.
- 6.1.6 **Paragraph 1343 – Overpayment of Deductions to NIS and GRA**
- 6.1.6.1 The Accounting Officer was advised to discuss with NIS and the GRA the possibility of crediting the amounts overpaid.
- 6.1.7 Paragraph 1344 was considered.
- 6.1.8 **Paragraph 1345 – Shortage of Gasoline Totalling 1.119M and \$617,613**
- 6.1.8.1 The Committee noted the remarks of the Accounting Officer that he had instituted new measuring utensils for fuel as the previous ones were said to be inflated by one litre for every four gallons.
- 6.1.8.2 The Accounting Officer was requested to submit to the Committee by the 15th August, 2007 information on the estimated fuel loss on an annual basis, taking into account the explanation given by the Officer and a statue on the losses reports in both instances.
- 6.1.9 Paragraphs 1346 and 1347 were considered.
- 6.1.10 **Paragraph 1348 – Overpayments Totalling \$927,511**
- 6.1.10.1 The Committee noted the comments of the Auditor General that the Accounting Officer was in the practice of overpaying on projects while works were incomplete and such practice was in contravention of the financial regulations.

- 6.1.10.2 The Finance Secretary advised the Accounting Officer to utilize the multi-year contract provision to facilitate such works.
- 6.1.11 **Paragraphs 1349 and 1350: (i) Unmarked Items and (ii) Unutilized Spare Parts**
- 6.1.11.1 In light of the comments of the Accounting Officer that the items were obsolete and could not be used by any other agency the Finance Secretary advised the Accounting Officer that the items should be disposed of by auction sale.
- 6.1.12 **Paragraphs 1351 and 1352: Absence of Physical Verification of Works before Payments were made.**
- 6.1.12.1 The Auditor General advised the Accounting Officer that in cases where works completed were verified by Officers other than the Superintendent of Works then the relevant certification from those officers should be appended to the vouchers.
- 6.1.13 **Paragraphs 1353 and 1354: Over Payments at Bartica Quarters Totalling \$190,906**
- 6.1.13.1 The Auditor General was requested to verify the statement by the Accounting Officer that the contractor had repaid the overpayment totalling \$190,906.
- 6.1.14 Paragraphs 1355 to 1361 were considered.
- 6.1.15 **Paragraph 1362 – Unmarked Furniture and Equipment**
- 6.1.15.1 The Accounting Officer in response to a query, informed the Committee that at the time of the audit inspection the process of marking the items had not been completed. However, they were subsequently marked.
- 6.1.16 Paragraphs 1363 to 1364 were considered.
- 6.1.17 The Accounting Officer was reminded to submit to the Committee by the 15th August 2007 copies of receipts of all overpayments which were repaid to the Regional Administration.
- 6.1.18 The Committee congratulated the Accounting Officer for the measures instituted to reduce discrepancies.
- 6.1.19 At 2.55 p.m. the Committee concluded its consideration of the above accounts.

<i>Ministry/Department/ Agency</i>	<i>Paragraphs in Auditor General's Report</i>	<i>Accounting Officer</i>
24. Region No. 3 – Essequibo Islands/West Demerara	1145 – 1180 (36)	Mr. N Ramkissoon Regional Executive Officer

- 6.2 At 2.57 p.m. the Committee proceeded to consider the Report on the public accounts with respect to Region No. 3 – Essequibo Islands/West Demerara together with the Comments submitted by the Accounting Officer.
- 6.2.1 Officers present for the examination were:
- (i) Mr. Nandlall Ramkissoon, Regional Executive Officer (Accounting Officer)
 - (ii) Mr. Winston Davidson, Deputy Regional Executive Officer
 - (iii) Mr. Patiram Ramlall, Regional Engineer
 - (iv) Mr. Ronald Aaron, Medical Superintendent – WDRH
 - (v) Mrs. Muriel Moses-Grant, District Education Officer
- 6.2.2 Mr. Seewchan, Permanent Secretary (Ag.), Ministry of Local Government was also in attendance.
- 6.2.3 Before the commencement of the examination of the accounts, the Accounting Officer informed the Committee that he had an updated response with regards to the paragraphs. Copies of the updated comments were circulated to Members.
- 6.2.4 Paragraph 1145 was considered.
- 6.2.5 **Paragraph 1146 – Regularization of 102 Teachers within the National Estimates**
- 6.2.5.1 In response to an enquiry, the Accounting Officer reported that the regularization of the one hundred and two teachers within the national estimates had been corrected in 2006 and 2007, respectively.
- 6.2.6 Paragraph 1147 was considered.

6.2.7

Paragraph 1148:

2nd bullet – Overpaid Salaries Totalling \$2.378M

The Accounting Officer in response to an enquiry informed the Committee that the relevant agencies were written to including the teacher with an aim of having the sum of \$2.378M refunded.

- The Accounting Officer was requested to submit to the Committee by the 15th August 2007 a copy of the letter dated November, 2006 that was sent to the teacher requesting the refund and a status report on the matter.

3rd bullet - Overpayment of Deductions to NIS and GRA

- The Accounting Officer was advised to discuss with NIS and the GRA the possibility of crediting the amounts overpaid.

6.2.8

Paragraph 1149 was considered.

6.2.9

Paragraph 1150 – Registration of Staff with the NIS

6.2.9.1

The Committee noted the comments of the Accounting Officer that he had instituted a mechanism where staff from the Accounts Department would visit the Officers to have them registered with the NIS.

6.2.10

Paragraph 1151 was considered.

6.2.11

Paragraph 1152:

1st bullet – Four Unpresented Log Books

- In light of the comments of the Accounting Officer that the log books were available for audit inspection, the Committee advised him that the onus was his to inform the Audit Office of the availability of documents that were requested but not available during the audit inspection.
- The Accounting Officer was advised to close all log books at the end of the year and open new ones at the commencement of the year

3rd bullet – 845 Litres of Unrecorded Dieseline

- In response to an enquiry, the Accounting Officer reported that a mechanism had been instituted for the proper issuing and recording of dieseline.

6.2.12 Paragraphs 1153 to 1155 were considered.

6.2.13 Paragraph 1156 – Overseas Charges Totalling \$1.757M

6.2.13.1 In light of the comments of the Auditor General that the telephone registers for the years 2006 and 2007, respectively were still to be updated, the Committee requested the Accounting Officer to submit by 15th August 2007 a status report on the unreconciled amounts totalling \$1.757M incurred as overseas telephone charges.

6.2.13.2 The Accounting Officer also required to indicate how many telephone lines were currently accessible to overseas calls and what levels of Officers were entitled to that facility.

6.2.14 Paragraphs 1158 – 1160: Misallocation of Payment Vouchers

6.2.14.1 At this point the Committee continued to express concerns that the Accounting Officer appearing for the examination of the public accounts for 2004 was not the Officer responsible for the management of the agency during the period under review.

6.2.14.2 The Committee advised the Permanent Secretary (Ag) Ministry of Local Government that he should ensure that Accounting Officers that were new in the system were properly inducted.

6.2.15 Paragraph 1161 was considered.

6.2.16 Paragraph 1162:

3rd bullet – Overpayment to Contractor Totalling \$272,930

- The Accounting Officer was requested to submit to the Committee by 15th August, 2007 a status report in relation to the above matter.

6.2.17 Paragraphs 1163 and 1164 were considered.

- 6.2.18 **Paragraphs 1165 – 1166: Overpayment to the Contractor Totalling \$599,277**
- 6.2.18.1 At this point, the Finance Secretary drew Members' attention to the responses from the Accounting Officer and indicated that it was evident that some of the practices employed were not in accordance with the financial regulations and proposed that the Committee allow the Officer to withdraw those comments and resubmit them.
- 6.2.18.2 The Committee, however, decided to continue the examination of the public accounts of the Regional Administration since only a few paragraphs had remained.
- 6.2.19 **Paragraphs 1167 and 1168: Rehabilitation Works**
- 6.2.19.1 The Committee noted the practice by the Regional Tender Board not to award contracts to the lowest bidder but rather to the second lowest bidder on the basis that the lowest bidder had on-going jobs and deemed such practice to be unacceptable.
- 6.2.19.2 The Auditor General informed the Committee that such practice was also a breach of the regulations.
- 6.2.19.3 A Member sought clarifications on what steps should be taken to institute surcharge function over Accounting Officers who were culpable of such practices.
- 6.2.19.4 The Committee urged that the Accounting Officer for the period under review be requested to attend meetings and to provide clarity in such instances.
- 6.2.20 Paragraphs 1169 to 1176 were considered.
- 6.2.21 **Paragraph 1177 – Purchase of Dental Instruments Totalling \$6M**
- 6.2.21.1 In response to an enquiry, the Auditor General informed Members that due to the absence of the Medical Superintendent he was unable to verify the instruments.
- 6.2.21.2 The Accounting Officer was required to present the instruments for audit verification.
- 6.2.22 Paragraphs 1178 and 1179 were considered.

- 6.1.23 **Paragraph 1180: Purchase of Furniture and Equipment**
- 6.2.23.1 The Accounting Officer was required to indicate to the Auditor General where the equipment and furniture were located with a view that they could be verified by the Auditor General.
- 6.2.24 The Accounting Officer was advised to review the comments of the Auditor General and those of the Committee and if there was need for clarification on issues, the Secretariat could be contacted for guidance.
- 6.2.25 The Committee reminded the Accounting Officer of its request to be submitted by 15th August, 2007.
- 6.2.26 The Permanent Secretary (Ag) was advised that for the examination of the accounts of the remaining Regions those respective Accounting Officers should be in attendance.
- 6.2.27 At 4.43 p.m. the Committee concluded its consideration of the above accounts.

<i>Ministry/Department/ Agency</i>	<i>Paragraphs in Auditor General's Report</i>	<i>Accounting Officer</i>
12. Georgetown Public Hospital Corporation	807 – 865 (50)	Mr. Michael Khan Chief Executive Officer

- 6.3 At 4.45 p.m. the Committee proceeded to consider the Report on the public accounts with respect to the Georgetown Public Hospital Corporation together with the Comments submitted by the Accounting Officer.
- 6.3.1 Mr. Michael Khan, Chief Executive Officer was the only Officer present for the examination.
- 6.3.2 Paragraphs 807 and 808 were considered.
- 6.3.3 **Paragraph 809: Outstanding Payment Vouchers**
- 6.3.3.1 The Accounting Officer's remarks that the payment vouchers \$10,415,730 were presented for audit inspection was verified by the Auditor General.

- 6.3.3.2 The Committee, however, urged the Accounting Officer to locate the missing vouchers totalling \$4,980,868.
- 6.3.4 Paragraphs 810 to 812 were considered.
- 6.3.5 **Paragraphs 813 and 814: Purchase of Drugs and Medical Supplies from Specialised Agencies**
- 6.3.5.1 In response to an enquiry as to whether the Corporation had a policy to obtain updated Cabinet's approvals for the purchase of drugs and medical supplies from specialized agencies with a view to maintaining the rule of competitiveness, the Accounting Officer reported that he had been following guidelines from the Ministry of Health in accordance with regulations stipulated in the Public Procurement Act.
- 6.3.6 Paragraph 815 was considered.
- 6.3.7 **Paragraphs 816 and 817: Purchase of Pharmaceuticals and Hospital Supplies**
- 6.3.7.1 The Committee advised the Accounting Officer that the Public Procurement Act 2003 would have superseded the Cabinet Decision and that he should adhere to the tender board regulations.
- 6.3.8 Paragraphs 818 to 823 were considered.
- 6.3.9 **Paragraph 824: Mechanisms to monitor the consumption of Dieseline**
- 6.3.9.1 The Committee noted the Accounting Officer's comments on the above matter and decided that the last sentence of his comments should be deleted.
- 6.3.10 Paragraphs 825 to 829 were considered.
- 6.3.11 **Paragraph 830: Telephone Charges Register**
- 6.3.11.1 The Auditor General concurred with the Accounting Officer's remarks that the above register was being maintained.
- 6.3.12 **Paragraphs 831: Non-Maintenance of Utilities Register**
- 6.3.12.1 The Accounting Officer was requested to communicate to the Committee and the Auditor General the status of the utilities register.

- 6.3.13 Paragraphs 833 to 838 were considered.
- 6.3.14 **Paragraphs 839 and 840: Stores and Other Public Properties**
- 6.3.14.1 The Committee noted the comments of the Accounting Officer that the records were destroyed during the January 2005 floods.
- 6.3.14.2 The Auditor General advised the Accounting Officer that a stock tracking mechanism should be employed to resolve the issue.
- 6.3.15 Paragraphs 841 to 851 were considered.
- 6.3.16 **Paragraph 852 – Absence of Documentation for the Purchase of 35 Beds Totalling \$1.594M**
- 6.3.16.1 In response to an enquiry, the Accounting Officer informed Members that the relevant documents appeared to have been misplaced but he had requested the suppliers to resubmit those documents with a view of presenting them for audit verification.
- 6.3.17 Paragraphs 853 to 856 were considered.
- 6.3.18 The Committee noted the measures taken by the Accounting Officer to comply with the Financial Regulations as prescribed by the Fiscal Management & Accountability Act (FM&AA)
- 6.3.19 At 5.22 p.m. the Committee concluded its consideration of the above accounts.

ITEM 7: TO CONSIDER THE REPORT OF THE PAC FOR THE YEARS 2002 AND 2003

- 7.1 The Committee commenced consideration of the above report and agreed to the following amendments:

PAGE 2 – THE PAC’S MANDATE

Paragraph 2.4

- Deletion of the words “There continued to be a need for the tabling” before the word “of” in the first line, and
- Insertion of the words “Where as, the absence” before the word “of” in the first line.

PAGE 9 – Non-compliance with the Tender Board Regulations

Paragraph 3.30

- Deletion of the words “recommends the urgent establishment” after the word “PAC” in the second line;
- Insertion of the words “notes the continued absence” after the words “Public Procurement Commission” in the second line, and
- Insertion of the words “and wishes to inform the National Assembly that efforts were still being made to establish the body and the PAC would continue to pursue the identification of members to be appointed to the Commission” after the word “Commission” in the second line.

PAGE 10 – PUBLIC ACCOUNTS STATEMENTS

Paragraph 4.2

- Insertion of the words “However, at the time of reporting this matter was resolved” at the end of the paragraph.

PAGE 21 – OTHER SPECIFIC RECOMMENDATIONS

2nd Bullet

- Deletion of the words “to bring” after the word “officer”;
- Insertion of the words “in the area of accounting” after the word “officers”, and
- Deletion of the 10th bullet.

7.2

Thereafter, the Committee adopted the report and agreed that it should be submitted to the Clerk of the National Assembly for transmission to the National Assembly.

ITEM 8: ANY OTHER BUSINESS

8.1 2005 Auditor General Report

8.1.1 The Chairperson reported that the Auditor General had indicated that he would be presenting the 2005 Auditor General's report to the Speaker on Tuesday, 31st July, 2007 at 1.30 p.m.

8.1.2 The Chairperson informed Members that they were invited to be part of the presentation ceremony.

8.2 Consideration of the Audit Offices' 2008 Budget

8.2.1 The Auditor General was requested to have the relevant Officers accompany him at its next meeting when the Audit Offices' budget would be considered.

8.2.2 The Auditor General was advised to take cognizance of what preceded the 2008 budget.

Adjournment

At 5.55 p.m. the meeting was adjourned to 1.00 p.m. on Monday 30th July, 2007.

Confirmed this day of July, 2007

Velda Lawrence
.....
Mr. Volda A. Lawrence, M.P
Chairperson.

THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2007)

MINUTES OF THE 19TH MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 1.05 P.M.
ON MONDAY, 30TH JULY, 2007
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)

(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P.

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip

Ms Bibi S. Shadick, M.P

Mr. Mohamed Irfaan Ali, M.P

Mr. Komal Chand, C.C.H., J.P., M.P. - (Excused)

Mr. Dharamkumar Seeraj, M.P.

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P.

Mr. Anthony Vieira, M.P. - (Excused)

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P. - (Excused)

ADVISERS – (3)

The Auditor General (Mr. Deodat Sharma)
The Finance Secretary (Mr. Neermal Rekha)
The Deputy Accountant General (Ag) (Mr. George Abrams)
For the Accountant General

Officers

Ms Debra H. Cadogan - Assistant Head of Committees Division
Ms Sonia Maxwell - Assistant Clerk of Committee

In Attendance

Ms. Letta Barker - Assistant Clerk of Committee
Ms Savitah Samwaroo - Assistant Clerk of Committee

ITEM 1: CALL TO ORDER

1.1 The Chairperson called the meeting to order at 1.05 p.m.

ITEM 2: ANNOUNCEMENTS

2.1 Excuses

2.1.1 The Chairperson informed the meeting that the following Members had asked to be excused from the meeting:

- (i) Mr. Komal Chand, C.C.H., J.P., M.P
- (ii) Mr. Anthony Vieira, M.P

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents were circulated prior to the meeting –

- (i) Notice of the 19th Meeting dated 27th July, 2007;
- (ii) Minutes of the 18th Meeting held on 23rd July, 2007;
- (iii) Copy of Comments from the Accounting Officers of:
 - Region No. 5 – Mahaica/Berbice
 - Region No. 4 – Demerara/Mahaica

and the Auditor General's Briefing Notes thereon;

- (iv) Copy of letter 94/AG: 10/2007/55 dated July 27, 2007 from the Audit Director (Ag.) re Staff Injection Table for 2008 Budget.

3.2 The following document was circulated at the meeting:

- Payments due to the Staff of the Works and Structure Department, Audit Office of Guyana.

ITEM 4: CORRECTIONS AND CONFIRMATION OF MINUTES OF THE 18TH MEETING HELD ON 23RD JULY, 2007

Corrections

4.1 **Page 161, paragraph 6.2.11 -1st bullet**

4.1.1 Substitution of the words "on him" for the word "his" after the word "onus" in the third line.

4.2 **Page 162, - 845 Litres Unrecorded Dieseline**

4.2.1 Substitution of the word "issuance" for the word "issuing" after the word "proper" in the second Line.

4.3 **Page 163, paragraph 6.2.19.3 – Rehabilitation Works**

4.3.1 Insertion of the word "found" after the word "were" in the second line.

4.4 **Page 168, paragraph 8.1.1 – 2005 Auditor General Report**

4.4.1 Substitution of "2.00" p.m. for "1.30" after the word "at" in the last line.

4.5 Thereafter the Minutes were confirmed on a motion moved and seconded by Ms Bibi S. Shadick and Mr. Mohamed Irfaan Ali, respectively.

ITEM 5: MATTERS ARISING

5.1 Page 155, paragraph 5.2.1 – Public Procurement Commission

5.1.1 The Chairperson indicated to Members that she hoped that after the recess period the nominations to the above Commission would be dealt with expeditiously.

5.2 Page 155, paragraph 5.3 – TOR for Consultant

5.2.1 The Chairperson informed the Committee that Mr. Jewan had received the no-objection statement from the IDB for the recruitment of the Consultant. She also informed Members that the advertisement was published in the print media and the closing date was 21st August, 2007.

5.3 Page 156, paragraph 5.4.2 – Consideration of the Report of the PAC for the Years 2002 and 2003

5.3.1 The Chairperson informed Members that she had received the amended report of the PAC for the years 2002 and 2003 from the Auditor General. However, it was drawn to her attention that a paragraph was omitted. The report was returned to the Auditor General for correction. No response was received from the Auditor General.

5.4.1 Page 168, paragraph 8.5.1 – Consideration of the Audit Officers' 2008 Budget

5.4.1 A Member pointed out that no Official from the Auditor General's Office was in attendance and questioned whether the Committee would proceed to consider the Audit Offices' budget given the fact that the Auditor General had asked to be excused.

5.4.2 The Clerk of Committee was requested to communicate to the Auditor General that the Committee would not commence consideration of the Audit Offices' 2008 budget in his absence.

ITEM 6: TO CONTINUE EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEAR 2004 TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

<i>Ministry/Department/ Agency</i>	<i>Paragraphs in Auditor General's Report</i>	<i>Accounting Officer</i>
25. Region No. 5 – Mahaica/ Berbice	1241 – 1288 (48)	Mr. Floyd France Regional Executive Officer

- 6.1 At 1.25 p.m. the Committee proceeded to consider the Report on the public accounts with respect to Region No. 5 – Mahaica/Berbice together with the Comments submitted by the Accounting Officer.
- 6.1.1 Officers present for the examination were:
- (i) Mr. Floyd France, Regional Executive Officer, (Accounting Officer)
 - (ii) Mr. Sean Carmichael, Chief Accountant (Ag.)
 - (i) Mr. Govind Singh, Regional Development Officer
 - (ii) Mr. Dennis Tohol, Regional Engineer
- 6.1.2 Mr. Seewchan, Permanent Secretary (Ag.), Ministry of Local Government was also in attendance.
- 6.1.3 In response to an enquiry by the Chairperson as to whether the Accounting Officer had any additional responses to those he had earlier submitted, he informed Members that he had been prepared to give oral responses to the remaining paragraphs since he had been unable to prepare them in writing.
- 6.1.4 Members expressed dissatisfaction at the response of the Accounting Officer since the letter requesting his responses was sent some months ago.
- 6.1.5 At 1.45 p.m. the Committee agreed that the Officer and his team be allowed to use the Information Technology Department within the Parliament Office to prepare the written responses.
- 6.1.6 At 4.14 p.m. the Committee commenced consideration of the accounts with respect to Region No.5 – Mahaica/Berbice together with the updated comments prepared by the Accounting Officer.

- 6.1.7 **Paragraph 1241 – Misappropriation of Funds Totalling \$230,000**
- 6.1.7.1 The Committee noted the response of the Accounting Officer that he had made oral follow-ups but had not received a written response and advised him that he should write the Commissioner of Police to enquire of the status of the investigations. He could refer to the oral communication on the matter.
- 6.1.7.2 The Accounting Officer undertook to put mechanisms in place to avoid any recurrence.
- 6.1.8 **Paragraph 1242 – Unclaimed Wages and Salaries**
- 6.1.8.1 The Committee noted the comments of the Accounting Officer that he had instituted mechanism to avoid a recurrence.
- 6.1.9 **Paragraph 1243 – Overpayment of Deductions to NIS and GRA**
- 6.1.9.1 In response to an enquiry, the Accounting Officer reported that he had been successful in recouping monies from the NIS through the Branch Office.
- 6.1.9.2 The Auditor General was requested to provide the Committee with an update on the matter.
- 6.1.9.3 The Accounting Officer was advised to discuss with GRA the possibility of crediting the amounts overpaid.
- 6.1.10 Paragraph 1244 was considered.
- 6.1.11 **Paragraph 1245 – Uncleared Cheque Orders Totalling \$336,165 and \$563,398, respectively**
- 6.1.11.1 In light of the Accounting Officer's comments that he had received permission from the Accountant General's Department to reconstruct the cheque orders, the Accounting Officer was required to submit to the Committee by the 3rd August, 2007 an update on the clearing of cheque orders totalling \$336,165 and \$563,398, respectively.
- 6.1.11.2 The Accounting Officer was required to submit all relevant documentation on this matter to the Audit Office, who would in turn apprise the Committee.
- 6.1.12 **Paragraph 1246 – Unpresented Log Books**
- 6.1.12.1 The Accounting Officer was advised to close all log books at the end of the year and open new ones at the commencement of the year.

- 6.1.13 Paragraphs 1247 and 1248 were considered.
- 6.1.14 **Paragraphs 1249 and 1250 – Award Contract totalling \$3.7M**
- 6.1.14.1 The Finance Secretary advised the Accounting Officer that where contracts were not awarded to the lowest bidder the reasons should be so stated.
- 6.1.14.2 The Auditor General was requested to update the Committee on the matter at its next meeting,
- 6.1.15 Paragraphs 1251 to 1256 were considered.
- 6.1.16 **Paragraph 1257 – Apparent Theft of Tubes Totalling \$300,000**
- 6.1.16.1 The Committee noted the comments of the Accounting Officer that in the absence of witnesses they were unable to charge anyone and advised the Accounting Officer to communicate with personnel at a higher level within the Police Force.
- 6.1.16.2 The Accounting Officer was also advised to obtain a police report with the aim of having the amounts written off by the Ministry of Finance.
- 6.1.17 Paragraphs 1258 to 1262 were considered.
- 6.1.18 **Paragraphs 1263 – 1265: Construction and Rehabilitation Works**
- 6.1.18.1 In light of the Accounting Officer's comments that contracts were awarded based on the criteria of mobilization bond, retention bond and performance bond, the Auditor General was advised to verify same in future.
- 6.1.19 Paragraphs 1266 to 1268 were considered.
- 6.1.20 **Paragraph 1269 – Overpayment Totalling \$184,031**
- 6.1.20.1 In light of the comments of the Accounting Officer that a re-audit was conducted and the situation had been resolved, the Committee requested the Auditor General to verify those comments and provide it by 6th August, 2007 with an update on the matter.
- 6.1.21 Paragraphs 1270 to 1273 were considered.
- 6.1.22 **Paragraph 1274 – Award of Contracts**
- 6.1.22.1 The Accounting Officer was advised that the reasons for not awarding contracts to the lowest should be stated in the Minutes.

- 6.1.23 Paragraphs 1275 to 1285 were considered.
- 6.1.24 **Paragraph 1286 – Purchase of Furniture**
- 6.1.24.1 The Accountant General was requested to ascertain whether refrigerator was categorized as school equipment or furniture.
- 6.1.25 **Paragraph 1287 – Purchase of Office Furniture and Equipment**
- 6.1.25.1 The Accounting Officer undertook to submit to the Auditor General copies of receipts for the sum of \$648,000 for audit inspection.
- 6.1.26 Paragraph 1288 was considered.
- 6.1.27 The Committee advised the Accounting Officer to take cognisance of what transpired at the meeting and that the Regional Administration needed to interact with the Auditor General to resolve issues highlighted.
- 6.1.27.1 The Committee also noted the inconsistencies with regard to the awarding of contracts and advised the Accounting Officer to be guided by the comments of the Finance Secretary and adhere to the financial regulations.
- 6.1.28 At 5.25 p.m. the Committee concluded its consideration of the above accounts.

<i>Ministry/Department/ Agency</i>	<i>Paragraphs in Auditor General's Report</i>	<i>Accounting Officer</i>
26. Region No 4 – Demerara/ Mahaica	1181 – 1240 (60)	Mr. Shafdar Alli Regional Executive Officer

- 6.2 At 1.47 p.m. the Committee proceeded to consider the Report on the public accounts with respect to Region No.4 – Demerara/ Mahaica together with the Comments submitted by the Accounting Officer.

- 6.2.1 Officers present for the examination were:
- (i) Mr. Shafdar Alli, Regional Executive Officer (Accounting Officer)
 - (ii) Ms Hazel Answick, Regional Educations District Officer
 - (iii) Mr. Stephen Glasgow, Regional Engineer
- 6.2.2 Mr. Seewchan, Permanent Secretary (Ag.), Ministry of Local Government was also in attendance.
- 6.2.3 Paragraph 1181 was considered.
- 6.2.4 **Paragraph 1182 – Non Registration of Staff with the NIS**
- 6.2.4.1 In response to an enquiry, the Accounting Officer reported that one hundred and fifty of the one hundred and fifty-four employees had been registered and given NIS numbers, the other four had since resigned from the job.
- 6.2.5 **Paragraph 1183 – Untimely Clearing of Cheque Orders**
- 6.2.5.1 The Committee noted the response of the Accounting Officer that more than 90% of the cheque orders totalling \$28.390M had been cleared and requested him to submit within one week a list of those cheque orders to the Accountant General's Department.
- 6.2.5.2 In response to an enquiry, the Auditor General reported that he could not confirm to the Accounting Officer's comments and undertook to verify the information at the earliest opportunity.
- 6.2.6 **Paragraph 1184 – Update on Utility Register**
- 6.2.6.1 In response to an enquiry the Accounting Officer informed Members that the utility register had been updated and that the Regional Administration was currently conducting a survey in the Timehri with the aim of having the area fully metered.
- 6.2.6.2 The Auditor General was requested to provided the Committee with a status report on the matter.
- 6.2.7 **Paragraphs 1185 -1188: Overpayment to Contractors**
- 6.2.7.1 At this point, the Committee continued to express concerns at the number of overpayments highlighted in the comments of the Auditor General's Report which had occurred by this Agency.

- 6.2.7.2 The Committee noted the observations of the Auditor General and advised the Accounting Officer that he should observe the rule of payment certificate and that he should acknowledged or refute comments made at the exit conference conducted by the Auditor General at the conclusion of the audit of his administration.
- 6.2.7.3 A Member proposed that the Committee should recommend that a mechanism be instituted where Ministries and Agencies could imprint information into a specified system to be transmitted to the National Procurement Board with a view of publicising nationally defaulting contractors.
- 6.2.7.4 The Accounting Officer was requested to submit to the Auditor General a status report on the matter.
- 6.2.8 **Paragraph 1189 - 1193: Overpayment on Rehabilitation Works**
- 6.2.8.1 The Committee noted the response of the Engineer that based upon the issuance of the payment certificate the contractors were paid full amounts even though the works were incomplete.
- 6.2.8.2 A Member proposed that the Accounting Officer be given guidance on the procedure to take some one to court since the contractors were legally paid. She reiterated that it should be the relevant Officers that should be liable to repay the overpaid amounts.
- 6.2.8.3 Members agreed to include in the PAC's Report for 2004 the issue of overpayments to contractors and the inability of the Regional Administration to recover the overpaid sums.
- 6.2.9 Paragraphs 1194 to 1197 were considered.
- 6.2.10 **Paragraph 1198 – Overpayment Totalling \$710,550**
- 6.2.10.1 The Committee noted the response of the Accounting Officer that works were not completed at the time full payment was made but that the works were subsequently completed.
- 6.2.10.2 The Auditor General was requested to conducted an audit inspection with a view to verify the comments of the Accounting Officer.
- 6.2.10.3 The Accounting Officer was advised to adhere to the financial regulations, and that the principle of the multi year project could be utilized for “roll – over” projects.

- 6.2.11 Paragraphs 1199 to 1209 were considered.
- 6.2.12 **Paragraph 1210 – Construction of Nursery School Totalling \$9.275M**
- 6.2.12.1 The Accounting Officer was required to submit to the Committee by 2nd August, 2007 information on whether the construction of the school was completed for the initial sum of \$8.959M or an additional sum was expended.
- 6.2.13 Paragraphs 1211 to 1214 were considered.
- 6.2.14 **Paragraph 1215 – Overpayment of Amounts Totalling \$546,642**
- 6.2.14.1 The Accounting Officer was requested to submit to the Auditor General a status report on the matter.
- 6.2.15 Paragraphs 1216 to 1218 were considered.
- 6.2.16 **Paragraph 1219 – Overpayment of Amounts Totalling \$611,365**
- 6.2.16.1 The Accounting Officer was requested to submit to the Auditor General a status report on the matter.
- 6.2.17 **Paragraphs 1220 and 1221 – Overpayment of Amounts Totalling \$474,010 and \$2.339M, respectively**
- 6.2.17.1 The Accounting Officer was requested to submit to the Auditor General a status report on the matter.
- 6.2.18 Paragraphs 1222 to 1227 were considered.
- 6.2.19 **Paragraph 1228 – Discrepancies in the Construction of Revetment at Cane Grove**
- 6.2.19.1 The Accounting Officer was requested to submit to the Auditor General a status report on the matter.
- 6.2.20 Paragraphs 1229 to 1232 were considered.

- 6.2.21 **Paragraph 1233 – Rehabilitation of Middle Walk Trench, Nabacalis, East Coast Demerara**
- 6.2.21.1 In response to an enquiry the Auditor General informed the Committee that it was difficult to conduct verification on the above named trench since a long period had elapsed when the audit was conducted.
- 6.2.22 **Paragraphs 1334 to 1236 – Purchase of Furniture and Equipment**
- 6.2.22.1 The Committee noted the comments of the Accounting Officer that the records mentioned therein were destroyed by floods and advised the Officer that in an effort to resolve this matter he should reconstruct those records.
- 6.2.23 Paragraphs 1237 and 1238 were considered.
- 6.2.24 **Paragraph 1239 – Appropriation Account Overstated by Amounts Totalling \$495,200**
- 6.2.24.1 The Accounting Officer undertook to provide the Committee with a response as to whether the amounts totalling \$495,200 was refunded to the Consolidated Fund.
- 6.2.24.2 The Committee agreed that in the examination of the accounts of the above Region it had identified instances of numerous overpayments made to contractors and proposed that the Accounting Officer:
- (i) Submit to the National Procurement Board the names and the amounts overpaid to contractors, and
 - (ii) Submit a list of the names of contractors who were requested to repay overpaid amounts and had failed to do so, with a view of preventing those contractors from obtaining future jobs and or to assist in the recovery of overpaid amounts from subsequent contracts.
- 6.2.25 Paragraph 1240 was considered.
- 6.2.26 The Finance Secretary indicated that the financial regulations provided that where subordinate Officers were instructed by their Superior to undertake a task that they deemed to be inappropriate they should indicate in writing to the Finance Secretary upon undertaking the assignment.
- 6.2.27 The Accounting Officer was reminded that he had been advised on the way forward and that he was the custodian of public funds.

- 6.2.28 The Committee advised the Accounting Officer that when he was appearing for the examination of the public accounts for 2005 he should have the relevant Officers accompany him to assist in providing clarifications.

ITEM 7: ANY OTHER BUSINESS

7.1 Works & Structures Department – Audit Office

- 7.1.1 The Chairperson drew Members' attention to a letter dated 20th July, 2007 from Mr. Phillip Smith, Director, Works and Structures Department of the Audit Office

- 7.1.2 The Chairperson referred to decisions made by the Committee at its meetings held on 7th May, 2007 and subsequent decisions made at its meeting held on 14th May, 2007.

- 7.1.3 The Committee agreed to defer further discussion on this matter to its meeting scheduled for 6th August, 2007. It also agreed that the Clerk of Committee should inform the Auditor General of the letter received from Mr. Smith and that he should come prepared to discuss the matter.

7.2 Issues within the Supreme Court Registry

- 7.2.1 A Member drew the Committees' attention to some issues within the Supreme Court Registry where there had been reports of contracted typing under the pretext that there were not enough typists to undertake the job.

- 7.2.3 It was proposed that the Auditor General should conduct an audit with the view of obtaining the names of the firms/individuals to which the jobs were contracted.

- 7.2.4 Another Member informed the Committee that there were also reports by a Magistrate that taxis were sent to transport him to and from Linden to conduct court. No taxi slips or payment vouchers were usually signed by him to authorize payments and was unaware how the taxi operators were being paid.

7.3 Seminar/ Workshop for Committee Members

- 7.3.1 A Member proposed that the seminar for Members of the Committee on the IFMAS system should be held at the first meeting after the recess.

Adjournment

At 5.25 p.m. the meeting was adjourned to 1.00 p.m. on Monday 6th August, 2007.

Confirmed this day of August, 2007

.....*Volda Lawrence*.....
Mr. Volda A. Lawrence, M.P
Chairperson.

THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2007)

MINUTES OF THE 23RD MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 3.40 P.M
ON MONDAY, 26TH NOVEMBER, 2007
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)

(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P.

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip - (Excused)

Ms Bibi S. Shadick, M.P - (Excused)

Mr. Mohamed Irfaan Ali, M.P

Mr. Komal Chand, C.C.H., J.P., M.P.

Mr. Dharamkumar Seeraj, M.P. - (Excused)

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P. - (Absent)

Mr. Anthony Vieira, M.P. - (Absent)

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P.

ADVISERS – (3)

The Auditor General (Mr. Deodat Sharma)
The Finance Secretary (Mr. Neermal Rekha)
The Accountant General (Ag) (Mr. Hardatt Autar)

Officers

Ms Sonia Maxwell - Clerk of Committee
Ms Tanzadell Bentinck - Assistant Clerk of Committee

In Attendance

Mr. Harry N. Jewan - Manager, Project Execution Unit, FFMP,
Parliament Office

ITEM 1: CALL TO ORDER

1.1 The Chairperson called the meeting to order at 3.40 p.m.

ITEM 2: ANNOUNCEMENTS

2.1 **Excuses**

2.2.1 The Chairperson informed the Committee that the following Members had asked to be excused from the meeting:

- (i) Mrs. Indranie Chandarpal, M.P., Chief Whip
- (ii) Ms Bibi S. Shadick, M.P.
- (iii) Mr. Dharamkumar Seeraj, M.P., and
- (iv) Mr. Winston S. Murray, C.C.H., M.P.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents were circulated prior to the meeting:

- (i) Notice of 23rd Meeting dated 23rd November, 2007;
- (ii) Minutes of the 22nd Meeting held on 19th November, 2007;
- (iii) Copy of Comments on the Auditor General's Report by the Accounting Officer of the Office of the Prime Minister and the Ministry of Public Works & Communications and the Auditor General's Briefing Notes thereon;

- (v) Copy of schedule of examination of remaining Agencies for 2004 and examination of agencies accounts for 2005;

3.2 The following documents were circulated at the meeting:

- (i) Copies of letters dated 8th October, 2007 from the Permanent Secretary, Ministry of Public Works & Communications to the:
 - REO's of Regions 3 and 6, and
 - Town Clerk, Mayor & City CouncilRe: Report of the Auditor General for the year ended 31st December, 2005;
- (ii) Copy of letter dated 18th October, 2007 to the Assistant Head, Committees Division re Proposals for an extension of time to clear cheque orders from the Ministry of Public Works & Communication;
- (iii) Copy of letter dated 24th October, 2007 from the Permanent Secretary, Ministry of Public Works & Communications to the REO – Region No. 3, re: Report of the Auditor General for the year ended 31st December, 2005.

ITEM 4: CONFIRMATION OF MINUTES OF THE 22ND MEETING HELD ON 19TH NOVEMBER, 2007

Corrections

- 4.1 **Page 200, paragraph 4.4.1**
- 4.1.1 Substitution of the word “chart” for the word “char” before the word “level” in line 3.
- 4.2 **Page 204, paragraph 5.1.6**
- 4.2.1 Substitution of the words “staffing of the Audit Office” for the words “the Works and Structures Department” after the word to in the second line.
- 4.3 Thereafter, the Minutes were confirmed on a motion moved and seconded by Messrs Ali and Patterson, respectively.

ITEM 5: MATTERS ARISING

5.1 Page 202, paragraph 4.13.1 – Role of the PAC in the Review of the Audit Office Budget

5.1.1 In response to an enquiry, the Finance Secretary reported that he had conveyed the Committee's sentiments to the Hon. Minister of Finance in relation to the PAC's involvement in the review of the Audit Office's budget.

5.2 Page 203, paragraph 4.13.1 – Advertisements for the positions of Directors in the Audit Office

5.2.1 The Auditor General, in response to an enquiry informed Members that the advertisements were submitted to the Executive Committee, with a view to ensuring that the Job Specification was in consonance with what was approved by the PSM. However, the advertisements would be submitted to the Committee for consideration at its next meeting.

5.3 Page 204, paragraph – Letter to Chief Parliamentary Counsel

5.3.1 Upon request the Clerk of Committee informed Members that the above letter was dispatched to the Chief Parliamentary Counsel.

5.4 Paragraph 7.2.3 – Recruitment of Consultant

5.4.1 Mr. Ali reported that he and Mr. Vieira had re-examined the applications for the Consultants and that a proposal would be submitted to the Committee at its next meeting.

5.4.2 In response to an enquiry, from the Chairperson as to the time-frame for the recruitment of the Consultant, Mr. Jewan indicated until the end of March.

ITEM 6: TO CONTINUE AND COMMENCE EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEARS 2004 AND 2005, RESPECTIVELY TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in Auditor General's Report		Accounting Officer
	2004	2005	
1. Office of the Prime Minister	-	149 (1)	Mr. Balraj Balram

6.1 Matrix on the 2004 and 2005 Auditor General Reports

6.1.1 The Committee agreed that the Auditor General should prepare a matrix on the paragraphs of those agencies that have remaining accounts for 2004 together with the accounts for 2005 along with questions pertaining to the corresponding paragraphs.

6.2 At 3.05 p.m. the Committee proceeded to consider the Report on the Public Accounts with respect to the Office of the Prime Minister together with the Comments submitted by the Accounting Officer.

6.2.1 Officers present for the examination were:

- (i) Mr. Balraj Balram, Permanent Secretary, and
- (ii) Ms Maxine Alexander Nestor, Principal Project Coordinator, UAEP

6.2.2 Paragraph 149 – Vehicles Spares and Services

6.2.3 Members expressed grave concern over the amount of monies expended on spares and services of three vehicles and agreed that the Accounting Officer submit to it by the 15th December, 2007 the following information:

- (i) A breakdown of the expenditure for vehicle PHH 4396 for the years 2004 to 2006;
- (ii) Acquisition cost of vehicles PEE 7511 and PEE 858, respectively, and

- (iii) The names of the mechanic(s) that conducted works on the vehicles during the period mentioned at (i) above.

6.2.4 At 3.17 p.m. the Committee concluded its consideration of the accounts of the Office of the Prime Minister.

Ministry/Department/Other	Paragraphs in Auditor General's Report		Accounting Officer
	2004	2005	
2. Ministry of Public Works & Communications	515-673 (159)	634-787 (153)	Mr. Balraj Balram

6.3 At 3.20 p.m. the Committee proceeded to consider the Report on the Public Accounts with respect of the Ministry of Public Works & Communications together with the Comments submitted by the Accounting Officer.

6.3.1 Officers present for the examination were:

- (i) Mr. Balraj Balram, Permanent Secretary
- (ii) Mr. Rickford Lowe, Coordinator, Works Services Group
- (iii) Ms Pamela Mc Adam, Principal Asst. Secretary(F), (ag)
- (iv) Mr. William Joseph, General Manager, T7HD
- (v) Mr. Nazrudeen Aziz, General Manager, Demerara Harbour Bridge (ag)
- (vi) Mr. Walter Willis, Technical Advisor, MPWC
- (vii) Mr. Leon Goring, Engineering Coordinator
- (viii) Paula Mc Adam, Director Aviation Safety Regulation
- (ix) Mr. Abiose Thomas, Accountant
- (x) Ms Agnes Dalrymple, Project Manager
- (xi) Ms Paulette Bumbury, Accountant
- (xii) Mr. George Howard, Chief Officer, Sea Defences

6.3.2 The Committee had previously agreed to consider the examination of those agencies with outstanding accounts for 2004 simultaneously with their accounts for 2005. However, after deliberations on the corresponding paragraphs for the 2004 and 2005 reports, the Committee agreed to examine the accounts separately.

- 6.3.3 The Committee noted, that even though the Accounting Officer had been advised months ago to write to the Regional Executive Officers requesting information for verification by the Audit Office, those letters were only dispatched on 8th October, 2007.
- 6.3.4 At this point, the Committee reversed its earlier decision to examine the 2004 and 2005 accounts of the Ministry of Works & Communications simultaneously.
- 6.3.5 Paragraphs 517 to 519 were considered.
- 6.3.6 **Paragraph 520 – Overseas Charges totalling \$808,571M**
- 6.3.6.1 In response to an enquiry, the Accounting Officer informed Members only two telephone lines were authorized for use of overseas calls. A register was introduced to record such calls.
- 6.3.7 Paragraphs 521 to 523 were considered.
- 6.3.8 **Paragraph 524 – Unpresented Financial Statement for Civil Aviation Authority**
- 6.3.8.1 The Accounting Officer, in response to an enquiry, reported that audit verification had been completed on the 2004 statements and that audit verification was currently being conducted on the 2005 and 2006 statements, respectively.
- 6.3.9 **Paragraph 525 – Financial Statement of the Cheddi Jagan International Corporation (CJIA)**
- 6.3.9.1 In response to an enquiry, the Accounting Officer informed Members that the report on the 2004 statements of the above agency had been completed. The financial statements for the years 2005 and 2006, respectively were available for audit.
- 6.3.10 Paragraph 526 was considered.
- 6.3.11 **Paragraph 527 (i) and (ii) – Collection of Revenues and Revenue Register.**
- 6.3.11.1 The Accounting Officer reported that:
- (i) the situation had been rectified accordingly, and
 - (ii) balances in the revenue register were corrected and the register was being maintained.
- 6.3.12 Paragraphs 527 to 533 were considered.

- 5.2.13 **Paragraph 534 – Rehabilitation of Sewage system at CJIA**
- 6.3.13. The Accounting Officer reported that the works on the above sewage system had been completed.
- 6.3.14 Paragraphs 535 to 557 were considered.
- 6.3.15 **Paragraph 558 – Overstatement of \$15M on the Appropriation Account**
- 6.3.15.1 In response to an enquiry, the Accountant General informed Members that he would have to examine the matter before making a pronouncement on the issue.
- 6.3.16 **Paragraph 559 – Unreflected Amount in the Appropriation Statement Totalling \$2.6M**
- 6.3.16.1 The Accountant General was requested to submit by the 15th December, 2007 a status report on the above matter.
- 6.3.17 Paragraphs 563 to 570 were considered.
- 6.3.18 **Paragraphs 571 and 572 – Emergency Works**
- 6.3.18.1 The Committee expressed serious concern regarding monies being expended on projects which were not budgeted for and incidental amounts being expended on those budgeted for.
- 6.3.18.2 The Auditor General was advised to highlight such issues in the future, if and when they occurred.
- 6.3.19 Paragraphs 573 to 575 were considered.
- 6.3.20 **Paragraph 576 – Overpayment of \$1.113M**
- 6.3.20.1 Based on the advice from the Committee, the Accounting Officer undertook to inform the Central Tender Board Department and the Police of the overpayment to the contractor with a view to recover the overpaid amount.
- 6.3.21 **Paragraph 577 – Overpayment of the sums of \$2.408M and \$1.559M, respectively**
- 6.3.21.1 The Accounting Officer was requested to investigate the issue of the overpayments and report, within two weeks, to the Committee on the action taken. Copies of all documents sent to the Central

Tender Board Department and the Police should be submitted to the Committee.

- 6.3.21.2 The Accounting Officer was also required to submit a status report by the 15th January, 2007 on the matter.
- 6.3.22 Paragraphs 578 to 580 were considered.
- 6.3.23 **Paragraph 581 - Overpayment of \$\$566,400 and \$740,220, respectively**
- 6.3.23.1 In response to an enquiry, the Auditor General informed the Committee that he had revisited the issue and that the matter was clarified.
- 6.3.24 Paragraphs 582 and 590 were considered.
- 6.3.25 **Paragraph 591 – Emergency Works**
- 6.3.25.1 In response to a query, the Auditor General informed Members that the Accounting Officer was authorized to undertake emergency works and that there was no evidence of contract splitting
- 6.3.26 **Paragraph 595 - Log Books**
- 6.3.26.1 The Chairperson commended the Accounting Officer for the improved situation with regard to the log books.
- 6.3.27 Paragraphs 596 to 599 were considered.
- 6.3.28 **Paragraph 599 – Financial Statement for the Demerara Harbour Bridge**
- 6.3.28.1 In response to an enquiry, the Accounting Officer informed the Committee that the financial statements for the years 2005 and 2006 respectively were available for audit.
- 6.3.29 Paragraphs 600 to 622 were considered.
- 6.3.30 **Paragraph 623 – Award of Contracts**
- 6.3.30.1 The Chairperson commended the Accounting Officer for adhering to Tender Board adjudications and avoiding contract splitting.
- 6.3.31 Paragraphs 624 to 673 were considered.

- 6.3.32 At this point, the Committee agreed that the Accounting Office should return on Monday, 3rd December, 2007 for the examination of the 2005 accounts.
- 6.3.33 The Chairperson thanked the Accounting Officer for attending the meeting and commended him for improvement in some areas. However, she expressed disappointment with the overpayment to some contractors and hoped that similar issues did not occur in the 2005 accounts.
- 6.3.34 At 4.30 p.m. the Committee concluded its consideration of the above accounts.

ITEM 6: ANY OTHER BUSINESS

- 6.1 **Visit to Nebraska Legislation**
- 6.1.1 The Chairperson recapitulated the visit by some Members of the Public Accounts and the Economic Services Committees to the above named legislature. She also referred to the cost incurred by Members due to the delay in flight arrangements.
- 6.1.2 Mr. Jewan, at the invitation of the Chairperson, informed the Committee:
- (i) that the request for reimbursement should be made through the Speaker for transmittal to the IDB, and
 - (ii) that the Joint Report on the visit was still outstanding.
- 6.1.3 The Finance Secretary advised the Committee that since the trip was not financed by the Government then it was not a matter to be discussed at the level of the Committee but rather among the members who attended the trip.
- 6.2 **Supreme Court Registry - Hiring of Taxis Totalling \$7.506M**
- 6.2.1 The Chairperson reminded Members of the above issue.
- 6.2.2 The Auditor General, in response to an enquiry, informed Members that he had conducted an audit and would submit his findings at the next meeting.

Adjournment

At 4.45 p.m. the meeting was adjourned to 2:00 pm on Monday 3rd December, 2007.

Confirmed this day of December, 2007

Volda Lawrence

.....
Ms. Volda A. Lawrence, M.P

Chairperson

**THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2007)**

**MINUTES OF THE 24TH MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 2.00 P.M
ON MONDAY, 3RD DECEMBER, 2007
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN**

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)
(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P.

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip

Ms Bibi S. Shadick, M.P - (Excused)

Mr. Mohamed Irfaan Ali, M.P

Mr. Komal Chand, C.C.H., J.P., M.P. - (Excused)

Mr. Dharamkumar Seeraj, M.P.

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P.

Mr. Anthony Vieira, M.P.

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P.

ADVISERS – (3)

The Auditor General (Mr. Deodat Sharma)
The Finance Secretary (Mr. Neermal Rekha) - (Excused)
The Accountant General (Ag) (Mr. Hardatt Autar)

Officers

Ms Sonia Maxwell - Clerk of Committees
Ms Tanzadell Bentinck - Assistant Clerk of Committee

In Attendance

Mr. Harry N. Jewan - Manager, Project Execution Unit, FFMP,
Parliament Office

Mr. Gordon Ferrel - Research Assistant}
Ms. Carol Isaacs - Research Assistant} attached to the Public Accounts
Committee.

ITEM 1: CALL TO ORDER

1.1 The Chairperson called the meeting to order at 2.00 p.m.

ITEM 2: ANNOUNCEMENTS

2.1 Welcome

The Chairperson, on behalf of Members, and extended a warm welcome to Mr. Gordon Ferrel and Ms. Carol Isaacs, Research Assistants to the Public Accounts Committee.

2.2 Excuses

2.2.1 The Chairperson informed the Committee that the following Members had asked to be excused from the meeting:

- (i) Ms. Bibi Shadick, M.P., and
- (ii) Mr. Komal Chand, C.C.H., J.P., M.P.

ITEM 3: CIRCULATION OF DOCUMENTS

- 3.1 The following documents were circulated prior to the meeting –
- (i) Notice of 24th Meeting dated 30th November, 2007;
 - (ii) Minutes of 23rd Meeting held on 26th November, 2007;
 - (iii) Letter dated 20th November, 2007 from Assistant Head of Committees Division re: Advice on Amendment to the Manning Level Chart of the Rules, Policies and Procedures Manual;
 - (iv) Letter dated 30th November, 2007 from the Chief Parliamentary Counsel, re: Advice on Amendment to the Manning Level Chart of the Rules, Policies and Procedures Manual; and
 - (v) Copy of Letter 320/AG: 10/2007/73 dated 29th November, 2007 from the Auditor General, re: Amendments to Rules, Policies and Procedural Manual.

- 3.2 The following documents were circulated at the meeting:
- (i) Copy of letter dated 29th November, 2007 from the Permanent Secretary, Ministry of Public Works and Communications re: Supplementary Information on Auditor General's Report for the year ended 31.12.2005 – Office of the Prime Minister and Ministry of Public Works and Communications, and
 - (ii) Letter dated 30th November, 2007 from the Auditor General, re: Proposals for the Works and Structures Department.

3.3 **Suspension of Agenda**

- 3.3.1 The Committee agreed to suspend the Agenda to allow for the examination of the Report of the Auditor General on the Public Accounts of the Ministry of Public Works & Communications.

ITEM 4: TO CONTINUE EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEAR 2005 TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
2. Ministry of Public Works & Communications	634-787 (153)	Mr. Balraj Balram

- 4.1 At 2.10 p.m. the Committee proceeded to consider the accounts of the Ministry of Public Works & Communications.
- 4.1.2 Officers present for the examination were:
- (i) Mr. Balraj Balram, Permanent Secretary
 - (ii) Mr. Rickford Lowe, Coordinator, Works Services Group
 - (iii) Ms Pamela Mc Adam, Principal Asst. Secretary(F), (Ag)
 - (iv) Mr. William Joseph, General Manager, T&HD
 - (v) Mr. Nazrudeen Aziz, General Manager, Demerara Harbour Bridge (Ag)
 - (vi) Mr. Walter Willis, Technical Advisor, MPWC
 - (vii) Mr. Leon Goring, Engineering Coordinator
 - (viii) Paula Mc Adam, Director Aviation Safety Regulation
 - (ix) Mr. Abiose Thomas, Accountant
 - (x) Ms Agnes Dalrymple, Project Manager
 - (xi) Ms Paulette Bumbury, Accountant
 - (xii) Mr. George Howard, Chief Officer, Sea Defences
- 4.1.3 Paragraphs 634 to 636 were considered.
- 4.1.4 **Paragraph 637 – Unpresented Payment Voucher Totalling \$7.535M**
- 4.1.4.1 In response to an enquiry, the Accounting Officer informed the Committee that thirty-nine of the forty-eight payment vouchers were retrieved and that nine vouchers totalling 2.6M were still outstanding. Efforts were being made to recover the remaining vouchers.
- 4.1.5 Paragraph 638 was considered.
- 4.1.6 **Paragraph 639 – Log books**
- 4.1.6.1 In response to an enquiry as to whether the Accounting Officer had complied with the recommendations of the Auditor General, the Accounting Officer informed the Committee that the vehicles were unserviceable and were not operational in 2005.
- 4.1.7 Paragraphs 640 to 647 were considered.

- 4.1.8 **Paragraph 648 – Award of Contract for Repairs to Vehicle**
- 4.1.8.1 Members expressed concerns that the Ministry had a Mechanical Superintendent whose job was to examine vehicles but the works were contracted. Further, that separate contracts were obtained for the supply of vehicle spares and labour cost.
- 4.1.8.2 The Accounting Officer was advised to desist from such practices in the future and that the services of the Mechanical Superintendent should be utilized in that regard.
- 4.1.9 Paragraphs 649 to 655 were considered.
- 4.1.10 **Paragraph 656 – No objection of award of contract**
- 4.1.10.1 The Committee noted the comments of the Auditor General and advised that it was procedurally incorrect to state that a contract was approved by Cabinet. However, it should be re-written to indicate the no objection by Cabinet.
- 4.1.11 Paragraphs 657 to 661 were considered.
- 4.1.12 **Paragraph 662 – Consultancy Service Totalling \$407.537M and \$15.033M, respectively**
- 4.1.12.1 In response to an enquiry, the Accounting Officer informed the Committee that arising from the advice of the Consultant, his Agency procured the software to assist with sea defence maintenance and designs, designing parameters along the sea defence where incursion and erosion were likely to occur at a specific time. And if, certain scenarios arose what would be the outcome.
- 4.1.12.2 In light of the Accounting Officer's remarks that many of the Engineers had left the job, the Committee advised him that he should continue to train Officers.
- 4.1.13 Paragraphs 663 to 667 were considered.
- 4.1.14 **Paragraph 668 – Contracts awarded for Supervision Services**
- 4.1.14.1 In response to a query, the Auditor General undertook to delete the above paragraph.
- 4.1.15 Paragraphs 669 and 670 were considered.

4.1.16 **Paragraph 671 – Emergency Works**

4.1.16.1 The Accounting Officer in response to an enquiry, reported that Leonora benefitted from three separate contracts due to emergency works done to the sea defence at Leonora and El Dorado in October, 2005. Works were executed as the materials were supplied.

4.1.16.2 At this point some Members expressed the view that there were no discrepancies, hence it should not have been reported on by the Auditor General.

4.1.16.3 On the contrary some Members felt that the Auditor General's Report should reflect a comprehensive audit, and where there were no discrepancies, qualifying statements should be recorded.

4.1.16.4 The Chairperson informed the Committee that the issue would be tabled on the Agenda for discussion.

4.1.17 Paragraphs 672 to 675 were considered.

4.1.18 **Paragraph 676 – Overpayment Totalling \$1.113M**

4.1.18.1 The Accounting Officer reported that based on the advice received by the Committee at its last meeting the Attorney General, Police and the Central Tender Board were informed of the overpayment to the contractor.

4.1.18.2 The Accounting Officer was requested to submit to the Committee by the 15th December, 2007:

- (i) the terms of employment of the Officer who was responsible for the supervision of the works;
- (ii) whether any benefits which he was entitled to was paid to him after he left, and
- (iii) what attempts were made by the Ministry to recover the overpaid amounts to the contractor.

4.1.19 Paragraphs 677 to 682 were considered.

4.1.20 **Paragraph 683 – Expenditure Totalling \$186,690,000**

4.1.20.1 The Accounting Officer was required to submit to the Committee by the 15th December, 2007 a report on what accounted for an expenditure of \$40,739,000 under the sub-heading captioned "other".

- 4.1.21 Paragraphs 684 to 694 were considered.
- 4.1.22 **Paragraph 695 – CARICOM Secretariat**
- 4.1.22.1 In response to an enquiry, the Accounting Officer informed the Committee that the construction of the Secretariat did not include furniture, fittings and equipment. Additional sums were also expended for the extension and modification to the lighting system and modernisation of the voice data.
- 4.1.22.2 He also informed the Committee that the Multipurpose Complex at Linden was completed and handed over to the stakeholders.
- 4.1.23 Paragraphs 699 to 700 were considered.
- 4.1.24 **Paragraphs 701 to 703 – Funds from Current Revenue being Expended for Capital Works**
- 4.1.24.1 In response to an enquiry, the Accounting Officer informed the Committee that monies appropriated for the maintenance of vessels were insufficient. There was provision that allowed for the Ministry to undertake such works from its current revenue. The procedure relating to virement of funds should be adhere to.
- 4.1.24.2 He reiterated that the Minister of Public Works & Communications or the Board had the authority to approve the virement of funds from current to capital.
- 4.1.24.3 The Auditor General reported that the Ministry's statement for 2002 indicated a deficit of \$3 billion dollars and that he was pursuing the matter with the Accounting Officer with a view to resolving the matter.
- 4.1.24.4 The Auditor General undertook to qualify the accounts from 2003 to present and to make specific comments at the conclusion of the examination.
- Docking and Execution of Works on Vessels**
- 4.1.24.5 The Committee noted the comments of the Accounting Officer that separate contracts were prepared for the docking of vessels and execution of works on the vessels and advised him to consolidate contracts.
- 4.1.25 Paragraphs 704 to 711 were considered.

- 4.1.26 **Paragraphs 712 to 713 - Expending Current Revenue for Capital Works**
- 4.1.26.1 The Committee noted a similarity with paragraphs 701 to 703 and the above paragraphs
- 4.1.27 **Paragraphs 714 – Supporting documents for Payment Voucher Totalling \$5M**
- 4.1.27.1 The Accounting Officer was requested to submit to the Committee by the 15th December, 2007 the supporting documents for the expended sum of \$5M.
- 4.1.28 Paragraphs 715 to 721 were considered.
- 4.1.29 **Paragraph 722 – Contracts Totalling \$17.207M and \$23.872M, respectively**
- 4.1.29.1 The Committee noted a similarity with paragraphs 701 to 703 and the above paragraphs.
- 4.1.30 Paragraphs 723 to 727 were considered
- 4.1.31 **Paragraph 728 – Contract totalling \$125.817M**
- 4.1.31.1 In response to an enquiry, the Auditor General reported that there was a special investigation and disciplinary action was recommended in the report against the Officer(s) responsible for the duplication of materials.
- 4.1.31.2 The Accounting Officer was requested to submit a report to the Committee by 17th December, 2007 on the disciplinary action taken against those Officer (s) that were liable.
- 4.1.32 Paragraphs 729 to 740 were considered.
- 4.1.33 **Paragraph 741 and 742 – West Demerara/Four Lane Road**
- 4.1.33.1 In response to an enquiry, the Accounting Officer reported that the Government had waiver the liquidated damages of 2M to allow the contractor to complete the works.
- 4.1.33.2 The Accounting Officer was required to submit to the Committee by the 15th December, 2007 the imposed liquidated damages and the nature of the claim for the waiver of the liquidated damages.
- 4.1.34 Paragraphs 743 to 758 were considered.

- 4.1.35 **Paragraphs 759 – Non submission of Expenditure Statements totalling \$9.760M**
- 4.1.35.1 The Committee noted the comments of the Accounting Officer and proposed that new warrants should not be released to those Agencies that have outstanding expenditure statements.
- 4.1.36 Paragraphs 760 to 763 were considered.
- 4.1.37 **Paragraphs 764 and 765 – Overpayment totalling \$151605M \$71.261M, respectively**
- 4.1.37.1 The Auditor General was required to pursue the matter in relation to the above overpaid amounts in his 2006 audit report.
- 4.1.38 **Paragraph 766 – Inappropriate Charge under Miscellaneous Roads Sub-head**
- 4.1.38.1 The Committee noted the response of the Accounting Officer and advised the Auditor General to re-examine the issue and to submit to it a report accordingly.
- 4.1.39 **Paragraph 777 and 778 – Urban Roads/Drainage**
- 4.1.39.1 The Auditor General was required to pursue the matter with regard the use of funds from the miscellaneous road project to undertake works that were not catered for.
- 4.1.40 Paragraphs 779 to 783 were considered.
- 4.1.41 **Paragraph 784 - Unpresented expenditure statement totalling \$55M: Mayor and City Council**
- 4.1.41.1 In response to an enquiry the Accounting Officer informed Members that he was pursuing the matter.
- 4.1.42 Paragraphs 785 to 787 were considered.
- 4.1.43 At 5.15 pm. the Chairperson, on behalf of the Public Accounts Committee, thanked the Accounting Officer and staff for providing clarifications on issues and wished them a blessed holiday season.
- 4.1.44 The Accounting Officer undertook to adhere to the advice given by the Committee.

ITEM 5: CONFIRMATION OF MINUTES OF THE 23RD MEETING HELD ON 26 TH NOVEMBER, 2007

Corrections

- 5.1 **Page 213, paragraph 6.3.6**
- 5.1.1 Substitution of the figure "\$808, 571" for "\$808,587M" after the word "totalling".
- 5.2 **Page 215, paragraph 6.3.23 and 6.3.28, respectively**
- 5.2.1 (i) Substitution of "\$566,400" for "\$533,400", and
(ii) Substitution of the word "of" for the word "for" in the heading.
- 5.3 Thereafter, the Minutes were confirmed on a motion moved and seconded by Messrs Ali and Patterson, respectively.
- 5.4 There were no matters arising from the Minutes.

ITEM 6: TO CONTINUE CONSIDERATION OF MATTERS PERTAINING TO THE ENGINEERS WITHIN THE AUDIT OFFICE

- 6.1 An extensive discussion ensued on the above issue and divergent views were expressed.
- 6.1.1 A Member felt that a decision could not be arrived at immediately since time was needed to study the documents. Guidance was also required on the way forward.
- 6.1.2 Based on suggestions from some Members, the Committee agreed that Mr. Patterson should meet with Mr. Ali and Mrs. Chandarpal with a view of arriving at a decision as to the way forward on the issue for the next meeting.
- 6.1.3 The Chairperson expressed the desire to bring closure to this matter at the next meeting.

ITEM 7: ANY OTHER BUSINESS

7.1 One-day Event with the PAC of Guyana

7.1.1 The Chairperson referred to a letter dated 15th November, 2007 she received from the Executive Director of CCAF-FCVI - a Canadian based Entity.

7.1.2 The Director of the CCAF, Geoff Dubrow was travelling to Guyana during the week of 7th March, 2008 and would like to organize a one-day event with the PAC of Guyana on Friday, 7th March, 2008 with regard to the functions of the Public Accounts Committee and its oversight role.

7.1.3 The Committee agreed to table this matter on the agenda for discussion at the next meeting.

Adjournment

At 6:30 p.m. the meeting was adjourned to 2:00 pm on Monday, 10th December, 2007.

Confirmed this 10th day of December, 2007

.....*Volda Lawrence*.....
Ms. Volda A. Lawrence, M.P
Chairperson.

THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2007)

MINUTES OF THE 25TH MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 2.05 P.M
ON MONDAY, 10TH DECEMBER, 2007
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)

(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P.

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip

Ms Bibi S. Shadick, M.P

Mr. Mohamed Irfaan Ali, M.P

Mr. Komal Chand, C.C.H., J.P., M.P. - (Excused)

Mr. Dharamkumar Seeraj, M.P. - (Excused)

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P.

Mr. Anthony Vieira, M.P.

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P.

ADVISERS – (3)

The Auditor General (Mr. Deodat Sharma)
The Deputy Finance Secretary (Mrs. Lorene Baird)
The Accountant General (Ag) (Mr. George Abrams)

Officers

Ms. Debra H. Cadogan - Assistant Head of Committees Division
Ms. Letta Barker - Assistant Clerk of Committee

In Attendance

Mr. Harry N. Jewan - Manager, Project Execution Unit, FFMP,
Parliament Office
Mr. Gordon Ferrel - Research Assistant}
Ms. Carol Isaacs - Research Assistant} attached to the Public Accounts
Committee.

ITEM 1: CALL TO ORDER

1.1 The Chairperson called the meeting to order at 2.05 p.m.

ITEM 2: ANNOUNCEMENTS.

2.1 **Excuses**

2.2.1 The Chairperson informed the Committee that the following Members had asked to be excused from the meeting:

- (i) Mr. Komal Chand, C.C.H., J.P., M.P., and
- (ii) Mr. Dharamkumar Seeraj, M.P.

2.2 **Suspension of Agenda**

2.2.1 The Committee agreed that items (ii) and (iii), that is, *consideration of matters pertaining to Engineers within the Audit Office, and the discussion for engagement of the Committee in a one day event hosted by CCAF-FCVI, a Canadian entity,* respectively would be discussed at a meeting scheduled for 11.00 a.m. on Wednesday, 12th December, 2007.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents were circulated prior to the meeting:

- (i) Notice of 25th Meeting dated December, 2007;
- (ii) Minutes of 24th Meeting held on 3rd December, 2007;
- (iii) Letter dated 15th November, 2007, from CCAF-FCVI, a Canadian Entity, for the engagement of the Committee in a one-day event hosted by the Entity.
- (iv) Copy of Record Of Proceedings of the 7th Meeting of the Public Accounts Committee for the First Session of the National Assembly of the Ninth Parliament of Guyana (2006-2007), 4th for 2007, 2nd for 2004 Accounts, held in Parliament Chamber, Public Buildings, Georgetown.
- (v) Copy of Comments from the Accounting Officer of:
 - (a) Region NO.6-East Berbice/Corentyne

and the Auditor General's Breifing Notes thereon.

ITEM 4: CONFIRMATION OF MINUTES OF THE 24TH MEETING HELD ON 3RD DECEMBER, 2007.

Corrections

4.1 **Page 221 paragraph 412**

4.1.1 Substitution of "Ms. Carren Bowen, Traffic Manager, Transport and Harbour Department" for "Mr. William Joseph, General Manager, Transport and Harbour Department.

4.2 **Page 223, paragraph 4.1.18.1 – Overpayment totaling \$1.113M**

4.2.1 Substitution of "National Procurement and Tender Administration Board" for "Central Tender Board" in line 3.

4.3 **Page 224, paragraph 4.1.24.3 – 3 billion dollar deficit reflected in Ministry's 2003 to 2005 Statements**

4.3.1 Substitution of the following for the above paragraph:

"The Auditor General reported that the Ministry's Statement for 2002 was audited. The audited statements for 2003 to 2005 were submitted and the draft statements for 2005 reflected a deficit of \$3 billion dollars."

- 4.4 **Page 224, paragraph 4.1.24.4**
- 4.4.1 The Committee agreed that the above paragraph should be deleted.
- 4.5 **Page 225, paragraph 4.1.33.1– West Demerara Four Lane Road**
- 4.5.1 Substitution of the following for the above paragraph:
- “In response to an enquiry, the Accounting Officer reported that the Government had waived the liquidated damages to allow the contractor to complete the additional works.”*
- 4.6 **Page 226, paragraph 4.1.37 and 4.1.37.1**
- 4.6.1 Substitution of the following for the above paragraphs:
“Paragraphs 764 and 765 – Unpresented Records totalling \$151.605M and \$71.261M, respectively
- The Auditor General was required to pursue the matter in relation to the above amounts in his 2006 Audit Report since the files were not presented for audit.”*
- 4.7 Thereafter, the Minutes were confirmed on a motion moved and seconded by Mr. David Patterson and Mrs. Indranie Chandarpal, respectively.

ITEM 5: MATTERS ARISING

- 5.1 **Page 223, paragraphs 4.1.16.2 to 4.1.16.4**
- 5.1.1 The Chairperson reminded Members that there was need for the Committee to decide whether the report of the Auditor General should reflect only qualified statements. It was felt that too much time was spent on unqualified statements hence, should not be included in the report.
- 5.1.2 Mr. Vieira expressed the view that non-problematic statements should not be reported. Only those with irregularities should be reported for examination by the Committee.
- 5.1.3 On the contrary, Ms. Shadick mentioned that both qualified and unqualified statements should be reported. She questioned whether a report of the Auditor General would not be presented if all the Agencies had performed well during that year.

- 5.1.4 Mr. Patterson, supported the comments of Ms. Shadick. He felt that capital works for large projects should be reported on and he would appreciate both qualified and unqualified statements.
- 5.1.5 Mr. Murray opined that in cases where large sums of monies were expended by an agency and/or project it was appropriate for the Auditor General to bring what had occurred to the attention of the Public Accounts Committee, even if they were duly and properly expended. The question of what items should be reported on should be left to the judgment of the Auditor General.
- 5.1.6 There was also need for the Auditor General's report to highlight improprieties, as well as, any improvement in the agency's performance compared to the previous year.
- 5.1.7 Mr. Ali said that he would not intervene into the manner in which the Auditor General reported. He would, however, wish to see statements when Agencies had conformed to the financial regulations.
- 5.1.8 The Chairperson cautioned that the Committee was not questioning the work of the Auditor General. The concerns raised by some Members were the manner in which information gathered from the audit was presented in the Report of the Auditor General.
- 5.1.9 Following discussions on this issue, the Chairperson in summing up indicated that:
- (i) the Auditor General should review the manner in which statements were reported on to the Public Accounts Committee. Members should have a clear understanding of all entries;
 - (ii) unqualified statements should reflect more information;
 - (iii) the Auditor General should report on all entries he deemed fit for the respective agencies;
 - (iv) in cases where there was non-compliance by an agency to the financial regulations in the previous year, mention should be made of any improvements or continued delinquency by that Agency.
- 5.1.10 Thereafter the Auditor General was requested to take note of the proposals. The matter was then considered closed.

5.2 **Page 224, paragraph 4.1.24 – Contract awarded in the sum of \$68M for the docking and repairs of MV Setter**

5.2.1 A Member expressed the view that he felt that the sum of \$68M was too much for docking and repairs to the above vessel and requested that the Works and Structure Department of the Audit Office should provide the Committee with the current cost for a similar vessel.

ITEM 6: TO CONTINUE EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEARS 2004 AND 2005 TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

<i>Ministry/Department Agency</i>	<i>Paragraph in Auditor General's Report</i>	<i>Accounting Officer</i>
Region No. 6 - East Berbice/Corentyne	1289-1339 (51)	Mr. Desmond Kissoon

6.1 Before the commencement to the above public accounts, the Auditor General informed the Chairperson that the staff and himself would withdraw from the meeting because of the issues raised earlier with respect to the Auditor General's Report.

6.1.1 The Committee requested that the Auditor General review his decision and undertook to further discuss the matter after the examination of the public accounts of Region No. 6.

6.2 Thereafter, at 2.55 p.m the Committee proceeded to consider the public Accounts and report with respect to Region No 6 – East Berbice/Corentyne together with the Comments submitted by the Accounting Officer.

6.2.1 Officers present for the examination were:

- (i) Mr. Desmond Kissoon, Regional Executive Officer (Accounting Officer)
- (ii) Mr. Bhadase Poonai, Deputy Regional Executive Officer (Accounting Officer)

- (iii) Mr. Paul Luyken, Senior Superintendent of Works
- (iv) Ms. Collette Adams, Assistant Secretary (G)

Mr. Seewchan, Permanent Secretary (Ag.) Ministry of Local Government and Regional Development was also in attendance.

6.2.2 **Paragraph 1289 – Authorised Staff**

6.2.2.1 The Committee noted the explanations of the Accounting Officer that there was some improvement with regard to staffing situation.

6.2.3 **Paragraph 1290 – Overdraft of \$1.058M on Salaries Bank A/c No. 3070**

6.2.3.1 The Accounting Officer was advised to send a request to the Auditor General to have the account closed.

6.2.3.2 The Auditor General stated that he was in the process of examining the reconciliation statement and upon completion, would apprise the Committee of the outcome of the audit.

6.2.4 **Paragraph 1291 – Refund of Unclaimed Salaries**

6.2.4.1 The Committee noted the comments of the Permanent Secretary that some progress was made in relation to this matter since meetings were held with both the Guyana Revenue Authority and the National Insurance Scheme.

6.2.5 Paragraph 1292 was considered

6.2.6 **Paragraph 1293 - Overpayment of Salaries**

6.2.6.1 In light of the comments made by the Accounting Officer that monies overpaid were not recovered, the Committee advised him to:

- (i) fill out an IFMAS form to stop payment to the officers; and
- (ii) to write the Losses Board through the Finance Secretary requesting that the overpayment be written off.

6.2.7 **Paragraph 1294 – Overpayment of Commuted Travelling Allowance.**

6.2.7.1 In response to an inquiry, the Accounting Officer informed the Committee that to date no repayment had been made by the Officer.

- 6.2.7.2 He further informed the Committee that the last correspondence was sent to the Officer on the 6th of March, 2007.
- 6.2.7.3 The Chairperson reminded the Accounting Officer that the monies overpaid were public funds, and advised him that a final attempt should be made to contact the Officer, giving him a specific time to repay the monies overpaid to him. Failure of which the matter should be handed over to the Police.
- 6.2.8 **Paragraph 1295 – Outstanding Cheque Orders**
- 6.2.8.1 The Accounting Officer informed the Committee that at the end of 2005, there was some improvement since an expeditor was employed to, among other things, expedite the clearing of cheque orders.
- 6.2.9 **Paragraph 1296 – Non Presentation of Log Books**
- 6.2.9.1 The Accounting Officer informed the Committee that by correspondence dated 16th July, 2007, all Heads of Departments were reminded that log books should be closed at the end of the year and new ones should be issued for 2008.
- 6.2.9.2 The Committee commended the Accounting Officer for the initiative taken and reminded him that the closed log books should be kept in a safe manner for auditing purposes.
- 6.2.10 Paragraphs 1297 to 1311 were considered.
- 6.2.11 **Paragraph 1312 – Overpayment to Contractor**
- 6.2.11.1 The Accounting Officer, in response to a query, informed the Committee that while the contractor had not refunded the overpayment, he was in fact granted another contract approximately two months ago.
- 6.2.11.2 The Committee advised the Permanent Secretary (Ag.) that the contractor should be contacted with a view to have him sign an agreement to have the outstanding sum deducted from his current contract sum. A copy of the agreement should be sent to the Committees Division for circulation to Members of the Committee.
- 6.2.12 Paragraphs 1313 to 1318 were considered.

- 6.2.13 **Paragraph 1319 – Overpayment of \$1.413M to Contractor**
- 6.2.13.1 The Committee noted the comments of the Accounting Officer and reminded him that the names of defaulting contractors should be sent to the Ministry of Finance.
- 6.2.13.2 The Accounting Officer was requested to submit a report to the Committee by 15th January, 2008 on the way forward with this matter.
- 6.2.14 Paragraphs 1320 to 1332 were considered.
- 6.2.15 **Paragraph 1332 – Non Approval for Change of Program**
- 6.2.15.1 The Accounting Officer was requested to submit his documentation for the workers mentioned in the report to the Auditor General before the comments could be withdrawn.
- 6.2.16 Paragraphs 1333 to 1339 were considered.
- 6.2.17 At 3.51 p.m the Committee concluded its consideration of the 2004 public Accounts of Region # 6.

<i>Ministry/Department</i>	<i>Paragraphs in Auditor General's Report</i>	<i>Accounting Officer</i>
Region No. 6 East Berbice/Corentyne	1547 – 1600 (54)	Mr Desmond Kissoon

- 6.3 At 3.52 p.m the Committee proceeded to examine the 2005 public accounts and report with respect to Region No. 6 – East Berbice/Corentyne together with the comments submitted by the Accounting Officer.
- 6.3.1 **Paragraphs 1547 – Authorised Staff**
- 6.3.1.1 The Committee noted the comments made earlier by the Accounting Officer on this matter.
- 6.3.2 Paragraphs 1548 to 1550 were considered.

- 6.3.3 **Paragraph 1551 - Excess Overtime**
- 6.3.3.1 In response to an enquiry, the Accounting Officer informed the Committee that overtime was paid only to health workers and drivers, thus reducing the amount of overtime being paid.
- 6.3.4 Paragraphs 1552 to 1553 were considered.
- 6.3.5 **Paragraph 1554 - Outstanding Cheque Orders**
- 6.3.5.1 The Committee noted the comments made earlier by the Accounting Officer on this matter at paragraph 1295.
- 6.3.6 **Paragraph 1555 - Uncalibrated Fuel Tanks**
- 6.3.6.1 In response to a query the Accounting Officer informed the Committee that assistance was sought from the Guyana National Bureau of Standards on this issue.
- 6.3.6.2 Some Members expressed the view that a simple method of measuring the fuel with a stick could be implemented.
- 6.3.6.3 The Auditor General undertook to provide the Accounting Officer with a dip stick.
- 6.3.7 Paragraphs 1556 to 1566 were considered.
- 6.3.8 **Paragraph 1567 - Stores Requisitions**
- 6.2.8.1 The Committee noted the comments of the Accounting Officer that investigations were on-going on this matter and requested him to provide the Committee with a copy of the report upon completion of the investigation.
- 6.3.9 **Paragraph 1568 - Non Segregation of Duties.**
- 6.3.9.1 The Committee noted the comments of the Accounting Officer that systems were implemented for proper segregation of duties and that each Head of Department was now in receipt of the Stores Regulations.
- 6.3.10 Paragraphs 1569 to 1574 were considered

- 6.3.11 **Paragraphs 1575 - Tender Board Minutes**
- 6.3.11.1 The Committee, in light of the comments of the Accounting Officer that the Minutes were either misplaced or destroyed, reminded the Accounting Officer of its previous that a copy of the Minutes should be kept by the Agency, one sent to the Auditor General and one to the Ministry of Finance.
- 6.3.11.2 The Auditor General undertook to remind all Accounting Officers of the decision.
- 6.3.12 Paragraphs 1577 to 1578 were considered.
- 6.3.13 **Paragraph 1579 - Overpayment of \$849,000 to Contractor**
- 6.3.13.1 The Committee, based on the comments of the Accounting Officer that the overpayment was not recouped, reiterated its advice given at paragraph 1319.
- 6.3.14 Paragraph 1581 was considered.
- 6.3.15 **Paragraph 1582 – Minutes to reflect reasons for not awarding contract to the lowest bidder.**
- 6.3.15.1 The Committee expressed concern at the explanation by the Accounting Officer with regard to contracts not being awarded to the lowest bidder, because the contractor was engaged in another project.
- 6.3.15.2 The Accounting Officer was advised that future Minutes should indicate reasons for not awarding contracts to the lowest bidders. For Minutes during 2006, the Accounting Officer was required to obtain from the relevant persons the reasons for the lowest bidder not being awarded the contract.
- 6.3.16 Paragraphs 1583 to 1594 were considered.
- 6.3.17 **Paragraph 1595 - Overpayment of Amount Totalling \$2.175M to Contractor for Bituminous Works Not Done**
- 6.3.17.1 The Accounting Officer informed the Committee that the Superintendent of Works had revisited the Road along with the contractor and it was confirmed that the contractor had not adhered to the scope of work.
- 6.3.17.2 He then informed the Committee that the Auditor General was written to with a view of having the matter investigated.

- 6.3.17.3 The Auditor General, in response, said that the letter was received but time did not permit him to investigate the matter owing to other pressing matters.
- 6.3.17.4 The Committee noted that it was evident that the contactor was overpaid and there was need for a system to be implemented to recoup the overpaid amount.
- 6.3.17.5 The Auditor General was requested to investigate the matter and submit a report by the end of January 2008.
- 6.3.18 Paragraphs 1596 to 1600 were considered.
- 6.3.19 The Chairperson, on behalf of the Committee, congratulated the Accounting Officer for the improvements made and reminded him that the Committee would be looking forward to him completing the tasks undertaken.
- 6.3.20 At 5.00 p.m the Committee concluded its consideration of the above accounts.

ITEM 7:

ANY OTHER BUSINESS

- 7.1 At this point, the Chairperson indicated that there was need for the Committee to work together. She said that she would not entertain a Member criticising anyone during his or her absence. The Auditor General would have been given the opportunity to respond to the issues raised against him, had he remained in the meeting.
- 7.1.1 At the invitation of the Chairperson, the Auditor General reported that the 2003 report prepared by the former Auditor General was an exceptional one since it was different from the reports of the previous years.
- 7.1.2 It was the previous Public Accounts Committee that had requested that the Auditor General's report reflect full reporting, hence the style of reports that were now presented for examination by the Committee.
- 7.1.3 The Auditor General also reported that he had used a balanced approach in his method of reporting. The 2006 report would reflect only queries. He would also take into consideration the proposals raised by Members.

- 7.1.4 Mr. Patterson supported the Chairperson's call for the Committee to work together. He indicated that Members should be tactful when expressing their views. This should be done without the impingement on one's character.
- 7.1.5 Mr. Vieira reminded Members that usually, he asked that Agencies gave the Audit Office the respect it deserved.
- 7.1.6 He said that his comments were not meant to be disrespectful to the Auditor General and apologized for any embarrassment his comments would have caused. However, in his examination of the reports prepared by both former and current Auditor General he noted that the Auditor General had deviated from the style of reporting by the former Auditor General. He was merely seeking to ascertain the status of the entries in the report – whether they were positive, negative or neutral.
- 7.1.7 The Chairperson in bringing the matter to closure, drew to the attention of the Auditor General, the proposals raised by Members. She indicated that the Committee was looking forward to receiving reports that would not only mention questions to be asked but also recommendations to be made to Agencies.

Adjournment

At 5.25 p.m the meeting was adjourned to 11.00 a.m on Wednesday, 12th December, 2007.

Confirmed thisday of January, 2008

Volda Lawrence
.....
Ms. Volda A. Lawrence, M.P
Chairperson.

THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2008)

MINUTES OF THE 27TH MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 2.15 P.M
ON MONDAY, 14TH JANUARY, 2008
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)

(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P.

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip

Ms Bibi S. Shadick, M.P

Mr. Mohamed Irfaan Ali, M.P - (Excused)

Mr. Komal Chand, C.C.H., J.P., M.P.

Mr. Dharamkumar Seeraj, M.P.

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P.

Mr. Anthony Vieira, M.S., M.P.

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P. - (Absent)

- 7.1.5 **Page 246, paragraph 6.2.1 – Recruitment of Consultant**
- 7.1.5.1 A Member questioned whether the Committee would consider the proposal of submitting the applications of the Consultant to IDB for its consideration.
- 7.1.5.2 The Chairperson indicated that she would enquired from Mr. Jewan, Manager, P.E.U whether the Committee could submit the applications to the IDB for its consideration and, if so, what was the procedure to be adopted.
- 7.1.5.3 The Committee agreed that the matter be tabled on the Agenda for discussion at its next meeting.
- 7.1.5.4 The Finance Secretary advised the Committee that it was not the practice to forward issues to donor agencies whenever there was a gridlock.
- 7.2 **Special Meeting to discuss the action taken by the Auditor General with regard to Engineers within the Audit Office**
- 7.2.1 Some Members expressed concerns that a Special Meeting was convened without a decision taken at its previous meeting. The Chairperson had wished Members a pleasant holiday.
- 7.2.2 They felt that the meeting was improperly convened since they were informed of the Meeting on the day it was scheduled, and sited the act as a sinister one.
- 7.2.2 The Chairperson in response, informed Members that her understanding was that she had the prerogative to summon a meeting whenever the need arose and especially those that were urgent in nature.
- 7.2.3 The Chairperson refuted claims and upheld the view that as Chairperson of the Committee and a Member of the National Assembly was in no way involved in any sinister acts or movements. She hoped that she would not be accused of such acts in the future.
- 7.2.4 Another Member opined that in the history of the work of the Committee, there was never any feeling expressed of sinister actions. He reiterated that the manner the Committee functioned previously was based on the Chairman's prerogative and stated the following:
- (i) any urgent issues arose the Chairman took such decision whether or not to summon a meeting, and

ADVISERS – (3)

The Auditor General (Ag.) (Mr. Deodat Sharma)
Finance Secretary (Mr. Neermal Rekha)
Accountant General (Ag) (Mr. George Abrams)
For the Accountant General)

Officers

Ms Sonia Maxwell - Clerk of Committees
Ms Tanzadell Bentinck - Assistant Clerk of Committee

In Attendance

Mr. Gordon Ferrel - Research Assistant}
Ms. Carol Isaacs - Research Assistant} attached to the Public Accounts
Committee.

ITEM 1: CALL TO ORDER

1.1 The Chairperson called the meeting to order at 2.15 p.m.

ITEM 2: ANNOUNCEMENTS

2.1 **Welcome**

2.1.1 The Chairperson expressed best wishes to Members and the staff of the Committee for the New Year and looked forward to a collective working relationship with the Committee in 2008.

2.2 **Excuses**

2.2.1 The Chairperson informed the Committee that Mr. Mohamed Irfaan Ali, M.P. had asked to be excused from the meeting.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents were circulated prior to the meeting: –

- (i) Notice of the 27th Meeting dated 4th January, 2008;
- (ii) Minutes of the 25th Meeting held on 10th December, 2007
- (iii) Minutes of the 26th Meeting held on 12th December, 2007

- (iv) Minutes of the 3rd Special Meeting held on 18th December, 2007
- (v) Letter dated 21st December, 2007 to the Chairperson of the Committee re: Engineers Contract.
- (vi) Comments submitted by the Accounting Officer, Guyana Defence Force for Public Accounts, 2004 and 2005, respectively;
- (vii) Auditor General Briefing Notes for 2004 and 2005 – Guyana Defence Force
- (viii) Letter dated 18th December, 2007 to the Asst. Head of Committees Division from Ministry of Local Government and Regional Development re: Recommendations by Public Accounts Committee/Actions to be taken by Regional Administration 2004-2005, and
- (ix) Letter dated 28th December, 2007 to the Asst. Head of Committees Division from Ministry of Public Works and Communication re: Supplementary Information on Auditor General's Report for the year ended 31.12.2005.

ITEM 4: CONFIRMATION OF MINUTES OF THE 25TH MEETING HELD ON 10TH DECEMBER, 2007

- 4.1 A Member recapitulated that the Committee took an earlier decision that the contents of the Minutes should not record names of Members.
 - 4.1.1 The Clerk was reminded of the Committee's earlier decision.
- Corrections**
- 4.2 **Page 235, paragraph 6.2.3.1 – Over draft of 1.05M on Salaries Bank A/c No. 3070**
 - 4.2.1 Substitution of the words "Finance Secretary" for the words "Auditor General" in the last line.
- 4.3 **Page 238, paragraph 6.3.6.3**
 - 4.3.1 Deletion of the above paragraph
- 4.4 **Page 239, paragraph 6.3.11.1 – Tender Board Minutes**
 - 4.4.1 Insertion of the word "decision" after the word "previous" in the third line.

- 4.5 **Page 240, paragraph 6.3.17.4**
- 4.5.1 Deletion of the above paragraph.
- 4.6 Thereafter, the Minutes were confirmed on a motion moved and seconded by Mrs. Chandarpal and Mr. Vieira respectively.

ITEM 5: MATTERS ARISING FROM MINUTES OF THE 25TH MEETING

- 5.1 **Supplemental Information**
- 5.1.1 A Member enquired of the approach to be taken by the Committee to address the supplemental information it had requested from Accounting Officers with regard to the 2004 public accounts.
- 5.1.2 The Clerk was requested to provide the Committee with an update on the supplemental information that was received and those that were still outstanding.
- 5.1.3 The Committee agreed that an item captioned *Feedback/ Supplemental information on public accounts* should be tabled on the Agenda.
- 5.1.4 **Page 236, paragraph 6.2.11.2 – Overpayment to Contractor**
- 5.1.4.1 In response to an enquiry, as to the status of the matter, the Auditor General informed the Committee that he would pursue the matter.
- 5.1.5 **Page 239, paragraph 6.3.11.1 – Tender Board Minutes**
- 5.1.5.1 A Member proposed that the Committee evaluate its previous decision within four months to determine compliance by agencies.
- 5.1.5.2 The Auditor General was requested to provide the Committee with a feedback by April, 2008 on whether agencies were presenting minutes of Tender Board Meetings for audit.
- 5.1.5.3 A discussion ensued and the Committee agreed that the Finance Secretary should write Accounting Officers reminding them to comply with the decision of the Committee with regard to the Minutes of Tender Board.

ITEM 6 CONFIRMATION OF MINUTES OF THE 26TH MEETING HELD ON 12TH DECEMBER, 2007

Corrections

6.1 Page 243, paragraph 4.1.1

Deletion of "Auditor General" after the word "Speaker" in the first line in the paragraph.

6.1.1 Thereafter, the Minutes were confirmed on a motion moved and seconded by Messrs Seeraj and Mr. Vieira respectively.

ITEM 7 MATTERS ARISING FROM THE MINUTES 26TH MEETING

7.1 Page 244, paragraph, 4.1.1 – Programme for the Engagement of the Committee on a one-day event hosted by the C.C.A.F-F.C.V.I. a Canadian Entity

7.1.1 The Chairperson informed the Committee that Mr. Dubrow of the Canadian Comprehensive Audit Foundation (C.C.A.F) met with the Speaker and the Clerk of the National Assembly and the following was communicated to her:

- (i) The entity was a recognized organization funded by CIDA;
- (ii) The Speaker consented to the C.C.A.F. engaging the Committee in a one day workshop; and
- (iii) The Committee should decide on the agenda for the one day workshop.

7.1.2 The Auditor General reported that he had attended the above meeting and that Mr. Geoff Dubrow indicated that he would forward his proposals on the Agenda for the workshop to the Chairperson via email.

7.1.3 The Committee agreed that it would examine and discuss the proposal from Mr. Dubrow and thereafter, return its comments.

7.1.4 In response to an enquiry, as to the source of funding for the workshop, the Chairperson indicated that CIDA would be funding the workshop.

ITEM 10

TO COMMENCE EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEARS 2004 AND 2005, RESPECTIVELY TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in Auditor General's Report		Accounting Officer
	2004	2005	
4. Guyana Defence Force	1016-1035 (20)	1188-1247 (60)	Mr. M.A. Phillips

10.1 At 3.30 p.m. the Committee proceeded to examine the 2004 public accounts and report with respect to the Guyana Defence Force together with the comments submitted by the Accounting Officer.

10.1.1 Officers present for the examination were:

- (i) Colonel M.A. Phillips, Accounting Officer
- (ii) Lieutenant Colonel N. Hussain, Staff Officer (F)
- (iii) Captain J Lesprance, 2 *vice* Finance Department

Dr. Nanda K. Gopaul, Permanent Secretary, Office of the President was also in attendance.

10.1.2 **Paragraph 1016 – Unreconciled Bank Account totalling \$0.597M**

10.1.2.1 The Committee noted the comments of the Accounting Officer that documents to reconcile the above amounts were destroyed in the January, 2005 floods.

10.1.2.2 The Committee also noted the comments of the Accounting Officers that the issue was a perennial one and that the recommendation by the Auditor General was not a practical one, since the amounts reflected salaries of Officers who were deployed to interior locations.

10.1.2.3 The Accounting Officer was advised to have Officers open bank accounts with a view to resolving the issue

- 10.1.2.4 He was also advised to collaborate with the Ministry of Finance and the Auditor General with the aim of having the amounts \$0.597M cleared from the accounts.
- 10.1.2.5 The Accounting Officer was requested to submit to the Committee by the 31st January, 2008 a status report on:
- (i) What action had been taken to have the destroyed documentation recovered, and
 - (ii) what steps have been taken to have the stated amounts eliminated from the Auditor General's report.
- 10.1.3 **Paragraph 1017 – Cash Book Balance totalling \$232,526**
- 10.2.3.1 The Committee noted the comments of the Auditor General, and advised the Accounting Officer to desist from the practice of encashing cheques for Officers who had not uplifted their salaries.
- 10.1.4 Paragraphs 1018 and 1019 were considered.
- 10.1.5 **Paragraph 1020- Unpaid Salaries**
- 10.1.5.1 In response to an enquiry, the Accounting Officer informed Members that the matter was still engaging the attention of the Force. Monies were being deducted from one Officer and the other Officer involved was absent without leave from August 2006.
- 10.1.6 **Paragraph 1021 – Inappropriated amounts totalling \$14.690M**
- 10.1.6.1 The Committee noted the comments of the Auditor General and advised the Accounting Officer to collaborate with the Accountant General with a view to resolving the matter.
- 10.1.6.2 The Accounting Officer was requested to provide the Committee with a status report on the matter by the 31st January, 2008.
- 10.1.7 Paragraphs 1022 and 1023 were considered.
- 10.1.8 **Paragraph 1024 – Medical Expenses Paid by GDF for Rank and Family Members**
- 10.1.8.1 The Committee noted the comments of the Auditor General and advised that the Accounting Officer should engage the NIS in dialogue in an effort to resolving the matter. .

- 10.1.9 **Paragraph 1025 – 31 Cheque Orders Totalling \$84.721M for Fuel without payment voucher**
- 10.1.9.1 In response to an enquiry, the Auditor General informed the Committee that the returned cheque orders could be used to complete the reconciliation..
- 10.1.9.2 The Accounting Officer was required to submit to the Committee a status report to the Committee by the 31st January, 2008.
- 10.1.10 **Paragraph 1026 - \$2.707M for rental of Building**
- 10.1.10.1 The Committee noted the comments of the Accounting Officer and requested that the name of the owner to whom the rental was paid be submitted to it by the 31st January, 2008.
- 10.1.10.2 The Auditor General in response to an enquiry informed Members that the GDF had a representative on the Sub-Committee of Cabinet and that the matter should be discussed at that level.
- 10.1.10.3 The Committee advised the Accounting Officer that the same approach should be taken in similar matters.
- 10.1.11 **Paragraph 1027- Vehicle Log Books**
- 10.1.11.1 The Committee noted the comments of the Accounting Officer that each vehicle had a file on its serviceable status and that all journeys were approved.
- 10.1.11.2 The Committee advised the Accounting Officer that all log books should be closed at the end of the year and new ones open at the beginning of the new year.
- 10.1.12 Paragraphs 1028 and 1029 were considered.
- 10.1.13 **Paragraph 1030 – Overseas Telephone calls totalling \$4.626M**
- 10.1.13.1 The Committee noted the comments of the Accounting Officer that a telephone register had been implemented.
- 10.1.14 Paragraphs 1031 and 1032 were considered.
- 10.1.15 **Paragraph 1033 – Tender Board Procedures**
- 10.1.15.1 In response to an enquiry, the Accounting Officer reported that the GDF was adhering to Tender Board regulations.
- 10.1.16 Paragraph 1034 was considered.

- 10.1.17 **Paragraph 1035 – Non adherence to Stores Regulations**
- 10.1.17.1 In response to an enquiry as to whether the Officers who were functioning in the stores were acquainted with the relevant regulations the Accounting Office informed the Committee:
- (i) that the Officers functioning in the stores were trained and attended courses conducted by the GDF,
 - (ii) failure by Officers to adhere to the regulations resulted in disciplinary action taken against them, and
 - (iii) an Internal Audit Department was established and had a staff complement of two personnel who were recruited in 2006 and reported directly to the Accounting Officer.
- 10.1.18 The Finance Secretary referred to the Financial Regulation Sections 16 and 31 which stated that some documents cannot be imitated hence documents that were destroyed and or misplaced could not be reconstructed. He advised the Accounting Officer to collaborate with the Auditor General in accordance with the prescribed law to have such matters resolved.
- 10.1.19 The Chairperson applauded the Accounting Officer for the establishment of an Internal Audit Department and the recruitment of the two Auditors in an effort to correct the situation in the stores.
- 10.1.20 At 4.55 pm the Committee concluded its consideration of the 2004 public accounts of the GDF.
- 10.2 At 4.56 p.m. the Committee proceeded to examine the 2005 public accounts and report with respect to the Guyana Defence Force together with the comments submitted by the Accounting Officer.
- 10.2.1 The Committee informed the Accounting Officer that he should respond to all paragraphs in future.
- 10.2.2 **Paragraph 1188 – Unsigned Financial Statements**
- 10.2.2.1 In response to an enquiry, the Accounting Officer informed the Committee that the statements for 2006 were properly prepared and signed.
- 10.2.3 Paragraph 1189 was considered.

- 10.2.4 **Paragraph 1190 – Payment of Salaries in Cash**
- 10.2.4.1 In response to an enquiry, the Accounting Officer reported that the Chief of Staff had taken a decision to cease cash payment of salaries as at February, 2008
- 10.2.5 Paragraphs 1191 and 1192 were considered.
- 10.2.6 **Paragraph 1193 – Unapproved Expenditure Totalling \$14.690M**
- 10.2.6.1 The Finance Secretary advised the Accounting Officer to review the matter and make recommendation to the Ministry of Finance as to the way forward to have the amounts totalling \$14.690M written-off.
- 10.2.7 Paragraphs 1194 to 1196 were considered.
- 10.2.8 **Paragraph 1197 – Log Books**
- 10.2.8.1 In response to an enquiry, the Accounting Officer informed the Committee that corrective action had been taken and log books were implemented for all vehicles.
- 10.2.9 Paragraph 1198 to 1202 were considered
- 10.2.10 **Paragraph 1203 - Minutes totalling \$413,500 purchased for non-listed telephone numbers.**
- 10.2.10.1 In response to an enquiry, the Accounting Officer informed the Committee that minutes were only being purchased for telephones that were listed in the telephone register.
- 10.2.11 Paragraphs 1204 to 1216 were considered.
- 10.2.12 **Paragraphs 1217 – Current Expenditure totalling \$3.750M Charge to Capital Expenditure.**
- 10.2.12.1 The Committee reminded the Accounting Officer that it was a violation of the law to charge current expenditure to capital expenditure and that he should adhere strictly to the regulations with regard to capital and current expenditures.
- 10.2.13 Paragraphs 1218 to 1222 were considered.

10.2.14 **Paragraph 1223 – Missing stock of Materials totalling \$1,075,000**

10.2.14.1 The Accounting Officer was requested to submit to the Committee a status report on the investigation by 31st January, 2008.

10.2.15 **Paragraph 1224 – Discrepancies within the GDF**

10.2.15.1 The Accounting Officer was requested to submit a status report to the Committee on the all the sub-paragraphs by the 31st January, 2008

10.2.16 Paragraphs 1225 to 1237 were considered.

10.2.17 **Paragraph 1238 – Non-Adherence to Tender Board Procedures and Overpayment totalling \$607,600**

10.2.17.1 The Auditor General was requested to verify whether the works were completed and to provide the Committee with an update on the matter.

10.2.18 Paragraphs 1239 to 1242 were considered.

10.2.19 **Paragraph 1243 – Unmarked Equipment and Furniture**

10.2.19.1 In response to an enquiry, the Accounting Officer reported that the furniture and equipment had been marked as the property of the GDF

10.2.20 At 5.45 pm the Committee concluded its consideration of the 2005 public accounts of the GDF.

ITEM 11: ANY OTHER BUSINESS

11.1 **Seminar/Workshop for Committee members (IFMAS)**

11.1.1 A Member enquired from the Accountant General as to the date the written presentation on the IFMAS system would be available. He proposed that the seminar/workshop should be conducted before the 2008 National Budget was presented to the National Assembly.

11.2 **Assignments of the PAC Researchers**

11.2.1 A Member enquired whether the Committee could be provided with a list of the assignments to be completed by the Researchers.

11.2.2 The Chairperson requested the Clerk of the Committee to circulate to Members the list of assignments.

11.3 **Examination of Scheduled Agency**

11.3.1 The Chairperson informed Members that it would conduct examination of the 2004 and 2005 public accounts of the Office of the President and the Ministry of Public Service, respectively on 21st January, 2008.

Adjournment

At 5.55 p.m. the meeting was adjourned to Monday 21st January, 2008.

Confirmed this 21st day of January, 2008

.....Volda Lawrence.....
Ms. Volda A. Lawrence, M.P
Chairperson.

THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2008)

MINUTES OF THE 28TH MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 2.05 P.M
ON MONDAY, 21ST JANUARY, 2008
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)

(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P.

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip

Ms Bibi S. Shadick, M.P

Mr. Mohamed Irfaan Ali, M.P

Mr. Komal Chand, C.C.H., J.P., M.P.

Mr. Dharamkumar Seeraj, M.P.

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P.

Mr. Anthony Vieira, M.S., M.P. - (Excused)

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P.

ADVISERS – (3)

The Auditor General (Ag.) (Mr. Deodat Sharma)
Finance Secretary (Mr. Neermal Rekha)
Accountant General (Ag) (Mr. George Abrams)
For the Accountant General)

Officers

Ms Sonia Maxwell - Clerk of Committees
Ms Tanzadell Bentinck - Assistant Clerk of Committee

In Attendance

Mr. Harry N. Jewan - Manager, Project Execution Unit, FFMP,
Parliament Office
Mr. Gordon Ferrel - Research Assistant}
Ms. Carol Isaacs - Research Assistant} attached to the Public Accounts
Committee.

ITEM 1: CALL TO ORDER

1.1 The Chairperson called the meeting to order at 2.05 p.m.

ITEM 2: ANNOUNCEMENTS

2.1 **Excuses**

2.2.1 The Chairperson informed the Committee that Mr. Anthony
Vieira, M.S., had asked to be excused from the meeting.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents were circulated prior to the meeting: –

- (i) Notice of the 28th Meeting dated 18th January, 2008;
- (ii) Minutes of the 27th Meeting held on 14th January, 2008;
- (iii) Copy of Advertisement for the positions of Audit Directors within the Audit Office;
- (iv) Copy of Memo dated 16th January, 2008 re List of Assignments to be completed by the Research Assistants of the PAC;

- (v) Comments on the Auditor General's Report by the Accounting Officer of the Public Service Ministry and the Office of the President and
- (vi) Auditor General's Briefing Notes thereon.

ITEM 4: CONFIRMATION OF MINUTES OF THE 27TH MEETING HELD ON 14TH JANUARY, 2008

Corrections

- 4.1 **Page 253, paragraph 7.1.5.4 – Recruitment of Consultant**
- 4.1.1 Substitution of the word “gridlock” for the word “gridlocl” in the last line.
- 4.1.2 **Page 253, paragraph 7.2.2 – Special Meeting to discuss the action to be taken by the Auditor General with regard to Engineers within the Audit Office**
- 4.1.2.1 The following amendments were made:
 - (i) Substitution of the words “disapproved of the manner in which the meeting was summoned” for the words “sited the act as a sinister one”.
 - (ii) Renumber paragraphs 7.2.2, 7.2.3 and 7.2.4 as 7.2.3, 7.2.4 and 7.2.5, respectively.
- 4.1.3 **Page 253, paragraph 7.2.4**
- 4.1.4.1 Substitution of the word “inappropriate” for the word “sinister” after the word “any” in the third line.
- 4.1.5 **Page 253, paragraph 7.2.5**
- 4.1.5.1 The following amendments were made:
 - (i) Deletion of the first sentence which states:

“Another Member opined that in the history of the work of the Committee, there was never any feeling expressed of sinister actions”
 - (ii) Substitution of the words “Another Member” for the word “He” in the third line.

4.1.6 **Page 254 – To consider the appointment of nominees for the Public Procurement Commission.**

4.1.6.1 The following amendments were made:

- (i) Renumbering of paragraphs 6.3.1, 6.3.2, 6.3.3, 6.3.4 and 6.3.5 as 8.3.1, 8.3.2, 8.3.3, 8.3.4 and 8.3.5, respectively.
- (ii) Deletion of the words “of names” after the word “list” in the penultimate line.
- (iii) Deletion of paragraph 8.3.5

4.1.7 **Page 256, paragraph 10.2.1.3 – Cash Book Balance totalling \$232,526**

4.1.7.1 Substitution of the word “their” for the word “there” in the last line.

4.1.8 **Page 258, paragraph 10.1.19 – Non adherence to Stores Regulations**

4.1.8.1 The following amendments were made:

- (i) Insertion of the word “Internal:” after the word “two” in the penultimate line.
- (ii) Deletion of the words “in an effort to correct the situation in the stores”.

4.1.9 **Page 260, paragraph 11.1.1 – Any Other Business**

4.1.9.1 Substitution of the word “Session” for the words “Seminar/Workshop”.

4.2 Thereafter, the Minutes were confirmed on a motion moved and seconded by Mrs. Chandarpal and Mr. Komal Chand, respectively.

ITEM 5: MATTERS ARISING FROM MINUTES OF THE 27TH MEETING HELD ON 14TH JANUARY, 2008

5.1 **Page 252, paragraph 7.1.3 – Programme for the Engagement of the Committee on a one-day event to be hosted by the C.C.A.F – F.C.V.I. a Canadian Entity**

- 5.1.1 The Chairperson drew Members' attention to the proposals received from Mr. Dubrow and invited comments from Members.
- 5.1.2 The Committee agreed to the following:
- (i) that the programme should be held on the 7th March, 2008 at Grand Coastal Inn, East Coast Demerara;
 - (ii) to adopt Modules 1 & 2 as the Agenda for the programme; and
 - (iii) that the Advisors, Deputy Advisors (including the Audit Directors of the Audit Office) and the Head of the Engineers Department be invited to attend.
- 5.1.3 A Member proposed that one other Member from both Government's and the Opposition's Parties and who might be interested in the discussion on "Parliamentary Oversight" could be invited to attend the programme.
- 5.1.4 The Committee also agreed that its decisions on this matter should be communicated to the Speaker and Mr. Dubrow.
- 5.1.5 **Page 253, paragraph 7.1.5 – Recruitment of Consultant**
- 5.1.5.1 Some Members expressed the view that it was a conflict of interest to recruit S. V. Jones & Associates to synchronize the Constitution, Audit Act and the Rules Polices & Procedures Manual since it was that Consultant that had prepared the Manual.
- 5.1.5.2 The Chairperson reminded the Committee that the proposal that S.V. Jones & Associates should not be considered for recruitment was a suggestion by some Members and not a decision of the Committee.
- 5.1.5.3 Mr. Jewan informed Members that he was awaiting the advice from the Committee on the issue of conflict of interest, thereafter the evaluation would be completed to be submitted to the IDB.
- 5.1.6 A Member advised the Committee that in reviewing the National Procurement guidelines on the IDB, the Committee could not submit the document in its present state for adjudication by the IDB, a recommendation should be forwarded to the National Procurement and Tender Administrative Board for consideration He proposed that:
- (i) that the Committee should re-advertise for tenders for the Consultancy; and

- (ii) seek permission to conduct a selective tendering then identify a few individuals, firms or entities based on the area of expertise that was required.

5.1.6 A Member expressed the view that the Committee should conduct an evaluation of S. V. Jones & Associates to ascertain whether they met the minimum criteria. If they did then the issue of conflict of interest would be addressed.

5.1.7 The Finance Secretary advised that in re-advertising, new criteria should be set to inform the bidders whether they could reapply. The TOR should also serve as a guide in relation to conflict of interest.

5.1.8 Mr. Jewan proposed that the evaluation team meet and evaluate the applicants and make the necessary recommendation to the Committee.

5.1.9 The Chairperson proposed that Messrs Vieira and Ali should meet and evaluate the applications in accordance with the criteria. The report on the evaluation should be submitted to the Committee for discussion at its meeting scheduled for the 28th January, 2008.

ITEM 6:

TO CONSIDER THE ADVERTISEMENT FOR THE POSITIONS OF AUDIT DIRECTORS WITHIN THE AUDIT OFFICE

6.1 The Committee proceeded to consider the above item and examined the advertisement submitted by the Auditor General for the position of Audit Directors.

6.1.1 The following amendments were agreed to:

(i) **Fourth Paragraph**

- Deletion of the word "Advanced" before the word "Degree" in the first line.
- Insertion of the words "Post Graduate" before the word "Degree" in the first line.

(ii) **Fifth Paragraph**

- Deletion of the words "formerly Assistant Auditor General" after the word "Manager" at the end of the paragraph.

(iii) **Sixth Paragraph**

- Deletion of the words "formerly Assistant Auditor General" after the word "Manager" at the end of the paragraph.

6.1.2 Thereafter, the Committee agreed that the Auditor General should proceed to have the advertisement published.

ITEM 7:

TO DISCUSS WHAT ACTION SHOULD BE TAKEN WITH REGARD TO THE FOLLOW-UP/SUPPLEMENTAL INFORMATION RECEIVED FROM THE ACCOUNTING OFFICERS

7.1 The Committee considered the above item and agreed to the following:

- (i) that at the first meeting of every month it would consider supplemental information received from Accounting Officers;
- (ii) the supplemental information would be forwarded to its Advisors for verification to ascertain compliance by the Accounting Officers; and
- (iii) at that meeting it would consider the public accounts of an Agency which has a small number of paragraphs.

ITEM 8:

TO CONSIDER AND APPROVE THE APPLICANT TO BE RECRUITED AS THE CONSULTANT TO SYNCHRONIZE THE CONSTITUTION OF GUYANA, THE AUDIT ACT AND THE RULES POLICES & PROCEDURES MANUAL

8.1 The Committee considered and concluded discussion on the above item under matters arising.

ITEM 9: TO COMMENCE EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEARS 2004 AND 2005, RESPECTIVELY TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in Auditor General's Report		Accounting Officer
	2004	2005	
5. Public Service Ministry	398 – 409 (9)	492 - 498 (6)	Dr Nanda K Gopaul -do-
6. Office of the President	106 – 162 (57)	98 - 148 (50)	

9.1 At 3.40 p.m. the Committee proceeded to examine the 2004 public accounts and report with respect to the Public Service Ministry together with the comments submitted by the Accounting Officer.

9.1.1 Officers present for the examination were:

- (i) Dr. Nanda K. Gopaul, Permanent Secretary (Accounting Officer)
- (ii) Ms. Romona Bancroft Accountant (Ag)
- (iii) Ms. Maria O'Connell, Accounts Clerk II.

9.1.2 Paragraphs 398 to 403 were considered

9.1.3 **Paragraph 404 – Award of Contract totalling \$7.854M**

9.1.3.1 The Accounting Officer, in response to an enquiry, informed the Committee that the contract was awarded to the fourth lowest bidder since the other three had withdrawn from the bidding process.

9.1.4 Paragraph 406 was considered.

9.1.5 At 3.45 pm the Committee concluded its consideration of the 2004 public accounts of the Public Service Ministry.

9.2 At 3.46 p.m. the Committee proceeded to examine the 2005 public accounts and report with respect to the Public Service Ministry together with the comments submitted by the Accounting Officer.

- 9.2.1 Officers present for the examination were:
- (ii) Dr. Nanda K. Gopaul, Permanent Secretary (Accounting Officer)
 - (ii) Ms. Romona Bancroft Accountant (Ag)
 - (iii) Ms. Maria O'Connell, Accounts Clerk II.
- 9.2.2 Paragraphs 491 to 496 were considered.
- 9.2.5 The Committee commended the Accounting Officer for taking corrective actions with regard to those issues highlighted in the Auditor General's report.
- 9.2.6 At 3.55 pm the Committee concluded its consideration of the 2005 public accounts of the Public Service Ministry.
- 9.3 At 3.56 p.m. the Committee proceeded to examine the 2004 public accounts and report with respect to the Office of the President together with the comments submitted by the Accounting Officer.
- 9.3.1 Officers present for the examination were:
- (iii) Dr. Nanda K. Gopaul, Permanent Secretary (Accounting Officer)
 - (ii) Ms. Paula James, Chief Accountant (ag)
 - (iii) Ms. Andrea Branford, Expenditure Planning & Management Analyst.
- 9.3.2 The Chairperson enquired from the Accounting Officer whether he was accompanied by Officers from the following Agencies:
- (i) Guyana Office for Investment Go Invest
 - (ii) National Communication Network
 - (iii) Guyana Wildlife Management Authority, and
 - (iv) The Guyana Defence Force
- 9.3.3 Thereafter, the Accounting Officer tendered updates on the above agencies.
- 9.3.4 Paragraph 106 was considered.
- 9.3.5 **Paragraph 107 – Maintenance of Vehicles**
- 9.3.5.1 In response to an enquiry, the Accounting Officer reported that they were in the process of disposing the old fleet of vehicles. Funds were acquired to purchase ten reconditioned vehicles.

- 9.3.6 He also indicated that there was Departmental monitoring of vehicles and that log books were implemented for each vehicle.
- 9.3.7 Paragraphs 108 to 109 were considered.
- 9.3.8 **Paragraph 110 – Subsidies and Contribution to Local Organisations (GINA)**
- 9.3.8.1 In response to an enquiry, the Accounting Officer reported that GINA had its own allocation and releases under the budgetary arrangements. An approach was made to the Ministry of Finance for allocation based on the needs on a monthly basis.
- 9.3.8.2 He reiterated that funds were not released exclusively under line item from the Office of the President.
- 9.3.8.3 The Auditor General advised that steps be taken to have the status of GINA regularized as an independent or subvention agency.
- 9.3.8.4 The Accounting Officer was requested to provide the Committee with a report on the progress made to regularise GINA by the 15th February, 2008
- 9.3.9 Paragraphs 111 to 114 were considered.
- 9.3.10 **Paragraph 115 – Rehabilitation of Buildings at Eteringbang and New River**
- 9.3.10.1 The Committee noted the response from the Accounting Officer that the Sub-Committee on Defence had approved the change of programme.
- 9.3.10.2 The Auditor General was requested to verify whether there was a change of programme to accommodate the above works and to provide the Committee with an update on the matter by the 28th January, 2008.
- 9.3.11 Paragraphs 116 and 117 were considered.
- 9.3.12 **Paragraph 118 – Rehabilitation Works, Guyana Defence Force**
- 9.3.12.1 The Committee noted that this matter had been addressed at paragraphs 1222 to 1224 of the 2005 Auditor General's Report.

- 9.3.13 **Paragraph 119 – Rehabilitation Works, Guyana Defence Force**
- 9.3.13.1 The Committee noted that this matter had been addressed at paragraph 1224 (d) of the 2005 Auditor General's Report.
- 9.3.14 Paragraphs 120 to 122 were considered.
- 9.3.15 **Paragraphs 123 – Construction of Ready-Mix Concrete Fence Totalling \$2.128M**
- 9.3.15.1 The Auditor General was required to verify whether the above amount was expended for the project and to provide the Committee with an update within two weeks.
- 9.3.16 Paragraphs 124 to 133 were considered.
- 9.3.17 **Paragraph 134 – Guyana Office for Investment**
- 9.3.17.1 The Committee expressed dissatisfaction that the Accounting Officer had retained funds for works to be completed at 'GoInvest instead of refunding same to the Consolidated Fund. He was reminded that such practice was a violation of the law.
- 9.3.18 Paragraphs 135 to 148 were considered.
- 9.3.19 **Paragraph 149 – National Communication Network**
- 9.3.19.1 The Committee expressed concerns that the response received from Chief Executive Officer, National Communication Network Inc. did not address the specific issue and requested that the Accounting Officer pursue the matter and provide it with a status report. The Accounting Officer should indicate to the Committee what steps would be taken if the CEO did not respond accordingly.
- 9.3.19.2 The information should be submitted to the Committee by the 15th February, 2008.
- 9.3.20 Paragraphs 150 to 161 were considered.
- 9.3.21 **Paragraph 162 – Guyana Wildlife Management**
- In response to an enquiry the Auditor General informed the Committee that he had received the financial statements from the Guyana Wildlife Division and had advised the Accounting Officer that the above agency's accounts must be incorporated under the EPA in accordance with the rules.

- 9.3.22 At 5.03 p.m. the Committee concluded its consideration of the 2004 public accounts of the Office of the President.
- 9.4 At 5.05 p.m. the Committee proceeded to examine the 2005 public accounts and report with respect to the Office of the President together with the comments submitted by the Accounting Officer.
- 9.5 Paragraphs 89 to 108 were considered.
- 9.6 **Paragraph 109 – Allocation of Funds**
- 9.6.1 In response to an enquiry, the Accounting Officer informed the Committee that the Presidential Guard was allocated funds according to line items which were independently managed by that Department.
- 9.6.2 The Accounting Officer was advised that efforts should be made to have the situation regularized.
- 9.7 **Paragraphs 110 – Integrity Commission**
- 9.7.1 The Auditor General reported that he had conducted a special investigation at the above entity and had recommended that the Accounting Officer be sent on leave for failure to produce the financial statement for that entity.
- 9.8 Paragraphs 111 to 117 were considered.
- 9.9 **Paragraph 118 – Electrical Works Rehabilitation to Buildings**
- 9.9.1 The Auditor General was required to verify whether the schedule of works confirmed to the specification and provide the Committee with an update on the matter by the 15th February, 2008.
- 9.9.2 Paragraph 119 was considered.
- 9.10 **Paragraph 120 – Classification of Minor Works as Capital Expenditure**
- 9.10.1 The Committee noted that the item “contribution and gifts to organizations and individuals” was categorized as a capital item of the Ministry’s programme. It was of the view that that item should be placed within a specific context, and that there should be a definitional framework within which the money was expended.
- 9.11 Paragraphs 121 to 138 were considered.

- 9.12 **Paragraphs 139 -142: National Communication Network**
- 9.13.1 The Committee noted the frequency at which the above agency operated in violation of the laws and advised the Accounting Officer that he should employ greater supervisory control to ensure that there was adherence to the Tender Board Procedures.
- 9.13.2 In response to an enquiry, the Accounting Officer informed the Committee that Cabinet was expected to grant ~~the~~ authority which would effect the completion of the transition of GBC to NCN. A Board would be established shortly.
- 9.13.3 He also informed the Committee that the situation as it related to the Expenditure would be regularized in 2008.
- 9.14 Paragraphs 143 to 148 were considered.
- 9.15 At 5.55 p.m. the Committee concluded its consideration of the 2004 public accounts of the Office of the President.

ITEM 10: ANY OTHER BUSINESS

- 10.1 **PAC's 2002 & 2003 Audit Report**
- 10.1.1 In response to an enquiry, the Chairperson informed Members that the above report had been completed and would be transmitted to the National Assembly.

Adjournment

At 6.00 p.m. the meeting was adjourned to Monday 28th January, 2008.

Confirmed this day of January, 2008

Volda Lawrence
.....
Ms. Volda A. Lawrence, M.P
Chairperson.

**THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2008)**

**MINUTES OF THE 29TH MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 2.50 P.M
ON MONDAY, 28TH JANUARY, 2008
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN**

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)

(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P.

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip

Ms Bibi S. Shadick, M.P

Mr. Mohamed Irfaan Ali, M.P - (Excused)

Mr. Komal Chand, C.C.H., J.P., M.P.

Mr. Dharamkumar Sceraj, M.P. - (Excused)

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P.

Mr. Anthony Vieira, M.S., M.P. - (Excused)

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P.

ADVISERS – (3)

Audit Director (Ag.) (Mr. Thomas Nestor)
For the Auditor General
Finance Secretary - (Excused)
Accountant General (Ag) (Mr. George Abrams)
For the Accountant General

Officers

Ms Sonia Maxwell - Clerk of the Committee
Ms Tanzadell Bentinck - Assistant Clerk of Committee

In Attendance

Mr. Harry N. Jewan - Manager, Project Execution Unit, FFMP,
Parliament Office
Mr. Gordon Ferrell - Research Assistant } attached to the Public Accounts
Ms. Carla Isaacs - Research Assistant } Committee

ITEM 1: CALL TO ORDER

1.1 The Chairperson called the meeting to order at 2.50 p.m.

ITEM 2: ANNOUNCEMENTS

2.1 **Excuses**

2.2.1 The Chairperson informed the Committee that the following Members had asked to be excused:

- (i) Mr. Mohamed Irfaan Ali, M.P.,
- (ii) Mr. Anthony Vieira, M.S., M.P., and
- (iii) Mr. Dharamkumar Seeraj, M.P.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents were circulated prior to the meeting: –

- (i) Notice of the 29th Meeting dated 24th January, 2008;
- (ii) Minutes of the 28th Meeting held on 21st January, 2008;

- (iii) Copies of Comments from the Accounting Officers, Region No. 8 ; and the Auditor General's Briefing Notes thereon,
- (iv) Letter dated 10th, 2nd and 7th January 2008, respectively from Regional Executive Officer, Region No. 6 Re: Supplementary Information on the 2004 and 2005 Public Accounts.

3.2 **Suspension of Agenda**

3.2.1 The Committee agreed to suspend the Agenda and commence examination of the public accounts for Region No. 8.

ITEM 4: TO COMMENCE EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEARS 2004 AND 2005, RESPECTIVELY TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in Auditor General's Report		Accounting Officer
	2004	2005	
7. Region No. 8 – Upper Potaro/Siparuni	1367 – 1401 (35)	1653 – 1697 (45)	Mr. Ishwar Dass

4.1 At 3.00 p.m. the Committee proceeded to consider the Report on the 2004 public accounts with respect to Region No. 8 together with the comments submitted by the Accounting Officer.

4.1.1 Officers present for the examination were:

- (i) Mr. Ishwar Dass, Regional Executive Officer (Accounting Officer)
- (ii) Mr Shameer Arjoon, Accounts Clerk (II)
- (iii) Mr. Curtis Barnett, Assistant Secretary (F)
- (vi) Mr. Karl Amsterdam, Regional Health Officer
- (v) Ms. Yvonne McIntosh, Regional Education Officer.

Mr. Seewchan, Permanent Secretary (Ag), Ministry of Local Government was also in attendance.

- 4.1.2 The Chairperson, prior to the commencement of the examination enquired from the Accounting Officer whether he had any updated response on the comments submitted earlier.
- 4.1.3 The Auditor General then tendered a copy of the updated comments he had received from the Accounting Officer.
- 4.1.4 **Paragraph 1367 – Staff Complement**
- 4.1.4.1 The Committee advised the Accounting Officer that he should engage the Public Service Ministry in an effort to decrease the vacancy level.
- 4.1.5 **Paragraph 1368 – Unreconciled Bank Account No 3135**
- 4.1.5.1 The Accounting Officer was requested to provide the Committee with a status report regarding the reconciliation of wages account No. 3135 by the 29th February, 2008.
- 4.1.6 **Paragraph 1369 – Uncleared Cheque Orders**
- 4.1.6.1 The Accounting Officer was requested to provide the Committee with an update with regard to the outstanding cheque orders by the 29th February, 2008.
- 4.1.7 Paragraphs 1370 to 1379 were considered.
- 4.1.7 **Paragraphs 1380 – 1382: Award of Contracts**
- 4.1.7.1 The Committee noted the comments of the Accounting Officer and urged that, as far as possible, projects in remote areas should be verified to ensure that value for money was attained.
- 4.1.8 Paragraphs 1383 to 1386 were considered.
- 4.1.9 **Paragraphs 1387 – Award of Contracts**
- 4.1.9.1 The Committee noted the frequency in which it was recorded that the contract was not awarded to the lowest bidder because he was engaged in another project and advised the Accounting Officer that:
- (i) he should be satisfied that the bidder did not have the capacity to undertake another project before he was disqualified, and

- (ii) the invitation to tender should clearly state that persons engaged in other projects should not apply if they were using that as a criterion for not awarding contracts.
- 4.1.9.2 The Committee proposed that the Auditor General should pursue the matter with a view to ascertain whether that was a criterion for a contractor to be qualified.
- 4.1.10 Paragraphs 1388 to 1391 were considered.
- 4.1.11 **Paragraph 1393 – Award of Contracts**
- 4.1.11.1 The Committee noted a similarity with paragraph 1387.
- 4.1.12 Paragraphs 1394 to 1401 were considered.
- 4.1.13 The Committee noted the frequency of which Tender Board procedures were violated and urged the Accounting Officer that he should exercise strict supervisory control to ensure adherence of Tender Board procedures by the Regional Executive Officers.
- 4.1.14 At 4.30 p.m. the Committee concluded its consideration of the 2004 public accounts of the Region No.8.
- 4.2 At 4.31 p.m. the Committee proceeded to examine the 2005 public accounts and report with respect to Region No 8 together with the comments submitted by the Accounting Officer.
- 4.2.1 The Chairperson read Section 13 (i) and (ii) of the Procurement Act 8/2003 which gave guidance on the procurement of services and goods and advised the Accounting Officer that he should be guided by the regulations in the procurement of goods and services.
- 4.2.2 Paragraphs 1653 to 1655 were considered.
- 4.2.3 **Paragraph 1656 – Clearing of Cheque Orders**
- 4.2.3.1 The Committee noted the conflicting responses from the Accounting Officer and the Auditor General with regard to the amount of outstanding cheque orders to be cleared and advised that the Auditor General pursue the matter and provide it with an update by the 29th February, 2008.
- 4.2.4 Paragraph 1657 was considered.

- 4.2.5 **Paragraph 1658 – Maintenance Cost for Vehicles**
- 4.2.5.1 The Committee advised the Auditor General that in future he should provide a break down of vehicles that were operational and those that were not, along with amounts expended on maintenance of such vehicles separately.
- 4.2.6 Paragraphs 1659 and 1660 were considered.
- 4.2.7 **Paragraph 1661 – Misallocation of Expenditure**
- 4.2.7.1 The Chairperson advised the Accounting Officer that the Finance Secretary reported at a previous meeting that he had circulated to all Accounting Officers a list of capital and current items.
- 4.2.7.2 She also referred the Accounting Officer to previous budget reports which could serve as a guide on the issue.
- 4.2.8 Paragraph 1662 was considered.
- 4.2.9 **Paragraph 1663 – Misallocation of Expenditure**
- 4.2.9.1 The Committee noted a similarity with the above paragraph and paragraph 1661. The Permanent Secretary was advised to have a session with the Accounting Officer with a view to clarify the issue regarding current and capital expenditures.
- 4.2.10 Paragraphs 1664 to 1670 were considered.
- 4.2.11 **Paragraphs 1671 to 1674: Award of Contract**
- 4.2.11.1 The Committee noted that contracts were being awarded to the lowest bidder and commended the Accounting Officer for such action.
- 4.2.12 Paragraphs 1675 and 1676 were considered.
- 4.2.13 **Paragraph 1677 – Award of Contract Totalling \$4.002M**
- 4.2.13.1 The Accounting Officer was requested to submit to the Committee copies of Minutes of the Tender Board for the award of the contract by the 29th February, 2008.
- 4.2.13.2 The Committee proposed that the Regional Administration should recruit a technical expert during the period projects were executed and three months after the completion of projects. This would facilitate technical advice on the reliability of the projects before final payments were made to contractors.

- 4.2.13.3 The Accounting Officer endeavoured to seek guidance on the issue.
- 4.2.14 Paragraphs 1678 to 1684 were considered.
- 4.2.15 **Paragraphs 1685 and 1686 – Contracts Totalling \$4.236M and \$4.211M, respectively.**
- 4.2.16 The Accounting Officer was requested to submit to the Committee copies of Minutes of the Tender Board for the award of the above contracts by the 29th February, 2008.
- 4.2.17 Paragraphs 1687 to 1691 were considered.
- 4.2.18 **Paragraphs 1692 to 1694:
Subhead 25001 – Furniture & Equipment (Education)
Subhead 25003 - Furniture & Equipment (Administration)**
- 4.2.18.1 Based on conflicting reports on the above issues the Committee requested the Auditor General to conduct a special investigation and provide it with a report by the 29th February, 2008.
- 4.2.19 **Responses to Paragraphs of the Auditor General Report**
- 4.2.19.1 The Committee advised the Accounting Officer that his responses in future should be listed in sequential order in accordance with the corresponding paragraph of the Auditor General's report.
- 4.2.19.2 The Chairperson in summing up commended the Accounting Officer for the areas where there were improvements. She expressed the Committee's concerns with regard to the non adherence to the Tender Board procedures, the frequency of request for variation and the use of current provision to fund capital expenditure.
- 4.2.21 The Accounting Officer was reminded that there was no excuse for violating the laws.
- 4.2.22 The Chairperson thanked the Accounting Officer and his team for attending the meeting.
- 4.2.23 At 6.35 p.m. the Committee concluded its consideration of the 2005 public accounts of Region No.8.

ITEM 5:

TO CONSIDER AND APPROVE THE APPLICANT TO BE RECRUITED AS THE CONSULTANT TO SYNCHRONIZE THE CONSTITUTION OF GUYANA, THE AUDIT ACT AND THE RULES POLICIES & PROCEDURES MANUAL

5.1 This item was deferred to the next meeting of the Committee.

ADJOURNMENT

At 6.45p.m. the meeting was adjourned to Monday 4th February, 2008.

Confirmed this day of February, 2008

Volda Lawrence
.....
Ms. Volda A. Lawrence, M.P
Chairperson.

THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2008)

MINUTES OF THE 30TH MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 2.20 P.M
ON MONDAY, 4TH FEBRUARY, 2008
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)

(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P.

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip - (Excused)

Ms Bibi S. Shadick, M.P.

Mr. Mohamed Irfaan Ali, M.P.

Mr. Komal Chand, C.C.H., J.P., M.P. - (Absent)

Mr. Dharamkumar Seeraj, M.P.

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P. - (Excused)

Mr. Anthony Vieira, M.S., M.P. - (Excused)

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P. - (Absent)

2

ADVISERS – (3)

The Auditor General (Ag.) (Mr. Deodat Sharma)
Finance Secretary (Mr. Neermal Rekha)
Deputy Accountant General (Ag) (Mr. George Abrams)
For the Accountant General

Officers

Ms Sonia Maxwell - Clerk of the Committee
Ms Tanzadell Bentinck - Assistant Clerk of Committee

In Attendance

Mr. Harry N. Jewan - Manager, Project Execution Unit, FFMP,
Parliament Office
Mr. Gordon Ferrell - Research Assistant } attached to the Public Accounts
Ms. Carla Isaacs - Research Assistant } Committee

ITEM 1: CALL TO ORDER

1.1 The Chairperson called the meeting to order at 2.20 p.m.

ITEM 2: ANNOUNCEMENTS

2.1 **Excuses**

2.2.1 The Chairperson informed the Committee that the following Members had asked to be excused:

- (i) Mrs. Indranie Chandarpal, M.P.
- (ii) Mr. Winston S. Murray, C.C.H., M.P., and
- (iii) Mr. Anthony Vieira, M.S., M.P.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents were circulated prior to the meeting: –

- (i) Notice of the 30th Meeting dated 30th January, 2008;
- (ii) Minutes of the 29th Meeting held on 28th January, 2008;
- (iii) Copies of Comments from the Accounting Officer, Region No. 9 for 2004 and 2005, respectively, and the Auditor General's Briefing Notes thereon;

- (iv) Letter dated 31st January, 2008 from the Accounting Officer, Guyana Defence Force Re: Supplementary Information on the 2004 and 2005 Public Accounts; and
- (v) Record of Proceedings of the 12th Meeting of the Public Accounts Committee held on 4th June, 2007.

3.2 **Suspension of Agenda**

3.2.1 The Committee agreed to suspend the Agenda to commence the examination of the public accounts for Region No. 9.

ITEM 4: TO COMMENCE EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEARS 2004 AND 2005, RESPECTIVELY TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in Auditor General's Report		Accounting Officer
	2004	2005	
7. Region No. 9 – Upper Takatu/Upper Essequibo	1402 – 1475 (74)	1698 – 1765 (69)	Mr. J Somwar Regional Executive Officer

4.1 At 2.25 p.m. the Committee proceeded to consider the Report on the 2004 public accounts with respect to Region No. 9 together with the comments submitted by the Accounting Officer.

4.1.1 Officers present for the examination were:

- (i) Mr. Jagnarine Somwar, Regional Executive Officer (Accounting Officer)
- (ii) Mr. Owen Pollard, Regional Education Officer
- (iii) Mr. Calvin Benn, Senior Superintendent of Works

Mr. Seewchan, Permanent Secretary (Ag), Ministry of Local Government was also in attendance.

4.1.2 In response to an enquiry the Accounting Officer withdrew his responses to paragraphs 1405, 1409, 1414 and 1429, respectively.

- 4.1.3 Paragraphs 1402 to 1408 were considered.
- 4.1.4 **Paragraph 1409 – Award of Contracts for the Supply of Fuel and Lubricants**
- 4.1.4.1 The Committee noted the comment of the Auditor General that the contracts were awarded to the highest bidder based on the premise that the bidder was the holder of a license to tender from GEA.
- 4.1.4.2 The Committee questioned whether that was a criterion for the award of such contracts.
- 4.1.5 **Attendance of the Previous Regional Executive Officer**
- 4.1.5.1 At this point, the Chairperson enquired from the Permanent Secretary the reason the Regional Executive Officer for the period under review did not attend the Meeting.
- 4.1.5.2 The Committee noted that the Permanent Secretary was unable to contact the former Regional Executive Officer.
- 4.1.6 Paragraph 1410 was considered
- 4.1.7 **Paragraph 1411 - Apparent Shortages of Fuel and Lubricants**
- 4.1.7.1 The Finance Secretary, in response to an enquiry informed the Committee that corrective action should be taken at the level of the Regional Administration.
- 4.1.7.2 The Accounting Officer was requested to pursue the matter and provide the Committee with a status report by the 28th February, 2008.
- 4.1.8 Paragraph 1412 was considered.
- 4.1.9 **Paragraph 1413 – Non- Submission of Financial Statements**
- 4.1.9.1 The Committee noted the comments of the Accounting Officer that ninety-five percent of the financial statements for 2006 and 2007 were completed and submitted to the Auditor General and requested that the Auditor General verify the statement, and provide it with an update.

- 4.1.10 **Paragraphs 1414 to 1418: Stores and Other Public Property**
- 4.1.10.1 The Committee noted the comments of the Auditor General and the responses from the Accounting Officer and requested that the Accounting Officer provide it with the following information by the 21st March, 2008:
- (i) a report on the list of items that were loaned to agencies and individuals in the 194 instances as stated in paragraph 1414 in the Auditor General's Report;
 - (ii) a list of those individuals and agencies that he had written to in an effort to recoup the outstanding amounts. He should indicate those that had responded, and
 - (iii) What action had been taken against those persons who failed to respond to the letter.
- 4.1.11 **Special Project Fund**
- 4.1.11.1 The Committee advised the Accounting Officer to take cognizance of the Auditor General's remarks that the cost for repairs to the Guess House should not have been met from the special fund but allocation should have been requested under maintenance of building line item.
- 4.1.12 Paragraphs 1419 to 1422 were considered.
- 4.1.13 **Paragraphs 1423 to 1430 – Overpayment on Contracts**
- 4.1.13.1 The Committee expressed dissatisfaction at the numerous instances where contractors were paid without physical examination conducted on projects, resulting in overpayments on the projects.
- 4.1.13.2 The Committee also noted instances where retention bonds were not withheld on contracts and or liquidated damages instituted against defaulting contractors.
- 4.1.14 Paragraphs 1431 to 1450 were considered.
- 4.1.15 **Paragraph 1451 – Rehabilitation of Building R – 96**
- 4.1.15.1 The Committee noted the response from the Accounting Officer that the discrepancies were rectified and requested the Auditor General to verify the works.
- 4.1.16 Paragraphs 1452 to 1461 were considered.

- 4.1.17 **Paragraph 1462 – Fencing of the Community Farms at Awarewaunau and Sand Creek**
- 4.1.17.1 The Committee noted the comment of the Auditor General that verification of the works could not be conducted by his Officers due to the inaccessibility of the areas and advised the Auditor General to engage in inter-agency programmes to resolve the issue.
- 4.1.18 Paragraphs 1463 to 1473 were considered.
- 4.1.19 **Paragraph 1474 – Contract Totalling \$84,000**
- 4.1.19.1 The Committee noted the comments of the Accounting Officer that the above amounts were refunded and requested the Auditor General to verify the information.
- 4.1.20 At 4.45 p.m. the Committee concluded its consideration of the 2004 public accounts of the Region No.9.
- 4.2 At 4.46 p.m. the Committee proceeded to examine the 2005 public accounts and report with respect to Region No 9 together with the comments submitted by the Accounting Officer.
- 4.2.1 Paragraphs 1698 to 1706 were considered.
- 4.2.2 **Paragraph 1707 – Misallocation of Expenditure**
- 4.2.2.1 The Committee advised the Accounting Officer to seek guidance from the Permanent Secretary on the issue with regard to the categorization of current and capital expenditures.
- 4.2.2.2 The Finance Secretary advised the Accounting Officer that he could consult the Estimates of the National Budget for guidance on the categorization of such items.
- 4.2.2.3 The Auditor General advised the Accounting Officer that provision was made in the Fiscal Management & Accountability Act that current expenditure could be expended by capital expenditure but approval should be sought from the relevant authority.
- 4.2.3 Paragraphs 1708 to 1711 were considered.
- 4.2.4 **Paragraph 1712 – Discrepancies at the Central Stores**
- 4.2.4.1 The Committee noted a similarity with the above paragraphs and paragraphs 1414 to 1418.

- 4.2.5 Paragraphs 1713 to 1715 were considered.
- 4.2.6 **Paragraph 1716 – Special Project Fund Account**
- 4.2.6.1 The Committee advised the Accounting Officer that funds received from the operations of the Guess House should be paid into the Consolidated Fund.
- 4.2.6.2 The Chairperson noted the response of the Accounting Officer that dietary supplies for the Guess House were not usually catered for in the Regional Administration’s budget hence funds were utilized from proceeds of the Guess House to meet this expenditure.
- 4.2.6.3 The Committee advised the Accounting Officer to pursue the matter with the Auditor General and provide it with an update by the 21st March, 2008
- 4.2.7 Paragraphs 1717 to 1726 were considered.
- 4.2.8 **Paragraphs 1727 - Overpayment totalling \$939,000**
- 4.2.8.1 In response to a query, the Auditor General informed Members that the Accounting Officer should report the matter to the police. The matter should also be reported to the Attorney General, who represented the State in such issues for further advice.
- 4.2.8.2 The Committee proposed that the Auditor General should conduct detailed analysis on those contracts which were sub-divided indicating separate amounts for labour and the supply of material with a view to ascertain that there was no duplication of charges.
- 4.2.8.3 The Committee expressed dissatisfaction at the numerous instances of overpayment to contractors and requested the Accounting Officer to take steps to have the amounts refunded and provide the Committee with an update by the 15th February, 2008.
- 4.2.9 Paragraphs 1728 to 1739 were considered.
- 4.2.10 **Paragraphs 1740 - Award of Contract totalling \$3.733M**
- 4.2.10.1 The Finance Secretary cautioned the Accounting Officer of the term “most responsive” bidder and advised that the term “lowest responsive” bidder should be used in accordance with the Public Procurement Act.
- 4.2.11 Paragraphs 1741 to 1766 were considered.

- 4.2.12 The Chairperson advised the Accounting Officer that in future his response should also indicate corrective measures that would be employed to avoid recurrence of discrepancies.
- 4.2.13 In summing up, the Chairperson advised the Permanent Secretary to indicate the views and issues highlighted by the Committee with other Regions in an effort to reduce such incidents in the future.
- 4.2.14 The Chairperson thanked the Accounting Officer and his team for attending the meeting.
- 4.2.15 At 6.00 p.m. the Committee concluded its consideration of the 2005 public accounts of Region No.9.

ITEM 5: TO CONSIDER AND APPROVE THE APPLICANT TO BE RECRUITED AS THE CONSULTANT TO SYNCHRONIZE THE CONSTITUTION OF GUYANA, THE AUDIT ACT AND THE RULES POLICIES & PROCEDURES MANUAL

- 5.1 This item was deferred to the next meeting of the Committee.

ITEM 6: TO CONSIDER FOLLOW-UP/SUPPLEMENTAL INFORMATION RECEIVED FROM THE ACCOUNTING OFFICERS

- 6.1 This item was deferred to the next meeting of the Committee.

ITEM 7: ANY OTHER BUSINESS

7.1 Extension of Deadline Date

- 7.1.1 The Chairperson drew Members' attention to a letter dated 31st January, 2008 from the Accounting Officer of the Guyana Defence Force which requested an extension to the deadline of 31st January, 2008 given by the Committee.
- 7.1.2 The Committee agreed to extend the deadline as was requested. The Clerk was requested to indicate the Committee's decision to the Accounting Officer.

ADJOURNMENT

At 6.45 p.m. the meeting was adjourned to Monday 11th February, 2008.

Confirmed thisday of February, 2008

Volda Lawrence
.....
Ms. Volda A. Lawrence, M.P
Chairperson.

**THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2008)**

**MINUTES OF THE 31ST MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 2.20 P.M
ON MONDAY, 17TH MARCH, 2008
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN**

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)

(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P.

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip

Ms Bibi S. Shadick, M.P

Mr. Mohamed Irfaan Ali, M.P

Mr. Komal Chand, C.C.H., J.P., M.P.

Mr. Dharamkumar Seeraj, M.P.

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P. - (Excused)

Mr. Anthony Vieira, M.S., M.P. - (Absent)

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P.

ADVISERS – (3)

The Auditor General (Ag.) (Mr. Deodat Sharma)
Finance Secretary (Mr. Neermal Rekha)
Deputy Accountant General (Ag) (Mr. George Abrams)
For the Accountant General

Officers

Ms Sonia Maxwell - Clerk of the Committee
Ms Tanzadell Bentinck - Assistant Clerk of Committee

In Attendance

Mr. Harry N. Jewan - Manager, Project Execution Unit, FFMP,
Parliament Office
Mr. Gordon Ferrell - Research Assistant} attached to the Public Accounts
Ms. Carla Isaacs - Research Assistant} Committee

ITEM 1: CALL TO ORDER

1.1 The Chairperson called the meeting to order at 2.20 p.m.

ITEM 2: ANNOUNCEMENTS

2.1 **Excuses**

2.1.1 The Chairperson informed the Committee that Mr. Winston Murray had asked to be excused from the Meeting.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents were circulated prior to the meeting: –

- (i) Notice of the 31st Meeting dated 12th March, 2008;
- (ii) Minutes of the 30th Meeting held on 4th February, 2008;
- (iii) Copies of Comments from the Accounting Officer, Region No. 10 for 2004 and 2005, respectively, and the Auditor General's Briefing Notes thereon;
- (iv) Memorandum dated 4th and 14th February, 2008 from the Accounting Memorandum dated 4th and 14th February, 2008 re Supplementary Information on the 2004 and 2005 Public Accounts from the following officers:

- Regional Executive Officer – Region No. 4;
- Permanent Secretary – Office of the President, and
- Regional Executive Officer – Region No. 8;

- (v) Copy of Stores Regulation 1993 – Order No. 6 of 1993 dated 30th June, 1993.

ITEM 4: CONFIRMATION OF MINUTES OF THE 28TH MEETING HELD ON THE 21ST JANUARY, 2008

- 4.1 The Minutes were confirmed without corrections on a motion moved and seconded by Ms. Bibi Shadick and Mr. Dharamkumar Seeraj, respectively.

ITEM 5: MATTERS ARISING FROM THE MINUTES OF THE 28TH MEETING

Parliamentary Seminar in St. Lucia

- 5.1 The Chairperson informed the Members that on invitation by the Speaker of St. Lucia she attended a Parliamentary Seminar which was held on 3rd March, 2008 and apprised them on the following:

- (i) Members of the St. Lucia's Public Accounts Committee expressed the view that Public Accounts Committee of Guyana had an excellent system regarding the Oversight of the Audit Office;
- (ii) That Public Accounts of Guyana met frequently;
- (iii) That Guyana's Public Accounts system could be used as a model for Public Accounts Committees in the Region;
- (iv) The last time a meeting was convened by the Public Accounts of St. Lucia was 1989, and
- (v) The need for a bilateral agreement for the formation of a CARICOM Public Accounts Committee (CARIPAC)

- 5.1.1 The Chairperson also informed Members that she had extended an invitation to Members of the Public Accounts of St. Lucia to visit Guyana to have a first hand experience of its operations.

5.2 The Canadian Comprehensive Audit Foundation – PAC Workshop

- 5.2.1 Members reviewed the above workshop and was of the view that the workshop was quite informative and successful.

- 5.3 **Page 266, paragraph 5.1.5.1- Recruitment of Consultant**
- 5.3.1 A Member posited that the Committee should not be guided by opinions as in relation to the recruitment of S. V. Jones & Associates being a matter of conflict and proposed that the Committee should take a decision on the matter.
- 5.3.2 The Chairperson encapsulated that the Committee had earlier agreed to evaluate all the applicants with a view to ascertain whether they met the minimum criteria.
- 5.4 **Page 268, paragraph 6.1.2 – Advertisement for the Position of Audit Directors within the Audit Office**
- 5.4.1 In response to an enquiry with regard to the above advertisement the Auditor General reported that the advertisement was published in the print media. The closing date was the 14th March, 2008.

ITEM 6: CONFIRMATION OF MINUTES OF THE 29TH MEETING HELD ON THE 28TH JANUARY, 2008

- 6.1 The Minutes were confirmed, without corrections, on a motion moved and seconded by Mrs. Indranie Chandarpal and Mr. David Patterson, respectively.

ITEM 7: MATTERS ARISING FROM THE MINUTES OF THE 29TH MEETING

- 7.1 **Page 278, paragraph 4.1.5.1: Supplemental Information – Region No. 8**
- 7.1.1 The Clerk of the Committee was requested to verify whether the Accounting Officer had submitted a status report on the reconciliation of the wages account No. 3135 as was requested by the Committee.
- 7.1.2 If the information was not received a letter should be sent to the Accounting Officer reminding him of the Committee's request. A copy should also be sent to the Permanent Secretary, Ministry of Local Government.

**ITEM 8: CONFIRMATION OF MINUTES OF THE 30TH MEETING
HELD ON THE 4TH FEBRUARY, 2008**

Corrections

Page 287– Overpayment on Contracts:

8.1 **Paragraph 4.1.13.1**

8.1.1 The following amendment was made:

- Insertion of “/ ” after the word “and ”in the penultimate line.

8.2 **Paragraph 4.1.13.2**

8.2.1 The following amendment was made:

Insertion of the words “were not” after the word “damages” in the penultimate line.

**ITEM 9: MATTERS ARISING FROM THE MINUTES OF THE
30TH MEETING**

9.2 **Page 286 paragraph, 4.1.9.1 – Non- Submission of Financial Statements**

9.2.1 In response to an enquiry, the Auditor General concurred that ninety-five percent of the financial statements for 2006 were completed and submitted to his Office.

9.3 **Page 287, paragraph 4.1.10.1 - Stores and Other Public Property**

9.3.1 The Clerk of the Committee was required to write the Permanent Secretary, Ministry of Local Government outlining the information the Accounting Officer, Region No. 9 was requested to submit. The Permanent Secretary should also be advised of the expiration of the deadline.

9.4 **Page 290, paragraph 7.1.1 – Extension of Deadline Date**

9.4.1 The Clerk of the Committee was requested to write the Accounting Officer, GDF reminding him of the submission of the supplemental information.

ITEM 10: CONSIDERATION AND APPROVAL OF THE APPLICANT TO BE RECRUITED AS THE CONSULTANT TO SYNCHRONIZE THE CONSTITUTION OF GUYANA, THE AUDIT ACT AND THE RULES POLICIES & PROCEDURES MANUAL

10.1 Members commenced consideration of this matter and after some deliberations, the Chairperson requested that, Mr. Ali circulate to Members copies of the Rules and Policies of the IDB pertaining to conflict between consulting activities and the procurement of goods and service.

10.1.1 Mr. Jewan was requested to circulate to Members copies of the two applications received for the position of Consultants.

10.1.2 Thereafter, further discussion on this issue was deferred to the next meeting of the Committee.

ITEM 11: DISCUSSION ON WHAT ACTION SHOULD BE TAKEN WITH REGARD TO THE FOLLOW-UP/SUPPLEMENTAL INFORMATION RECEIVED FROM THE ACCOUNTING OFFICERS

11.1 The Committee agreed that the Research Assistants should prepare a matrix of those Agencies the Committee had conducted examination of their accounts, indicating the dates of the examinations and supplemental information that was requested stating the deadline dates. Those Agencies that failed to comply should also be listed.

11.1.1 The Committee also agreed that the defaulting Agencies should be written to giving them fourteen days to submit the outstanding information. Copies of the letters should be sent to their respective Ministers.

11.1.2 The Advisers were requested to provide the Committee with guidelines pertaining to the action to be taken against those defaulting Agencies.

ITEM 12: CONSIDERATION OF THE APPOINTMENT OF NOMINEES FOR THE PUBLIC PROCUREMENT COMMISSION

12.1 In response to an enquiry on the list of Government nominees to be appointed to the above Commission, Mr. Chand informed the Committee that this issue, among others, was discussed at the

recent stakeholders meeting on the security reform out of which some recommendations were made. He was of the view that the names would be submitted soonest.

12.1.1 The Chairperson expressed the view that it was hoped that whatever process was employed would not remove the mandate from the Committee and that the names would be submitted to the Committee for consideration.

ITEM 13: TO COMMENCE EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEARS 2004 AND 2005, RESPECTIVELY TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in Auditor General's Report		Accounting Officer
	2004	2005	
9. Region No.10 -- Upper Demerara/Upper Berbice	1476 – 1535 (60)	1767 – 1815 (49)	Mr. Henry Rodney Regional Executive Officer

13.1 At 3.30 p.m. the Committee proceeded to consider the Report on the 2004 public accounts with respect to Region No. 10 together with the comments submitted by the Accounting Officer.

Officers present for the examination were:

- (i) Henry Rodney, Regional Executive Officer (Accounting Officer)
- (ii) Ms. Marcel Hutson, Regional Education Officer
- (ii) Mr. Carlyle October, Senior Superintendent of Works
- (iii) Ms. Valerie Sealy, PAS (F) (ag)
- (iv) Dr. Pansy Armstrong, Regional Health Officer.

Mr. Seewchan, Permanent Secretary (Ag), Ministry of Local Government was also in attendance.

- 13.1.1 **Paragraph 1476 – Reconciliation of Salaries Bank Account No. 861 totalling \$5.466M**
- 13.1.2 In response to an enquiry, the Accounting Officer informed the Committee that a Consultant was recruited in an effort to reconstruct the records on Salaries Bank Account No. 86, however in the absence of the cash book and other pertinent records the process could not be completed. Nevertheless reconciliation on the 1392 account was completed.
- 13.1.3 The Finance Secretary advised the Accounting Officer to take steps to have the accounts reconciled, documenting those efforts that were made in an effort to reconcile the accounts. Thereafter consideration would be given to have the amounts written off.
- 13.1.4 The Committee requested that the Accounting Officer provide it with a progress report on the matter by the 31st March, 2008
- 13.1.5 Paragraphs 1477 to 1484 were considered.
- 13.1.6 The Committee noted the numerous instances where variation was sought, even though the contracts were awarded to the second highest bidder.
- 13.1.7 **Paragraph 1487 – Amounts totaling \$5.664M Expended on Teachers’ Quarters**
- 13.1.7.1 In light of the Accounting Officer’s comments that two payments were made to the contractor the Auditor General undertook to revisit the matter.
- 13.1.8 Paragraphs 1488 to 1491 were considered.
- 13.1.9 **Paragraph 1492 – Overpayment Totalling \$132,600**
- 13.1.9.1 In response to an enquiry, the Accounting Officer reported that he was of the view that there was no overpayment on the contract. He had engaged the Auditor General in a discussion on this matter two weeks ago and the Engineers had revisited the works. However, the Engineers indicated that their findings were correct, hence he would be taking steps to have the contractor repay the above sum.
- 13.1.10 At this point, the Committee expressed great dissatisfaction that the Accounting Officer met recently with the Auditor General and did not see it fit to provide it with updated comments.

- 13.1.11 The Auditor General informed the Committee that he was in possession of updated comments and that he had advised the Accounting Officer to forward same to the Committee. He further stated that the comments were 80% inaccurate.
- 13.1.12 A discussion ensued, and the Committee agreed that it would not proceed further with the examination of the public accounts of the Agency and requested that the Accounting Officer provide it with updated comments by the 31st March, 2008.
- 13.1.13 At 4.33 p.m. the Committee deferred further consideration on the examination of the accounts.
- 13.1.14 The Committee requested the Auditor General to provide information on tendering and voting procedures employed by the Regional Administration along with issues pertaining to contract variations.

ITEM 14: ANY OTHER BUSINESS

14.1 Publication of Advertisement

- 14.1.1 A Member noted that the advertisement for the position of Audit Directors only appeared in the Chronicle and Kaeiteur print media and cautioned that the Audit Office was an autonomous agency and as such was not subjected to adopting a Government principle.

14.2 Audit Office 2008 Budget

- 14.2.1 The Chairperson referred to the recently approved 2008 National Budget and Estimates.
- 14.2.2 The Committee requested the Auditor General to submit a proposal on the analysis of the current and capital estimates of on the Audit Office 2008 budgetary provision for consideration by the Committee.

ADJOURNMENT

At 4.50 p.m. the meeting was adjourned to 2.00 p.m. on Monday, 31st March, 2008.

Wald
Confirmed this *21* day of, April 2008

.....*Waldalawrence*.....
Mrs. Volda A. Lawrence, M.P
Chairperson.

**THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2008)**

**MINUTES OF THE 32ND MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 2.10 P.M
ON MONDAY, 31ST MARCH, 2008
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN**

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)

(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P.

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip

Ms Bibi S. Shadick, M.P

Mr. Mohamed Irfaan Ali, M.P

Mr. Komal Chand, C.C.H., J.P., M.P.

Mr. Dharamkumar Seeraj, M.P.

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P.

Mr. Anthony Vieira, M.S., M.P. - (Absent)

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P.

ADVISERS – (3)

The Auditor General (Ag.) (Mr. Deodat Sharma)
Finance Secretary (Mr. Neermal Rekha)
Accountant General (Mr. Hardat Autar)

Officers

Ms Sonia Maxwell - Clerk of the Committee
Ms Tanzadell Bentinck - Assistant Clerk of Committee

In Attendance

Mr. Gordon Ferrell - Research Assistant } attached to the Public Accounts
Ms. Carla Isaacs - Research Assistant } Committee

ITEM 1: CALL TO ORDER

1.1 The Chairperson called the meeting to order at 2.10 p.m.

ITEM 2: ANNOUNCEMENTS

2.1 Excuses

2.1.1 The Chairperson informed the Committee that Mr. Anthony Vieira, M.S., M.P. had asked to be excused from the Meeting.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents were circulated prior to the meeting: –

- (i) Notice of the 32nd Meeting dated 27th March, 2008;
- (ii) Minutes of the 31st Meeting held on 17th March, 2008;
- (iii) Comments by the Accounting Officer, Ministry of Finance and the Auditor General's Briefing notes thereon for 2004 and 2005, respectively ;
- (iv) Letter dated 29th February, 2008 from REO, Region No. 6 and copied the Chairperson, PAC, re, Scheduling of Meeting to deal with Overpayment of Ex-Staff Contributions.

ITEM 4:

**CONFIRMATION OF MINUTES OF THE 31ST MEETING
HELD ON THE 17TH MARCH, 2008**

Corrections

4.1 **Parliamentary Seminar in Lucia:**

4.1.1 **Page 294 - Paragraph 5.1**

(i) Substitution of the following for the paragraph:

The Chairperson informed Members that at the invitation of the Speaker of the Parliament of St. Lucia she attended a seminar hosted by the Comprehensive Audit Foundation for the Public Accounts of St. Lucia and other Parliamentarians on the 3rd March, 2008. She apprised them of:

- (a) The word of the Public Accounts in Guyana and also of its oversight role of the Audit Office;
- (b) the legislation which formed the framework which the Committee of Guyana operated and also the Rules Polices and Procedures Manual;
- (c) The non-partisan spirit which the PAC of Guyana conducted the business; and
- (d) The Public Accounts of Guyana would be willing to entertain Members of the PAC of St. Lucia to observe meetings and the examination of Government Agencies.
- (e) The Chairperson informed Members of the request by the CCAF for the Public Accounts of Guyana to assist them in the formation of a Caricom Public Accounts Committee (CARIPAC), where the Committee could play a pivotal role.

(ii) Paragraph 5.1.1

- Substitution of the words “the Public Accounts of Guyana” for “its” after the word “of” in the last line.

(iii) **Paragraph 5.2.1 – The Canadian Comprehensive Audit Foundation – PAN Workshop.**

- Substitution of the word “were” for the word “was” after the word “and” in the first line.

4.2 **Page 296, paragraph 9.2.1 – Non-submission of Financial Statements**

- Insertion of “(ag.)” after the word “General” in the first line.

4.3 **Page 298:**

(1) **Paragraph 12.1.1 – Reconciliation of Salaries Bank Account No. 861 totalling \$5.466M**

The following amendments were made:

- (a) Deletion of the words “it was hoped that” after the word “view” in the first line.
- (b) Substitution of the word “should” for the word “would” in the second line.

(2) **Paragraph 13.1.3**

- Deletion of the words “ in an effort” after the word “made” in the penultimate line.

(3) **Paragraph 13.1.9.1 - Overpayment Totalling \$132,000**

- Substitution of the words “had been” for the word “was” in line second.

4.4 **Page 300, paragraph 14.2.2 Audit Office 2008 Budget**

- Deletion of the word “proposal on the” before the word “analysis” in the second line.

4.5 Thereafter, the Minutes were confirmed on a motion moved and seconded by Ms Bibi Shadick and Mrs. Indra Chandarpal, respectively.

ITEM 5:

MATTERS ARISING

Supplemental Information to the Committee

- 5.1. **Page 296 paragraph 9.3.1 – Letter to REO, Region No. 9**
- 5.1.2 The Chairperson informed Members that she had spoken to the Permanent Secretary, Ministry of Local Government regarding the supplemental information Accounting Officer was requested to submit. He informed her that the Accounting Officer had been transferred and undertook to submit the information to the Committee.
- 5.2 **Letter to REO, Region No. 8**
- 5.2.1 The Chairperson reminded the Clerk that the letter to the Accounting Officer Region No. 8 requesting supplemental information was still outstanding.
- 5.3 **Page 296, paragraph 9.4.1 – Extension of Deadline**
- 5.3.1 The Clerk informed the Chairperson that a letter was sent to the Accounting Officer, GDF reminding of the expiration of the deadline, no response was received.
- 5.4 **Page 297, paragraph 11.1 - Matrix of Defaulting Agencies**
- 5.4.1 In response to an enquiry, the Clerk informed the Chairperson that the matrix with agencies that had not submitted the supplemental information was incomplete.
- 5.5 **Page 300, paragraph 13.1.12 – Updated Comments from REO, Region No. 9**
- 5.5.1 The Chairperson informed Members that the REO, Region No. 10 had submitted the updated comments.
- 5.6 **Page 300, paragraph 14.2 – Audit Office 2008 Budget**
- 5.6.1 A Member pointed out the reluctance by the Ministry of Finance to engage the Committee in the discussion with the Auditor General (Ag.) on the Audit Offices' budget.
- 5.6.2 The Committee agreed that a letter be sent to the Minister of Finance reminding him of the Public Accounts Committee oversight functions of the Audit Office in accordance with Article 223 of the Constitution and the Audit Act No. 5 of 2004

- 5.6.3 **Letter received from REO, Region No. 6**
- 5.6.3.1 The Chairperson drew Members' attention to letter a dated 29th February, 2008, re scheduling of meeting to deal with overpayment of ex-staff.
- 5.6.3.2 The Committee agreed that the matter be considered by the Finance Secretary with a view to determining the way forward.
- 5.6.3.3 The Clerk was requested to write the REO advising him to approach the Finance Secretary for advice on the matter.
- 5.7 **Resignation of the Human Resources Manager – Audit Office**
- 5.7.1 The Chairperson drew Members attention to letter dated 31st March, 2008 from the Auditor General (ag.) requesting the Committee's approval for the position the Human Resource Manager to be advertised and filled since the incumbent had resigned. To this the Committee concurred.

ITEM 6: TO CONTINUE AND COMMENCE EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEARS 2004 AND 2005, RESPECTIVELY TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in Auditor General's Report		Accounting Officer
	2004	2005	
10. Ministry of Finance: -			Mr. Neermal Rekha Finance Secretary
(i) General	----	1 – 97 (97)	
(ii) Prog. 1- Ministry Administration	212 – 239 (28)	150 – 230 (80)	
(iii) Prog. 2 – Accountant General	240 – 247 (8)	231 – 238 (8)	
(iv) Customs & Trade Administration	248 – 265 (18)	239 – 259 (21)	
(v) Guyana Revenue Authority	266 – 278 (13)	260 – 277 (18)	

- 6.1 At 2.50 p.m. the Committee proceeded to consider the Report on the 2004 public accounts with respect to the Ministry of Finance together with the comments submitted by the Auditor General.

Officers present for the examination were:

- (i) Mr. Neermal Rekha, Finance Secretary
- (ii) Ms. Lorene Baird, Deputy Finance Secretary
- (iii) Mr. Donald DeClou, Chairman, NPTA
- (iv) Mr. Hardat Autar, Accountant General (ag)
- (v) Mr. George Abrams, Deputy Accountant General
- (vi) Ms. Ingrid Griffith, Deputy Commissioner- Customs and Trade Administration
- (vii) Mr. Basil Joseph, Commissioner (ag) – Internal Revenue/GRA.

- 6.1.1 **Paragraph 213- Linden Economic Advancement Project**
- 6.1.2 A Member suggested that the Auditor General reports on foreign grants should be made in respective foreign currency as well as local currency.
- 6.1.3 Paragraphs 214 to 217 were considered.
- 6.1.4 **Paragraph 218 – Outstanding Purchase Price Amounts Remaining on Guyana Stores Ltd and National Paints Company totalling US\$2M and US\$900,000**
- 6.1.4.1 In response to an enquiry, the Finance Secretary, informed the Committee that the situation remained the same and was engaging the attention of the court system.
- 6.1.5 Paragraphs 119 to 238 were considered.
- 6.1.6 **Paragraph 239 – BPRS Module and Bank Reconciliation Tool**
- 6.1.6.1 In response to an enquiry, the Finance Secretary informed the Committee that the purchasing and asset inventories were still to be implemented.
- 6.1.7 Paragraph 241 was considered.
- 6.1.8 **Paragraph 242 – Non-operational Salaries Bank Account No. 506 totalling \$1.946M**
- 6.1.8.1 In response to an enquiry, the Accountant General informed the Committee that he was still awaiting a response from Cabinet. Follow-up action was made in January.
- 6.1.8.1 The Committee advised the Accountant General to pursue the matter.

- 6.1.9 Paragraph 243 was considered.
- 6.1.10 **Paragraph 244 – Un-cleared Advances for Overseas Conferences and Official visits totalling \$29.263M**
- 6.1.10.1 The Committee noted the response of the Accountant General that he had written to the Officers who had outstanding advances and he had also brought the matter to the attention of the Minister of Finance.
- 6.1.11 The Committee requested the Accountant General to submit to it by the end of April, 2008, a list of the names of those persons who had the un-cleared advances.
- 6.1.12 Paragraphs 245 to 250 were considered.
- 6.1.13 **Paragraph 251 - Waiver for Consignments**
- 6.1.13.1 In response to an enquiry, the Deputy Commissioner, Customs and Trade Administration informed the Committee that the Commissioner General would consult with the Minister of Finance before granting waiver for consignments.
- 6.1.13.2 The Committee noted the absence of guidelines to assist the Commissioner General in the granting of waiver for consignments.
- 6.1.13.3 The Committee also expressed the view that there were reports from some importers who felt that they were treated unfairly by some Custom Officers with respect to the duties imposed by some Customs Officers. It decided that there should be a reference price for every item, as such the duties imposed would not be left to the discretion of Officers.
- 6.1.14 Paragraphs 252 to 258 were considered.
- 6.1.15 **Paragraph 259 Non-renewal of Liquor Licenses**
- 6.1.15.1 The Committee expressed concerns about the many un-licensed liquor operators.
- 6.1.15.2 The Committee proposed that the Customs & Trade Administration should investigate the matter and submit a report it on the matter.
- 6.1.16 Paragraphs 260 to 262 were considered

- 6.1.17 **Paragraphs 263 and 264 – Un-cleared cheques totaling \$2.251M & \$2.848M, respectively**
- 6.1.18 Based on conflicting views expressed by the Auditor General and the Deputy Commissioner General the Committee requested that the Deputy Commissioner General should submit a report on the following by 15th April, 2008:
- (i) whether the Administration had taken steps to recoup the un-cleared amounts from the estates of the two deceased;
 - (ii) total un-cleared amount by the deceased
 - (iii) total un-cleared amounts by the remaining importers; and
 - (iv) the name of the importer that legal action had been taken against.
- 6.1.19 Paragraph 265 and 267 were considered.
- 6.1.20 **Paragraph 264 – Collection of Corporation Tax**
- 6.1.20.1 Based on divergent reports, the Committee requested the Auditor General to reconcile the amounts in consultation with the Customs and Trade Administration and provide it with a report by the 15th April, 2008
- 6.1.21 Paragraphs 265 to 278 were considered.
- 6.1.22 At 4.35 p.m. the Committee concluded examination of the 2004 accounts of the Ministry of Finance (Programmes 1 & 2) and the Customs & Trade Administration and Inland Revenue.
- 6.2 At 4.36 p.m. the Committee proceeded to consider the Report on the 2005 public accounts with respect to the Ministry of Finance (Programmes 1 & 2), Customs & Trade Administration and Inland Revenue together with the comments submitted by the Auditor General.
- 6.2.1 Paragraphs 1 to 12 were considered.
- 6.2.2 **CARICOM Multilateral Clearing Facility (CMCF)**
- 6.2.2.1 The Finance Secretary was requested to submit to the Committee a status report by the 15th April, 2008 on the CMCF debts.

- 6.2.3 **Paragraphs 14 and 15 – Approximate Balances of \$8.433M transferred to the Consolidated Fund**
- 6.2.3. In response to an enquiry, the Finance Secretary reported that some balances were transferred to the Consolidated Fund. He undertook to pursue the matter with a view to ascertain those additional balances that could also be transferred to the Fund.
- 6.2.4 Paragraphs 16 to 18 were considered.
- 6.2.5 **Paragraph 19 - Balances on Account Nos. 201000 and 201010, respectively**
- 6.2.5.1 The Finance Secretary was requested to pursue the matter and provide the Committee with an update on the matter by the 30th April, 2008.
- 6.2.6 Paragraphs 20 to 30 were considered.
- 6.2.7 **Paragraph 31 – Statements of Revenue Paid into the Consolidated Fund**
- 6.2.7.1 The Finance Secretary was requested to pursue the matter and provided the Committee with a report by the 30th April, 2008.
- 6.2.8 Paragraphs 31 and 32 were considered.
- 6.2.9 **Paragraph 33 – Collection of Revenues**
- 6.2.9.1 The Finance Secretary was requested to pursue the matter and provide the Committee with an update by the 30th April, 2008.
- 6.2.10 Paragraphs 34 to 45 were considered.
- 6.2.11 **Paragraph 46 – Decrease of Public Debt by G\$3.901 billion**
- 6.2.11.1 The Committee noted the comments of the Auditor General and requested that the Finance Secretary verify the information and submit a report on the matter by 30th April, 2008.
- 6.2.12 Paragraphs 47 to 56 were considered.
- 6.2.13. **Paragraph 57 – Statement of Outstanding Loans**
- 6.2.13.1 The Committee noted the comments of the Accountant General and advised him that it was not possible to receive supplementary provision for closed accounts. It recommended that a mechanism be devised to regularize the issue.

- 6.2.13.2 The Committee also agreed that the Finance Secretary and the Accountant General should collaborate in an effort to resolve the issue. A status report on the matter should be provided to the Committee by the end of June, 2008.
- 6.2.14 Paragraphs 58 to 65 were considered.
- 6.2.15 **Paragraph 66 – Statement of Receipts and Payments of Contingency Fund**
- 6.2.15.1 In response to an enquiry, the Accountant General reported that statements were received from the Sugar Welfare Fund, but that they were not audited
- 6.2.15.2 The Committee requested that the Auditor General and the Accountant General collaborate with a view to resolve the matter.
- 6.2.16 Paragraphs 67 to 97 were considered.
- 6.2.17 At 5.35 p.m. the Committee agreed to suspend further consideration of the 2005 public accounts of the Ministry of Finance to the 7th April, 2008.
- 6.2.18 **List of Agencies**
- 6.2.18.1 The Clerk was required to circulate to Members a list of the Agencies for 2005 that were still to be examined by the Committee.
- 6.2.18.2 The Chairperson indicated to Members that according to the schedule, it should conclude consideration of accounts for 2005 for the remaining agencies by the end of June, 2008.

ITEM 7: ANY OTHER BUSINESS

- 7.1 **Issues highlighted in the 2004 and 2005**
- 7.1.1 The Chairperson proposed that an addendum should be prepared on those issues it flagged in the examination of the public accounts for 2004 and 2005, respectively.
- 7.1.2 The Researchers was requested to prepare the addendum

- 7.2 **Transfer of Regional Executive Officer from Region 6**
- 7.2.1 The Chairperson expressed concern that the Regional Executive Officer, Region No. 6 was transferred to Region No. 2 since there were many discrepancies that were highlight in Region No. 6.
- 7.3 **Audit Office**
- 7.3.1 The Auditor General was requested to submit to the Committee the contracts of those Officers that were expected to expire shortly for its consideration by the Committee.

ADJOURNMENT

At 5.55 p.m. the meeting was adjourned to 1.30 p.m. on Monday, 7th April, 2008.

Confirmed this day of, April 2008

Volda Lawrence
.....
Mrs. Volda A. Lawrence, M.P.
Chairperson

**THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2008)**

**MINUTES OF THE 33RD MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 1.40 P.M
ON MONDAY, 7TH APRIL, 2008
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN**

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)

(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P.

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip

Ms Bibi S. Shadick, M.P.

Mr. Mohamed Irfaan Ali, M.P.

Mr. Komal Chand, C.C.H., J.P., M.P. - (Absent)

Mr. Dharamkumar Seeraj, M.P.

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P.

Mr. Anthony Vieira, M.S., M.P. - (Absent)

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P.

ADVISERS – (3)

The Auditor General (Ag.) (Mr. Deodat Sharma)
Deputy Finance Secretary (Ms. Lorene Baird)
For the Finance Secretary
Accountant General (Mr. Hardat Autar)

Officers

Mr. Oscar Moore - Clerk of the Committee
Ms Tanzadell Bentinck - Assistant Clerk of Committee

In Attendance

Mr. Gordon Ferrell - Research Assistant} attached to the Public Accounts
Ms. Carla Isaacs - Research Assistant} Committee

ITEM 1: CALL TO ORDER

1.1 The Chairperson called the meeting to order at 1.40 p.m.

ITEM 2: ANNOUNCEMENTS

2.1 The Chairperson informed the Committee that Mr. Oscar Moore was sitting in as Clerk of the Committee in place of Ms. Sonia Maxwell.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents were circulated prior to the meeting:

- (i) Notice of the 33rd Meeting dated 4th April, 2008;
- (ii) Minutes of the 32nd Meeting held on 31st March, 2008;
- (iii) Comments by the Accounting Officer, Region No. 10 and the Auditor General's Briefing Notes thereon for 2004 and 2005, respectively ;
- (iv) Copy of Schedule of Remaining Agencies to be examined for 2005 Public Accounts.
- (v) Copy of letter 81/AG:10/2008/13 dated 13 April, 2008 from Auditor General (ag) to Chairperson, PAC re Expiration of Employment Contracts.

3.2 The following document was circulated at the meeting:

- Copy of Memo dated 4th April, 2008 from the Researchers to the Chairperson

ITEM 4: CORRECTIONS AND CONFIRMATION OF MINUTES OF THE 32ND MEETING HELD ON THE 31ST MARCH, 2008

Corrections

4.1 **Page 302, paragraph 3.1 (iv) – Circulation of Documents**

4.1.1 Insertion of the word “to” after the word “copied” in the second line.

4.1.2 **Page 303, paragraph 4.1.1 - Parliamentary Seminar in Lucia:**

4.1.2.1 The following amendments were made:

Opening Paragraph:

- (i) Insertion of the word “Canadian” after the word “the” in the third line.
- (ii) Insertion of the word “Committee” after the words “Public Accounts” in the fourth line.

Subsection (a):

Substitution of the word “work” for the word “word” in the first line.

Subsection (b):

- (i) Insertion of the word “under” after the word “framework” in the first line
- (ii) Insertion of the words “Public Accounts” before the word “Committee” in the second line.

Subsection (c):

- (i) Insertion of the word “in” before the word “which” in the first line, and
- (ii) Substitution of the words “it” for the word “the” in the last line.

Subsection (d):

Substitution of the following for the subparagraph:

- “That the Public Accounts Committee of Guyana expressed the willingness to entertain Members of the Public Accounts Committee of St. Lucia to observe its meetings”.

Subsection (e):

-Substitution of the following for the subparagraph:

- “The Chairperson informed Members of the request by the CCAF for the Public Accounts Committee of Guyana in assisting them in the formation of a Caricom Public Accounts Committee (CARIPAC)”.

4.1.3 **Page 305, paragraph 5.1.2 – Supplemental Information to the Committee**

- 4.1.3.1 (i) Insertion of the words “which the” after the word “information” in the third line.
- (ii) Insertion of the words “have the Deputy Accounting Officer” after the word “to” in the penultimate line.

4.1.4 **Page 305, paragraph 5.3.1 – Letter to Accounting Officer, GPF**

- 4.1.4.1 Insertion of the word “him” after the word “reminding” in the penultimate line.

4.1.5 **Page 305, paragraph 5.6.1 – Audit Office 2008 Budget**

- 4.2.5.1 (i) Insertion of the word “apparent” after the word “the” in the first line.
- (ii) Deletion of the words “with the Auditor General (Ag)” after the word “discussion” in the second line.
- (iii) Insertion of the words “as required by the law” at the end of the paragraph.

4.2.6 **Page 307, paragraph 6.1.2 – Linden Economic Advancement Project**

4.2.6.1 Substitution of the words “/loans should be expressed in both foreign currency and local currency” for the words “should be made in respective”.

4.1.7 **Page 308, paragraph 6.1.13.3 – Waiver for Consignments**

4.1.7.1 Substitution of the word “suggested” for the word “decided” after the word “It” in the fourth line.

4.1.8 **Page 309, paragraph 6.1.18 – Un-cleared cheques**

4.1.8.1 Insertion of the word “owed” in subsections (ii) and (iii), after the word “amount” .and “amounts”, respectively.

4.1.9 **Page 312, paragraph 7.2.1-Transfer of Regional Executive Officer from Region 6**

4.1.9.1 Substitution of the following for the above paragraph:

“The Chairperson expressed concerns that it was noted that the Regional Executive Officer of Region No. 6 was transferred to Region No.2. She highlighted the fact that he was also transferred from Region No. 9, a Region where the Auditor General had raised serious concerns”.

4.1.17 Thereafter, the Minutes were confirmed on a motion moved and seconded by Mr. David Patterson and Mr. Dharamkumar Seeraj, respectively.

ITEM 5: MATTERS ARISING

5.1 **Page 312, paragraph 7.2.1 - Transfer of REO from Region No. 6**

5.1.1 The Auditor General informed the Committee that the Audit Office was conducting a special investigation into the matter of the transfer of the Accounting Officer from Region No. 6 to Region No. 2 as was reported in the print media.

5.1.2 **Audit Office**

5.1.2.1 A discussion ensued, and the Committee agreed that it would meet on Thursday, 10th April, 2008 at 2.00 p.m. to consider:

- (i) issues relating to the Audit Office's budget allocations for 2008, and
- (ii) the contracts of employment for the Directors (ag.) and Staff of the Engineers Department.

ITEM 6: TO CONSIDER AND APPROVE THE APPLICANT TO BE RECRUITED AS THE CONSULTANT TO SYNCHRONIZE THE CONSTITUTION OF GUYANA, THE AUDIT ACT AND THE RULES POLICIES & PROCEDURES MANUAL;

- 6.1 The Chairperson informed the Committee that she had submitted the evaluation on the two applicants to Mr. Jewan. The deadline to commit the funds was the 31st March, 2008.

ITEM 7: TO CONSIDER FOLLOW-UP/SUPPLEMENTAL INFORMATION RECEIVED FROM THE ACCOUNTING OFFICERS

- 7.1 The Chairperson informed the Committee that the information was submitted prior to the meeting.

ITEM 8: TO CONSIDER THE APPOINTMENT OF NOMINEES FOR THE PUBLIC PROCUREMENT COMMISSION

- 8.1 The Committee expressed concerns that a lot of time had elapsed since the 90 day commitment on the matter at the Stakeholders meeting which was held in February, 2008
- 8.2 A Member suggested that the Committee should focus on obtaining the list as soon as possible.
- 8.3 The matter was deferred to the next meeting.

ITEM 9: TO CONTINUE AND COMMENCE EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEARS 2004 AND 2005 RESPECTIVELY TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in Auditor General's Report		Accounting Officer
	2004	2005	
10. Region No. 10 – Upper Demerara/Upper Berbice	1493 –1535 (43)	1767–1815 (49)	Mr.Henry Rodney Regional Executive Officer.

9.1 At 2.50 p.m. the Committee proceeded to continue consideration of the Report on the 2004 public accounts with respect to Region No. 10 – Upper Demerara/Berbice.

9.1.1 Officers present for the examination were:

- (i) Mr. Henry Rodney, Regional Executive Officer, Region 10
- (ii) Dr. Pansy Armstrong, Regional Health Officer
- (iii) Ms. Marcel Hutson, Regional Education Officer
- (iv) Mr. Carlyle October, Senior Superintendent of Works
- (v) Ms. Valerie Sealy, PAS (F) (ag)

Mr. Seewchan, Permanent Secretary, Ministry of Local Government was also in attendance

9.1.2 Paragraphs 1493 to 1498 were considered.

9.1.3 **Paragraph 1499 – Awarding of Contracts**

9.1.3.1 In response to an enquiry, both the Accounting Officer and the Superintendent of Works explained that the payment on the contracts was based on measured works.

9.1.3.2 The Chairperson requested the Auditor General to review the specifications of the contract and advise the Committee.

9.1.3.3 A Member raised the following queries:

- (i) Who prepared Bill of Quantity?
- (ii) Did that individual sat on the Tender Board?
- (iii) Did that person supervised the works?

- 9.1.3.4 In responding to these queries, the Accounting Officer informed the Committee that the Superintendent of Works functioned in all three capacities.
- 9.1.3.5 Mr. Declou, the Chairman of the Tender Board, in response to an enquiry, informed the Committee that the Board should have been using standard bidding documents which were included in the evaluation criteria. He also informed the Committee that standardization was introduced in 2006 and was a legal requirement. However, the issue of the same person performing all three functions should not be encouraged and was clearly a case of conflict of interest.
- 9.1.3.6 Members were dissatisfied with the Accounting Officers' responses. The Auditor General was requested to investigate the matter with a view to determine what led to the reduction of those contracts and to ascertain whether any changes were made to the original Bill of Quantity.
- 9.1.3.7 The Accounting Officer was required to submit the information to the Auditor General by the 18th of April, 2008, who would in turn update the Committee by the 15th May.
- 9.1.4 Paragraphs 1500 to 1502 were considered.
- 9.1.5 **Paragraphs 1503 and 1504 – Outstanding Loans in December 2005**
- 9.1.5.1 In response to an enquiry, the Accounting Officer informed the Committee that the Administration had recovered over 90% of the outstanding loans.
- 9.1.5.2 The Accounting Officer was required to submit a report to the Committee by the 17th April, 2008.
- 9.1.6 Paragraphs 1505 to 1521 were considered.
- 9.1.7 **Paragraph 1522 – Overpayment of Contract Sum of \$99,240**
- 9.1.7.1 The Auditor General informed the Committee that he had revisited the comments by the Accounting Officer and concurred with the statement that there was an approved variation for the sum of \$99,240.
- 9.1.8 At 3.3 pm, the Committee concluded the examination of the 2004 Accounts.

- 9.2 At 3.31 the Committee proceeded to consider the report on the 2005 public accounts of Region No. 10.
- 9.2.2 **Paragraph 1768- Old salaries Bank Account No. 861**
- 9.2.2.1 Based on the comments of the Accounting Officer that he had not received any response from the Ministry of Finance despite several requests to close salaries account no. 861, the Deputy Finance Secretary was requested to provide an update on this matter by the 17th April, 2008.
- 9.2.3 Paragraph 1769 was considered.
- 9.2.4 **Paragraphs 1770 - Closing of Log Books**
- 9.2.4.1 The Chairperson advised the Accounting Officer that log books should be closed at 31st December and new ones should be opened at the beginning of the each year.
- 9.2.5 Paragraph 1771 to 1790 were considered.
- 9.2.6 **Paragraph 1791 – Substandard Work by Contractor**
- 9.2.6.1 The Auditor General undertook to pursue this matter.
- 9.2.7 **Paragraph 1792- Unfinished Works Valued at \$112,000**
- 9.2.7.1 The Committee noted the comments of the Accounting Officer that he had subsequently instructed the contractor to complete works equivalent to the overpaid amounts.
- 9.2.8 **Paragraph 1793- Overpayment to Contractor**
- 9.2.8.1 In response to an enquiry, the Accounting Officer explained that this was a case where the Auditor General had questioned the payment of the sum that should have been retained to meet any liability. The Accounting Officer was required to re-examine this issue and submit his comments to the Auditor General by 17th April, 2008 who in turn would submit same to the Committee by the 17th May, 2008.
- 9.2.9 Paragraphs 1794 to 1798 were considered.

- 9.1.10 **Paragraph 1799- Overpayment Totalling \$611,084**
- 9.1.10.1 The Accounting Officer was requested to re-examine paragraphs 1791,1792 and 1799 and include the required information in his report to the Auditor General by 17th April, 2008. The Auditor General would submit the information to the Committee by the 17th May, 2008.
- 9.1.11 Paragraphs 1800 to 1814 were considered.
- 9.1.12 At this point, the Committee expressed its dissatisfaction with the general responses of the Accounting Officer, in particular with the installation of the generators. It requested the Auditor General to follow-up the installation of the generator on his return to Region No. 10.
- 9.1.13 At 4.20 pm, the Committee concluded its examination of the 2005 public accounts of Region No. 10.

ITEM 10: TO CONTINUE AND COMMENCE EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEAR 2005 RESPECTIVELY TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in Audit General's Report	Accounting Officer
	2005	
11. Ministry of Finance –		Mr. Neermal Rekha Finance Secretary
(i) Prog. 1- Ministry Administration	150 – 230 (80)	
(ii) Prog. 2 – Accountant General	231 – 238 (8)	
(iii) Customs & Trade Administration	239 – 259 (21)	
(iv) Guyana Revenue Authority	260 – 277 (18)	

- 10.1 At 4.50 p.m. the Committee proceeded to consider the Report on the 2005 public accounts with respect to the Ministry of Finance (Programmes 1&2), Customs & Trade Administration and Inland Revenue together with the comments submitted by the Auditor General.

- 10.1.1 Officers present for the examination were:
- (i) Ms. Lorene Baird, Deputy Finance Secretary
 - (ii) Mr. Donald Declou, Chairman, NPTAB
 - (iii) Mr. Hardatt Autar, Accountant General (ag)
 - (iv) Mr. C. Ramsaroop, Commissioner, Customs & Trade Administration.
 - (v) Mr. B. Joseph, Commissioner (ag) – Internal Revenue/GRA
- 10.1.2 Paragraphs 150 and 161 were considered.
- 10.1.3 **Paragraph 162 – Guyana Lottery Commission**
- 10.1.3.1 The Committee expressed concern that monies collected from the lottery funds:
- (i) were not deposited into the Consolidated Fund as provided for in the Constitution; and
 - (ii) were spent without the consent of the National Assembly.
- 10.1.3.2 It advised the Deputy Finance Secretary and Accountant General that the matter should be brought to the attention of the Minister of Finance.
- 10.1.3.3 The Auditor General was also requested to review the manner in which he had reported on the Lottery Fund.
- 10.1.4 Paragraphs 163 to 181 were considered.
- 10.1.5 **Paragraph 182 – Student Loan Fund**
- 10.1.5.1 The Auditor General informed the Committee that the report was done separately and sent to the Ministry of Finance for submission to the National Assembly. He undertook to revisit the issue in his 2006 report.
- 10.1.6 Paragraphs 183 to 193 were considered.
- 10.1.7 **Paragraph 194 - PL480 Projects.**
- 10.1.7.1 The Deputy Finance Secretary was requested to submit the relevant information to the Committee by the 17th April, 2008

- 10.1.8 **Paragraphs 195- Expenditure of Amounts Totalling \$73.353M**
- 10.1.8.1 The Committee noted the comments of the Deputy Finance Secretary that the matter was with the Losses Board which was awaiting information from the Guyana Revenue Authority in order to bring this matter to a close.
- 10.1.9 Paragraphs 196 to 202 were considered.
- 10.1.10 **Paragraph 203 – Youth Initiative Programme**
- 10.1.10.1 The Deputy Finance Secretary informed the Committee that she had discussed the matter with the Auditor General and he undertook to revisit the issue.
- 10.1.11 Paragraphs 204 to 231 were considered
- 10.1.12 **Paragraph 232- Writing Off of Salaries Bank Account No. 506**
- 10.1.12.1 In response to an enquiry, the Deputy Finance Secretary informed the Committee that the matter was awaiting Cabinet’s decision.
- 10.1.13 Paragraphs 233 to 235 were considered.
- 10.1.14 **Paragraph 236 – Outstanding Amounts on Official Overseas Visits**
- 10.1.14.1 A Member informed the Committee that the matter was discussed at Cabinet and steps were being taken to correct the situation.
- 10.1.15 Paragraphs 237 to 238 were considered.
- 10.1.16 **Paragraph 245- Breakdown of Remissions Granted by Commissioner General.**
- 10.1.16.1 In response to an enquiry, the Commissioner informed the Committee that he would revisit the issue and provide detailed information, but from his observation over the years, the number of remissions granted had reduced.
- 10.1.17 Paragraphs 246 to 247 were considered
- 10.1.18 **Paragraph 248 – Imposition of Penalties**
- 10.1.18.1 The Commissioner informed the Committee that the matter had been forwarded to the Attorney General for an opinion.
- 10.1.19 Paragraphs 249 to 254 were considered

10.1.20 **Paragraph 255- Outstanding Overtime Fees Totalling \$106.419M**

10.1.20.1 At this point, the Auditor General sought clarification from the Commissioner, on whether there was a system in place to monitor the operations of unlicensed liquor operators.

10.1.20.2 The issue of Customs Officers abusing the system was also raised by Members of the Committee.

10.1.20.3 The Commissioner explained that the GRA had established a TRIP system which included principles by the World Customs Organisations. He further explained that there was a code of conduct where certain categories of Officers were required to submit their assets on an annual basis.

10.1.20.4 In light on the comments of the Commissioner that monthly reports were prepared on Custom Officers by the Board, the Committee requested copies of the reports for the period January to March, 2008.

10.1.20.5 The Committee also requested copies of the code of conduct and the guidelines for Customs Officers by the 17th April, 2008.

10.1.21 Paragraphs 256 to 259 were considered.

Internal Revenue

10.1.22 Paragraphs 260 to 266 were considered.

10.1.23 **Paragraph 267 – Legal Action Taken Against Defaulting Airlines**

10.1.23.1 The Commissioner was requested to submit information regarding this matter to the PAC by the 17th April, 2008.

10.1.24 Paragraphs 268 to 277 were considered

10.1.25

At 6.15 pm the Committee concluded the examination of the Ministry of Finance Accounts for 2005.

ADJOURNMENT

At 6.25 p.m. the meeting was adjourned to 2.00 p.m. on Monday, 14th April, 2008.

Confirmed this day of, April 2008

Volda Lawrence.....

Mrs. Volda A. Lawrence, M.P.
Chairperson

**THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2008)**

**MINUTES OF THE 34TH MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 2.10 P.M
ON MONDAY, 14TH APRIL, 2008
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN**

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)
(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P.

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip

Ms Bibi S. Shadick, M.P

Mr. Mohamed Irfaan Ali, M.P

Mr. Komal Chand, C.C.H., J.P., M.P.

Mr. Dharamkumar Seeraj, M.P.

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P.

Mr. Anthony Vieira, M.S., M.P. - (Excused)

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P.

Advisers – (3)

The Auditor General (Ag.) (Mr. Deodat Sharma)
The Deputy Finance Secretary (Ms. Lorene Baird)
For the Finance Secretary
The Accountant General (Mr. Hardutt Outar)

Officers

Ms Debra Cadogan - Assistant Head of Committees Division
Ms Tanzadell Bentinck - Assistant Clerk of Committee

In Attendance

Mr. Gordon Ferrell - Research Assistant} attached to the Public Accounts
Ms. Carla Isaacs - Research Assistant} Committee

ITEM 1: CALL TO ORDER

1.1 The Chairperson called the meeting to order at 2.10 p.m.

ITEM 2: ANNOUNCEMENTS

2.1 Excuses

2.1.1 The Chairperson announced that Mr. Anthony Veira, M.S., M.P. had asked to be excused from the meeting.

2.2 Amendment to the Agenda

2.2.1 The Chairperson requested and the Committee concurred to item (ii) being deleted from the Agenda since the funds to recruit the Consultant to synchronise the Constitution of Guyana, the Audit Act and the Rules, Policies and Procedures Manual were not committed on 31st March, 2008.

2.2.2 Thereafter, items (iii), (iv) and (v) were renumbered (ii), (iii) and (iv), respectively.

ITEM 3:

CIRCULATION OF DOCUMENTS

- 3.1 (a) The following documents were circulated prior to the meeting:
- (i) Notice of the 34th Meeting dated 11th April, 2008;
 - (ii) Minutes of the 33rd Meeting held on 7th April, 2008;
 - (iii) Copies of Comments from the Accounting Officers of:
 - (a) Parliament Office;
 - (b) Office of the Auditor General;
 - (c) Teaching Service Commission;
 - (d) Ministry of Amerindian Affairs;
 - (e) Ministry of Culture, Youth & Sports; and the Auditor General's Briefing Notes thereon for the year 2005;
 - (iv) Copy of letter dated 17th July, 2007 from the Clerk of the National Assembly to the Finance Secretary re Transmittal Statement;
 - (v) Copy of Record of Proceedings of 24th Meeting of the PAC held on the 3rd December, 2007.
- 3.2 (b) The following documents were circulated at the meeting:
- Amended Notice of the 34th Meeting;
 - Updated Comments from the Accounting Officer of Parliament Office

ITEM 4:

CORRECTIONS AND CONFIRMATION OF MINUTES OF THE 33RD MEETING HELD ON THE 7TH APRIL, 2008

Corrections

- 4.1 **Page 319, Paragraph 9.1.3.3**
- 4.1.1 Substitution of the following for the three bullets of the above paragraph.
- “(i) Who prepared the Bill of Quantity?
(ii) Was it the same person who sat on the Tender Board?
(iii) Was it the same person who prepared the Bill of Quantity sat on the Tender Board, the same who also supervise the works?”

- 4.2 **Page 320, Paragraph 9.1.8**
- 4.2.1 Substitution of “3.30 p.m” for “3.3 p.m”.
- 4.3 **Page 323, paragraph 10.1.3.3**
- 4.1.2.1 Substitution of the word “agreed” for the words “was also requested” after “Auditor General” and the word “had” before the word “reported” in lines 1 and 2, respectively.
- 4.4 **Page 324, paragraph 10.1.10.1**
- 4.4.1 Insertion of the following at the beginning of the paragraph:
- “On enquiry by a Member on the issue of supporting documents for expenditure on this programme,”.*
- 4.5 **Page 324, Paragraph 10.1.14.1**
- (i) Substitution of the word ‘by’ for the word “at” after the word ‘discussed’ in line 2, and
- (ii) Insertion of the word “Sub-Committee” after the word “Cabinet” in line 2.
- 4.6 **Page 324, Paragraph 10.1.16.1**
- (i) Deletion of the word “General” and insertion of the words “Customs and Trade Administration” after the word “Commissioner” in the sub-heading;
- (ii) Insertion of “by 17th April, 2008’ after the word “information” in line 3;
- (iii) Substitution of the words “had reduced’ for “reduce” in the last line.
- 4.7 **Page 324, Paragraph 10.1.18.1**
- 4.7.1 Deletion of the word “whereby” after the word “that” in line 1.
- 4.7.2 Insertion of the words “of enforcing fines on defaulting manufacturers” after the word “matter” in the last line.

4.8 **Page 325, paragraph 10.1.20.3**

- (i) Insertion of the following words as the new paragraph 10.1.2.3:

"The Committee expressed concerns about the methodology for valuing imports."

- (ii) Renumber paragraph 10.1.20.3 as 10.1.20.4;
- (iii) Insert as a new paragraph 10.1.20.6 the sentence after the word 'Organisations'
- (iv) Insertion of the following as new paragraph 10.20.5 after the word 'Organisations' in line 3:

"He also undertook to consult and provide additional information on the process used for valuing goods by the 17th April."

- (v) Renumber paragraphs 10.1.20.4 and 10.1.20.5 as 10.1.20.7 and 10.1.20.8, respectively.

- 4.9 Thereafter, the Minutes were confirmed on a motion moved and seconded by Mrs. Chandarpal and Ms. Bibi Shadick, respectively.

ITEM 5: MATTERS ARISING

5.1 Page 317, paragraph 5.1.2.1 - Update on PAC Special Meeting

5.1.1 The Chairperson, for the benefit of those Members who were not present at the Special Meeting of the Committee held on Thursday, 10th April, 2008, summarized the following decisions.

- (i) Contracts for the Senior Officers including the Engineers in the Audit Office were renewed for a period of two years. This would give the Committee time to conclude outstanding matters pertaining to the Engineers.

- (ii) Members agreed to defer the item on the Budgeting Process for the Audit Office for 2008 to a subsequent meeting since they felt that it was necessary to also examine the issue of the key and critical staff requested in the 2007 Supplementary Budget.

ITEM 6: TO CONSIDER FOLLOW-UP/SUPPLEMENTAL INFORMATION RECEIVED FROM THE ACCOUNTING OFFICERS

- 6.1 The Chairperson informed the Committee that she had requested the Clerk of the Committee to review the information submitted by the Researchers. She proposed that the Committee meet outside of its scheduled meetings to discuss this matter.

ITEM 7: TO CONSIDER THE APPOINTMENT OF NOMINEES FOR THE PUBLIC PROCUREMENT COMMISSION

- 7.1 A Member informed the Committee that he was aware of the 90-day commitment made for the establishment of the Commissions at the Stakeholder's meeting and that the matter was being pursued by his colleagues.
 - 7.1.1 In response to a query, he mentioned that the nominees from the PPP/C would be submitted to the Committee before the end of the 90-day commitment.
 - 7.1.2 Another Member reminded Members of the process for the nomination. He cautioned that the Committee should not be default and outlined the procedure which he felt could take time.
 - 7.1.3 The Member suggested that the Committee might wish to appoint a sub-committee comprising Government and Opposition to deal with the matter.

ITEM 8:

TO EXAMINE THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEAR 2005 TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
12: Parliament Office	428 – 436 (9)	Mrs. Lilawtie Coonjah

- 8.1 At 2.55 p.m. the Committee proceeded to consider the Report on the Public Accounts with respect to the Parliament Office together with the Comments submitted by the Accounting Officer.
- 8.1.1 Officers present for the examination were:
- (i) Mrs. Lilawtie Coonjah, Deputy Clerk of the National Assembly (Accounting Officer)
 - (ii) Mrs. Monette Christopher, Expenditure Planning & Management Analyst 11.
- 8.1.2 **Paragraph 428: Non-Adherence to Tender Board Regulations**
- 8.1.2.1 The Committee noted that there was non-compliance with the award of contracts. However, the Agency had since corrected the situation.
- 8.1.3 **Paragraph 429 to 431 – Change in Programme**
- 8.1.3.1 A Member noted that there were a number of cases where the Agency had not sought approval for changes in programme and questioned
- (i) What was the process that led to the award of the contract?, and
 - (ii) What led to the variation and the change of programme?
- 8.1.3.2 In response to those queries, the Accounting Officer explained that additional works were discovered by the contractors which led to the extended variation and change of program.
- 8.1.3.3 The Accounting Officer was advised that she should always seek an approval for a change in programme once there was deviation from the original scope of work.

- 8.1.3.4 In light of the discussions on this issue, a Member proposed that in cases where huge variations were sought the Auditor General should assess the capacity of the Consultant to execute such services.
- 8.1.4 Paragraphs 432 to 436 were considered.
- 8.1.5 The Chairperson summarized the following issues raised for the benefit of the Accounting Officer:
- (i) that proposals from consultants should reflect value for money taking into consideration all issues faced locally; and
 - (ii) irrespective of works to be executed, once there was deviation from the original scope of work then an approval should be sought for the variation.
- 8.1.6 The Committee commended the Accounting Officer for the steps taken to correct the tendering for catering services.
- 8.1.7 At 3.10 pm, the Committee concluded the examination of the 2005 Accounts.

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
<i>Office of the Auditor General</i>	437 – 442 (6)	<i>Mr. Deodat Sharma</i>

- 8.2 At 3.11 p.m. the Committee proceeded to consider the Report on the Public Accounts with respect to the Office of the Auditor General together with the comments submitted by the Accounting Officer.
- 8.2.1 Officers present for the examination were:
- (i) Mr. Deodat Sharma, Auditor General (Ag) (Accounting Officer)
 - (ii) Mrs. Donna Ellis, Audit Director (Ag)
 - (iii) Mr. Thomas Nestor, Audit Director (Ag)
 - (iv) Mr. Heeralall Gendon, Audit Manager (Ag) Finance and Accounts
- 8.2.2 Paragraphs 437 to 442 were considered.

8.2.3 **Matters Related to the Audit Office.**

8.2.3.1 A Member noted that the Accountant General's Office had complied with the financial requirements and enquired whether the Audit Office should not be assessed in terms of its efficiency and competency in carrying out its mandate.

8.2.3.2 He noted the shortage of staff and questioned whether the Accountant General could provide the Committee with the following:

- (i) a mechanism reflecting the comparison based on the dollar for expenditure to conduct audits and have the audits contracted out; and
- (ii) how did his staff level affect the timeliness of his submissions.

8.2.3.3 The Auditor General drew Members' attention to paragraph 438 where he alluded to staff constraints. He mentioned that owing to such shortage approximately \$50M was paid for work contracted to other Chartered Accountants.

8.2.3.4 The Auditor General indicated that he had submitted a planning programme to the Committee which reflected the cost for each audit based on a "charged out" rate and the time taken to conduct such audit.

8.2.3.5 The Auditor General was requested to quantify his needs since this would assist the Committee to make the necessary representation for the Audit Office.

8.2.3.6 Members were asked to note the issues raised since it was felt that the information could provide guidance when the Committee would be discussing the 2008 Budgetary Process for the Audit Office.

8.2.3.7 At 3.28 pm, the Committee concluded its examination of the above accounts.

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
<i>Teaching Service Commission</i>	<i>444 – 447 (4)</i>	<i>Ms Francesca Vieira</i>

- 8.3 At 3.30 p.m. the Committee proceeded to consider the Report on the Public Accounts with respect to the Teaching Service Commission together with the Comments submitted by the Accounting Officer.
- 8.3.1 Officers present for the examination were:
- (i) Ms. Francesca Veira, Secretary (Accounting Officer)
 - (ii) Ms. Totlyn Bollers, Assistant Accountant
- 8.3.2 Paragraph 444 was considered.
- 8.3.3 **Paragraph 445 – Bin Cards and Good Received Book**
- 8.3.3.1 The Committee, in light of the comments that the Agency was aware of the stores regulation but not bin cards, advised the Accounting Officer that she should liaise with the Account General with regard to training and in particular the keeping of Bin Cards.
- 8.3.4 Paragraphs 446 and 447 were considered.
- 8.3.5 At 3.49 p.m. the Committee concluded its examination of above accounts.

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
<i>Ministry of Amerindian Affairs</i>	<i>499 – 520 (22)</i>	<i>Mr. Emil McGarrell</i>

- 8.4 At 3.50 p.m. the Committee proceeded to consider the Report on the Public Accounts with respect to the Ministry of Amerindian Affairs together with the Comments submitted by the Accounting Officer.
- 8.4.1 Officers present for the examination were:
- (i) Mr. Emil McGarrell, Permanent Secretary (Accounting Officer)
 - (ii) Mr. Mohabir Bhajonauth, Chief Accountant (Ag)
- 8.4.2 Paragraphs 499 to 504 were considered.

8.4.3 **Paragraphs 505 and 506: Overpayment to Contractor totalling \$514,300**

8.4.3.1 A Member noted the remarks of the Auditor General that the Regional Administration Office did not respond to the query raised by the Accounting Officer and enquired of the sanctions that could be applied to the Regional Administration Office.

8.4.3.2 The Auditor General was required to submit a response by 30th April, 2008.

8.4.3.3 In light of the response of the Accounting Officer as to the uncertainty of the status of the hostel, the Committee advised the Accounting Officer to visit the hostel and provide it with a status report by 30th April, 2008.

8.4.4 Paragraphs 506 to 508 were considered.

8.4.5 **Paragraph 509 – Verification of Works**

8.4.5.1 In response to an enquiry, the Accounting Officer informed the Committee that he usually rely on Community Development Officers and Toshaos to verify that the works were completed.

8.4.5.2 The Committee suggested that a copy of the project document be sent and placed in the community or the all purpose centre.

8.4.6 Paragraphs 510 to 520 were considered.

8.4.7 The Chairperson informed the Accounting Officer of the Committee's dissatisfaction with the manner in which funds were expended during the year under review. She urged him that he should also come prepared with information to guide the Committee.

8.4.8 At 4.35 pm, the Committee concluded the examination of the above accounts.

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
<i>Ministry of Culture, Youth and Sport</i>	<i>892 – 923 (32)</i>	<i>Mr. Keith Booker</i>

8.5 The Chairperson informed Members that the Permanent Secretary, Ministry of Culture, Youth and Sport was unavailable for the examination on that day and asked he be rescheduled for the following week.

8.5.1 Thereafter, this item was deferred to the next meeting of the Committee.

ITEM 9: ANY OTHER BUSINESS

9.1 Follow-up Action

9.1.1 Members raised concerns about agencies not submitting outstanding information.

9.1.2 From the discussions which ensued, the Committee agreed that the Clerk of the Committee write to all the defaulting agencies requesting that the information be submitted by 30th April, 2008. Failure to comply would result in the Committee taking further action against them.

9.1.3 The letter should be copied to the respective Minister and the Finance Secretary.

9.2 Next Meeting's Schedule

9.2.1 The Chairperson informed Members that the following agencies would be examined at the next meeting of the Committee.

- (i) Ministry of Labour, Human Services and Social Security
- (ii) Ministry of Housing and Water
- (iii) Ministry of Legal Affairs
- (iv) Ministry of Culture, Youth and Sport

Adjournment

At 4.40 p.m. the meeting was adjourned to 2.00 p.m. on Monday, 21ST April, 2008.

Confirmed this day of April 2008

.....*Volda Lawrence*.....
Mrs. Volda A. Lawrence, M.P
Chairperson

**THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2008)**

**MINUTES OF THE 35TH MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 2.35 P.M
ON MONDAY, 21ST APRIL, 2008
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN**

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)

(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P.

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip - (Excused)

Ms Bibi S. Shadick, M.P

Mr. Mohamed Irfaan Ali, M.P - (Excused)

Mr. Komal Chand, C.C.H., J.P., M.P. - (Excused)

Mr. Dharamkumar Seeraj, M.P.

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P. - (Absent)

Mr. Anthony Vieira, M.S., M.P. - (Absent)

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P.

Advisers – (3)

The Auditor General (Ag.) (Mr. Deodat Sharma)
Finance Secretary (Mr. Neermal Rekha)
The Deputy Accountant General (Mr. George Abrams)
For the Accountant General

Officers

Ms Sonia Maxwell - Clerk of Committee
Ms Tanzadell Bentinck - Assistant Clerk of Committee

In Attendance

Mr. Gordon Ferrell - Research Assistant } attached to the Public Accounts
Ms. Carla Isaacs - Research Assistant } Committee

ITEM 1: CALL TO ORDER

1.1 The Chairperson called the meeting to order at 2.35 p.m.

ITEM 2: ANNOUNCEMENTS

2.1 **Excuses**

2.1.1 The Chairperson announced that the following Members had asked to be excused from the meeting.

- (i) Mr. Indranie Chandarpal, M.P., Chief Whip
- (ii) Mr. Mohamed Irfaan Ali, M.P., and
- (iii) Mr. Komal Chand, C.C.H., J.P., M.P.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents were circulated prior to the meeting:

- (i) Notice of the 35th Meeting dated 18th April, 2008;
- (ii) Minutes of the 34th Meeting held on 14th April, 2008;
- (iii) Copies of Comments from the Accounting Officers of:
 - (a) Ministry of Labour, Human Services and Social Security;
 - (b) Ministry of Housing and Water;;
 - (c) Ministry of Legal Affairs;

- (d) Ministry of Culture, Youth & Sports;
and the Auditor General's Briefing Notes thereon
for the year 2005;

3.2 The following documents were circulated at the meeting:

- (a) Minutes of the 4th Special Meeting of the PAC held on 10th April, 2008;
- (b) Copy of letter from permanent secretary – Office of the President dated 17th April, 2008 re Supplementary Information – 2004 Public Accounts;
- (c) Copy of letter dated 16th April, 2008 from Senior Superintendent of Works to REO – Region No. 10 re Meeting at Pine Street Nursery School.

3.3 **Suspension of Agenda**

3.3.1 The Committee agreed to suspend items (i) to (iii) on the agenda to commence examination of the public accounts.

ITEM 4: TO CONTINUE EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEAR 2005, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
13. Ministry of Culture, Youth & Sports	892 – 923 (32)	Mr. Keith Booker Permanent Secretary

4.1 At 3.42 p.m., the Committee proceeded to consider the Report on the public accounts with respect to the Ministry of Culture, Youth & Sports together with the comments submitted by the Accounting Officer.

4.1.1 Officers present for the examination were:

- (i) Mr. Keith Booker, Permanent Secretary
- (ii) Ms Desryn Softleigh, Assistant Secretary
- (iii) Ms Rahoni Lochan, Principal Assistant Secretary (Finance)
- (iv) Mr. Carl Brandon, D.O.Y

- 4.1.2 The Chairperson indicated to the Accounting Officer that on the 21st May, 2007 when he appeared before the Committee it had requested him to submit supplemental information and to date the Committee had not receive same.
- 4.1.2.1 The Chairperson advised the Accounting Officer to contact the Clerk of the Committee to enquire of the supplemental information which was requested. She also informed him that the information requested earlier along with those that it would request at the meeting should be submitted to the Committee by the 30th April, 2008.
- 4.1.3 Paragraph 892 was considered.
- 4.1.4 **Paragraph 893 – Overpaid Amounts to Staff**
- 4.1.4.1 In response to an enquiry, the Auditor General advised the Accounting Officer that the matter should be reported to the police. A losses report should also be sent to the Ministry of Finance to have the amounts written off.
- 4.1.4.2 The Committee requested that the Accounting Officer provide it by 30th April, 2008 with the following:
- (i) the number of officers that were still within the jurisdiction;
 - (ii) an update on the amounts outstanding by the remaining officers, and
 - (iii) whether the matter was reported to the police.
- 4.1.5 **Paragraphs 894 to 896 – Non-submission of Financial Statements by the National Sports Commission and the National Trust**
- 4.1.5.1 The Committee noted the comments of the Accounting Officer that his Ministry was responsible for providing the Agencies with subvention. It was the responsibility of the Agencies to submit financial statements to the Audit Office to be audited.
- 4.1.5.2 In light of the Accounting Officer's remarks, the Committee requested him to:
- (i) Write the agencies by the 30th April, 2008 requesting them to submit their financial statements to the Audit Office. The letters should be copied to the Minister of Culture Youth & Sports, the Public Accounts Committee, the Finance Secretary and the Accountant General, respectively.

- (ii) The Accounting Officer should indicate to the Head of National Trust that financial statements were outstanding from 2003 and also to advise the Head that he could contact the Audit Office for further advice on the matter.

4.1.6 Paragraph 897 was considered.

4.1.7 **Paragraph 898 – Cheque of Convenience totaling \$8.869M**

4.1.7.1 In response to an enquiry, the Auditor General informed the Committee that at the time of audit no documents supporting the sum of \$8.869M were produced.

4.1.7.2 The Committee requested the Accounting Officer to submit to it by the 30th April, 2008 the criteria for the issuance of a cheque to the CEO of the Local Organising Committee.

4.1.8 Paragraph 899 was considered.

4.1.9 **Paragraph 900: Unpaid Revenues into the Consolidated Fund – National Cultural Center**

4.1.9.1 The Committee noted the comments of the Auditor General that proceeds collected from the operations of the Cultural Centre were not paid grossly into the Consolidated Fund.

4.1.9.2 The Committee advised the Accounting Officer to regularize the operations of the National Culture Centre, all revenues collected should be paid into the Consolidated Fund and related expenditures should be met from the appropriations.

4.1.10 Paragraphs 901 to 916 were considered

4.1.11 **Paragraph 917 – Overpayment to Contractors totalling \$245,700 and \$989,900, respectively**

4.1.11.1 The Committee noted the comments of the Accounting Officer and advised him to pursue the issue with the Finance Secretary with a view to resolve the matter.

4.1.11.2 The Finance Secretary undertook to apprise the Committee on the outcome of the matter.

4.1.12 Paragraphs 918 to 923 were considered

4.1.13 The Chairperson recapitulated the following for the benefit of the Accounting Officer:

- (i) The Committee was concerned that one year had elapsed and the Accounting Officer had failed to address the issue with regard to the non-submission of financial statements from the National Trust and the National Sports Commission
- (ii) That the letters to the National Trust and the National Sports Commission requesting the Agencies to submit their financial statements to the Audit Office be copied to the Minister of Culture Youth & Sports, The Public Accounts Committee, the Finance Secretary and the Accountant General, respectively.
- (iii) The proceeds collected from the National Cultural Centre should be paid into the Consolidated Fund.
- (iv) The Committee looked forward to the Audit Report indicating that the Accounting Officer was adhering to the regulations regarding the Consolidated Fund.

4.1.14 At 3.40 p.m., the Committee concluded the examination of the 2005 accounts of the above Ministry.

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
14. Ministry of Labour, Human Services and Social Security	1046 – 1073 (28)	Mr. Trevor Thomas Permanent Secretary

4.2 At 3.43 pm, the Committee proceeded to consider the Report on the Public Accounts with respect to the Ministry of Labour, Human Services and Social Security together with the Comments submitted by the Accounting Officer.

4.2.1 Officers present for the examination were:

- (i) Mr. Trevor Thomas, Permanent Secretary (ag.)
- (ii) Mr. John Cunjie, PAS (F)

4.2.2 **Preliminary Comments**

4.2.2.1 The Chairperson pointed out to the Accounting Officer, that it was brought to her attention that an Accountant employed within the Ministry and was not allowed to perform the duties of that position

since work was not assigned to the Officer. She expressed the hope that the Ministry would address the situation.

- 4.2.2.2 The Chairperson reminded the Accounting Officer of the supplemental information the Committee had requested in July 2007 and advised the Accounting Officer that he should submit by the 30th April, 2008 the information along with any other request made at the meeting.
- 4.2.3 **Paragraph 1046 – Unpaid Salaries Register**
- 4.2.3.1 The Committee advised the Accounting Officer that there was need for a cohesive collaboration between the Accounts and the Personnel Departments to reduce the amount of overpaid salaries to staff.
- 4.2.3.2 Based on the comments of the Accounting Officer that previously he had successfully recouped overpaid salaries for staff from bank accounts, the Committee requested the Accounting Officer to submit by the 30th April, 2008, an update on the sums he had been able to recoup.
- 4.2.4 **Paragraph 1047 – Inprest Bank Account No. 902: Overdrawn by \$270.286M**
- 4.2.4.1 In response to an enquiry, the Finance Secretary advised the Accounting Officer that the matter should be reported to the Cabinet Sub-Committee of the Ministry. The respective Minister would then forward the matter to the Cabinet for consideration.
- 4.2.5 Paragraphs 1048 and 1053 were considered.
- 4.2.6 **Paragraph 1054 – Amounts expended on Security Charges totalling - \$25.555M**
- 4.2.6.1 The Committee noted the comments of the Auditor General that the contractual agreements between the Ministry and the security firms were not produced for audit and advised the Accounting Officer to provide the Auditor General with the documents.
- 4.2.7 Paragraphs 1051 to 1056 were considered.
- 4.2.8 **Paragraph 1057 – Unreconciled Amount totalling \$130M**
- 4.2.8.1 The Committee advised the Accounting Officer to discuss the matter with the Cabinet Sub-Committee in an effort to resolve the matter.

- 4.2.9 Paragraphs 1058 to 1060 were considered.
- 4.2.10 **Paragraph 1061 – Un-recovered Sums of \$10.115M**
- 4.2.10.1 The Accounting Officer tendered to the Committee a report from the Commissioner of Police advising that the matter be closed.
- 4.2.10.2 The Auditor General, in response to an enquiry, informed the Committee that the matter should be discussed at the level of the Cabinet Sub-Committee. Until a decision was taken at that level the matter could not be removed from the Auditor General's Report.
- 4.2.11 Paragraphs 1062 to 1068 were considered
- 4.2.12 ✓ **Paragraphs 1069, 1070 and 1071 – Un-inventoried Equipment**
- 4.2.12.1 Based on conflicting comments from the Auditor General and the Accounting Officer, the Auditor General was advised to revisit those issues and provide the Committee with a report on the matter.
- 4.2.13 Paragraphs 1072 and 1073 were considered.
- 4.2.14. At the conclusion of the examination the Chairperson summarized the following:
- (i) Request the Accounting Officer to engage the NIS and GRA in a discussion with a view to recouping the overpaid remittances made to the agencies, and to explore the possibilities of having NIS credit the overpaid amounts;
 - (ii) The Accounting Officer could examine the possibility of withholding salaries of officers proceeding on sick leave until the officers returned to work;
 - (iii) Matters relating to paragraphs 1047, 1057 and 1061, be taken to the Cabinet Sub-Committee in an effort to resolving those issues; and
 - (iv) The Accounting Officer should examine the Auditor General's comments for 2006 and clarify those matters which would have been subsequently resolved.
- 4.2.15 The Committee congratulated the Accounting Officer on the reduction of the number of paragraphs within the Auditor General's Report for 2005.

4.2.16 At 4.37 pm, the Committee concluded the examination of the 2005 accounts.

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
Ministry of Housing and Water	925 – 940 (16)	Mrs. Deborah Monmouth – Hollingsworth Permanent Secretary

4.3 At 4.40 pm, the Committee proceeded to consider the Report on the Public Accounts with respect to the Ministry of Housing and Water together with the comments submitted by the Accounting Officer.

4.3.1 Officers present for the examination were:

- (i) Mrs. Deborah Monmouth – Hollingsworth Permanent Secretary (ag) (Accounting Officer)
- (ii) Ms Maureen DeNieuwerker, Finance Officer
- (iii) Ms Myrna Pitt, Chief Executive Officer
- (iv) Ms Natasha Hackett, Accountant
- (v) Mr. Karan Singh, Chief Accountant, G.W.I.
- (vi) Mr. Ravin Laltoo, Finance Department, GWI

4.3.2 Paragraphs 924 to 928 were considered.

4.3.3 **Paragraph 929: Failure to deposit unspent amounts to the Consolidated Fund by the Central Housing and Planning Authority**

4.3.3.1 The Committee noted the comments of the Accounting Officer that the unspent amount totalling \$23.796M was not refunded to the Consolidated Funds but was kept in a separate account.

4.3.3.2 The Committee advised the Accounting Officer that all unspent amounts should be refunded to the Consolidated Fund and expenditure should be met from appropriated sums.

4.3.3.3 The Accounting Officer was requested to submit to the Committee by the 30th April, 2008:

- (i) information on the amount of interest the sum of 23.796M had gained during the period 2005 to date

- (ii) statement of expenditure for which the interest gained was utilized, and
- (iii) was the unspent balance transferred to the Consolidated Fund.

4.3.4 Paragraphs 930 to 940 were considered.

4.3.5 In concluding, the Chairperson commended the Accounting Officer of GWI for having completed up-to-date financial statements for the Agency.

4.3.6 The Chairperson reminded the Accounting Officer of the Central Housing & Planning Authority of the information the Committee requested to be submitted to it by the 30th April, 2008.

4.3.7 At 5.00 pm, the Committee concluded the examination of the 2005 accounts.

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
(ii) Ministry of Legal Affairs	1156 – 1187 (32)	Mrs. Mitradevi Ali Permanent Secretary

4.4 At 5.07 pm, the Committee proceeded to consider the Report on the Public Accounts with respect to the Ministry of Legal Affairs together with the comments submitted by the Accounting Officer.

4.4.1 Officers present for the examination were:

- (i) Mrs. Mitradevi Ali, Permanent Secretary
- (ii) Mrs. Kamla Autar, PAS (Finance)
- (iii) Mrs. Carolyn Paul, Registrar General Deeds (ag)
- (iv) Mrs. Estelle Hutson, Trust Officer

4.4.2 Paragraphs 1156 to 1169 were considered.

4.4.3 **Paragraphs 1170 to 1171 – Contract Splitting**

4.4.3.1 The Committee noted the Auditor General's comments that there was evidence that the Ministry had subdivided contracts in order to circumvent adjudication by the NBPTA and advised the Accounting Officer that the regulations should be adhered to when funds were being expended.

- 4.4.3.2 The Accounting Officer indicated that she was of the view that the Ministerial Tender Board limit was \$900,000 instead of \$600,000 as was advised by the Auditor General.
- 4.4.4 **Paragraph 1173 – Awarding of Contracts**
- 4.4.4.1 The Committee cautioned the Accounting Officer that the splitting of contracts was a violation of the law. Amounts above the Ministerial Tender Board limits should be forwarded to the National Procurement & Tender Administrative Board for approval.
- 4.4.5 Paragraphs 1174 to 11 82 were considered
- 4.4.6 **Paragraphs 1183 – Construction of the Fort Wellington Magistrate’s Court**
- 4.4.6.1 The Auditor General undertook to revisit the Engineer’s report with a view to verify whether the works were completed.
- 4.4.6.2 In response to an enquiry, as to the reason the Accounting Officer responsible for the Supreme Court did not attend the meeting, the Committee was informed that the Officer responsible for Supreme Court was requested to attend the meeting but received no response from the Officer.
- 4.4.7 The Finance Secretary advised the Accounting Officer that the Procurement Act of 2003 must be adhered to.
- 4.4.8 In conclusion the Chairperson informed the Accounting Officer:
- (i) that the adjudication of contracts should be done in accordance with the regulations;
 - (ii) where the conflicting views were highlighted in the 2005 report, she should engage the Auditor General with a view to clarifying those issues; and
 - (iii) if there were divergent views on issues highlighted by the Auditor General in his comments for 2006, the Accounting Officer should seek to clarify those before they were recorded in the Auditor General’s report for 2006.
- 4.4.9 At 5.50 pm, the Committee concluded its examination of the above accounts.

4.5 **Review of Examination**

4.5.1 The Chairperson indicated to Members that there seemed to be a laxity in the attitude by the Accounting Officer of the Ministry of Culture, Youth & Sports with regards to its advice.

4.5.2 The Accounting Officer of the Ministry of Legal Affairs was of the view that what ever she did was correct, regardless that it was in violation of the law.

4.5.3 A discussion ensued and a Member proposed that the Committee through the Finance Secretary could consider surcharging Accounting Officers who violated the law.

ITEM 5: ANY OTHER BUSINESS

5.1 **Letter from the Senior Superintendent of Works**

5.1.1 The Chairperson drew Members attention to the letter dated 16th April, 2008 from the Senior Superintendent of Works, Region No. 10 which stated that he had been unable to obtain the information relating to Pine Street Nursery School.

5.1.2 The Committee expressed concerns that the Officer had misled it with the information which he had provided when he appeared before it. Members also posited that the situation at the school was a serious one and if not corrected could endanger the lives of the students of the school.

5.1.3 The Auditor General informed the Committee that he would conduct an investigation into the matter and if the Officer was liable would recommend that disciplinary action be taken against the Officer.

5.1.4 The Auditor General proposed that the Committee could write the Minister of Local Government pointing out its concerns and also to advise the Ministry to take appropriation to have the situation corrected.

5.2 **Action to be taken against Defaulting Officers**

5.2.1 The Chairperson indicated to Members that she would engage the Speaker for advice from a legal perspective on the matter.

5.2.2 The Committee decided that the Finance Secretary should pursue the matter to determine the appropriate action that could be employed by the Committee against defaulting Officers.

Adjournment

At 6.10 p.m. the meeting was adjourned to 2.00 p.m. on Monday, 12th May, 2008.

Confirmed thisday of May, 2008

.....*Volda Lawrence*.....
Mrs. Volda A. Lawrence, M.P
Chairperson

**THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2008)**

**MINUTES OF THE 36TH MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 2.35 P.M
ON MONDAY, 2ND JUNE, 2008
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN**

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)

(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P. - (Excused)

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip

Ms Bibi S. Shadick, M.P

Mr. Mohamed Irfaan Ali, M.P

Mr. Komal Chand, C.C.H., J.P., M.P. - (Excused)

Mr. Dharamkumar Seeraj, M.P.

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P.

Mr. Anthony Vieira, M.S., M.P. - (Absent)

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P.

Advisers – (3)

Audit Manager (ag.) (Mr. Thomas Nestor)
For the Auditor General
Finance Secretary (Mr. Neermal Rekha)
Deputy Accountant General (Mr. George Abrams)
For the Accountant General

Officers

Ms Sonia Maxwell - Clerk of Committee
Ms Tanzadell Bentinck - Assistant Clerk of Committee

ITEM 1: CALL TO ORDER

1.1 Apology

1.1.1 Mr. Winston Murray, C.C.H., M.P. called the Meeting to order at 2.35 p.m. and apologised for his late arrival. He informed Members that in the absence of the Chairperson he would be presiding over the meeting.

ITEM 2: ANNOUNCEMENTS

2.1 Excuses

2.1.1 The Chairman informed Members that Mr. Komal Chand, C.C.H., J.P., M.P had asked to be excused from the Meeting.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents were circulated prior to the meeting:

- (i) Notice of the 36th Meeting dated 27th May, 2008;
- (ii) Minutes of the 34th and 35th Meetings held on the 14th and 21st April, 2008, respectively;
- (iii) Copy of letter dated April 28, 2008 from the Finance Secretary to the Chairperson – PAC re Extension of time for submission of outstanding matters;
- (iv) Copy of letter 104/AG:10/2008/20 dated 12th May, 2008 re Matters arising from PAC consideration of the Audit Office's report;

(v) Supplemental information from the following Accounting Officers:

- Ministry of Education;
- Ministry of Foreign Affairs;
- Ministry of Labour, Human Services and Social Security
- Ministry of Public Works and Communications;
- Ministry of Amerindian Affairs;
- Ministry of Tourism, Industry & Commerce;
- Ministry of Culture, Youth & Sports.

(vi) Copy of Comments on the Auditor General's Report by the Accounting Officers of the Ministry of Home Affairs and the Guyana Police Force and the Auditor's General's Briefing Notes thereon.

3.2 The following documents were circulated at the meeting:

- (i) Notes on the informal Discussion of the Public Accounts Committee held on the 19th May, 2008;
- (ii) Circular from the Director General, Ministry of Foreign Affairs dated 29th May, 2008 re Response to Concerns of the Public Accounts Committee;
- (iii) Record of Proceedings of 27th Meeting of the Public Accounts Committee held on 14th January, 2008; and
- (iv) Record of Proceedings of the Informal Discussion of the Public Accounts Committee held on the 19th May, 2008.

3.3 **Suspension of Agenda**

3.3.1 The Committee agreed to suspend items (i) to (iii) on the Agenda to commence examination of the public accounts of the Ministry of Home Affairs and the Guyana Police Force, respectively.

ITEM 4: TO CONTINUE EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEAR 2005, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
19. Ministry of Home Affairs	1074 – 1133 (60)	Ms. Angela Johnson Permanent Secretary

4.1 At 2.35 p.m., the Committee proceeded to consider the Report on the public accounts with respect to the Ministry of Home Affairs together with the comments submitted by the Accounting Officer.

4.1.1 Officers present for the examination were:

- (i) Ms. Angela Johnson, Permanent Secretary, Accounting Officer)
- (ii) Mr. Edward Wills, Deputy Commissioner, (G.P.F.)
- (iii) Ms. Simone Cummings, Assistant Accountant (ag)
- (iv) Ms. Winifred Washington, Chief Accountant,
- (v) Mr. Winston McGregor, Divisional Officer, (Prisons)
- (vi) Mr. Cortland Gordon, Finance Officer (G.P.F),
- (vii) Mr. Eric Bassant, Quarter Master (G.P.F),
- (viii) Mr. Evan Graham, S/C Construction Dept. (G.P.F)
- (ix) Ms Jacqueline Johnson, Station Officer (Fire)
- (x) Mr. Dwayne Scotland, Cadet Officer
- (xi) Mr. Nigel Hoppie, Asst. Supt. of Police
- (xii) Mrs. Marilyn Schwartz, Assistant Superintendent Police

4.1.2 Paragraph 1074 was considered.

4.1.3 **Paragraph 1075 – Procurement of Fuel**

4.1.3.1 Based on conflicting views expressed by the Auditor General and the Accounting Officer that the fuel was purchased on credit without the relevant approval, the Auditor General was requested to provide a report to the Committee on the matter within one week.

4.1.4 Paragraph 1076 was considered.

4.1.5 **Paragraph 1077 – Fuel and Lubricants totalling \$1.760 M (Prisons Department)**

4.1.5.1 The Auditor General, in response to an enquiry, informed the Committee that an audit conducted at the Prisons Department of Georgetown revealed that the procurement of fuel was not properly recorded, before being distributed to the other prison locations. Further, the utilization of fuel totalling \$1.760M could not be accounted for.

4.1.5.2 The Committee cautioned the Accounting Officer that such practice was a breach of the stores regulations and requested him to forward the relevant documentation for the issuing of the fuel totalling \$1.760M to the Audit Office.

- 4.1.6 Paragraphs 1078 and 1079 were considered.
- 4.1.7 **Paragraphs 1080 and 1081 - Non Adherence to Stores Regulations**
- 4.1.7.1 The Committee advised the Accounting Officer that he should ensure compliance with the Procurement Act in the procurement of goods and services.
- 4.1.8 Paragraph 1082 was considered.
- 4.1.9 **Paragraph 1083 –Un-presented documentation for amounts totalling \$3.750M**
- 4.1.9.1 In response to an enquiry, the Auditor General reported that he could not verify immediately whether the supporting documentation for amounts totaling \$3.750M was submitted to the Audit Office.
- 4.1.9.2 The Auditor General undertook to verify the information and report to the Committee accordingly.
- 4.1.10 Paragraphs 1084 to 1089 were considered.
- 4.1.11 **Paragraph 1090 – Award of Contract**
- 4.1.11.1 The Committee noted the response of the Accounting Officer that the contract was awarded to the highest bidder because of security implications and advised the Accounting Officer that he should observe the procedures outlined in the Procurement Act.
- 4.1.12 Paragraphs 1091 to 1094 were considered.
- 4.1.13 **Paragraph 1095 – Award of Contract for Construction of Fort Wellington Police Station**
- 4.1.13.1 The Committee noted the comments of the Auditor General that the contract was not awarded to the lowest bidder because it was considered that the sum was “unrealistic”.
- 4.1.13.2 The Accounting Officer was requested to provide the Committee within one week with the information on what basis the contract was considered to be unrealistic.
- 4.1.14 Paragraphs 1096 to 1115 were considered

- 4.1.15 **Paragraph 1116 – Un-presented documentation totalling \$1.268M**
- 4.1.15.1 The Accounting Officer was advised to submit to the Audit Office the supporting documents for items purchased totaling \$1.268M.
- 4.1.16 Paragraphs 1117 and 1118 were considered
- 4.1.17 **Paragraphs 1119 - Arms and Ammunition**
- 4.1.17.1 Committee noted the comments of the Auditor General that a total of \$4.830M of arms and ammunitions were still to be delivered and advised the Accounting Officer to pursue the matter.
- 4.1.18 Paragraphs 1120 to 1124 were considered.
- 4.1.19 **Paragraph 1125 – Un-presented Documents for Payments Totalling \$200,506.**
- 4.1.19.1 The Auditor General was required to provide the Committee, within one week, with information on whether the supporting documents for the payments(s) of \$200,500 were submitted to the Audit Officer for audit.
- 4.1.20 Paragraphs 1126 to 1133 were considered
- 4.1.21 At 3.24 p.m., the Committee concluded the examination of the 2005 accounts of the Ministry of Home Affairs.

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
20. Ministry of Home Affairs – Guyana Police Force	1134 – 1155 (22)	Supt. C. Gordon Finance Officer

- 4.2 At 3.25 p.m. the Committee proceeded to consider the Report on the public accounts with respect to the Guyana Police Force together with the comments submitted by the Accounting Officer.

- 4.2.1 **Paragraph 1134 – Inappropriate Charges to line Item**
- 4.2.1.1 The Accounting Officer informed the Committee that the Ministry of Finance was written to in an effort to clarify the categorisation of capital and current items, but no response was received.
- 4.2.2 The Accounting Officer was advised to pursue the matter with the Finance Secretary and provide the Committee with a status report.
- 4.2.3 **Paragraphs 1135 and 1136 – Splitting of Contract**
- 4.2.3.1 The Accounting Officer was cautioned against the splitting of contracts to avoid the adjudication by the Departmental Tender Board.
- 4.2.3.2 The Permanent Secretary was advised to exercise close supervisory control over the awarding of contracts to ensure compliance with the law.
- 4.2.4 Paragraph 1137 was considered.
- 4.2.5 **Paragraph 1138 – Un-presented documentation totalling \$7.074M**
- 4.2.5.1 The Committee advised the Accounting Officer to examine the system currently employed regarding procurement of goods and services with a view to instituting a mechanism to improve internal control.
- 4.2.6 **Paragraphs 1139 – Discrepancies between physical stock and ledger register**
- 4.2.6.1 The Accounting Officer, in response to an enquiry, informed the Committee that the Department of Operations (Police Force) was in the process of implementing a system to correct the deficiencies.
- 4.2.7 Paragraphs 1140 to 1149 were considered.
- 4.2.8 **Paragraph 1150 – Un-presented Vouchers totalling \$188.162M**
- 4.2.8.1 The Committee noted the comments of the Auditor General that due to the absence of the vouchers totalling \$188.162M, it could not be determined whether value was received for the expended sum.

- 4.2.8.2 The Accounting Officer was advised to pursue the issue in an effort to resolve the matter.
- 4.2.9 Paragraphs 1151 to 1155 were considered.
- 4.2.10 In concluding, the Chairperson commented that the Committee was not satisfied with some of the explanations provided by the Accounting Officer. The Committee, However, noted the efforts made to correct the discrepancies and looked forward to improved public accounts for 2006.

Adjournment

At 3.55 p.m. the meeting was adjourned to 2.00 p.m. on Monday, 9th June, 2008.

Confirmed this day of June, 2008



.....
Mr. Winston S. Murray, C.C.H., M.P.
Presiding Member

THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2008)

MINUTES OF THE 37TH MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 2.10 P.M
ON MONDAY, 23RD JUNE, 2008
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)

(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P.

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip

Ms Bibi S. Shadick, M.P - (Excused)

Mr. Mohamed Irfaan Ali, M.P

Mr. Komal Chand, C.C.H., J.P., M.P.

Mr. Dharamkumar Seeraj, M.P.

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P.

Mr. Anthony Vieira, M.S., M.P. - (Absent)

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P.

Advisers – (3)

Finance Secretary (Mr. Neermal Rekha)
The Deputy Accountant General (Mr. George Abrams)
For the Accountant General
Audit Director (Ag.) (Mrs. Donna Ellis)
For the Auditor General

Officers

Ms Sonia Maxwell - Clerk of Committee
Ms Tanzadell Bentinck - Assistant Clerk of Committee

In Attendance

Mr. Gordon Ferrell - Research Assistant
Ms. Carla Isaacs - Research Assistant
Mr. Nickolai Pryce - Assistant Clerk of Committee

ITEM 1: CALL TO ORDER

1.1 The Chairperson called the meeting to order at 2.10 p.m.

ITEM 2: ANNOUNCEMENTS

2.1 **Excuses**

2.1.1 The Chairperson informed the Committee that the following Members had asked to be excused from the meeting:

- (i) Ms. Bibi Shadick, M.P.,
- (ii) Mr. Deodat Sharma, Auditor General.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents were circulated prior to the meeting:

- (i) Notice of the 37th Meeting dated 16th June, 2008;
- (ii) Minutes of the 34th, 35th and 36th Meetings held on the 14th, 21st April and 2nd June, 2008, respectively;
- (iii) Copies of Comments on the Auditor General's Report by the Accounting Officers of:

- Ministry of Health;
 - Georgetown Public Hospital Corporation;
 - Ministry of Tourism, Industry and Commerce;
 - Supreme Court – Programmes 1 & 2;
- and the Auditor's General's briefing notes thereon for the year 2005.

ITEM 4: CONFIRMATION OF MINUTES OF THE 34TH MEETING HELD ON 14TH APRIL, 2008

4.1 Correction

4.1.1 Page 331, paragraph 5.1.1 (i) - Matters Arising

- (i) Substitution of the words "Officers within the Works and Structures Department for the words "Engineer" in line 2 and;
- (ii) Substitution of the words "those Officers" for the words "the Engineers" in the last line.

Page 335 - Matters Related to the Audit Office

4.1.2 Paragraph 8.2.3.1

4.1.2.1 Substitution of the word "Auditor" for the word "Accountant" before the word "the" in line 1.

4.1.3 Paragraph 8.2.3.2

4.1.3.1 Substitution of the word "Auditor" for the word "Accountant" in line 2.

4.1.4 Page 336, paragraph 8.3.3.1 – Bin Cards and Good Received Book

4.1.4.1 Substitution of the word "Accountant" for the word "Account" before the word "General" in line 3.

4.1.5 Page 338, paragraph 8.5

4.1.5.1 Substitution of the word "to" for the word "he" in the penultimate line.

4.1.6 Thereafter, the Minutes were confirmed on a motion moved and seconded by Mrs. Indranie Chandarpal and Mr. David Patterson, respectively.

4.2 Matters Arising from the 34th Minutes

4.2.1 Page 337, paragraph 8.4.3.2 – Overpayment to Contractor Totalling \$514,300

4.2.1.1 The Committee reminded the Auditor General that the above information was still outstanding.

4.2.2 Page 338, paragraph 9.1.2 – Follow-up Action

4.2.1.1 In response to an enquiry, the Clerk of the Committee informed the Committee that the letters were dispatched to the defaulting Officers.

4.2.1.2 The Committee requested that the Research Assistants should prepare a matrix of the default Accounting Officers who failed to submit the supplemental information as was requested by the Committee.

ITEM: 5 CONFIRMATION OF MINUTES OF THE 35TH MEETING HELD ON 21ST APRIL, 2008

5.1 The Minutes were confirmed, without corrections on a motion moved and seconded by Mr. David Patterson, M.P. and Mr. Irfaan Alli, M.P., respectively.

5.2 Matters Arising from the 35th Minutes

5.2.1 Page 343, paragraph 4.1.4 – Overpaid Amounts to Staff

5.2.1.1 The Committee noted that it had not received a response from the Accounting Officer of the Ministry of Culture, Youth & Sports.

5.2.2 Page 344, paragraph 4.1.11.2 – Overpayment to Contractors Totalling \$245,700 and \$989,900, respectively.

5.2.2.1 In response to an enquiry, the Finance Secretary reported that that the Accounting Officer did not consult with him in an effort to resolve the matter, and undertook to pursue the matter with the Officer.

ITEM: 6

**CONFIRMATION OF MINUTES OF THE 36TH MEETING
HELD ON 2ND JUNE, 2008**

- 6.1 The Minutes were confirmed, without corrections, on a motion moved and seconded by Mrs. Indranie Chandarpal, M.P. and Mr. David Patterson, M.P., respectively.
- 6.2 **Matters Arising from the 36th Minutes**
 - 6.2.1 **Page 356, paragraph 4.1.3.1 – Procurement of Fuel**
 - 6.2.1.1 The Auditor General was requested to provide the Committee with a status report on the matter by 24th June, 2008.
 - 6.2.2 **Pages 357, paragraph 4.1.11.1 – Un-presented documentation totalling \$1.268M**
 - 6.2.2.1 The Committee requested the Clerk of the Committee to record the Accounting Officer's commitment to conform to the law as advised by the Committee. Other instances where the Accounting Officer undertook to exercise strict adherence to the rules and regulations as advised by the Committee, should also be recoded.
 - 6.2.3 **Page 359, paragraph 4.2.8.1 – Un-presented Vouchers totalling \$188.162M**
 - 6.2.3.1 The Committee agreed that the Accounting Officer be written to, requesting him to pursue the matter and provide a report 8th July, 2008.
 - 6.2.3.2 The Clerk was requested to write the Accounting Officer informing him of the Committee's decision.

ITEM 7:

**TO CONSIDER FOLLOW-UP/SUPPLEMENTAL
INFORMATION RECEIVED FROM THE ACCOUNTING
OFFICERS**

- 7.1 The Committee agreed that the Research Assistant should prepare a matrix on all the supplemental information the Committee had requested. The matrix should indicate the dates given as the deadline for the submission of the information, and a separate column indicating those that were outstanding.

ITEM 8: TO CONSIDER THE APPOINTMENT OF NOMINEES FOR THE PUBLIC PROCUREMENT COMMISSION

- 8.1 In response to an enquiry, Mr. Chand informed the Committee that the matter was still engaging the attention of his Party, as was committed to at the stakeholders' meeting.
- 8.1.1 The Committee noted that the 90 days time-frame committed to by the Government at the March 12th meeting of the National Stakeholders for the appointment of the constitutional bodies, one of which was the Public Procurement Commission, would expire within one week.

ITEM 9: TO CONTINUE EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEAR 2005, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
21. Ministry of Health	982 – 1045 (64)	Mr. Hydar Ally, Permanent Secretary

- 9.1 At 2.55 p.m., the Committee proceeded to consider the Report on the public accounts with respect to the Ministry of Health together with the comments submitted by the Accounting Officer.
- 9.11 Officers present for the examination were:
- (i) Mr. Hydar Ally, Permanent Secretary,
 - (ii) Mr. Moolchand Haricharan, Deputy Permanent Secretary
 - (iii) Ms. Dorett Sealy, Assistant Secretary(G)
 - (iv) Ms. Sandra Singh, PAS (F)
 - (v) Mr. Micheal Waithe, PAS (G) (Ag)
 - (vi) Ms. Rosamond Springer, Field Auditor
 - (vii) Mr. Malcolm Watkins, Procurement Manager
 - (viii) Ms. Kamene Seepaul, WHM Manager,
 - (ix) Mr. L. Hariram, DU (Ag) M.M.U.
 - (x) Mrs. Trevlyn Smith, Human Resource Manager.

- 9.1.2.1 Before the commencement of the examination of the public accounts, the Accounting Officer apologized for the incompleteness of paragraph 1026 and assured the Committee that he would provide the comment subsequently.
- 9.1.3 Paragraph 982 – Vacancy Rate**
- 9.1.3.1 The Committee enquired from the Accounting Officer whether he had included a list of authorized positions in the 2008 budget estimates submitted to the Ministry of Finance.
- 9.1.3.2. The Committee noted the Accounting Officer's reluctance to respond to the question and requested the Officer to submit by the 8th July, 2008, the number of positions currently filled indicating those that were filled by contractual employees.
- 9.1.4 Paragraphs 983 to 988 were considered.
- 9.1.5 Paragraphs 989 and 990 – Un-reconciled Amounts Totalling \$1.178M**
- 9.1.5.1 In response to an enquiry, the Accounting Officer reported that a losses report was submitted to the Ministry of Finance.
- 9.1.5.2 The Finance Secretary reported that he had advised Accounting Officers that they efforts should be made to reconcile accounts before a request was made to the Ministry of Finance to have the amounts written off.
- 9.1.5.3 He also questioned whether the recommendation proposed by the Auditor General was legal and binding. He opined that the specific losses report filled by the Accounting Officer was inadequate.
- 9.1.5.4 The Finance Secretary was requested to reexamine the issue and report to the Committee by 7th July, 2008.
- 9.1.6** Paragraph 992 was considered.
- 9.1.7 Paragraphs 993 & 994 – Drugs and Medical Supplies Purchased Overseas**
- 9.1.7.1 In response to an enquiry, the Accounting Officer reported that in 1997 Cabinet had approved the procurement of drugs from specified agencies overseas, hence that was the basis upon which drugs were being procured.

- 9.1.8 Paragraph 995 – Pharmaceuticals Purchased Locally**
- 9.1.8.1 The Committee questioned whether the Ministry of Health had any supervisory control over the procurement of drugs by the New Guyana Pharmaceutical Corporation.
- 9.1.8.2 The Accounting Officer stated that Government did not have supervisory control over the procurement of drugs by the New Guyana Pharmaceutical Corporation.
- 9.1.8.3 The Committee expressed disappointment over the absence of a supervisory role by the Government in the procurement process involving GPC.
- 9.1.8.4 The Committee cautioned the Accounting Officer against the practice of procuring goods and services without public tender, and advised the Officer to adhere to the regulations provided in the Public Procurement Act.
- 9.1.9** Paragraphs 996 to 1007 were considered.
- 9.1.10 Paragraph 1008 – Overpayment to Contractor totalling \$392,126**
- 9.1.10.1 The Committee noted the divergent views expressed the Auditor General and the Accounting Officer on the overpayment of \$392,126 and requested the Accounting Officer to submit the information to the Auditor General.
- 9.1.10.2 Thereafter, the Auditor General was requested to report to the Committee on the matter by the 7th June, 2008.
- 9.1.11** Paragraphs 1009 to 1013 were considered.
- 9.1.12 Paragraph 1014 –Renewal of Contracts to Security Firms**
- 9.1.12.1 The Accounting Officer, in response to an enquiry, informed the Committee that he was in the process of submitting a request to Cabinet for the renewal of the contracts of the security firms.
- 9.1.13** Paragraphs 1015 to 1025 were considered
- 9.1.14 Paragraph 1026 – Departmental Warrant issued to the Region totalling \$4.5M**
- 9.1.14.1 The Committee was dissatisfied with the response from the Accounting Officer on this issue.

- 9.1.14.2 The Accounting Officer was advised to pursue the matter and to submit to the Committee by 8th July, 2008 a report on the matter.
- 9.1.14.3 The Accounting Officer undertook to make a visit to Region No.7 with a view to verifying the construction and completion of the malaria building, and to report to the Committee accordingly.
- 9.1.15 Paragraphs 1027 to 1034 were considered.
- 9.1.16 **Paragraph 1035 – Award of contract totalling \$7.8M**
- 9.1.16.1 The Chairperson again noted the disparity in the award of contracts and the discrepancies in the procurement of goods and services.
- 9.1.17 Paragraphs 1035 to 1045 were considered.
- 9.1.18 The Committee summarized its observations as follows:
- (i) The Committee noted that no comments were provided by the Accounting Officer on the non-adherence to stores regulation as highlighted by the Auditor General;
 - (ii) The procurement of drugs by a Cabinet approval which existed eleven (11) years ago
 - (iii) That the Accounting Officer should adhere to the Public Procurement Act in the procurement of goods and services and also seek to have a waiver on the procurement of overseas drugs
 - (iv) The Accounting Officer to provide the Committee and the Auditor General with information pertaining to the malaria building; and
 - (v) The Accounting Officer to provide information to the Committee on the issue pertaining to the performance bonds specified for the New Amsterdam by 7th July, 2008
- 9.1.19 At 4.25 p.m., the Committee concluded the examination of the 2005 accounts of the Ministry of Health.
- 9.2 **Examination of the public accounts of the Supreme Court**
- 9.2.1 At this point, the Chairperson informed the Committee that the Accounting Officer of the Registry Supreme Court was awaiting the examination of her agency accounts, and was requesting that the Committee to reschedule the examination, since she was feeling unwell. To this Member concurred.

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
21. Georgetown Public Hospital Corporation	941 - 981 (41)	Mr. Micheal Khan

- 9.3 The Chairperson referred to letter dated June 20, 2008, from the Administrative Assistant of the Georgetown Public Hospital Corporation informing the Committee that Mr. Michael Khan, C.E.O. was on annual leave, and would return on the 8th July, 2008. A request was sought for the examination to be rescheduled upon his return.

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
22. Ministry of Tourism Industry & Commerce	619- 633 (15)	Mr. Willet Hamilton

- 9.4 At 4.35 p.m., the Committee proceeded to consider the Report on the public accounts with respect to the Ministry of Tourism Industry & Commerce together with the comments submitted by the Accounting Officer.
- 9.4.1 Officers present for the examination were:
- (i) Mr. Willet Hamilton, Permanent Secretary
 - (ii) Mr. Roopnarine Ganesh, PAS (G)
- 9.4.2 **Paragraphs 620 – Misappropriation of Funds**
- 9.4.2.1 The Committee noted the comments from the Auditor General that the Ministry continued to misappropriate funds from the current programme to capital expenditure.
- 9.4.3 Paragraphs 621 to 625 were considered.

9.4.4 Paragraph 626 – Splitting of Contract.

9.4.4.1 In response to an enquiry, the Auditor General reported that information revealed that the computers were purchased in the month of April and that the voucher nos. were consecutive, as follows:

- (i) Voucher # 23003
- (ii) Voucher # 23254 and
- (iii) Voucher # 23255.

9.4.5 Paragraphs 627 to 633 were considered.

9.4.6 In summarizing, the Committee expressed its dissatisfaction with the responses provided by the Accounting Officer and cautioned the Officer that he should adhere to the Tender Board procedures. He was also advised that he should obtain approval for change of programme, when necessary.

9.4.7 At 5.05 p.m., the Committee concluded the examination of the 2005 accounts of the Ministry of Tourism, Industry and Commerce.

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
22. Supreme Court- Programmes 1 & 2	1248- 1270 (23)	Ms. Sita Ramlall

9.5 The examination of the public accounts of the above agency was deferred to a subsequent meeting of the Committee.

ITEM 10: ANY OTHER BUSINESS

11.1 Next Meeting's Schedule

11.1.1 The Chairperson reminded Members that the next Meeting was scheduled for Tuesday, 24th June at 10.00am for the examination of the public accounts of the Ministry of Foreign Affairs.

Adjournment

At 5.15 p.m. the meeting was adjourned to 10.00 a.m. on Tuesday, 24th June, 2008.

Confirmed thisday of June, 2008

.....Volda Lawrence.....

Mrs. Volda A. Lawrence, M.P

Chairperson

THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2008)

MINUTES OF THE 38TH MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 10.25A.M
ON TUESDAY 24TH JUNE, 2008
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)

(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P.

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip - (Excused)

Ms Bibi S. Shadick, M.P - (Excused)

Mr. Mohamed Irfaan Ali, M.P - (Absent)

Mr. Komal Chand, C.C.H., J.P., M.P.

Mr. Dharamkumar Seeraj, M.P.

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P.

Mr. Anthony Vieira, M.S., M.P. - (Absent)

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P. - (Absent)

Advisers – (3)

Audit Director (Ag.) (Mrs. Donna Ellis)
For the Auditor General
Finance Secretary (Mr. Neermal Rekha)
The Deputy Accountant General (Mr. George Abrams)
For the Accountant General

Officers

Ms Sonia Maxwell - Clerk of Committee
Ms Tanzadell Bentinck - Assistant Clerk of Committee

In Attendance

Mr. Gordon Ferrell - Research Assistant
Ms. Carla Isaacs - Research Assistant
Ms Sueanna Reynolds - Assistant Clerk of Committee

ITEM 1: CALL TO ORDER

1.1 The Chairperson called the meeting to order at 10.25 a.m.

ITEM 2: ANNOUNCEMENTS

2.1 **Excuses**

2.1.1 The Chairperson informed the Committee that the following Members had asked to be excused:

- (i) Mrs. Indranie Chandarpal, M.P., Chief Whip; and
- (ii) Ms. Bibi Shadick, M.P.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents were circulated prior to the meeting:

- (i) Notice of the 38th Meeting dated 16th June, 2008;
- (ii) Copy of Comments on the Auditor General's Report by the Accounting Officers of the Ministry of Foreign Affairs and the Auditor's General's Briefing Notes thereon.

3.2 **Suspension of Agenda**

3.3.1 The Committee agreed to suspend items (ii) and (iii) on the agenda to commence examination of the public accounts of the Ministry of Foreign Affairs.

ITEM 4: TO CONTINUE EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEAR 2005, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
21. Ministry of Foreign Affairs: -Programmes 1 & 2	278 – 427 (150)	Mrs. Elizabeth Harper, Director General

4.1 At 10.25 a.m., the Committee proceeded to consider the Report on the public accounts with respect to the Ministry of Foreign Affairs together with the comments submitted by the Accounting Officer.

4.1.1 Officers present for the examination were:

- (i) Mrs. Elizabeth Harper, Director General (Accounting Officer)
- (ii) Mrs. Hairowti Lall, Principal Assistant Secretary (F)
- (iii) Mrs. Gillian P. Rowe, Chief Administrative Officer
- (iv) Ms. Mignon Patrick, Accountant

4.1.2 **Paragraph 278 –Vacancy Rate**

4.1.2.1 The Accounting Officer, in response to an enquiry, informed the Committee that the Ministry had received approval from the Public Service Ministry to fill vacancies within the Foreign Services' Department. The following was the current staff composition:

Programme 1

Authorised Staff	–	132
Filled Positions	–	120
Vacant Positions	–	12

Programme 2

Authorised Staff	–	222
Filled Positions	–	154
Vacant Positions	-	68

4.1.2.2 In response to an enquiry, the Accounting Officer further informed the Committee that information regarding the authorized positions including those filled and vacant was submitted in the Ministry's 2008 budget estimates to the Ministry of Finance.

4.1.3 Paragraphs 279 to 283 were considered.

4.1.4 **Paragraph 284 – Untimely Remittances to Missions**

4.1.4.1 The Committee noted the comments of the Auditor General that monies to facilitate the execution of operational activities and capital expenditure by Missions were remitted at the conclusion of the financial year and expressed serious concerns over the issue. Members highlighted, that such a condition could cause serious embarrassment to diplomats and to Guyana as a whole.

4.1.4.2 The Committee proposed that a routinized system be adopted for remitting monies to Missions, especially in relation to capital expenditure.

4.1.4.3 The Accounting Officer indicated that the process of the acquisition and the dispatch of remittances to Missions was an extensive one and stated that there were some improvements in 2006 and 2007.

4.1.4.4 The Committee therefore, expressed the need for the Ministry of Foreign Affairs and the Ministry of Finance to collaborate with a view to improve the situation of the timely remittance of monies to Missions.

4.1.4 **Paragraph 285 – Revenues totalling \$211,431M form Guyana Overseas Mission**

4.1.4.1 The Auditor General was requested to provide the Committee with a report by 8th July, 2008 on whether the amount of \$211.431M was remitted to the Consolidated Fund.

4.1.5 Paragraph 286 was considered.

- 4.1.6 **Paragraph 287 - Revenues totalling \$87,011M remitted from Overseas Missions**
- 4.1.6.1 The Auditor General was requested to provide the Committee with a report on the current status of the reconciliation regarding the above sum.
- 4.1.7 **Paragraph 288 – Rewiring of Head Office and Ramphal House**
- 4.1.7.1 The Accounting Officer informed the Committee that the Ministry of Foreign Affairs and the UNDP had identified the contractor and that permission was sought and approval granted by the National Procurement and Tender Administration Board for the contract to be awarded to a sole bidder.
- 4.1.8 Paragraphs 290 and 291 were considered.
- 4.1.9 **Paragraph 292 – Recruitment: Embassy (Washington D.C.)**
- 4.1.9.1 The Committee applauded the Accounting Officer for efforts being made to recruit the adequate number of personnel within the Embassy at Washington D.C. This it felt, would allow for segregation of duties and accountability.
- 4.1.10 Paragraphs 293 to 294 were considered.
- 4.1.11 **Paragraph 295 – Outstanding Advances Totalling US\$109,165**
- 4.1.11.1 In response to an enquiry, the Accounting Officer informed the Committee that the outstanding advances were a result of misplaced receipts owing to the rotation of some staff members. She had requested that staff revisit the backlog in an effort to resolve that issue.
- 4.1.11.2 The Accounting Officer undertook to pursue the matter and to submit a report to the Committee within one month.
- 4.1.12 Paragraphs 296 to 299 were considered.
- 4.1.13 **Paragraph 300 – Outstanding Acknowledgement Receipts**
- 4.1.13.1 The Committee noted the comments of the Accounting Officer that receipts for revenue collected by the Accountant General were only being issued after the monies were brought into account.

- 4.1.13.2 The Committee advised the Accountant General to provide the Ministry of Foreign Affairs with interim receipts on collection of revenues. After the sums were transferred to the Consolidated Fund the relevant receipt should be issued.
- 4.1.14 Paragraphs 301 to 319 were considered.
- 4.1.15 **Paragraphs 320 - Inventory Records**
- 4.1.15.1 The Committee noted the comments of the Auditor General that there was non-adherence to the regulations governing inventory and advised the Accounting Officer to take the necessary action to have the situation corrected.
- 4.1.16 **Paragraph 321 -- Revenue Totalling C\$29,785 and C\$72,125, respectively**
- 4.1.16.1 Based on the differing views expressed by the Accounting Officer and the Accountant General on whether the above sums were transferred to the Consolidated Fund, the Committee advised the Accounting Officer that in future, the relevant voucher and receipt numbers by which funds were transmitted to the Consolidated Fund should be stated.
- 4.1.17 Paragraphs 322 to 335 were considered.
- 4.1.18 **Paragraphs 336 and 337 - Untimely Remittance: High Commission (London)**
- 4.1.18.1 The Committee expressed grave dissatisfaction over the untimely remittance to the High Commissioner, resulting in poor credit rating by the Post Office, disconnection of the Mission's telephone, late payment of salaries to staff etcetera. The Committee indicated that such a situation could have an adverse effect on the reputation of Guyana.
- 4.1.18.2 The Committee proposed that funds for routine expenditure could be remitted to Missions en block.
- 4.1.19 Paragraphs 338 to 346 were considered.
- 4.1.20 **Paragraphs 347 - High Commission Premises at Bayswater Road (London)**
- 4.1.20.1 The Committee noted that the above premises remained under-utilized for a considerable length of time and urged the Accounting Officer to pursue the matter expeditiously.

- 4.1.21 **Paragraphs 348 – Exhibits of Guyana Products at the Embassy**
- 4.1.21.1 The Committee proposed that the Ministry of Foreign Affairs should engage the Private Sector and Go-Invest with a view to sensitizing the Agencies on the facility available at the Mission for exhibits, and also to solicit local products for exhibits.
- 4.1.22 Paragraphs 349 to 406 were considered.
- 4.1.23 **Paragraph 407 – Rental of the Chancery Building (Brazil)**
- 4.1.23.1 The Committee noted the recommendation of the Auditor General that a cost/benefit analysis for constructing a building should be conducted and advised the Accounting Officer to pursue the matter.
- 4.1.24 Paragraphs 408 to 421 were considered.
- 4.1.25 **Paragraph 422 – Outstanding Advances Totalling US\$9901.83 for Hotel Expenses for Ministerial Visit.**
- 4.1.25.1 The Committee expressed dissatisfaction that the above amounts were still outstanding. It felt that the matter would have been resolved by a Cabinet Memorandum.
- 4.1.25.2 The Accounting Officer, in response to an enquiry, reported that she was pursuing the matter with the Permanent Secretary, Ministry of Foreign Trade and International Cooperation.
- 4.1.25.3 The Accounting Officer undertook to provide the Committee with an update on the matter by 8th July, 2008.
- 4.1.26 Paragraphs 423 and 424 were considered.
- 4.1.27 **Paragraph 425 – Revenue Deposits**
- 4.1.27.1 The Committee noted the comments of the Auditor General that revenue deposits were not done on a daily basis, instead was done approximately twice per month, and advised the Accounting Officer that the regulations should be adhered to accordingly.
- 4.1.28 Paragraphs 426 to 427 were considered.

4.1.29

In concluding, the Chairperson summarized the following:

- (i) The Committee should be updated on the matter relating to the outstanding amounts incurred by the Ministerial visit
- (ii) That the Accounting Officer should engage the Minister of Finance, at the earliest opportunity, in an effort to resolve the issue relating to the untimely remittance to the Missions.
- (iii) The Accounting Officer should pursue the matter with the Accountant General with regard to the issuance of interim receipts on collection of revenue from the Ministry.
- (iv) That in future, the Accounting Officer should state relevant voucher and receipt numbers by which funds were transmitted to the Consolidated Fund.

4.1.37

The Committee expressed satisfaction at the responses it received from the Accounting Officer. It also applauded the efforts undertaken by the Officer to correct deficiencies highlighted, and the commitment undertaken by her to follow the advice provided.

4.1.38

At 12.20 p.m., the Committee concluded the examination of the 2005 accounts of the Ministry of Foreign Affairs.

Adjournment

At 12.20 p.m. the meeting was adjourned to 2.00p.m. on Monday, 30th June, 2008.

Confirmed this day of June, 2008

.....*Volda Lawrence*.....
Mrs. Volda A. Lawrence, M.P
Chairperson

**THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2008)**

**MINUTES OF THE 39TH MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 2.30 P.M
ON MONDAY, 30TH JUNE, 2008
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN**

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)

(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P.

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip

Ms Bibi S. Shadick, M.P

Mr. Mohamed Irfaan Ali, M.P - (Excused)

Mr. Komal Chand, C.C.H., J.P., M.P. - (Excused)

Mr. Dharamkumar Seeraj, M.P. - (Excused)

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P. - (Excused)

Mr. Anthony Vieira, M.S., M.P. - (Absent)

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P. - (Absent)

Advisers – (3)

Finance Secretary (Mr. Neermal Rekha)
The Deputy Accountant General (Mr. George Abrams)
For the Accountant General
Audit Director (Ag.) (Mrs. Donna Ellis)
For the Auditor General

Officers

Ms Sonia Maxwell - Clerk of Committee
Ms Tanzadell Bentinck - Assistant Clerk of Committee
Mr. Nickolai Pryce - Assistant Clerk of Committee

In Attendance

Mr. Gordon Ferrell - Research Assistant
Ms. Carla Isaacs - Research Assistant

ITEM 1: CALL TO ORDER

1.1 The Chairperson called the meeting to order at 2.30 p.m.

ITEM 2: ANNOUNCEMENTS

2.1 Excuses

2.1.1 The Chairperson informed the Committee that the following persons had asked to be excused:

- (i) Mr. Mohamed Irfaan Ali, M.P.,
- (ii) Mr. Komal Chand, C.C.H., J.P., M.P.
- (iii) Mr. Dharamkumar Seeraj, M.P., and
- (iv) Mr. Winston S. Murray, C.C.H., M.P.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents were circulated prior to the meeting:

- (i) Notice of the 39th Meeting dated 27th June, 2008;
- (ii) Minutes of the 37th and 38th Meetings held on 23rd and 24th June, 2008, respectively;

(iii) Copies of Comments on the 2005 Auditor General's Report by the Accounting Officers of:

- Ministry of Local Government;
- Guyana Elections Commission;
- Ministry of Agriculture;

and the Auditor's General's Briefing Notes thereon for the year 2005.

3.2 Suspension of Agenda

3.2.1 The Committee agreed to suspend items (i) to (iii) on the agenda to commence the examination of the public accounts of the Agencies:

3.3 Examination of the Public Accounts of the Ministry of Agriculture

3.3.1. The Chairperson informed Members that the Permanent Secretary, Ministry of Agriculture had communicated to the Committees Division, that due to urgent matters which he had to complete for the Minister he would not be able to attend the meeting.

ITEM 4: TO CONTINUE EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEAR 2005, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
26. Ministry of Local Government	476 – 490 (15)	Mr. Seewchan, Permanent secretary (Ag.)

4.1 At 2.35 p.m., the Committee proceeded to consider the Report on the public accounts with respect to the Ministry of Local Government together with the comments submitted by the Accounting Officer.

- 4.1.1 Officers present for the examination were:
- (i) Mr. Seewchan,, Permanent Secretary (Ag), (Accounting Officer);
 - (ii) Ms. Aretha Henry, Principal Regional Development Officer (ag);
 - (iii) Mr. Floyd Patterson, M.S.O. II; and
 - (iv) Ms. Hema Shiwcharan, Chief Accountant.
- 4.1.2 Paragraphs 476 to 480 were considered.
- 4.1.3 **Paragraph 481 – Financial Returns not Submitted for 6 Municipalities and 43 NDCs**
- 4.1.3.1 In response to an enquiry, the Accounting Officer informed the Committee that 14 of the 43 National Democratic Councils, had submitted financial statements and those were submitted to the Audit Office.
- 4.1.3.2 The Auditor Director was required to verify whether the statements were received by the Audit Office, and to report to the Committee by the 8th July, 2008.
- 4.1.4 Paragraph 482 was considered
- 4.1.5 **Paragraphs 483 and 484 – Financial Statement for Municipal and District Councils**
- 4.1.5.1 Members expressed serious concerns over the failure of Heads of Municipalities and District Councils to submit financial statements on an annual basis as was required by the law.
- 4.1.5.2 Some salient views expressed on this issue were:
- (i) Subvention should be withheld from those Municipalities and District Councils who failed to submit financial returns, informing the community of the reasons the subvention was withheld;
 - (ii) Consideration of penalties to be instituted against defaulting Heads;
 - (iii) The Local Government Reform Committee should consider specific recommendations that would bind Heads of Municipalities and District Councils to comply with the law.
- 4.1.4.3 In response to an enquiry, the Accounting Officers informed the Committee that he had issued to Heads of Municipalities and District Councils on 3rd January, 2008 a statement, advising them

that failure to submit financial statements would result in subvention being withheld from their Agencies.

- 4.1.4.4 The Committee noted that financial statements for Linden and New Amsterdam Town Councils were outstanding.
- 4.1.4.5 In response to an enquiry, the Accounting Officer informed the Committee that he had received financial statements from Linden Town Council for the years 2006 and 2007, respectively. However, previous years were still outstanding.
- 4.1.5.6 The Committee advised the Accounting Officer to assign someone the task of bring the accounts of the Linden Town Council up-to-date
- 4.1.4.7 The Accounting Officer in a response to an enquiry informed the Committee that on 19th November, 1997 financial statements for the period 1997 to 2006 for New Amsterdam Town Council were submitted to the Audit Office. However, the Auditor General could not concur.
- 4.1.4.8 The Committee requested the Accounting Officer to provide it with an update by 20th July, 2008 on the submission of financial statements for New Amsterdam Town Council to the Audit Office.
- 4.1.4.9 The Auditor Director was requested to verify whether financial statements for Anna Regina were submitted to the Audit Office and report to the Committee by the 8th July, 2008.
- 4.1.5 Paragraphs 485 to 490 were considered.
- 4.1.5.1 In concluding, the Chairperson summarized the Committee's concerns as follows:
- (i) The Auditor Director was requested to verify whether financial statements for Anna Regina were submitted to the Audit Office;
 - (ii) The Accounting Officer was advised to convey to the Hon, Minister of Local Government, the Committee's views, that during the Local Government Reform process the issue of instituting stringent measures against Heads of Municipalities and District Councils for failure to adhere to the law;
 - (iii) The Accounting Officer was reminded to assign someone the task of bring the accounts of the Linden Town Council up-to-date.

4.1.6 The Chairperson alluded to the comments of the Auditor General in the 2004 public accounts where there were instance of non compliance of tender board procedures by the Accounting Officer, and indicated that there were no such comments by the Auditor General in the 2005 public accounts. This suggested that there were improvements in that regard.

4.1.7 At 3.20 p.m., the Committee concluded the examination of the above accounts.

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
27. Guyana Elections Commission	448 – 475 (28)	Mr. Gocool Boodoo, Chief Executive Officer

4.2 At 3.25 p.m., the Committee proceeded to consider the Report on the public accounts with respect to the Guyana Elections Commission together with the comments submitted by the Accounting Officer.

4.2.1 Officers present for the examination were:

- (i) Mr. Gocool Boodoo, Chief Elections Officer,
- (ii) Mr. Jaipaul Sharma, Chief Accountant.

4.2.2 The Committee drew the Accounting Officer's attention to the fact that there were no responses to paragraphs 458 to 460.

4.2.3 Paragraph 448 was considered

4.2.4 **Paragraph 449 – The sum of \$4.101M expended from current Fund**

4.2.4.1 The Accounting Officer in response to an enquiry informed the Committee that requests were made to the Ministry of Finance for a change of programme. He further stated that the fire on 9th September, 2006 destroyed the supporting documents.

4.2.4.2 The Committee advised the Accounting Officer that efforts should be made to acquire copies of the supporting documents from the Ministry of Finance and submit them to the Audit Office for verification.

4.2.4 Paragraph 450 was considered.

- 4.2.5 **Paragraphs 451 and 452 – Un-reconciled Electricity expenditure Totalling \$4.118M**
- 4.2.5.1 The Committee noted the comments of the Accounting Officer and advised him that the Guyana Elections Commission (GECOM) should engage the Prime Minister and Officials from the Guyana Power & Light (GPL) in an effort to resolve the matter.
- 4.2.6 Paragraph 453 was considered.
- 4.2.7 **Paragraph 454 – Discrepancies at Agency Stores.**
- 4.2.7.1 In response to an enquiry, the Accounting Officer informed the Committee that at the end of 2007 all issues with the exception of the inventory for the boarding of unserviceable items were completed.
- 4.2.8 Paragraphs 455 and 456 were considered.
- 4.2.9 **Paragraph 457 – Absence of Tender Board Approvals for items totalling \$5.951M**
- 4.2.9.1 In response to an enquiry, the Accounting Officer informed the Committee that he was in receipt of copies of the Tender Board approval for C. Ambrose and Metro. Approval; from the other purchases were destroyed in the September 2006 fire.
- 4.2.9.2 In light of the Accounting Officer's response a discussions ensued and the Committee advised that copies of such documents should be stored at the Auditor General's Office, Ministry of Finance, and in a fire-proof safe.
- 4.2.9.3 The Accounting Officer undertook to pursue the matter with the Auditor General and the Accountant General with a view to resolving the matter.
- 4.2.10 **Paragraphs 458 – Losses Approximating \$1.845M**
- 4.2.10.1 In response to an enquiry, the Accounting Officer reported that he was awaiting a police report before submitting a losses report to the Ministry of Finance.
- 4.2.10.2 The Committee advised the Accounting Officer to:
- (i) write the Chairman of the Guyana Elections Commissions Board requesting his intervention in the matter, and

- (ii) engage the Finance Secretary and the Auditor General for advice on the way forward on the matter.

4.2.11.1 The Committee also advised the Accounting Officer that the approximated amount of \$1.845M which was issued in the special report by the Audit Office should be the amount to be submitted in the losses report to the Ministry of Finance to be written off.

4.2.11.2 The Accounting Officer informed the Committee that he would pursue the matter vigorously with the police in an effort to bring closure to the matter.

4.2.12 **Paragraph 459 – Assets of the Commission.**

4.2.12.1 The Accounting Officer reported that the Commission was trying its best to secure its assets within the limited resources available. However, despite its efforts some assets were still being stolen.

4.2.13 In concluding, the Chairperson summarized the following:

- (i) That the Accounting Officer should write the Board Guyana Elections Commission requesting an intervention into the matter with regard to the GPL issue.
- (ii) That the Accounting Officer should engage the Auditor General to resolve the issue regarding the \$1.8.45M; and
- (iii) That the Accounting Officer should adhere to tender board regulations and to seek waiver for change of programme when necessary.

4.2.14 The Committee commended the Accounting Officer for the efforts made to improve the system of accountability.

4.2.15 At 4.20 p.m. the Committee concluded the examination of the above accounts.

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
28. Ministry of Agriculture	521 –618 (98)	Dr. Dindyal Permaul, Permanent Secretary

4.3 The examination of the public accounts of the above agency was deferred to a subsequent meeting of the Committee.

ITEM 5: CORRECTION AND CONFIRMATION OF MINUTES OF THE 37TH MEETING HELD ON THE 23RD JUNE, 2008.

- 5.1 **Corrections**
- 5.1.1 **Page 367, paragraph 9.1.5.2**
- 5.1.1.2 Deletion of the word “they” after the word “that” in line 2.
- 5.1.2 **Page 368, paragraph 9.1.10.1**
- 5.1.2.1 Insertion of the word “by” after the word “expressed” in line 1.
- 5.1.3 **Paragraph 9.1.10.2**
- 5.1.3.1 Substitution for “July” for “June” in the last line.
- 5.1.4 **Page 369, paragraph 9.2.1**
- 5.1.4.1 Deletion of the word “to” after the word “Committee” in the penultimate line.
- 5.1.5 **Page 371, paragraph 9.4.4.1**
- 5.1.5.1 Substitution of Voucher nos. “23001253, 2300254 and 2300255” for Voucher nos. “ 23003, 23254 and 23255” respectively.
- 5.1.6 **Paragraph 11.1.1- Next Meeting’s Schedule**
- 5.1.6.1 Substitution of the word “scheduled” for the word “schedule” before the word “for” in the penultimate line.
- 5.1.7 Thereafter, the Minutes were confirmed, on a motion moved and seconded by Mrs. Volda Lawrence and Mrs. Indranie Chandarpal, respectively.
- 5.2 **Matters Arising from the 37th Minutes**
- 5.2.1 **Paragraph 6.2.1.1 – Procurement of Fuel**
- 5.2.2.1 In response to an enquiry the Auditor General informed the Committee that the response on the matter was submitted at the meeting.

5.2.3 **Paragraph 6.2.3.2 – Un-presented Vouchers totalling \$188.162M**

5.2.3.1 The Clerk of the Committee in response to an enquiry, indicated that the letter to the Accounting Officer requesting him to pursue the matter and provide the Committee with a report by the 8th July, 2008 was not dispatched and that the letter would be dispatched by the end of the week.

5.2.4 **Page 365, paragraph 7.1 – To Consider Follow-up/Supplemental Information Received from Accounting Officers**

5.2.1.1 The Committee enquired from the Researchers whether the matrix on the supplemental information the Committee had requested from Accounting Officers had been completed.

5.2.1.2 The Researches informed the Committee that the matrix would be completed by the end of the week.

ITEM 6: CORRECTION AND CONFIRMATION OF MINUTES OF THE 38TH MEETING HELD ON THE 24TH JUNE, 2008.

6.1 **Correction**

6.1.1 **Page 377, paragraph 4,1.6.1**

6.1.1.1 Insertion of the words “by the 7th July, 2008” at the end of the paragraph.

6.1.2 Thereafter, the Minutes were confirmed, on a motion moved and seconded by Mrs. Volda Lawrence and Ms. Bibi Shadick respectively.

6.2 **Matters Arising from the 38th Minutes**

6.2.1 The Chairperson informed Members that the Accounting Officer was straight forward in her responses and did not fail to provide clarifications to the Committee.

ITEM 7: ANY OTHER BUSINESS

7.1 2006 Audit Report

7.1.1 The Chairperson alluded to the fact that the Auditor General had requested an extension of the date for the submission of the 2006 Audit Report, which expired on the 20th June, 2008. She enquired from Ms Donna Ellis, Audit Director (Ag.) whether she could indicate to the Committee when the report would be submitted. She responded in the negative.

7.1.2 The Chairperson requested Ms Ellis, to convey to the Auditor General the Committee's concern on the matter.

7.1.3 Filling of Human Resources Manager's Position

7.1.2.1 The Auditor General in response to an enquiry informed the Committee that the position was advertised and is currently being short listed.

7.1.3 Excuse from Meeting

7.1.3.1 The Chairperson referred to letter dated June 30, 2008 from Mr. Komal Chand, C.C.H., J.P. N.P. indicating to the Committee that he would not be available for meetings during the period July 1, to July 15, 2008. She advised the Clerk of the Committee that his absence should be recorded as excused during that period.

7.1.3.2 Ms. Bibi Shadick, M.P, also indicated that she would be absent from Committee meetings during the period from the 8th to the 13th July, 2008.

7.1.4 Next Meeting's Schedule

7.1.4.1 The Committee agreed that its next meeting be scheduled for 8th July, 2008 at 10.00 am for the examination of the public accounts of the Ministry of Education.

Adjournment

At 4.45 p.m. the meeting was adjourned to 10.00 a.m. on Tuesday, 8th July, 2008.

Confirmed this day of July 2008

.....*Voldalawrence*.....

Mrs. Volda A. Lawrence, M.P

Chairperson

**THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2008)**

**MINUTES OF THE 40TH MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 10.15 A.M
ON TUESDAY, 8TH JULY, 2008
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN**

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)

(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P.

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip - (Excused)

Ms Bibi S. Shadick, M.P - (Excused)

Mr. Mohamed Irfaan Ali, M.P

Mr. Komal Chand, C.C.H., J.P., M.P. - (Excused)

Mr. Dharamkumar Seeraj, M.P.

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P.

Mr. Anthony Vieira, M.S., M.P. - (Absent)

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P.

Advisers – (3)

Finance Secretary (Mr. Neermal Rekha)
The Deputy Accountant General (Mr. George Abrams)
For the Accountant General
Audit Director (Ag.) (Mrs. Donna Ellis)
For the Auditor General

Officers

Ms Sonia Maxwell - Clerk of Committee
Ms Tanzadell Bentinck - Assistant Clerk of Committee
Ms Sueanna Reynolds - Assistant Clerk of Committee

In Attendance

Ms. Carla Isaacs - Research Assistant

ITEM 1: CALL TO ORDER

1.1 The Chairperson called the meeting to order at 10.15 a.m

ITEM 2: ANNOUNCEMENTS

2.1 **Excuses**

2.1.1 The Chairperson informed the Committee that the following Members had asked to be excused:

- (i) Mrs. Indranie Chandarpal, M.P., Chief Whip,
- (ii) Ms Bibi S. Shadick, M.P., and
- (iii) Mr. Komal Chand, C.C.H., J.P., M.P.,

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents were circulated prior to the meeting:

- (i) Notice of the 40th Meeting dated 3rd July, 2008;
- (ii) Minutes of the 39th Meeting held on the 30th June, 2008;
- (iii) Response to questions raised by the Public Accounts Committee from the Accounting Officer, Ministry of Home Affairs;

- (iv) Copies of Comments on the Auditor General's report from the Accounting Officer, Ministry of Education and the Auditor General's Briefing Notes thereon for the year 2005.

3.2 The following document was circulated at the meeting:

- Letter dated 8 July, 2008 from the Auditor General re: Submission of the Report of the Auditor General on the Public Accounts for the year ended 31 December 2006.

3.3 **Opening Remarks**

3.3.1 The Chairperson referred to letter dated 8th July, 2008 received from the Auditor General with regards to the submission of the 2006 Audit Report on the Public Accounts of Guyana to the National Assembly. She drew Members attention to the reasons highlighted by the Auditor for the delay in the submission and that he would present the report on the 31st July, 2008.

3.3.2 A Member felt that the first reason highlighted by the Auditor General had no merit, since responses from Head of Agencies were exit reports and the Auditor General was not compelled to grant extension to Heads who failed to meet the initial deadline. The Accounting Officers could provide clarifications when they appeared before the Committee.

3.3.3 The Member questioned whether the availability of adequate staff might not be a factor for the delay.

3.3.4 Thereafter, the Committee decided that it would enquire from the Auditor General whether he had adequate staff to undertake the audits in a timely manner, close the accounts and process the report of the Auditor General.

ITEM 4: CORRECTION AND CONFIRMATION OF MINUTES OF THE 39TH MEETING HELD ON THE 30TH JUNE, 2008.

4.1 Corrections

4.1.1 PAGE 384: Financial Returns not Submitted for Municipalities and NDCs

(i) Paragraph 4.1.3.1:

- Substitution of the word “Neighbourhood” for the word “National” in line 2.

(ii) Paragraph 4.1.3.2:

- Substitution of the words “Auditor General’s Office” for the words “Auditor Director” in line 1 and wherever it occurs thereafter.

Financial Statement for Municipal and District Councils

4.1.2 Paragraph 4.1.5.1:

- Deletion of the word “was” after the word “as” and the word “the” after the word “by” in the last line.

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4.1.3 Paragraph 4.1.4.7

- Deletion of “a” after the word “in” in line 1.
- Insertion of “2007” for “1997” after “November” in line 2.

4.1.4 Paragraph 4.1.5.1, Roman numeral (ii)

- Insertion of the words “should be given consideration” at the end of the paragraph.

PAGE 386:

4.1.5 Paragraph 4.2.1

- Substitution of the name “Gocool” for “Goocool” in Roman Numeral (i)

4.1.6 Paragraph 4.2.10.2, bullet (ii)

- Substitution of the words “Permanent Secretary, Ministry of Home Affairs” for the words “Chairman, of the Guyana Elections Commission Board”

4.1.7 Paragraph 4.2.11.1

- Substitution of the word “approximate” for the word “approximated” in line 2.

4.1.8 Thereafter, the Minutes were confirmed, on a motion moved and seconded by Mrs. Volda Lawrence and Mr. Dharamkumar Seeraj, respectively.

ITEM 5: TO CONSIDER FOLLOW-UP/SUPPLEMENTAL INFORMATION RECEIVED FROM THE ACCOUNTING OFFICERS

5.1 This item was deferred to a subsequent meeting of the Committee.

ITEM 6: TO CONSIDER THE APPOINTMENT OF NOMINEES FROM THE PUBLIC PROCUREMENT COMMISSION.

6.1 This item was deferred to a subsequent meeting of the Committee.

ITEM 7: TO CONTINUE EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEAR 2005, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
29. Ministry of Education	788 – 891 (104)	Mr. Pulandar Kandhi Permanent Secretary

- 7.1 At 10.30 a.m., the Committee proceeded to consider the Report on the public accounts with respect to the Ministry of Education together with the comments submitted by the Accounting Officer.
- 7.1.1 Officers present for the examination were:
- (i) Mr. Pulandar Kandhi, Permanent Secretary (Accounting Officer);
 - (ii) Mr. Winston Browne, Deputy P.S. (Finance) (A.g.)
 - (iii) Ms. Salote Daniels, Assistant Secretary (Finance) (A.g)
 - (iv) Ms. Maureen Abrams, P.A.S. (Finance) (A.g).
- 7.1.2 The Committee noted that despite the fact the Accounting Officer was cautioned against submitting lengthy and irrelevant responses to the Auditor General's comments at the examination of the 2004 public accounts, the situation continued.
- 7.1.2.1 The Committee also noted that letters dispatched to Agencies were signed by the Deputy Permanent Secretary, and reminded the Accounting Officer of the regulations regarding his stewardship as Accounting Officer.
- 7.1.3 Paragraphs 788 and 789 were considered.
- 7.1.4 **Paragraph 790 -- Actions Implemented to Recover Overpayment.**
- 7.1.4.1 The Accounting Officer in response to an enquiry, as to the mechanism in place to improve the overpayment to teachers reported that there was an undertaken by the Banks of Republic and Nova Scotia to refund monies upon the Ministry's request.
- 7.1.4.2 The Committee advised the Accounting Officer that he should explore the possibility of taking private legal action against such teachers who had not repaid the overpayments.
- 7.1.5 Paragraphs 791 to 793 were considered.
- 7.1.6 **Paragraph 794 - Outstanding Amounts for 2004 and 2005**
- 7.1.6.1 Contrary to the comments of the Auditor General the Accounting Officer reported that amounts totaling \$478,792 and \$239,464 were outstanding for the years 2004 and 2005, respectively.

7.1.6.2 The Auditor General was required to verify the above information and provide a report to the Committee by 31st July, 2008.

7.1.7 Paragraph 795 – Acquisition of Capital Items from Current Appropriations

7.1.7.1 The Committee noted the Auditor General's comments that the Ministry had expended a total of \$5.097M to purchase items of capital nature from current appropriations and expressed concerns over such practice. It questioned whether there were clear definitions for the verification of the release of funds by the Minister of Finance. There seemed to be inefficiencies in the verification process at the level of the Ministry of Finance.

7.1.7.2 The Committee pointed out that the issue occurred in many instances and cautioned the Accounting Officer against such practices.

7.1.7.3 The Finance Secretary referred to Part 1, Section 22(b) of the Fiscal Management and Accountability Act which stipulated the categories of capital and current items.

7.1.7.4 The Finance Secretary was required to investigate the matter to determine whether the Ministry of Education in the submission of its current expenditure to the Ministry of Finance had received approval to purchase the items stated by the Auditor General, with a view to ascertain whether it was an oversight.

7.1.7.5 The Auditor General was advised to examine the system pertaining to the receipt and processing of the release of funds within the Ministry of Finance to ascertain possible weaknesses.

7.1.7.6 The Accounting Officer undertook to follow the regulations regarding the purchase of capital items from the appropriate line item.

7.1.8 Paragraphs 796 – Log Books

7.1.8.1 In response to an enquiry the Accounting Officer reported that he had taken steps to have full compliance with the regulation pertaining to log books.

7.1.8.2 Further, he informed the Committee that in an effort to achieve accountability, a monthly gas report for each vehicle was prepared.

- 7.1.9 Paragraph 797 to 800 was considered.
- 7.1.10 **Paragraph 801 – Overpayment to Contractor and payment of Provisional Sums**
- 7.1.10.1 The Committee noted the comments of the Auditor General that provisional sums were paid to contractors for works that could not be verified, defined or detailed at the time of tendering.
- 7.1.10.2 The Committee advised the Accounting Officer that provisional amounts should not be utilized unless the scope and the level of work varied to an extent that additional resources were needed.
- 7.1.10.3 In response to an enquiry, the Accounting Officer informed the Committee that rates are not varied but fixed and that the scope of the work determined the variation. Hence, it was a variation of scope which warranted the provisional sum.
- 7.1.10.4 The Committee was appalled at the Accounting Officer's response and alluded to the fact that there seemed to be a laxity in the management of issues relating to certification.
- 7.1.10.5 The Committee reiterated that the issue seemed to be much more than that of negligence and incompetence by some Officers.
- 7.1.10.3 The Auditor General was requested to revisit those issues highlighted in the above paragraph and sub-paragraphs and provide an update by the 30th July, 2008 to the Committee.
- 7.1.11 At this point, Members expressed concerns about the conflicting responses provided by the Accounting Officer and agreed that the Officer should be allowed to review his comments and provide updated responses.
- 7.1.11.1 The Committee agreed that the examination of the remaining paragraphs for the Ministry of Education be deferred to a subsequent meeting.
- 7.1.11.2 The Finance Secretary cautioned the Accounting Officer against some of the terms recorded by him since they were inconsistent with regulations.
- 7.1.11.3 The Committee drew the Accounting Officer's attention to paragraphs 827, 829, 841, 846, 854, 858, 859, 866, 899, 871, 877, 889 and 891, which needed to be addressed specifically.

- 7.1.11.4 The Accounting Officer was advised to seek clarification on the issues highlighted in paragraphs 801 to 891 with the Auditor General, Finance Secretary and if possible, the Accountant General. Guidance could be sought from the previous Accounting Officer on the issues.
- 7.1.11.5 The Accounting Officer was requested to provide a status report on the issues to the Committee by 30th July, 2008.
- 7.1.11.6 The Accounting Officer was also advised that the Accounting Officer for the period under review should accompany him to the next meeting.
- 7.1.11.7 The Auditor General and the Finance Secretary were advised to conduct investigations into the procurement document to provide the Committee with guidance on such issues.
- 7.1.12 At 12.15 p.m the Committee concluded the examination of the above accounts.

ITEM 8: ANY OTHER BUSINESS

8.1 National Procurement and Tender Administrative Board

- 8.1.1 Members expressed concerns that there seemed to be laxity within the National Procurement and Tender Administrative Board, since contract documents were expected to be reviewed by the agency, to ensure that the necessary clauses provided for by law were included.

8.2 ADMINISTRATIVE ISSUES OF THE AUDIT OFFICE

- 8.2.1 A discussion ensued, and some salient views expressed were as follows:

- (i) The Committee should write the Minister of Finance, drawing his attention to the breach of procedures of the Audit Act that had occurred in the submission of the Audit Offices' budget for 2008 to the Ministry of Finance. The Committee should also point out that it was looking forward to the procedures being adhered to in the determination of the budget for the Audit Office for 2009.

- (ii) The Auditor General should be made aware that the PAC was being bypassed, contrary to what was required by law. If necessary, a motion should be tabled in the National Assembly stipulating that the law governing the determination of the Audit Office's budget should be adhered to by all parties.
- (iii) Consideration should be given to the following issues within the Audit Office. Whether those issues should be tabled on the agenda for consideration or an alternative course of action be sought to address those issues:
 - the advertisements which were published to fill vacancies in the Office
 - whether the PSC was taking any steps to advertise the position of Auditor General so that a recommendation could be made to the President for appointment. These issues affect the functioning of the Audit Office.
 - shortage of staff within the Audit Office should be made a priority for discussion.
- (iv) Instead of writing the Minister of Finance on matters pertaining to the procedural aspect of the Audit Office's budget, the Chairperson could engage the Hon. Minister in a dialogue. At that discussion, issues relating to the NPTAB could be addressed.
- (v) Matters relating to the establishment of the external Audit section to conduct audit of the Audit Office should be addressed expeditiously. This was imperative for the smooth functioning of the Office.

8.2.3

The Chairperson informed the Committee that she would examine the views expressed by Members and place them in order of priority for its consideration.

Adjournment

At 12.35 p.m. the meeting was adjourned to 1.30 p.m. on Monday, 14th July, 2008.

Confirmed this 14th day of July, 2008

.....*Volda Lawrence*.....

Mrs. Volda A. Lawrence, M.P
Chairperson

**THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2008)**

**MINUTES OF THE 41ST MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 1.45 P.M
ON MONDAY, 14TH JULY, 2008
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN**

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)

(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P.

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip - (Excused)

Ms Bibi S. Shadick, M.P - (Excused)

Mr. Mohamed Irfaan Ali, M.P

Mr. Komal Chand, C.C.H., J.P., M.P. - (Excused)

Mr. Dharamkumar Seeraj, M.P.

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P.

Mr. Anthony Vieira, M.S., M.P. - (Absent)

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P.

Advisers – (3)

Finance Secretary (Mr. Neermal Rekha)
Accountant General (Mr. Hardat Autar)
Audit Director (Ag.) (Mrs. Donna Ellis)
For the Auditor General

Officers

Ms Sonia Maxwell - Clerk of Committee
Ms Tanzadell Bentinck - Assistant Clerk of Committee

In Attendance

Ms. Carla Isaacs - Research Assistant

ITEM 1: CALL TO ORDER

1.1 The Chairperson called the meeting to order at 1.45 a.m.

ITEM 2: ANNOUNCEMENTS

2.1 Excuses

2.1.1 The Chairperson informed the Committee that the following Members had asked to be excused:

- (i) Mrs. Indranie Chandarpal, M.P., Chief Whip,
- (ii) Ms Bibi S. Shadick, M.P.,
- (iii) Mr. Komal Chand, C.C.H., J.P., M.P. and,
- (iv) Mr. Deodat Sharma, the Auditor General (ag)

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents were circulated prior to the meeting:

- (i) Notice of the 41st and 42nd Meetings dated 10th and 11th July, 2008, respectively;
- (ii) Minutes of the 40th Meeting held on Tuesday, 8th July, 2008;

- (iii) Letter dated 14th May, 2008 from the Auditor General, re: Submission of the Report of the Auditor General on the Public Accounts for the Year ended 31 December, 2006;
- (iv) Supplemental Information from the following Accounting Officers:
 - Ministry of Health
 - Guyana Police Force, and
 - Ministry of Foreign Affairs
- (v) Matrix prepared by the Researcher on the Supplemental Information received from Agencies; and
- (vi) Copies of Comments submitted by the Accounting Officers for the 2005 Public Accounts of:
 - Region No. 1 – Barima Waini
 - Region No.2 – Pomeroon/Supernaam
 - Region No.3 - Essequibo Islands/West Demerara
 - Region No.7.- Cuyuni/Mazaruni
 and the Auditor General’s Briefing Notes thereon.

ITEM 4:

CORRECTION AND CONFIRMATION OF MINUTES OF THE 40TH MEETING HELD ON THE 14TH JULY, 2008.

Corrections

PAGE 395:

4.1.1 Paragraph 3.3.2: Opening Remarks

- Deletion of the words “ the first reason highlighted by the Auditor General had no merit, since”
- Substitution of the words “initially given through” after the word “Heads” in line 2.

PAGE 398:

4.1.2 Paragraph 7.1.4.1

Substitute the following for the paragraph:

- The Accounting Officer in response to an enquiry, as to the mechanism in place to recover overpayment to teachers, reported that there was an undertaking by the Republic

Bank and Bank of Nova Scotia to refund monies overpaid to teachers upon the Ministry's request.

PAGE 399:

4.1.4 Paragraph 7.1.7.1 – Acquisition of Capital Items from Current Appropriations

4.1.4.1 The following amendments were made:

- (i) Substitute the following for the 2nd sentence in the paragraph:
 - “The Committee questioned whether there were clear procedures for the receipts and processing of requests for the release of funds by the Ministry of Finance”.
 - Deletion of the last sentence of the paragraph
- (ii) Substitution of the following as the new paragraph 7.1.7.2:

“The Finance Secretary undertook to examine the procedures used”.
- (iii) Renumber paragraphs 7.1.7.2, 7.1.7.3, 7.1.7.4, 7.1.7.5 and 7.1.7.6 as 7.1.7.3, 7.1.7.4, 7.1.7.5, 7.1.7.6 and 7.1.7.7, respectively.

PAGE 400

4.1.5 Paragraph 7.1.10.5 – Overpayment to contractor and payment of Provisional Sums

- Substitution of the word “than” for the word “that” after the word “more” in the penultimate line.

PAGE 402

4.1.6 Paragraph 8.2.1 - Roman numeral (ii)

- Substitution of “Minister of Finance for “Auditor General” after the word “the” in line 1.

4.2 Thereafter, the Minutes were confirmed, on a motion moved and seconded by Messrs Dharamkumar Seeraj and David Patterson, respectively.

ITEM 5: CONSIDERATION FOLLOW-UP/SUPPLEMENTAL INFORMATION RECEIVED FROM THE ACCOUNTING OFFICERS

5.1 The Chairperson drew Members' attention to the matrix on the supplemental information received from Agencies and requested that the Committee defer consideration of the item to a subsequent meeting.

5.1.1 The Clerk of the Committee was requested to advise those Accounting Officers who had outstanding information, to submit same.

ITEM 6: CONSIDERATION OF THE APPOINTMENT OF NOMINEES TO THE PUBLIC PROCUREMENT COMMISSION.

6.1 This item was deferred to a subsequent meeting of the Committee.

ITEM 7: CONTINUATION EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEAR 2005, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

7.1 Preliminary Comments

7.1.1 Before the commencement of the examination of the public accounts for Region No. 1, the Committee invited the Permanent Secretary (Ag.), Ministry of Local Government into the meeting and highlighted the following concerns:

- (i) That the responses from some of the Accounting Officers of the Region contained language that was unacceptable.
- (ii) Responses from the Accounting Officers were not relative to the issues highlighted by the Auditor General.
- (iii) There were many instances where Accounting Officers were not adhering to regulations.

7.1.2 The Committee further noted that documents emanating from the Regional Administration were signed by subordinate Officers. The Permanent Secretary (Ag.) was advised to inform the Regional Executive Officers that it was their responsibility to sign such documents. This authority should not be delegated to such officers unless an acting appointment was enforced.

7.1.3 A discussion ensued and the Permanent Secretary (Ag) was advised that he should review the responses from the Regional Executive Officers to the comments of the Auditor General's report before they were submitted to the Committee.

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
30. Region N0.1 –Barima/ Waini	1275 – 1335 (61)	Mrs. Mary Williams Regional Executive Officer

7.2 At 2.35 a.m., the Committee proceeded to consider the Report on the public accounts with respect to Region No.1–Barima/ Waini together with the comments submitted by the Accounting Officer.

7.2.1 Officers present for the examination were:

- (i) Mrs. Mary Williams, Regional Executive Officer
- (ii) Mr. Nigel Fisher, Deputy Regional Executive Officer
- (iii) Mr. Rodriques, Senior Superintendent of Works
- (iv) Mr. Dhaneshwar James, E.P.M.A. II

Mr. Seewchan, Permanent Secretary (Ag), Ministry of Local Government was also in attendance.

7.2.2 The Chairperson welcomed the Regional Executive Officer and her team to the meeting and expressed the Committee's dissatisfaction at the responses received from the Officer to the Auditor General's comments.

7.2.3 The Accounting Officer undertook to improve such responses in the future.

7.2.4 Paragraphs 1275 to 1277 were considered.

7.2.5 Paragraph 1278- Payment of NIS Contribution for Employees

7.2.5.1 The Committee noted the Accounting Officer's response and requested the Auditor General's Office to verify whether NIS contributions were paid for the six Officers.

7.2.6 Paragraphs 1279 to 1281 were considered.

7.2.7 Paragraphs 1282 and 1284 – Cheque Order System

7.2.7.1 The Committee noted the Accounting Officer's response to the Auditor General's comments and recommended that the Permanent Secretary (Ag.) arrange for Officers of the Ministry of Local Government to liaise with Officers of the Accountant General's Department to familiarise themselves with the accounting system.

7.2.7.2 The issue with regard to utilization of the cheque order system to pay contractors should be addressed to determine the appropriate course of action.

7.2.7.3 The Accountant General advised the Permanent Secretary (Ag) and the Regional Administration that the utilization of cheque orders to pay contractors was a contravention of the law.

7.2.7.3 The Permanent Secretary (Ag) was advised to revisit the issue and to ensure that Officers within the Regional Administration were also acquainted with the cheque order system and to provide the Committee with a report on the matter by the 30th August, 2008.

7.2.8 Paragraph 1285 – Un-presented Payment Vouchers

7.2.8.1 Based on divergent views expressed by the Auditor General's Office and the Accounting Officer that the 462 payment vouchers were submitted to the Audit Office, the Committee advised the Accounting Officer and the Audit Office to clarify the issue.

7.2.8.2 The Accounting Officer reported that she had copies of the returning schedule as evidence that the 462 payment vouchers were submitted to the sub-treasury for transmittal to the Ministry of Finance.

7.2.8.3 The Accounting Officer was requested to submit to the Committee by the 20th July, 2008 copies of the returning schedule for the payment vouchers.

7.1.9 Paragraph 1286 – Weaknesses of the Regional Accounting Unit

7.1.9.1 The Committee noted the comments of the Auditor General and indicated that the situation highlighted the absence of accountability.

7.1.9.2 The Committee advised the Permanent Secretary (Ag) that the Accounting Officer who was responsible for the period under review should be contacted, to provide a response to the issues highlighted and to submit a response to the Committee by 30th August, 2008.

- 7.2.10 Paragraph 1287 was considered.
- 7.2.11 Paragraph 1288 – Amounts Expended on Fuel**
- 7.2.11.1 The Committee noted the similarity of the paragraph with paragraph 1286.
- 7.2.11.2 In response to an enquiry, the Accounting Officer reported that the thirty day credit concession arrangement between the Administration and GUYOIL introduced by her predecessor, was still being utilized by the Regional Administration.
- 7.2.11.3 The Committee requested the Permanent Secretary (Ag.) to note the Accounting Officer's response and pursue the matter.
- 7.2.12 Paragraph 1289 was considered.
- 7.2.13 Paragraph 1290 – Non- Adherence to Contract Regulations**
- 7.2.13.1 The Committee was appalled at the Accounting Officer's response to a paragraph in which the Auditor General highlighted breaches of the procurement regulations.
- 7.2.13.2 The Accounting Officer was advised to adhere to the procurement regulations.
- 7.2.14 Paragraph 1291 – Award of Contracts**
- 7.2.14.1 The Committee noted the comments of the Accounting Officer and advised the Officer to examine the procurement system employed by the Administration to ensure that there were no inefficiencies, since it was the Officer that was ultimately accountable for public funds.
- 7.2.14.2 The Committee also advised the Permanent Secretary (Ag.) to intervene into the matter, since every financial regulation was violated.
- 7.2.14.3 The Finance Secretary advised the Accounting Officer that the manuals which were prepared for the introduction of the IFMAS system could be consulted for guidance on the matter.
- 7.2.15 Paragraphs 1239 to 1296 were considered.

- 7.2.16 **Paragraph 1297 - Revenues from Electricity Generation Project**
- 7.2.16.1 The Committee noted the comments of the Accounting Officer and advised the Officer to review the situation to ensure that revenues collected from residents for electricity charges should be done by the Electricity Committee.
- 7.2.16.2 The Accounting Officer was requested to provide the Committee with an update on the matter by 30th August, 2008.
- 7.2.17 Paragraphs 1298 to 1299 were considered.
- 7.2.18 **Paragraph 1300 to 1304 – Non-Adherence to Procurement Regulations**
- 7.2.18.1 The Committee noted the comments of the Auditor General and the casual response of the Accounting Officer and recommended that the Permanent Secretary (Ag.) investigate the issues to determine the weakness to be addressed urgently.
- 7.2.19 The Accounting Officer was requested to forward to the Committee, Auditor General, Permanent Secretary, Ministry of Local Government and the National Procurement and Tender Administrative Board, copies of the letter debarring the contractors from further works.
- 7.2.20 Paragraphs 1305 to 1313 were considered.
- 7.2.21 **Paragraph 1314 – Non Adherence to Procurement Regulations**
- 7.2.21.1 The Committee noted the comments of the Auditor General and indicated that there seemed to be a lack of knowledge by some Officers within the Regional Administration as it related to the procurement regulations.
- 7.2.21.2 The Committee agreed that the Accounting Officer during the period under review should provide the Committee with a response on the matter.
- 7.2.22 Paragraphs 1315 to 1321 were considered.
- 7.2.23 **Paragraph 1322 – Mabaruma Settlement Road**
- 7.2.23.1 The Auditor General was requested to review the above project and provide the Committee with a status report on the matter by the 30th August, 2008.

- 7.2.24 Paragraphs 1323 to 1328 were considered.
- 7.2.25 Paragraph 1329 – Regional Administration Vehicle**
- 7.2.23.1 The Committee advised the Accounting Officer to seek guidance from the Central Ministry with a view to having the vehicle properly transferred.
- 7.2.24 In concluding, the Chairperson emphasized that Members were dissatisfied with the responses from the Accounting Officer and advised the Permanent Secretary (Ag.) to liaise with the Accounting Officer to ensure the Regional Administration operated within the guidelines of the regulations.
- 7.2.25 At 4.35 p.m. the Committee concluded consideration of the examination of the public accounts of Region No. 1.
- 7.2.26 Prior to the commencement of the examination of the public accounts of Region No.3 the Committee drew to the attention of the Permanent Secretary (Ag.) the responses of the Accounting Officer and indicated that they were dissatisfied with the responses.
- 7.2.27 A discussion ensued and some Members proposed that the Committee in commencing examination of 2006 public accounts should prepare a list of those Accounting Officers that were recalcitrant. It was also proposed that the Committee could include in its Report on the Public Accounts of Guyana to the National Assembly for the years 2004 and 2005 a full report on those agencies.

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
Region No. 3 – Essequibo Islands/West Demerara	1386 – 1450 (65)	Mr. N. Rankissoon Regional Executive Officer

- 7.3 At this point the Committee agreed to invite the Accounting Officer of the above agency and drew his attention to the following:
- (i) That the responses to the Auditor General's comments were inadequate, and could not be accepted. Some responses did not address issues raised by the Auditor General such as paragraphs 1434, 1436, 1438, and 1441.

- (ii) Reminded the Accounting Officer that he was accountable for public funds, hence the responsibility was his to ensure effective management of such funds.

- 7.3.1 The Committee agreed that the Accounting Officer should review his responses and provide updated responses by the 17th July, 2008. He was requested to return on 21st July, 2008 for examination of the accounts of Region No. 3.
- 7.3.2 The Accounting Officer apologized for the situation and assured the Committee that there would not be a recurrence.
- 7.3.3 At 5.00 p.m. the Accounting Officer and his team were excused from the meeting.
- 7.3.4 Mr. Seewchan, Permanent Secretary (Ag), Ministry of Local Government had requested to be excused from the meeting, due to other engagements.

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
Region No. 2 – Pomeroun/Supernaam	1336 – 1385 (50)	Mr. Sunil Singh Regional Executive Officer (ag.)

- 7.4 Prior to the commencement of the examination of the public accounts of Region No. 2, Mr. Sunil Singh, Regional Executive Officer (Ag.) informed the Committee that Mr. Mohamed Khan, the substantive incumbent was transferred to the Ministry of Local Government and that he was acting in the position.
- 7.4.1 Officers present for the examination were:
- (i) Mr. Sunil Singh, R.E.O. (ag),
 - (ii) Mr. Dhaneshwar James, E.P.M.A. II (ag.)
 - (iii) Mr. Chuman Naraine, Engineer,
 - (iv) Mr. Errol Greene, S.S.O. W. (ag),
 - (v) Ms. Portia Jacobs, Accountant (ag),
 - (vi) Mr. Devindra Sukhal, Field Auditor (ag)
- 7.4.2 At 5.05 p.m., the Committee proceeded to consider the Report on the public accounts with respect to Region No. 2 – Pomeroun/Supernaam together with the comments submitted by the Accounting Officer.

- 7.4.3 The Finance Secretary informed Members that he met with Officers of the Regional Administration recently and had ventilated some issues highlighted in the Auditor General's report. He indicated that he had expected that those issues would have been addressed and reflected in the updated response submitted at the meeting.
- 7.4.4 The Committee requested the Accounting Officer to forward an updated response to the Clerk of the Committee.
- 7.4.5 Paragraph 1336 – Overpayment of Salaries**
- 7.4.5.1 The Committee noted the comments of the Accounting Officer that a large sum of money had been recovered and commended the Officer for his efforts.
- 7.4.5 Paragraph 1337 – Overpayment of salaries totalling \$538,709**
- 7.4.5.1 The Accounting Officer was advised to engage the Finance Secretary in discussion with a view to resolving the matter.
- 7.4.6 Paragraph 1338 was considered.
- 7.4.7 Paragraph 1339 – Outstanding Motor Car Allowance totalling \$198,936**
- 7.4.7.1 The Committee expressed dissatisfaction at this matter which occurred since 2003 and to date the Regional Administration was unable to recover the above-mentioned sum, even though the Officer was still employed in the system.
- 7.4.7.2 The Accounting Officer was requested to pursue the matter, a letter should also be sent to the Permanent Secretary (Ag.) drawing his attention to the matter.
- 7.4.7.3 The Accounting Officer was requested to provide the Committee with a status report on the matter by the 30th July, 2008.
- 7.4.8 Paragraph 1340 was considered.
- 7.4.9 Paragraph 1341 – Clearing of Cheque Orders**
- 7.4.9.1 The Accounting Officer was advised to ensure that the regulations were followed.
- 7.4.10 Paragraphs 1342 to 1343 were considered.

- 7.4.11 Paragraph 1344 – Log Books**
- 7.4.11.1 The Committee noted the comments of the Accounting Officer that the log books that were not submitted were for two motor cycles.
- 7.4.11.2 The Committee reminded the Accounting Officer that all log books should be closed at the end of the year and new ones open at the commencement of the year.
- 7.4.12 Paragraph 1345 was considered.
- 7.4.13 Paragraph 1346 – Overpayment totalling \$801,070**
- 7.4.13.1 The Committee noted the response from the Accounting Officer and advised him to submit the documentation to the Auditor General requesting a review of the projects to ascertain whether there were overpayments.
- 7.4.13.2 In the event that there were overpayments, the Accounting Officer was advised that efforts should be made to recover the sums. The Accounting Officer was requested to provide the Committee with a status report by the 30th July, 2008.
- 7.4.14 Paragraph 1347 was considered.
- 7.4.15 Paragraph 1348 – Inventories at Suddie Hospital**
- 7.4.15.1 The Accounting Officer was requested to pursue the matter and provide an update on the matter to the Committee by 30th September, 2008.
- 7.4.16 Paragraph 1349 was considered.
- 7.4.17 Paragraph 1350 – Installation of meters to Government Quarters**
- 7.4.17.1 The Committee noted the comments of the Accounting Officer that meters would be installed on the remaining two buildings by the end of the next quarter.
- 7.4.18 Paragraph 1351 – Alleged Cash shortage totalling \$3.692M**
- 7.4.18.1 The Accounting Officer was requested to engage the Commander of Police for that Division with the aim of resolving the issue.
- 7.4.19 Paragraphs 1352 and 1353 were considered.

- 7.4.20 **Paragraph 1354 – Construction of Bridges totalling \$2.086M and 1.361M, respectively**
- 7.4.21.1 The Auditor General was requested to provide the Committee with information on the criteria used to award the contract to the contractor, by 30th July, 2008.
- 7.4.21 **Paragraph 1355 – Award of Contract totalling 1.068M**
- 7.4.22.1 The Finance Secretary drew the Committee's attention to Section 39 (2) of the Procurement Act which stated that only the evaluation criteria could be used to determine the bidder with the lowest evaluated tender.
- 7.4.23 Paragraphs 1356 to 1358 were considered.
- 7.4.24 **Paragraph 1359 – Award of contract totalling \$514,320**
- 7.4.24.1 In response to an enquiry, the Accounting Officer reported that two contractors were debarred from future contracts.
- 7.4.24.2 The Accounting Officer was requested to forward copies of the letter debarring the contractors to the Committee, Auditor General, Permanent Secretary, Ministry of Local Government and the National Procurement and Tender Administrative Board by 30th July, 2008.
- 7.4.24.3 The Accounting Officer was advised to report the matter to the Police. He was required to liaise with the Audit Office for further advice on the matter.
- 7.4.24.4 The Auditor General's Office was required to note that the statement of whether a waiver was sought and granted for execution of the works was omitted from the comment.
- 7.4.25 Paragraphs 1360 to 1364 were considered.
- 7.4.26 **Paragraph 1365 – Overpayment to Contractor totalling \$352,900**
- 7.4.26.1 The Accounting Officer was requested to pursue the matter. He was also advised to seek advice from the Attorney General with regard to those contractors who were written to and did not respond.

- 7.4.26.2 The Researcher was requested to ascertain whether it was legitimate for contractors who were debarred from executing works in the Region to execute future works under a different contracting firm.
- 7.4.27 Paragraphs 1366 to 1385 were considered.
- 7.4.27 In concluding, the Chairperson summarized:
- (i) That the Officers present for the examination who were acting would soon be confirmed to the position;
 - (ii) The motor car allowance would be recovered;
 - (iii) That the letters debaring the contractors should be submitted accordingly;
 - (iv) Pursue the matters concerning the overpayment with the Commander of Police for the Division;
 - (v) That log books be closed at the end of the year and new ones open at the commencement of the year; and
 - (vi) The items at the Suddie Hospital inventorised.
- 7.4.28 The Committee looked forward to improved accounts for the Regions in the future.
- 7.4.29 At 6.05 p.m. the Committee concluded consideration of the accounts of Region No.2.

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
Region No.7 – Cuyuni Mazaruni	1601– 1652 (52)	Mr. Peter Ramotar Regional Executive Officer

- 7.5 At 6.10 p.m., the Committee proceeded to consider the Report on the public accounts with respect to Region No. 7 – Cuyuni Mazaruni together with the comments submitted by the Accounting Officer.
- 7.5.1 Officers present for the examination were:
- (i) Mr. Peter Ramotar, Accounting Officer,
 - (ii) Ms Vivette Adams, Senior Personnel Officer,
 - (iii) Mr. Deryck Persaud, Dist. DEV. Officer I
 - (iv) Ms Donna Fredericks, Chief Accountant (ag)
 - (v) Mr. Mark Duchin, Supt. Of Works (ag).

- 7.5.2 Paragraphs 1601 to 1603 were considered.
- 7.5.3 **Paragraph 1604 – Un-cleared Cheque Order totalling \$55,765**
- 7.5.3.1 The Committee noted the response from the Accounting Officer that the Police was hesitant in issuing a Police report since it was cheque orders that were missing and the incident occurred in Georgetown.
- 7.5.3.2 The Accounting Officer was requested to engage the Auditor General in an effort to resolve the matter and to submit a status report by the 30th July, 2008.
- 7.5.4 Paragraphs 1605 and 1606 were considered.
- 7.5.5 **Paragraph 1607 – Losses of Fuel and Lubricants**
- 7.5.5.1 The Committee noted the response from the Accounting Officer and advised the Officer to engage the Commander of Police for the Division and the Permanent Secretary, Ministry of Home Affairs in an effort to resolve the matter.
- 7.5.5.3 The Accounting Officer was requested to provide the Committee with a status report on the matter by 30th August, 2008.
- 7.5.6 **Paragraph 1608 – Defective Vehicle Spares totalling \$3.157M**
- 7.5.6.1 In light of the Accounting Officer's comments, the Committee proposed that the defective vehicle spares could be sold as scrap. He was advised to obtain a value for the items and pursue the matter.
- 7.5.7. Paragraphs 1609 to 1618 were considered.
- 7.5.8 **Paragraph 1619 – House owned by the Region**
- 7.5.8.1 The Committee proposed that the Accounting Officer liaise with the Welfare Officer of the Region, Ministries of Housing and the Human Services and Social Security and pursue the matter in an effort to remove the occupants from the houses.
- 7.5.9 The Accounting Officer undertook to pursue the matter.
- 7.5.10 Paragraphs 1620 to 1622 were considered.

- 7.5.11 **Paragraph 1623 – Construction of Headteacher’s Quarters at Waramadong**
- 7.5.11.1 The Committee expressed concerns that the Audit Office was relying regularly on certificate of satisfactory completion on projects. The Committee indicated that this was not the best factor in determining whether value was received for monies expended. Visits should be made to verify projects.
- 7.5.11.2 The Audit Director (ag) was requested to convey the Committee’s concerns to the Auditor General.
- 7.5.12 Paragraphs 1624 to 1636 were considered.
- 7.5.13 **Paragraphs 1637 – Contract awarded totalling \$1.265M**
- 7.5.13.1 The Committee noted that the Accounting Officer did not respond to the above paragraph and advised the Officer that in future responses should be provided for all of the Auditor General’s comments.
- 7.5.13.2 The Finance Secretary drew Members’ attention to the FMAA which stated, that even though work was being done in remote areas a waiver should be sought from the NPTAB.
- 7.5.14 Paragraphs 1638 to 1652 were considered.
- 7.5.15 In concluding the Chairperson recapitulated the following for the benefit of the Accounting Officer:
- (i) The Committee was dissatisfied with the non adherence to the Tender Bard procedures and noted the commitment by the Officer to ensure compliance in future;
 - (ii) That he should share his knowledge with the Officers within the Regional Administration;
 - (iii) To pursue the outstanding matters with the Police;
 - (iv) Pursue the issue with regard to the Regional houses with the Welfare Office in and the Ministries of Housing and the Human Services and Social Security.
- 7.5.16 The Accounting Officer undertook to follow the advice provided by the Committee.
- 7.5.17 At 7.10 p.m. the Committee concluded examination of the public accounts of the above Agency.

ITEM 8: ANY OTHER BUSINESS

8.1 Absence from Meeting

8.1.1 The Chairperson informed Members that she would be unable to attend the next meeting due to other engagements.

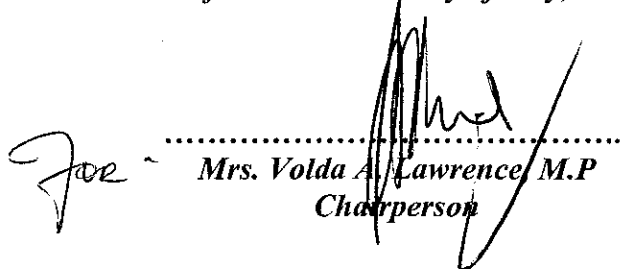
8.2 Expression of Thanks

8.2.1 The Chairperson thanked Members for their cooperation during the period.

Adjournment

At 7.10 p.m. the meeting was adjourned to 1.30 p.m. on Monday, 21st July, 2008.

Confirmed this th 28th day of July, 2008


.....
Mrs. Volda A. Lawrence M.P.
Chairperson

**THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2008)**

**MINUTES OF THE 42ND MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 10.15 A.M
ON TUESDAY, 15TH JULY, 2008
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN**

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)

(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P.

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip - (Excused)

Ms Bibi S. Shadick, M.P.

Mr. Mohamed Irfaan Ali, M.P.

Mr. Komal Chand, C.C.H., J.P., M.P. - (Excused)

Mr. Dharamkumar Seeraj, M.P.

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P.

Mr. Anthony Vieira, M.S., M.P. - (Absent)

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P.

Advisers – (3)

Finance Secretary (Mr. Neermal Rekha)
Accountant General (Mr. Hardutt Autar)
Audit Director (Ag.) (Mrs. Donna Ellis)
For the Auditor General

Officers

Ms Sonia Maxwell - Clerk of Committee
Ms Tanzadell Bentinck - Assistant Clerk of Committee
Ms. Sueanna Reynolds - Assistant Clerk of Committee

In Attendance

Ms. Carla Isaacs - Research Assistant

ITEM 1: CALL TO ORDER

1.1 The Chairperson called the meeting to order at 10.10 a.m.

ITEM 2: ANNOUNCEMENTS

2.1 **Excuses**

2.1.1 The Chairperson informed the Committee that the following persons had asked to be excused:

- (i) Mrs. Indranie Chandarpal, M.P., Chief Whip, and
- (ii) Mr. Komal Chand, C.C.H., J.P., M.P.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents were circulated prior to the meeting:

- (i) Notice of the 42nd Meeting dated 11th July, 2008;
- (ii) Copies of Comments from the Accounting Officers of the:
 - Supreme Court – Programmes 1 & 2
 - Georgetown Public Hospital Corporation
 - Ministry of Agricultureand the Auditor General's Briefing Notes thereon.

ITEM 4: CONTINUATION OF EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEAR 2005, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
24. Supreme Court – Programmes 1 & 2	1248 – 1270 (23)	Ms. Sita Ramlal Registrar

- 4.1 At 10.10 a.m., the Committee proceeded to consider the Report on the public accounts with respect to the Supreme Court – Programmes 1 & 2 together with the comments submitted by the Accounting Officer.
- 4.1.1 Officers present for the examination were:
- (i) Ms. Sita Ramlal, Registrar,
 - (ii) Mr. Nelson Rampersaud, P.A.S. Finance,
 - (iii) Mr. Lekhram Harrilall, Chief Accountant.
- 4.1.2 Paragraph 1248 was considered.
- 4.1.3 **Paragraph 1249 – Vacant Positions at Senior and Middle Management Levels**
- 4.1.3.1 In response to an enquiry, the Accounting Officer informed the Committee that due to the level of remuneration there was high staff turnover rate at the senior levels.
- 4.1.4 Paragraphs 1250 and 1251 were considered.
- 4.1.5 **Paragraph 1252 – Maintenance and Repairs \$18.7M**
- 4.1.5.1 The Committee noted the comments from the Auditor General's Office and the response from the Accounting Officer and requested the Auditor General's Office to conduct an investigation into the matter and to provide the Committee with a report by the 30th July, 2008.
- 4.1.6 Paragraphs 1253 to 1254 were considered.

- 4.1.7 Paragraph 1255 – Repairs to Vehicle Totalling \$358,285**
- 4.1.7.1 The Committee noted the comments from the Accounting Officer and advised the Officer to pursue the matter with the Permanent Secretary, Ministry of Education and the Office of the President in an effort to resolve the matter.
- 4.1.8 Paragraph 1256 – Losses of Government stores and Accident involving Government Vehicles**
- 4.1.8.1 The Committee noted the comments from the Auditor General and advised the Accounting Officer to provide the Committee with a status report on the matter by 30th July, 2008.
- 4.1.9 Paragraph 1257 –Vacancy within the Magistrates’ Department**
- 4.1.9.1 The Accounting Officer in response to an enquiry reported that the high rate of turnover of Legal Clerks within the Magistrates’ Department was due to the low remuneration.
- 4.1.9.2 The Committee advised the Accounting to liaise with the Secretary, Public Service Commission with a view to having those employees who were acting in higher positions confirmed.
- 4.1.10 Paragraph 1258 – Amounts Totalling \$7.257, 800 expended on Hiring of Taxies**
- 4.1.10.1 The Accounting Officer in response to an enquiry informed the Committee that she had written to the Chancellor indicating that Magistrates should use their vehicles in the execution of their duties. On the contrary, some Magistrates were of the view that the services of taxies should be provided when presiding in other districts.
- 4.1.10.2 The Committee expressed dissatisfaction over such practice and requested the Accounting Officer to submit to the Committee a list of the Magistrates who were in receipt of duty free concession including those that were provided with taxi services in the execution of their duties by the 30th July, 2008.
- 4.1.11** Paragraphs 1259 to 1269 were considered.

4.1.12 Paragraph 1270 –Irregularities Totalling \$22.509M

4.1.12.1 The Accounting Officer, in response to an enquiry informed the Committee that the collection of revenues was monitored closely. She further stated that monthly management meetings were convened and reports including receipt numbers were also submitted to the Supreme Court.

4.1.12.3 In light of the Accounting Officer's response that the matter was last discussed with the Police in 2000, the Committee suggested that the Officer engage the Permanent Secretary, Ministry of Home Affairs and the Divisional Commander in an effort to bring closure to the matter.

4.1.13 In concluding, the Committee recapitulated the following for the benefit of the Accounting Officer:

- (i) That the Accounting Officer should pursue the issues that were highlighted with the Permanent Secretary, Ministry of Home Affairs and the Police;
- (ii) To submit a list of the Magistrates who were in receipt of duty free concession, and were provided with taxi services in the execution of their duties;
- (iv) To submit a list of the names of the taxi services currently used along with the areas for which the services were used;
- (v) That the Accounting Officer should pursue the matter regarding the regularization of the vehicle with the Office of the President and the Permanent Secretary, Ministry of Education.

4.1.14 At 11.40 a.m. the Committee concluded examination of the above accounts.

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
22. Georgetown Public Hospital Corporation	941 - 981 (41)	Mr. Michael Khan Chief Executive Officer

4.2 At 11.45 a.m., the Committee proceeded to consider the Report on the public accounts with respect to the Georgetown Public Hospital Corporation together with the comments submitted by the Accounting Officer.

- 4.2.1 Officers present for the examination were:
- (i) Mr. Micheal Khan, Chief Executive Officer,
 - (iii) Mr. Bert Whyte, Personnel Manager
- 4.2.2 **Paragraphs 941 and 942– Vacancy Rate**
- 4.2.2.1 In response to a query as to whether there were improvements at the Hospital with regard to staff, the Accounting Officer reported that there had been an increase in staff since personnel were recruited from Cuba and the University of Guyana. The authorized strength remained the same.
- 4.2.3 **Paragraph 943 – Un-presented Payment Vouchers**
- 4.2.3.1 The Accounting Officer, in response to an enquiry, informed the Committee that the Corporation was unable to recover 25 vouchers for 2005; hence the figure remained the same. However, efforts were still being made to recover those vouchers. He pointed out that 17 vouchers were still outstanding for 2004, but the total figure had been reduced significantly.
- 4.2.4 Paragraph 944 was considered.
- 4.2.5 **Paragraph 945 – Appropriations Instead of Subvention**
- 4.2.5.1 The Committee reminded the Accounting Officer of his commitment at the examination of the 2004 public accounts to pursue the matter regarding the regularizing of the Corporation as a subvention agency.
- 4.2.5.2 The Accounting Officer explained that he made efforts to resolve the matter but was unsuccessful. He undertook once again to raise the issue with the Permanent Secretary, Ministry of Health.
- 4.2.5.3 The Committee advised the Accounting Officer to write the Permanent Secretary, Ministry of Health on the matter and to submit a report to it by the 30th July, 2008.
- 4.2.6 Paragraphs 946 to 948 were considered.

4.2.7 Paragraphs 949 to 952 – Procurement of Drugs from New Guyana Pharmaceutical Corporation (GPHC)

4.2.7.1 The Committee noted that the Corporation was using a Cabinet approval as the basis of procuring drugs from the New Guyana Pharmaceutical Corporation rather than procuring such goods through the Ministry of Health Procurement Unit.

4.2.7.2 The Auditor General's Officer was required to investigate the scenario that existed to determine whether the existing procurement process was a legitimate one.

4.2.7.3 The Auditor General's Office was also requested to provide the Committee with a report on the process of procuring drugs through the New GPC.

4.2.7.4 The Committee noted the response from the Accounting Officer that he was appalled at the comments from the Auditor General's Office and advised the Accounting Officer to engage the Audit Office in an effort to resolve the issue.

4.2.7.5 The Accounting Officer in response to an enquiry informed Members that the Corporation continued to procure drugs in bulk from New GPC by a Cabinet approval and undertook to adhere to the recommendations of the Auditor General.

4.2.8 Paragraph 953 – Non Adherence to National Procurement and Tender Board Procedures

4.2.8.1 Based on various concerns raised by Members on this issue, the Accounting Officer undertook to comply with the recommendations made by the Auditor General.

4.2.9 Paragraphs 954 to 969 were considered.

4.2.10 Paragraph 970 – Adjudication of Contracts

4.2.10.1 The Committee noted the comments of the Accounting Officer and advised the Officer to preplan activities to negate suspicion of contract splitting.

4.2.9 In concluding, the Chairperson summarized the following for the benefit of the Accounting Officer:

- (i) That the Accounting Officer, in future, should engage the Auditor General's Office in an effort to resolve issues commented on by the Auditor General before they were recorded in the report;

- (ii) A response should be provided for each comment made by the Auditor General, especially instances where reference was made to non-adherence of regulations;
- (iii) That the Accounting Officer should seek to regularize the Corporation as a subvention agency; and
- (iv) The Accounting Officer was reminded of his commitment to implement the recommendations made by the Auditor General's Office at paragraph 952.

4.2.9.1 The Auditor General's Office was required to pursue the matters pertaining to paragraph 949 and submit to PAC an update on the matter by the 30th July, 2008.

4.2.10 At 12.40 p.m. the Committee concluded the examination of the above accounts.

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
28. Ministry of Agriculture	521 - 618 (98)	Dr. Dindyal Permaul Permanent Secretary

4.3 At 12.40 p.m., the Committee proceeded to consider the Report on the public accounts with respect to the Ministry of Agriculture together with the comments submitted by the Accounting Officer.

4.3.1 Officers present for the examination were:

- (i) Dr. Dindyal Permaul, Permanent Secretary,
- (ii) Mr. Brian Greenidge, D.P.S (Admin)
- (iii) Mrs. Prema Ramanah – Roopnarine, D.P.S. (Finance)
- (iv) Mr. Suresh Narayan, Finance Officer, NDIA

4.3.2 Paragraphs 521 to 526 were considered.

4.3.3 **Paragraphs 527 and 528 – Overdraft of Bank Account No. 938**

4.3.3.1 The Committee expressed concerns over the many instances of un-reconciled bank accounts and advised the Accounting Officer to liaise the Auditor General's Office, the Finance Secretary and the Accountant General with a view to obtaining advice on the preparation of the comprehensive report on the accounts.

4.3.3.2 The Accounting Officer was requested to provide the Committee with a status report on the matter by 30th July, 2008.

- 4.3.4 Paragraphs 529 and 530 were considered
- 4.3.5 **Paragraph 531 – Functions of the National Drainage and Irrigation Authority**
- 4.3.5.1 The Committee expressed concerns that the National Drainage and Irrigation Authority (NDIA) received funds from the Ministry of Agriculture through Subsidies and contribution to Local Organisations rather than subvention to conduct its operations.
- 4.3.5.2 A Member posited that NDIA was a separate legal authority and should be independent; hence its accounts should be independently audited as was prescribed by law.
- 4.3.5.3 The Committee emphasized that the Agency was an important one and that it was imperative that it received its autonomy.
- 4.3.6 Paragraphs 532 to 548 were considered.
- 4.3.7 **Paragraph 549 – Deduction of Depreciation Charges**
- 4.3.7.1 The Committee noted the Accounting Officer's response that the losses were due to the depreciation charges totalling \$2.313M.
- 4.3.7.2 The Accounting Officer undertook to provide the Committee with a status report on the matter by 30th July, 2008.
- 4.3.8 Paragraphs 550 to 557 were considered.
- 4.3.9 **Paragraph 558 – Award of Contracts**
- 4.3.9.1 The Committee noted the term "most competitive bidder" used by the Auditor General's Office and advised the Audit Office to use the term "lowest responsive bidder" as prescribed by the Procurement Act.
- 4.3.10 Paragraphs 563 to 578 were considered.
- 4.3.11 **Paragraph 579 – Award of Contract**
- 4.3.11.1 The Committee noted the response from the Accounting Officer and advised the Officer to convey the information to the Auditor General's Office pointing out the findings of the joint report thereby requesting the Audit Office to review the matter.

- 4.3.12 Paragraph 589 – Overpayment of \$630,000**
- 4.3.12.1 The Committee noted that contracts awarded by the Ministerial Tender Board were done in compliance with the regulations.
- 4.3.13 Paragraphs 590 to 618 were considered**
- 4.3.15 The Chairperson recapitulated the following for the benefit of the Accounting Officer:
- (i) With regards to Bank Account No. 938, consultation should be sought from the Advisors to ascertain a way forward for closure of the Bank Account;
 - (ii) In future the Auditor General's comments should be omitted from his responses;
 - (iii) Confirm to the Act which established the NDIA; and
 - (iv) To submit a report on the over-expenditure with regards to the Toxic Chemicals Division

ITEM 5: ANY OTHER BUSINESS

5.1 Public Procurement Act

5.1.1 A Member posited that the comments of the Auditor General's did not emphasize the need for compliance by Accounting Officers with the Public Procurement Act, as such; some Accounting Officers demonstrated a laxity in complying with the requirements of the Act.

5.1.2 Report of the Public Accounts Committee

5.1.2.1 The Committee agreed that the Auditor General should prepare a draft of the Report of the Public Accounts Committee on the Public Accounts of Guyana pending the examination of the public accounts of the Ministry of Education.

5.1.2.2 The report should include those issues for which Police reports were outstanding, stating the status of the matters.

5.1.3 Schedule of Meetings to discuss Outstanding Issues

5.1.3.1 The Committee agreed to convene a meeting at the end of August, 2008 to consider the following matters:

- (i) Issues pertaining to subvention and warrants;
- (ii) Matrix on supplemental information from Accounting Officers;

- (iv) Matrix on outstanding Police reports; and
- (v) Matters pertaining to the Audit Office.

5.1.4 Outstanding Matters

5.1.3.1 The Researcher was required prepare a matrix on those outstanding matters that were awaiting police reports.

Adjournment

At 1.40 p.m. the meeting was adjourned to 1.45 p.m. on Monday, 28th July, 2008.

ck
Confirmed this 19th day of November, 2008

.....*Volda Lawrence*.....
Mrs. Volda A. Lawrence, M.P
Chairperson

**THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2008)**

**MINUTES OF THE 43RD MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 1.45 P.M
ON MONDAY, 21ST JULY, 2008
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN**

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)

(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P. - (Excused)

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip - (Excused)

Ms Bibi S. Shadick, M.P

Mr. Mohamed Irfaan Ali, M.P

Mr. Komal Chand, C.C.H., J.P., M.P. - (Absent)

Mr. Dharamkumar Seeraj, M.P.

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P.

Mr. Anthony Vieira, M.S., M.P.

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P.

Advisers – (3)

Finance Secretary (Mr. Neermal Rekha)
Deputy Accountant General (Mr. George Abrams)
Audit Director (Ag.) (Mrs. Donna Ellis)
For the Auditor General

Officers

Mrs. Claudia Daniels-Greenidge - Clerk of Committee
Ms Tanzadell Bentinck - Assistant Clerk of Committee

In Attendance

Ms. Carla Isaacs - Research Assistant

ITEM 1: CALL TO ORDER

1.1 The Meeting was called to order at 1.45 p.m

ITEM 2: ANNOUNCEMENTS

2.1 Presiding Officer

2.1.1 Mr. Anthony Veira informed Members that he would be presiding as Chairman of the meeting until the arrival of Mr. Winston Murray.

2.2 Excuses

2.2.1 The Chairman informed the Committee that Mrs. Volda Lawrence, M.P and Mrs. Indranie Chandarpal, M.P, Chief Whip had asked to be excused.

ITEM 3: CIRCULATION OF DOCUMENTS

The following documents were circulated prior to the meeting:

- (i) Notice of the 43rd Meeting dated 17th July, 2008;
- (ii) Minutes of the 41st Meeting held on Monday, 14th July, 2008;

- (iii) Audit Office of Guyana Budget Proposal - 2009 Briefing Notes;
- (iv) Audit Office of Guyana – Estimates of Current and Capital Expenditure 2009;
- (v) Copies of Comments submitted by the Accounting Officers for the 2005 Public Accounts of:
 - Region No. 4 – Demerara/Mahaica
 - Region No.5 - Mahaica/Berbice
 - Region No. 3 – Essequibo Islands/West Demerara and the Auditor General’s Briefing Notes thereon.

ITEM 4: CORRECTION AND CONFIRMATION OF MINUTES OF THE 41ST MEETING HELD ON THE 14TH JULY, 2008;

4.1 This item was deferred to a subsequent meeting of the Committee.

ITEM 5: TO CONSIDER FOLLOW-UP/SUPPLEMENTAL INFORMATION RECEIVED FROM THE ACCOUNTING OFFICERS

5.1 This item was deferred to a subsequent meeting of the Committee.

ITEM 6: TO CONSIDER THE APPOINTMENT OF NOMINEES FOR THE PUBLIC PROCUREMENT COMMISSION.

6.1 This item was deferred to a subsequent meeting of the Committee.

ITEM 7: TO CONTINUE EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEAR 2005, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in Auditor General’s Report	Accounting Officer
34. Region No.4 –Demerara/ Mahaica	1451 – 1489 (39)	Mr. Shafdar Alli Regional Executive Officer

7.1 At 1.45 p.m., the Committee proceeded to consider the Report on the public accounts with respect to Region No. 4 – Demerara/

Mahaica together with the comments submitted by the Accounting Officer.

7.1.1 Officers present for the examination were:

- (i) Mr. Shafdar Alli, Regional Executive Officer (Accounting Officer)
- (ii) Mr. Glasgow Stephen, Superintendent of Works,
- (iii) Mr. Hansen Elliot, Principal Personnel Officer,
- (iv) Mr. C. Murray, P.A.S. (Finance)

Mr. Seewchan, Permanent Secretary (Ag), Ministry of Local Government was also in attendance.

7.1.2 Paragraph 1451- Vacancy Rate of 21.73 %

7.1.2.1 In response to an enquiry, the Accounting Officer informed the Committee that the vacant positions were not advertised because he was awaiting the approval of the Public Service Ministry and the Teaching Service Commission.

7.1.2.2 The Committee noted the Accounting Officer's response and requested him to submit to the Committee, within two weeks, the written documents that were sent to the relevant agencies.

7.1.2.3 The Chairman advised that he should point out the serious breaches that could occur in the absence of the required personnel.

7.1.3 Paragraphs 1452 to 1453 were considered

7.1.4 Paragraph and 1454 – Clearing of Cheque Orders

7.1.4.1 The Auditor General, in response to an enquiry, informed the Committee that the stipulated 16 day period for the clearing of cheque orders was set by the Minister of Finance. He noted that the Finance Secretary has been responsible for making the decision.

7.1.4.2 The Committee suggested that a letter should be written to the Auditor General's Office to engage them to review the 16 day period and improvise recommendations.

7.1.5 Paragraph 1455 – Un-presented Log Books

7.1.5.1 The Committee expressed concerns about the Accounting Officer's response to the use of log books. He then informed the Committee that the log books were now in place and have been verified by the Auditor General's Department.

- 7.1.6 Paragraphs 1456 to 1457 were considered.
- 7.1.7 **Paragraph 1458 and 1459 – Expenditure Totalling \$123.319M**
- 7.1.7.1 The Accounting Officer informed the Committee that the contractor who executed the project had been written to, after it was verified with the Engineer's Department of the Audit Office. He was given until the end of August to respond.
- 7.1.7.2 The Committee requested the Accounting Officer write a letter to the Auditor General's Office in an effort to pursue the issue of the 127M and to provide documentation to the Committee on the outcome of the matter.
- 7.1.8 Paragraphs 1460 and 1461 were considered
- 7.1.9 **Paragraph 1462 –Bin Cards and Fuel Stock Register**
- 7.1.9.1 The Finance Secretary highlighted the Accounting Officer's response of the purchase of dip sticks from the National Bureau of Standards and cautioned that his responses were for public records.
- 7.1.9.2 He advised that the Officer's responses should reflect what was reported by the Auditor General.
- 7.1.9.3 The Auditor General's Office advised the Committee that the dip sticks were not bought from the National Bureau of Standards but has been certified by that entity.
- 7.1.9.4. The Accounting Officer apologized for his comments on the dip sticks. He then informed the Committee that the dip sticks were purchased from the National Oil Company and certified by the National Bureau of Standards.
- 7.1.10 Paragraphs 1463 to 1464 were considered
- 7.1.11 **Paragraphs 1465 and 1466 – Criteria Set Disqualified Bids below \$2.8M**
- 7.1.11.1 A Member expressed dissatisfaction at the Accounting Officer's comments and pointed out that it did not address the core issues highlighted by the Auditor General. He suggested that the Accounting Officer should review the above paragraphs and within two weeks, resubmit his comments.
- 7.1.11.2 The Finance Secretary cautioned the Accounting Officer that neither the Procurement Act nor any other Financial regulations provided for contracts to be awarded to the tenth and fifteenth

bidders respectively. The Finance Secretary also expressed concerns at the trend of variation becoming overpayment.

7.1.12 Paragraphs 1467 was considered

7.1.13 Paragraph 1469 – Variation of \$0.543M

7.1.13.1 The Accounting Officer, after giving conflicting responses on the unapproved variation to contract, informed the Committee that efforts were made to retrieve copies of the minutes from sittings of the tender board which were destroyed in the 2006 fire. He further undertook to furnish the records to the Committee.

7.1.13.2 The Auditor General was required to investigate the \$1.4.68M to determine what transpired on the issue of the origin of the fund and to ascertain the authority of the fund.

7.1.14 Paragraph 1470 – Variation of \$6.176M

7.1.14.1 The Committee expressed concerns about the Region awarding contracts to someone other than the lowest bidder and questioned the unauthorized variation of \$1.66M

7.1.15 Paragraph 1471 – Overpayment of \$1.359M

4.1.15.1 A Member referred the Committee to the appendix attached to the comments submitted by the Accounting Officer in an attempt to explain the overpayment of \$1.359M. He pointed out the laxity to address the comments made in the Auditor General's Report.

7.1.15.2 A Member enquired from the Accounting Officer whether a losses report was filed with the police on the disappearance of items.

7.1.15.3 The Accounting Officer reported that the Auditor General was required to clarify the involvement of the \$1.359M and to ascertain the necessity of the sum.

7.1.15.4 The Permanent Secretary (ag), Local Government, also expressed dissatisfaction on the issue of the one contract with three provisional sums. Thereafter, he endorsed the review by the Auditor General on the matter.

7.1.15.5 In light of the comments by the Permanent Secretary, the Accounting Officer was also requested to carry out an internal investigation on the matter.

7.1.15.6 The Auditor General's department highlighted the following:

- (i) That the provisional sums were normal items in the Bill of Quantities, however, when those sums were expended, supporting documentation must be supplied. It was noted that this was not the tendency by the different Regions from time to time.
- (ii) That variations paid in the Regions, were usually authorized by the relevant authority and further that some effort should be made to regularize that occurrence.

7.1.15.7 At this point, another Member advised the Accounting Officer that documentation from the contractor cannot alternate his own independent documentation. Further, his responses were inadequate and disrespectful to the Committee.

7.1.16 Paragraph 1472 was considered

7.1.17 Paragraph 1473 – Overpayment made for 11 instead of 1.1 Cubic Yards of Perimeter Beam.

7.1.17.1 Various concerns were raised on this issue and the Accounting Officer was requested to engage the assistance of the Auditor General. Thereafter, he would provide the Committee with details of whether the Region had made efforts to recoup the sum of \$136,000 within two weeks.

7.1.17.2 The Committee was appalled at the Accounting Officer's response that the Engineers Department prepared the Bills of Quantities.

7.1.17.3 A Member advised the Accounting Officer that the general procedure was the contract should be awarded to the lowest bidder, providing all terms and conditions required were satisfied. If not, the minutes should clearly outline the circumstances for which it was awarded to another bidder.

7.1.17.4 The Permanent Secretary (ag), Ministry of Local Government posited, that with the implementation of the Procurement Act in 2004, recommendations were made for the Minutes of the Regional Procurement and Tender Administration Board to be submitted to the Auditor General's Office. This was in keeping with the Procurement Act.

7.1.17.5 A Member suggested that the Auditor General and the Committee should:

- (i) Make reference and quote what the Minutes of the Regional Procurement and Tender Administration Board reflected,

- (ii) Consider what has been the framework given by the National Procurement and Tender Administration Board for the Region to have guidelines within which they are intended to receive bids and award contracts.
- 7.1.17.6 Hence, the Committee could be better equipped as to the guidelines and procedures to be followed by R.E.Os.
- 7.1.17.7 Thereafter, the Finance Secretary drew the Committee's attention to section 20 of the Procurement Act which related to the evaluation criteria for contractors. He pointed out that previous language used in Tender Board Minutes to a particular bidder, must not supersede the law.
- 7.1.18 Paragraphs 1474 to 1476 were considered
- 7.1.19 **Paragraphs 1477 and 1479 – Provisional Sums of \$300,000 and \$600,000 respectively**
- 7.1.19.1 After some deliberations on the above, the Accounting Officer agreed to submit the breakdown of the sum for works submitted by the contractor.
- 7.1.19.2 Thereafter, the following issues were highlighted by Members:
 - (i) That there was no evidence to indicate that the Tender Board approved the sum
 - (ii) The provisional sum was wrongfully utilized
 - (iii) The Regional Tender Board approved a sum for a project above its limit and,
 - (iii) that it was a breach of the financial regulations and the tender regulations.
- 7.1.19.3 The Accounting Officer noted the issues raised by Members and assured the Committee that steps have been put in place to avoid a reoccurrence of the issues highlighted. He undertook to submit to the Committee, within two weeks, the name of the contractor who executed the works.
- 7.1.20 Paragraphs 1480 to 1482 were considered
- 7.1.21 **Paragraph 1483 – Awarding of Contract to Lowest Bidder**
- 7.1.21.1 Based on conflicting responses given by the Accounting Officer, the Committee requested the Auditor General to supply the Committee with information on the total sum paid to the contractor. Thereafter, the Accounting Officer was requested to

inform the Committee in writing, of the amount which was actually paid to the contractor.

7.1.21.2 In concluding, the Chairperson reminded the Accounting Officer to submit all documentation which showed an attempt to recover monies along with an explanation to the Committee by the 4th August, 2008.

7.1.22 At 4.00 p.m. the Committee concluded consideration of the accounts of Region No.4.

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
Region No. 5 –Mahaica / Berbice	1490 – 1546 (57)	Mr. Floyd France Regional Executive Officer

7.2 At 4.10 p.m, Members of the Committee spent a few minutes discussing the inadequate responses of the Accounting Officer from the above agency.

7.2.1 Thereafter, the Committee agreed to invite the Accounting Officer and his team into the meeting.

7.2.2 Officers present for the examination were:

- (i) Mr. Floyd France, Regional Education Officer (Accounting Officer)
- (ii) Ms. Urlene Crandon, Regional Education Officer,
- (iii) Mr. Sean Carmicheal, Chief Accountant (ag),
- (iv) Mr. Govind Singh, Regional Development Officer,
- (v) Ms. Venus Smart, Regional Health Officer

7.2.2.1 The Chairperson welcomed the Regional Executive Officer and his team to the meeting. He expressed the Committee's disgust and dissatisfaction at responses received to the Auditor General's comments.

7.2.2.2 The Committee drew the Accounting Officer's attention to the following:

- (i) That the responses to the Auditor General's comments were inadequate, and could not be accepted.

- (ii) Most of the responses did not address issues raised by the Auditor General, and
- (iii) Reminded the Accounting Officer that he was accountable for public funds, hence the responsibility was his to ensure effective management of such funds.

- 7.2.2.3 The Committee then cautioned the Permanent Secretary (ag), Ministry of Local Government to emphasize to the Regional Executive Officers, the importance of the contents of their response to the Public Accounts Committee.
- 7.2.2.4 The Committee agreed that the Accounting Officer should review the responses and provide updated responses by the 24th July, 2008.
- 7.2.2.5 Thereafter, the team should return on 28th July, 2008 for examination of accounts of Region No. 5.
- 7.2.2.6 At 4.25 p.m. the Committee concluded consideration of the matter.

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
Region No. 3 – Essequibo Islands/West Demerara	1386 – 1450 (65)	Mr. N. Ramkissoon Regional Executive Officer

- 7.3 At 4.30 p.m, the Committee proceeded to consider the Report on the public accounts with respect to Region No.3 – Essequibo Islands/West Demerara together with the comments submitted by the Accounting Officer.
- 7.3.1 Officers present for the examination were:
- (i) Mr. Nandlall Ramkissoon, Regional Executive Officer (Accounting Officer)
 - (ii) Mr. W. Davidson, Deputy Regional Executive Officer,
 - (iii) Mr. P. Ramlall, Regional Engineer,
 - (v) Mr. K. Ward, Stock Verifier

Mr. Seewchan, Permanent Secretary (Ag), Ministry of Local Government was also in attendance.

- 7.3.2 Paragraph 1386 to 1388 were considered
- 7.3.3 Paragraphs 1389 – Overtime Payments totaling \$83, 654**
- 7.3.3.1 In response to a query as to the amount of overtime entered under this head against the total in Budget, the Accounting Officer informed the Committee that the amount was shown in the sample.
- 7.3.4 Paragraph 1390 – Register of Contributors to the National Insurance Scheme**
- 7.3.4.1 The Accounting Officer reported that systems were implemented to ensure that the employees without NIS numbers were registered. The Auditor General's Office also confirmed this statement.
- 7.3.5 Paragraphs 1391 and 1392 were considered
- 7.3.6 Paragraph 1393 – Non Submission of Log Books**
- 7.3.6.1 The Committee pointed out to the Accounting Officer that log books were created to control the abuse of the vehicles for personal purposes and urged him to keep all log books up-to-date.
- 7.3.6.2 The Accounting Officer, in response to an enquiry, informed the Committee that log books were kept but could not be located at the time of the audit verification.
- 7.3.6.3 The Accounting Officer was cautioned on his statement and was advised to put mechanisms in place to ensure another book was issued just after the other was filled.
- 7.3.7 Paragraphs 1394 to 1399 were considered
- 7.3.8 Paragraph 1400 – Misallocation of Expenditure**
- 7.3.8.1 The Committee noted that the expenditure was placed against the wrong sub-head and cautioned the Accounting Officer on the misallocation and the onus was on him to correct the anomaly.
- 7.3.9 Paragraphs 1401 to 1405 were considered
- 7.3.10 Paragraph 1406 – Execution of Works Under Capital Expenditure instead of Current Expenditure**
- 7.3.10.1 The Accounting Officer was advised to carry out Capital works under Capital expenditure and Current under current expenditure.

- 7.3.11 Paragraph 1407 was considered
- 7.3.12 **Paragraph 1408 - Repair of Vehicles**
- 7.3.13.1 Based on the Accounting Officer's response that the Region was still using old vehicles, a Member queried from the Auditor General whether the vehicles were checked for mileage and who undertook the repairs.
- 7.3.13.2 The Accounting Officer reported that the vehicle repairs were not done by one contractor but on a quotation system based on the assessment of the engineer and mechanical superintendent within the administration.
- 7.3.13.3 The Accounting Officer was required to provide to the Committee, a list of the expenditure, the names of the contractors and which vehicles were repaired in addition to the costs incurred.
- 7.3.14 **Paragraphs 1409 – Telephone Lines**
- 7.3.14.1 The Accounting Officer was cautioned on the use of the telephones and the exorbitant costs incurred by the Region.
- 7.3.15 **Paragraph 1410 – Amounts Expended on Electricity Charges**
- 7.3.15.1 The Audit Office reported that there would be no discrepancies in the system if the electricity register was computerized with the IFMAS system.
- 7.3.16 Paragraphs 1411 and 1412 were considered
- 7.3.17 **Paragraph 1413 – Un-presented Vouchers**
- 7.3.17.1 The Auditor General's Office informed the Committee that the office was in touch with the Region but were unable to verify the 385 payment vouchers.
- 7.3.17.2 The Accounting Officer was required to engage the Auditor General's office to verify that issue.
- 7.3.18 Paragraphs 1414 to 1420 were considered
- 7.3.19 **Paragraphs 1421 and 1422 – Retention on Contracts**
- 7.3.19.1 The Auditor General was required to verify the Accounting Officer's comments and report to the Committee.
- 7.3.20 Paragraph 1423 was considered

- 7.3.21 Paragraph 1424 – Change of Programme for Construction of Hubu Bridge**
- 7.3.21.1 A Member contended that when a retention fee was paid, the budget would stipulate the amount of retention fee.
- 7.3.22 Paragraphs 1425 was considered
- 7.3.23 Paragraph 1426 –Engineer’s Estimate of \$4.857M**
- 7.3.23.1 In response to an enquiry, the Accounting Officer informed the Committee that the contract awarded for the Annex at Cornelia Ida Primary, was approved by the committee group and the variation was approved by the tender board for the construction of a bottom flat to accommodate a top flat at a later date.
- 7.3.23.2 The Finance Secretary cautioned the Accounting Officer that for shifts in variation, permission should be sought prior to the execution of the works.
- 7.3.24 Paragraph 1427 – Extension of Zeelugt Nursery School**
- 7.3.24.1 The Accounting Officer reported that the initial bid document did not make provision for the painting and additional works undertaken, hence the need for the variation.
- 7.3.24.2 The Accounting Officer was requested to provide the Committee with a breakdown of the additional sum.
- 7.3.25 Paragraph 1428 was considered
- 7.3.26 Paragraph 1429 – Amount of \$166,066 for Construction of Hubu Bridge**
- 7.3.26.1 A Member highlighted the numerous instances of retentions paid on the construction of the Hubu Bridge.
- 7.3.27 Paragraphs 1430 and 1431 were considered
- 7.3.28 Paragraph 1432 - Overpayments totaling \$452,128**
- 7.3.28.1 In response to an enquiry, the Auditor General informed the Committee that despite the fact that the full contract sum was paid, there was an overpayment for the actual works done.
- 7.3.28.2 The Accounting Officer informed the Committee that at the time of the auditor’s inspection, the electrical installation were not

completed which would have reflected the overpayment based on the Auditor General's report.

7.3.28.3 The Auditor General was required to revisit the issue of the two projects and to confirm whether the works were completed and whether there was an overpayment.

7.3.29 Paragraphs 1433 to 1438 were considered

7.3.30 Paragraph 1439 – Awarding of Contracts Valued \$2.521M

7.3.30.1 Based on the statement by the Accounting Officer on the contractor being prequalified, a Member posited that the prequalifying period was to shorten the tendering period for increased efficiency and to omit the time used to facilitate technical qualification.

7.3.31 Paragraph 1440 was considered.

7.3.32 Paragraph 1441 – Misallocation of Funds for Construction of Bridges at Harlem and Hubu

7.3.32.1 The Accounting Officer was required to review the four references made on the issue of the Hubu Bridge and supply a report on the issue of the Bridge to the Committee along with the other submissions required.

7.3.33 Paragraphs 1442 and 1443 were considered

7.3.34 Paragraph 1444 – Project Allocations

7.3.34.1 The Accounting Officer was requested to take account of the Auditor General's advice on the commands issued to recoup monies and to go further by taking legal action in order to recoup outstanding sums expeditiously.

7.3.34.2 Reference was made to the Minutes of the Regional Tender Board Meeting held on the 18th October, 2007. The Committee advised the Accounting Officer on the issue of awarding of tenders to Accounting Officers, where recommendations made were not in keeping with the established guidelines.

7.3.35 Paragraph 1445 was considered

7.3.36 Paragraph 1446 – Expenditure Expended for Projects.

7.3.36.1 The Accounting Officer reported that the amounts were incorrectly charged to land development instead of Roads which was an

oversight acknowledged by the Accounting Officer. He then undertook to implement systems to avoid a future reoccurrence.

7.3.37 Paragraphs 1447 to 1450 were considered

7.3.38 In concluding the Committee commended the Accounting Officer on his improved responses and on the genuine efforts made to answer all the questions of the Committee and further, encouraged him to inaugurate methods to ensure the regions comply with the financial systems.

ITEM 5: ANY OTHER BUSINESS

5.1 Next Meeting's Schedule

5.1.1 The Committee decided that its next meeting would be held on Monday, 28th July, 2008, to examine the updated responses on the accounts of Region No. 5.

Adjournment

At 6.45 p.m. the meeting was adjourned to 2.00 p.m. on Monday, 28th July, 2008.

Confirmed this th 19th day of November, 2008

Volda Lawrence
.....
Mrs. Volda A. Lawrence, M.P
Chairperson

**THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2008)**

**MINUTES OF THE 44TH MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 2.40 P.M
ON MONDAY, 28TH JULY, 2008
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN**

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)

(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P. - (Excused)

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip - (Excused)

Ms Bibi S. Shadick, M.P

Mr. Mohamed Irfaan Ali, M.P

Mr. Komal Chand, C.C.H., J.P., M.P. - (Excused)

Mr. Dharamkumar Seeraj, M.P. - (Excused)

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P.

Mr. Anthony Vieira, M.S., M.P.

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P.

Advisers – (3)

Finance Secretary (Mr. Neermal Rekha)
Accountant General (Mr. Hardat Autar)
Audit Director (Ag.) (Mrs. Donna Ellis)
For the Auditor General

Officers

Ms. Sonia Maxwell - Clerk of Committee
Ms Tanzadell Bentinck - Assistant Clerk of Committee
Mr. Nickalai Pryce - Assistant Clerk of Committee

In Attendance

Ms. Carla Isaacs - Research Assistant

ITEM 1: CALL TO ORDER

- 1.1 Mr. Anthony Veira, M.S., M.P, the Presiding Officer called the meeting to order at 2.40 p.m.

ITEM 2: ANNOUNCEMENTS

2.1 Excuses

- 2.1.1 The Presiding Member informed the Committee that the following Members had asked to be excused from the meeting:

- (i) Mrs. Volda A. Lawrence, M.P.,
- (ii) Mrs. Indranie Chandarpal, M.P., Chief Whip.,
- (iii) Mr. Komal Chand, C.C.H., J.P., .M.P., and
- (iv) Mr. Dharamkumar Seeraj, M.P.

ITEM 3: CIRCULATION OF DOCUMENTS

- 3.1 The following documents were circulated prior to the meeting:

- (i) Notice of the 44th Meeting dated 22nd July, 2008;
- (ii) Minutes of the 41st and 42nd Meetings held on 14th and 15th July, 2008 respectively;
- (iii) Copy of Letter dated 18th July, 2008, from Permanent Secretary (ag), Ministry of Local Government.

3.2 The following document was circulated at the meeting:

- Copies of Comments submitted by the Accounting Officer for the 2005 Public Accounts of Region No. 5 Mahaica/Berbice.

ITEM 4: CORRECTION AND CONFIRMATION OF MINUTES OF THE 41ST MEETING HELD ON THE 14TH JULY, 2008.

Corrections

4.1 **Page 405, paragraph 1.1 – CALL TO ORDER**

4.1.1 Substitution of “p.m” for “a.m.”

4.2 **Page 419, paragraph 7.5.3.1**

4.2.1 Substitution of the word “were” for the word “was” in line 2.

4.3 Thereafter, the Minutes were confirmed, on a motion moved and seconded by Messrs Irfaan Alli and David Patterson, respectively.

4.4 **Suspension of Agenda**

4.5 The Committee agreed that Items (ii) and (iii) should be deferred to a subsequent meeting.

ITEM 5: CONTINUATION OF EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEAR 2005, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
Region No. 5 – Mahaica / Berbice	1490 – 1546 (57)	Mr. Floyd France Regional Executive Officer

5.1 The Committee noted that the Accounting Officer did not re-submit the comments on the date as was requested instead he had

submitted them on the date the meeting was scheduled. Members were unable to peruse the comments prior to the meeting.

- 5.1.1 At 2.50 p.m., the Committee proceeded to consider the report on the public accounts with respect to Region No. 5 – Mahaica/Berbice together with the comments submitted by the Accounting Officer.
- 5.1.2 Officers present for the examination were:
- (i) Mr. Floyd France, Regional Education Officer, (Accounting Officer)
 - (ii) Ms. Urlene Crandon, Regional Education Officer,
 - (iii) Mr. Sean Carmicheal, Chief Accountant (ag),
 - (iv) Mrs. Jennifer Roberts, Principal Personnel Officer
 - (v) Mr. Govind Singh, Regional Development Officer,
 - (vi) Ms. Venus Smart, Regional Health Officer,
 - (vii) Mr. Delton Benjamin, Building Overseer.
- 5.1.2.1 Mr. Seewchan, Permanent Secretary (Ag), Ministry of Local Government was also in attendance.
- 5.1.3 **Paragraph 1490 – Fire at the Regional Administration’s Building.**
- 5.1.3.1 The Accounting Officer in response to an enquiry as to whether an investigation was conducted and the findings reported on the fire at the Regional Administration’s Building, reported that the investigation was conducted but the report was still outstanding.
- 5.1.3.2 The Committee advised the Accounting Officer to write the Head of the Fire Department pointing out that the Administration was awaiting the report on the fire. A copy of the letter should be sent to the Committee.
- 5.1.3.3 The Committee also advised the Accounting Officer that in future he should seek the assistance of the Permanent Secretary, Ministry of Local Government and Regional Development who could also garner the Minister’s intervention in an effort to resolve such matters.
- 5.1.4 **Paragraph 1491 – Staffing Level**
- 5.1.4.1 The Committee noted the Accounting Officer’s response and advised the Officer that his response should be specific to the comments made by the Auditor General.

- 5.1.5 Paragraph 1492 - Misappropriation of Funds Totalling \$230,000**
- 5.1.5.1 The Committee noted the Accounting Officer's comments that he continued to pursue the matter with the Police and that he had received information by a letter dated 8th December, 2007 from the Department that the matter was still under investigation.
- 5.1.5.2 The Committee advised the Accounting Officer to continue to pursue the matter expeditiously.
- 5.1.6 Paragraph 1493 was considered.**
- 5.1.7 Paragraph 1494 –Overpayments Totalling \$1,252 M**
- 5.1.7.1 The Committee noted the comments from the Auditor General and the response from the Accounting Officer and advised the Officer to ascertain the total amounts overpaid to teachers within the Region and to take the necessary action to recover the overpaid sums.
- 5.1.7.2 Members also noted that authorities for termination of employment were issued three months after an Officer had left the job and urged the Accounting Officer to employ measures to ensure timely notification to the Accounting Unit.
- 5.1.7.3 The Permanent Secretary (Ag.) was requested to take note of the situation.
- 5.1.8 Paragraph 1495 was considered.**
- 5.1.9 Paragraph 1496 – Clearing of Cheque Orders**
- 5.1.9.1 The Committee noted the response from the Accounting Officer and advised the Officer that there was need for monitoring of the system to ensure that cheque orders were cleared within the stipulated timeframe.
- 5.1.10 Paragraph 1497 – Un-presented Log Books**
- 5.1.10.1 The Committee noted that the Accounting Officer did not provide a response to the Auditor General's comments on this issue and proposed that all log books be closed at the end of the year and new ones be opened at the commencement of the year.

- 5.1.10.2 The Permanent Secretary (Ag.) in response to an enquiry, informed the Committee that that mechanism was instituted and that the log books were kept by the Field Auditor.
- 5.1.11 Paragraph 1498 was considered.
- 5.1.12 **Paragraph 1499 – Award of Contracts**
- 5.1.12.1 The Committee noted the response from the Accounting Officer and was of the view that it was evident that there was no system of competitive bidding within the Regional Administration
- 5.1.12.2 A Member expressed dissatisfaction over the statement made by the Accounting Officer that contracts were being ratified by the Regional Tender Board and pointed out that such practice was in contravention of the law.
- 5.1.12.3 The Accounting Officer was advised to examine the Procurement Act regarding the procurement of goods and services for clarification on the issue.
- 5.1.12.4 The Committee also reminded the Accounting Officer that the procurement of goods and services within the Regional Administration limit should be done in compliance with the procedures outlined in the Act.
- 5.1.12.5 The Finance Secretary drew the Accounting Officer's attention to Section 28 of the Procurement Act which stated that an entity may engage in single procurement however, the system of three quotations should be employed.
- 5.1.12.6 The Committee noted the term "the Regional Tender Board Limits" used by the Accounting Officer and cautioned the Officer against the use of such term since that term was inaccurate.
- 5.1.12.7 The Finance Secretary referred to Section 39(2) of the Procurement Act which stated that only the evaluation criteria outlined in the tender document should be used to determine which bidder had submitted the lowest tender.
- 5.1.13 Paragraphs 1450 and 1501 were considered.

- 5.1.14 Paragraph 1502 and 1503: Award of Contracts – Maintenance of Infrastructure**
- 5.1.14.1 The Committee noted the response from the Accounting Officer and expressed concerns that the system used for the adjudication of contracts by the Administration was in contravention of the law.
- 5.1.14.2 The Committee expressed serious concerns over the conflicting responses provided by the Accounting Officer since in some instances he concurred with the comments of the Auditor General Office and in other instances was questioning the authenticity of the Audit Offices' audit evaluation. The Committee also noted that the oral responses provided offered no further clarifications.
- 5.1.14.3 A Member enquired from the Permanent Secretary (Ag.) whether upon enactment of the Procurement Act he had sought to apprise the Regional Executive Officers, Engineers and other relevant personnel within the Regions on the Act to ensure that the Officers were acquainted with the legal framework in which they were expected to operate. He also enquired whether reviews were being conducted in light of the frequent change of staff.
- 5.1.14.4 The Member further questioned whether there were penalties for Officers who violated the law.
- 5.1.14.5 In response to the enquiries raised, the Permanent Secretary reported that:
- (i) Upon introduction of the Act training was conducted by the Officers of the Ministry of Finance and the NPTAB and that training was ongoing
 - (ii) Capacity building was conducted to apprise Regional Executive Officers of the law and to inform them of the consequences for violation of the law, and
 - (iii) The issue of sanctions had to be discussed with the Minister of Finance
- 5.1.14.6 The Committee advised the Accounting Officer that the Engineers' estimate should be derived from a reference list of pricing, in order that the Audit Office could ascertain the basis upon which the estimates were derived.
- 5.1.14.7 Based on the response from the Accounting Officer that the Administration had a pricing list the Committee requested the Officer to submit a copy of that list to the Committee by the 29th July, 2008.

- 5.1.15 Paragraph 1504: Award of Contracts – Drainage and Irrigation Systems**
- 5.1.15.1 At this point, the Committee agreed that where divergent views were expressed by the Regional Administration on matters commented on by the Audit Office, the Officer should engage the Audit Office in an effort to resolve those issues. A report on the outcome should be submitted by the Audit Office to the Committee.
- 5.1.15.2 The Committee agreed that those responses highlighted as being inappropriate should be reviewed by the Accounting Officer and the responses should be resubmitted to the Committee.
- 5.1.16 Paragraph 1505 was considered.**
- 5.1.17 Paragraph 1506 – Misappropriation of Funds totalling \$6.54M**
- 5.1.17.1 The Committee again expressed serious concerns at the response of the Accounting Officer to the comments of the Auditor General. Some Members also felt that the Accounting Officer's responses were expressions of disregard to the Audit Office which was an independent body and functioned as an Adviser to the Committee.
- 5.1.17.2 Members proposed that in future the Permanent Secretary, Ministry of Local Government (Ag) should guide the Accounting Officer when the preparation of his response to the report of the Auditor General.
- 5.1.17.3 A discussion ensued and the Committee agreed that the Accounting Officer should collaborate with the Audit Office in an effort to resolve the issue. The Office of the Auditor General would report to the Committee on the status of the matter within a reasonable time.
- 5.1.18 Paragraph 1507 was considered**
- 5.1.19 Paragraph 1508 – Non- Adherence of Stores Regulations**
- 5.1.19.1 The Committee noted the comments of the Auditor General and advised the Accounting Officer to be cognizant of the Auditor General's recommendation and implement them.
- 5.1.20 Paragraphs 1511 to 1516 were considered.**

- 5.1.21 Paragraph 1517 – Overpayment to Contractor**
- 5.1.21.1 The Committee noted the comments from the Auditor General and indicated that the Accounting Officer acted in contravention of the law to expend \$8.915M instead of \$8.86M as was approved.
- 5.1.21.2 The Auditor General was requested to revisit the project and provide the Committee with an update on the matter within two weeks.
- 5.1.22 Paragraph 1518 – Expenditure of \$9.719M on Latchmansingh Primary School**
- 5.1.22.1 The Committee noted the comments of the Auditor General's Office that there was an approved variation of \$2.2.487M which revised the contract sum to \$9.132M. This it felt was a deliberate attempt by the Regional Administration to avoid contract adjudication by the NPTAB.
- 5.1.22.2 The Committee expressed serious concerns over such practice and deemed such action as illegal.
- 5.1.22.3 The Auditor General was requested to revisit the project and provide the Committee with a report within two weeks.
- 5.1.23** Paragraphs 1519 to 1525 were considered.
- 5.1.24 Paragraph 1526: Award of contract – Industry/Handsome Tree Canal**
- 5.1.24.1 The Committee noted the response from the Accounting Officer and cautioned the Officer that the guidelines for the process of prequalified bidding should be adhered to.
- 5.1.24.2 Based on the response from the Auditor General that the Tender Board Minutes did not indicate that the lowest bidder was not qualified, the Committee requested that the Audit Office revisit the matter, specifically the contract documents and bidding process and report its findings within two weeks.
- 5.1.24.3 The Committee also requested the Accounting Officer to review his response to the above paragraph for resubmission to the Committee.

- 5.1.25 Paragraph 1527 – Award of contract totalling \$1.035M**
- 5.1.25.1 The Committee requested the Accounting Officer to review his response to the above paragraph for resubmission to the Committee.
- 5.1.26 Paragraphs 1528 and 1529 were considered.**
- 5.1.27 Paragraph 1530 – Awarding of Contract**
- 5.1.27.1 The Accounting Officer in response to an enquiry, could not readily confirm whether the lower bidder's name was still on the list of qualified contractors. He undertook to provide the information within one week.
- 5.1.28 Paragraph 1531: Award of Contract totalling \$2.189M – Middle Street, East Coast Demerara**
- 5.1.28.1 The Committee requested the Accounting Officer to review his response to the above paragraph for resubmission to the Committee.
- 5.1.29 Paragraph 1532: Award of Contract totalling \$2.607M – Pump Street**
- 5.1.29.1 The Committee requested the Accounting Officer to review his response to the above paragraph for resubmission to the Committee.
- 5.1.30 Paragraph 1533: Award of Contract totalling \$2.376M – Rehabilitation of First Cross Street, E.B.D**
- 5.1.30.1 The Committee requested the Accounting Officer to review his response to the above paragraph for resubmission to the Committee.
- 5.1.31 Paragraph 1534: Award of Contract totalling \$2.198M – Rehabilitation of Adams and Alexander Streets**
- 5.1.31.1 The Committee requested the Accounting Officer to review his response to the above paragraph for resubmission to the Committee.
- 5.1.32 Paragraph 1535 – Approval for Change of Programme**
- 5.1.32.1 The Committee requested the Accounting Officer to review his response to the above paragraph for resubmission to the Committee.

- 5.1.33 Paragraphs 1536 to 1538 were considered.
- 5.1.34 **Paragraph 1539 - Award of contract totalling \$0.68M**
- 5.1.34.1 The Committee noted the response from the Accounting Officer that contracts were awarded by "slots" to allow for timely delivery of furniture to schools and informed the Officer that the practice was in contravention to the law.
- 5.1.34.2 The Committee requested the Accounting Officer to review his response to the above paragraph for resubmission to the Committee.
- 5.1.35 Paragraph 40 was considered.
- 5.1.36 **Paragraph 1541 – Award of contract totalling \$0.965M**
- 5.1.36.1 The Committee requested the Accounting Officer to review his response to the above paragraph for resubmission to the Committee.
- 5.1.37 **Paragraph 1542 – Award of contract totalling \$0.428M**
- 5.1.37.1 The Committee requested the Accounting Officer to review his response to the above paragraph for resubmission to the Committee.
- 5.1.38 Paragraph 1543 was considered.
- 5.1.39 **Paragraph 1544 and 1545 – Request for change of Programme totalling \$0.697M**
- 5.1.39.1 The Committee requested the Accounting Officer to review his response to the above paragraphs for resubmission to the Committee.
- 5.1.40 **Paragraph 1546 – Award of contract totalling \$4M**
- 5.1.40.1 The Committee noted the comments of the Auditor General's Office that monies were expended to purchase items which were not included in the Capital Profile.
- 5.1.40.2 The Presiding Member requested the Accounting Officer to review his response to the above paragraph for resubmission to the Committee.
- 5.1.41 In concluding the Presiding Member encapsulated the following for the benefit of the Accounting Officer:

- (i) The responses the Committee had highlighted should be reviewed and resubmitted to it.
- (ii) Submission of all the information that the Committee had requested.
- (iii) The Accounting Officer should engage the Auditor General on those issues the Committee had requested consultation with the aim of resolving them.

5.1.41.1 The Presiding Member reminded the Accounting Officer that he was the custodian of public funds and that the responsibility was his to ensure accountability for such funds.

5.1.41.2 The Accounting Officer indicated that he understood the concerns raised by Members and assured the Committee that his responses were not intended to be confrontational with the Auditor General.

5.1.42 At 6.00 p. m, the Committee concluded examination of the public accounts for the above agency.

5.1.43 The Finance Secretary was requested to write the Accounting Officer indicating the paragraphs the Committee had highlighted to be reviewed for resubmission.

5.2 **Audit Verification of Region No. 5**

5.2.1 The Committee commended the Officer of the Audit Office who conducted the audit verification of Region No. 5 for a comprehensive report.

5.3 **Issues highlighted**

5.3.1 The Committee indicated to the Permanent Secretary (Ag.) that there was a lack of knowledge by some personnel within the Regional Administration to the Fiscal Financial and Accountability Act.

5.3.2 The Committee recommended that the Finance Secretary arrange training programmes to acquaint personnel with the Fiscal Financial and Accountability Act., especially those in the Regions.

5.3.3 A clause should be included in the Accounting Officers contract indicating that penalties would be instituted for misappropriation of funds.

**ITEM 6: CONSIDERATION OF APPOINTMENT OF NOMINEES
FOR THE PUBLIC PROCUREMENT COMMISSION**

Public Procurement Commission

6.1 The Presiding Member reminded the Committee that nominations for the establishment of the above Commission was outstanding.

6.1.1 He pointed out that the Committee was still awaiting the names of the nominees from the Government.

Adjournment

At 6.10 p.m. the meeting adjourned *sine die*.

Confirmed this 10th day of November, 2008

.....*Uolda Lawrence*.....
Mr. Anthony Vieira M.S, M.P
Presiding Member

**THE NATIONAL ASSEMBLY OF THE FIRST SESSION
OF THE NINTH PARLIAMENT OF GUYANA (2006-2008)**

**MINUTES OF THE 45TH MEETING OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD AT 2.20 P.M
ON MONDAY, 10TH NOVEMBER, 2008
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN**

MEMBERS OF THE COMMITTEE

Chairperson (PNC/R – 1G) (1)

(Nominated by the Committee of Selection on 14th December, 2006)
(Elected by the Public Accounts Committee on 21st December, 2006)

Mrs. Volda A. Lawrence, M.P.

Other Members

Members from the People's Progressive Party/ Civic (PPP/C) (5)

(Nominated by the Committee of Selection on 14th December, 2006)

Mrs. Indranie Chandarpal, M.P., Chief Whip

Ms Bibi S. Shadick, M.P

Mr. Mohamed Irfaan Ali, M.P

Mr. Komal Chand, C.C.H., J.P., M.P.

Mr. Dharamkumar Seeraj, M.P. - (Excused)

Members from the People's National Congress Reform –1 Guyana (PNCR – 1 G) (2)

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. Winston S. Murray, C.C.H., M.P.

Mr. Anthony Vieira, M.S., M.P. - (Excused)

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

(Nominated by the Committee of Selection on 14th December, 2006)

Mr. David Patterson, M.P. - (Excused)

Advisers – (3)

Finance Secretary (Mr. Neermal Rekha)
Accountant General (Mr. Hardat Autar)
Auditor General (Ag.) (Mr. Deodat Sharma)

Officers

Ms Sonia Maxwell - Clerk of Committee
Mr. Nickalai Pryce - Assistant Clerk of Committee

In Attendance

Ms Carla Isaacs - Research Assistant
Ms Abiola Bazil - Research Assistant
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ITEM 1: CALL TO ORDER

1.1 The Chairperson called the meeting to order at 2.20 p.m.

ITEM 2: ANNOUNCEMENTS

2.1 **Excuses**

2.1.1 The Chairperson informed the Committee that the following Members had asked to be excused:

- (i) Mr. Dharamkumar Seeraj, M.P
- (ii) Mr. Anthony Vieira, M.S., M.P., and
- (iii) Mr. David Patterson, M.P., and

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents were circulated prior to the meeting:

- (i) Notice of the 45th Meeting dated 5th November, 2008;
- (ii) Minutes of the 42nd, 43rd, and 44th Meetings held on 15th 21st, 28th, July, 2008, respectively;

- (iii) Copy of Letter dated 16th October, 2008, from Mr. Pulandar Kandhi, Permanent Secretary, Ministry of Education; and
- (iv) Copies of Comments submitted by the Accounting Officer for the 2005 Public Accounts of the Ministry of Education and the Auditor General's Briefing Notes thereon.

3.2 The following documents were circulated at the meeting:

- (i) Memorandum dated 28th October, 2008 from the Researchers re: status of responses by the Auditor General for request of Supplemental Information by the Public Accounts Committee;
- (ii) Copies of the Audit Office of Guyana Annual Performance Report for the Year 2007;
- (iii) Copies of the Audit Office of Guyana 1st Quarterly 2008 Performance Report;
- (iv) Copies of the Verbatim Report of the 37th Meeting of the Public Accounts held on Monday, 23rd June, 2008;
- (v) Copies of a Letter dated 7th November, 2008, re: Appointment of the Human Resource Manager from the Auditor General (Ag.); and
- (vi) Copies of a letter dated 7th November, re: overpayment to Contractors - Auditor General's Report 2006 from the Regional Executive Officer of Region No. 6.

3.3 **Suspension of Agenda**

3.1.1 The Committee agreed to suspend the Agenda to commence examination of the 2005 public accounts of the Ministry of Education.

ITEM 4:**CONTINUATION OF THE EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEAR 2005, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:**

Ministry/Department/Other	Paragraphs in Auditor General's Report	Accounting Officer
Ministry of Education	788-891	Mr. Pulandar Kandhi Regional Executive Officer

4.1 At 2.35 a.m., the Committee proceeded to consider the Report on the public accounts with respect to the Ministry of Education together with the comments submitted by the Accounting Officer.

4.1.1 Officers present for the examination were:

- (i) Mr. Pulandar Kandhi- Permanent Secretary (Accounting Officer)
- (ii) Mr. Regniald Brotherson, P.A.S(F)(Ag).
- (iii) Mr. Roderick Liverpool, Expenditure Planning and Monitoring Unit
- (iv) Ms. Salute Daniels, Accountant

4.1.2 Paragraphs 788 and 789 were considered.

4.1.3 Paragraph 790 – Refund of Wages and Salaries

4.1.3.1 The Accounting Officer in response to an enquiry reported that the Ministry had recovered the sum of 2.1M overpaid salary for the period under review. However, the sum of 1.5M was still outstanding.

4.1.3.1 The Committee advised the Accounting Officer that a detailed report of the investigations conducted and the steps taken should be compiled and submitted to the Ministry of Finance when a debt write-off for the unrecovered sum was being sought.

4.1.3.2 The Accounting Officer undertook to follow the Committee's advice.

4.1.4 Paragraphs 791 to 794 were considered.

4.1.5 Paragraph 795 – Utilizing Current Appropriate to Purchase Capital Items

4.1.5.1 The Auditor General reminded the Accounting Officer that in accordance with the Fiscal, Financial and Management Act, items classified as capital items should not be met from current appropriations.

4.1.6 Paragraph 796- Un-presented Log Book

4.1.6.1 In response to an enquiry, the Accounting Officer reported that systems were employed to ensure accountability of vehicles.

4.1.7 Paragraphs 797 to 800 were considered.

4.1.8 Paragraphs 801 – Maintenance of buildings

4.1.8.1 The Committee noted the comments from the Auditor General and the response from the Accounting Officer and advised the Officer to adhere to the recommendation of the Auditor General.

4.1.8.2 The Committee proposed that the Accounting Officer should have the Head of the Buildings Department along with another Officer examine the project before payments were made to contractors, in an effort to ensure accountability.

4.1.9 Paragraphs 802 – Overpayment to Contractors

4.1.9.1 The Committee expressed the view that not only the Contractors should be held accountable for overpaid sums but also the Officer who certified the payments.

4.1.10 Paragraph 803 was considered.

4.1.11 Paragraph 804 - Standard Contract for Procurement

4.1.11.1 In response to the comment of the Accounting Officer, the Finance Secretary reported that templates of standard bidding documents were circulated to all Ministries and to the National Procurement and Tender Administrative Board.

4.1.12 Paragraphs 805 to 810 were considered.

4.1.13 Paragraph 811- Overpayment of Salaries

4.1.13.1 The Committee noted the advice from the Attorney General to the Accounting Officer that in accordance with the Limitation Act, Chapter 7:02, the Ministry was debarred from retrieving overpaid salaries by civil litigation.

4.1.13.2 A Member proposed that the Committee should address such issues in its report to the National Assembly.

4.1.13.3 The Auditor General taking cognizance of the Attorney General's advice reported that it was the responsibility of Accounting Officer to ensure that such matters were brought to the Losses Board before the end of three years. He further stated that he was in the process of recommending that delinquent Accounting Officers be surcharged for failing to submit such documents to the Losses Board within the stipulated time.

4.1.13.4 The Committee advised the Accounting Officer to engage the Finance Secretary in an effort to resolve the matter and to submit to the Committee a status report by 30th November, 2008.

4.1.14 Paragraphs 812 to 815 were considered.

4.1.15 Paragraph 816 – Overpayment totalling 2.073M

4.1.15.1 The Committee noted the comments of the Auditor General and expressed serious concerns at the numerous instances of overpayment to contractors and cited that there seemed to be collusion between Officers of the Ministry and contractors. It was felt that sanctions be imposed on Officers who were found culpable of certifying such payment to contractors.

4.1.15.2 The Auditor General undertook to highlight in the Public Accounts Committee 2004 - 2005 report on the Public Accounts of Guyana to the National Assembly the numerous instances of overpayment to contractors.

4.1.15.3 The Accounting Officer was requested to submit to the Committee, by 11th November, 2008 the name of the local firm which was contracted to undertake work on 2 – 1 minute television features.

4.1.16 Paragraphs 817 to 819 were considered.

- 4.1.17 Paragraph 820 - Construction of St. Cuthbert's Secondary School.**
- 4.1.17.1 The Accounting Officer was requested to submit to the Committee by 30th November, 2008:
- (i) a detailed report on the initial project sum, variation requested, and the revised project sum, and
 - (ii) sums the other bidders for the project
- 4.1.17.2 The Auditor General was advised that, in future, he should present a tabular report stating the approved sums of the contracts, variations requested and the amounts that were approved.
- 4.1.18 Paragraphs 821 to 827 were considered.
- 4.1.19 Paragraphs 828 and 829: Construction of Male Dormitory - President's College**
- 4.1.19.1 The Committee noted the comments and recommendations of the Auditor General and requested the Accounting Officer to submit to it by 30th November, 2008 the following information:
- (i) a detailed breakdown of the cost of the project, and
 - (ii) the steps taken by the Ministry of Education to determine the status of the contract in light of SIMAP being liquidated in 2006.
- 4.1.19.2 The Accounting Officer was also requested to revisit paragraphs 818 and 819 and submit a status report to the Committee by 30th November, 2008.
- 4.1.20 Paragraphs 830 to 833 were considered.
- 4.1.21 Paragraph 834 – Rehabilitation of Critchlow Labour College**
- 4.1.21.1 The Committee noted the comments of the Auditor General and advised the Accounting Officer to forward the relevant documents to the Audit Office with the aim of resolving the matter.
- 4.1.22** Paragraphs 835 to 840 were considered.

4.1.23 Paragraphs 841: Overpayment totalling \$703.780 University of Guyana.

4.1.23.1 The Committee noted the comments of the Auditor General and enquired whether the Officer who had authorized the payment to the contractor was written to requesting him to provide an explanation for the overpayment.

4.1.23.2 The Accounting Officer in response to the enquiry, reported that an investigation was being conducted into the matter and that upon completion of the investigation he would write the Head of the Buildings Department to review the issue.

4.1.23.3 The Auditor General informed the Committee that he was in the process of issuing a letter to all Heads of Budget Agencies informing them that the Superintendent of Works should list the aspects of the project verified, in order that the Audit Office could make a comparison when conducting audit verification.

4.1.24 Paragraphs 842 to 845 were considered.

4.1.25 Paragraph 846 – Award of contract totalling \$88.716M

4.1.25.1 In light of the Accounting Officer's response that the issue was resolved, the Committee requested the Officer to submit the documentation to the Audit Office within seven days, thereafter the Auditor General would submit a status report to the Committee by 30th November, 2008.

4.1.26 Paragraphs 847 to 859 were considered.

4.1.27 Paragraph 860 - New Amsterdam Technical Institute

4.1.28 In light of the fact that the Accounting Officer was unable to provide a response as to whether the ladders were recovered and the keys for the stores were now being kept by the storekeeper, the Committee requested the Accounting Officer to submit the information by 30th November, 2008.

4.1.29 Paragraphs 861 to 870 were considered.

4.1.30 Paragraph 871- School Furniture & Equipment

4.1.30.1 The Committee requested the Accounting Officer to submit within seven days to the Audit Office the outstanding payment vouchers for audit verification thereafter, the Auditor General would submit to the Committee a status report on the matter by 30th November, 2008.

- 4.1.30.2 The Committee advised the Auditor General to peruse the vouchers with a view to verify whether the items were procured in compliance with the regulations and to submit a report to the Committee by 15th December, 2008.
- 4.1.31 Paragraphs 872 to 876 were considered.
- 4.1.32 **Paragraph 877- Contract for Printing, editing and delivery of text books.**
- 4.1.32.1 The Committee advised the Accounting Officer to revisit this issue and to submit to the Auditor General the relevant documentation for audit verification and thereafter, the Auditor General would submit to the Committee a status report on the matter by 15th December, 2008.
- 4.1.33 Paragraphs 878 to 887 were considered.
- 4.1.34 **Paragraph 888- Master Inventory**
- 4.1.34.1 The Committee noted the comments of the Accounting Officer and advised the Officer to implement a system of checks and balance to ensure accountability.
- 4.1.35 Paragraphs 889 to 891 were considered.
- 4.1.35.1 At the conclusion of the examination the Chairperson reminded the Accounting Officer that he was advised previously to provide precise responses to comments of the Auditor General and to indicate breakdown where necessary.
- 4.1.36 The Chairperson recapitulated the following for the benefit of the Accounting Officer:
- (i) Employ a mechanism within the Buildings Department to improve the verification of projects to ensure accountability;
 - (ii) To collaborate with the Auditor General and provide responses to those queries raised by the Committee for submission within the required deadline.
- 4.1.37 At 5.00 p.m. the Committee concluded examination of the public accounts of the above Agency.

ITEM 5: CORRECTION AND CONFIRMATION OF MINUTES OF THE 42ND MEETING HELD ON THE 15TH JULY, 2008

Corrections

5.1 Page 425, paragraph 4.1.9.2 - Vacancy within the magistrates' Department

5.1.1 Insertion of the word "Officer" after the word "Accounting" in Line 1.

5.2 Page 431, paragraph 5.1.1- Public Procurement Act

5.2.1 Insertion of the word "Office" after the word "General" in Line 1.

5.3 Page 432, paragraph 5.1.3.1- Outstanding Matters

5.3.1 Insertion of the word "to" after the word "required" in line 1.

5.4 Thereafter, the Minutes were confirmed, as corrected, on a motion moved and seconded by Mr. Winston Murray, C.C.H. and Mrs. Bibi Shadick, respectively.

ITEM 6: Matters Arising from the 42nd Minutes

6.1 Page 425, paragraph 4.1.10.1 - Amounts totaling \$7,257,800 expended on Hiring of Taxies.

6.1.1 The Committee requested the Clerk of the Committee to write the Accounting Officer pointing out that the deadline by which she was required to submit the supplemental information to the Committee had expired.

6.1.2 The Committee also agreed that the Accounting Officers of the Ministry of Agriculture and the Georgetown Public Hospital should also be written to in the same regard.

6.2 Page 430, paragraph 4.3.11.1- Award of Contract

6.2.1 In response to an enquiry, the Auditor General informed the Committee that he had not receive the information from the Accounting Officer of the Georgetown Public Hospital Corporation.

ITEM 7: CORRECTION AND CONFIRMATION OF MINUTES OF THE 43ND MEETING HELD ON 21ST JULY, 2008

Corrections

7.1 Page 437, paragraph 7.1.7.2- Expenditure Totalling \$123.319M

7.1.1 Insertion of the "\$" before the amount "127M" in line 3.

7.2 Page 445, paragraph 7.3.23.1- Engineer's Estimate of \$4.857M

7.2.1 Substitution of the following for the paragraph:

7.2.1.1 "In response to an enquiry, the Accounting Officer informed the Committee that the contract for the rehabilitation of the Corneila Ida Primary, was approved by the community group and the variation for the construction of a bottom flat was approved by the tender board to accommodate a top flat at a later date."

7.3 Thereafter the Minutes were confirmed, as corrected, on a motion moved and seconded by Mrs. Bibi Shadick and Mr. Winston Murray, C.C.H., respectively.

ITEM 8: Matters Arising from the 43rd Minutes

8.1 Page 436, paragraph 7.1.5.1- Un-presented Log Books

8.1.1 The Committee requested the Auditor General to revisit this issue with a view to ascertain whether the log books were subsequently presented to the Audit Officer for audit verification, as was reported by the Accounting Officer.

8.2 Page 437, paragraph 7.1.7.2 – Expenditure totalling \$123.319M

8.2.1 In response to an enquiry, the Auditor General reported that he had not receive a letter from the Accounting Officer, Region No. 4 regarding the overpayment of a sum of \$127M to a contractor.

8.2.2 At this point, the Committee expressed serious dissatisfaction over the fact that Accounting Officers had failed to submit to it within the stipulated time frame the supplemental information which were requested.

8.2.3 The Committee agreed that letters be sent to the defaulting Accounting Officers and copies sent to the respective Ministers and Permanent Secretaries.

8.3 Page 444, paragraph 7.3.19.1 – Retention of Contracts

8.3.1 In response to an enquiry, the Auditor General reported that the Engineer of Region No. 3 was sent to the meeting instead of the Regional Executive Officer as such he could not discuss the issue.

8.2.2 Page 445, paragraph 7.3.24.1- Extension of Zeelugt Nursery School

8.2.2.1 The Auditor General was requested to revisit the contract with a view to determine the scope of work and also to ascertain whether there was any variation.

8.2.2.2 The Committee agreed that the Accounting Officer should be written to requesting him to submit the relevant information to the Auditor General's Office.

ITEM 9: CORRECTION AND CONFIRMATION OF MINUTES OF THE 44TH MEETING HELD ON 28TH JULY, 2008

Corrections

9.1 Renumber pages 404 to 416 as 448 to 460, respectively.

9.2 Page 449, paragraph 5.1.2 - Officers present for the examination.

9.2.1 Substitution of "Regional Executive Officer" for the "Regional Education Officer" at bullet (i) and where else it appeared.

9.3 Page 459, paragraphs 5.3.1 and 5.3.2 – Issues highlighted

9.3.1 The following amendments were made:

(i) Substitution of the word "Management" for the word "Financial" after the word "Fiscal" in the penultimate line.

(ii) Substitution of the word "Management" for the word "Financial" in the last line

9.4 Page 460; paragraph 6.1- Consideration of Appointment of nominees for the Public Procurement Commission.

9.4.1 Substitution of the word "was" for the word "were" after the word "Commission" in line 2.

- 9.5 Thereafter, the Minutes were confirmed, as corrected, on a motion moved and seconded by Mr. Mohamed Ali and Mrs. Bibi Shadick, respectively.

ITEM 10: Mattes arising form the 44th Minutes

10.1 Issues of overpayment

- 10.1.1 The Chairperson informed Members that she had received copies of letters that some Accounting Officers had written to contractors requesting them to repay varying sums which were overpaid to them. She indicated that she would submit those copies to the Secretariat.

ITEM 11: APPOINTMENT OF THE NOMINEES FOR THE PUBLIC PROCUREMENT COMMISSION

- 11.1 The Chairperson enquired from Mr. Komal Chand, C.C.H., J.P whether the names of the nominees from the Government representatives who were to be appointed to the above Commission were available.
- 12.1.1 Mr. Chand reported that he reminded the body which was responsible for providing the names of the nominees, but was advised that the body was addressing the issue.
- 12.1.2 A Member reminded the Committee that the establishment of the Committee was an outstanding matter which should be addressed urgently.

ITEM 12 ANY OTHER BUSINESS

12.1 Media

- 12.1.1 The Clerk was requested to remind the media of the examination of the public accounts of the various Agencies.

12.2 Examination of 2006 Audit Report

- 12.2.1 The Committee agreed that it would commence examination of the public accounts of the Ministries/Departments/Regions in January, 2009.

12.2.2

The Auditor General informed the Committee that he had sent the 2006 Audit Report to the Finance Secretary and the Accountant General for perusal of the accounts with the hope of minimizing inaccuracies.

Adjournment

At 6.00 p.m. the meeting was adjourned *sine die*.

Confirmed this day of April, 2009

.....*Volda Lawrence*.....

Mrs. Volda A. Lawrence, M.P
Chairperson