



REPUBLIC OF GUYANA

**OFFICE OF THE
AUDITOR GENERAL**

ANNUAL PERFORMANCE REPORT

FOR THE YEAR 2000

2758

OFFICE OF THE AUDITOR GENERAL



MISSION STATEMENT

To be the foremost institution of the State in promoting openness, transparency, good governance and improved public accountability through (a) the execution of high quality audits of government programmes; and (b) reporting the results to the Legislature in a timely manner and hence to the public.

We aim to do so by ensuring that the OAG is staffed with highly skilled and motivated competent staff delivering a high quality service in a cost-efficient and effective manner and by adherence to the most up-to-date auditing practices. We also aim to foster excellent professional relationships with our clients and to provide them with high quality and timely reports to enable them to improve their operations.

OFFICE OF THE AUDITOR GENERAL
ANNUAL PERFORMANCE REPORT FOR THE YEAR 2000

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1.. EXECUTIVE SUMMARY

- 1.1 Despite severe staff constraints, the Office of the Auditor General (OAG) completed the audits of the Public Accounts of Guyana and the accounts of Ministries, Departments and Regions for the years 1998 and 1999 and submitted the reports to the Minister of Finance 28 April 2000 and 17 November 2000, respectively. The report for the year 1998 was laid in the National Assembly and was examined the Public Accounts Committee. At the time of reporting, however, the 1999 Report was still to be laid in the National Assembly.
- 1.2 In respect of the audits of other entities, the OAG finalised the audits of 238 such entities, out of 250 targeted, including those of statutory bodies, public enterprise undertakings, local authorities, trade unions and foreign funded projects. This performance represents an increase of 29% when compared with the previous year's achievement of 165.
- 1.3 The rationalisation of pay and grades within the Public Service continued to adversely affect the staffing of the OAG, and several of the better qualified and trained officers continued to leave the OAG for other public sector jobs or the Private Sector. A number of officers have also migrated. Indeed, the OAG has found it increasingly difficult to retain existing staff and to recruit persons to fill existing vacancies so much so that at the time of reporting the vacancy level was 39% of the authorised staff strength.
- 1.4 In view of the depleted staffing situation, the OAG was forced, as in previous years, to engage the services of Chartered Accountants in public practice to provide external auditing services to the Public Corporations and other entities in which controlling interest vests with the State. Despite the high costs involved, the contracting out arrangements have worked well, and there is now greater transparency, accountability and timeliness in the financial reporting on the part of the entities audited.
- 1.5 Staff training continued to be among the highest priorities of the OAG and officers at virtually all levels are participating in overseas, local or in-house training activities.

2. ORGANISATION AND MANAGEMENT

- 2.1. The Auditor General is a holder of a constitutional office and is assisted in the performance of duties by such numbers and such numbers and grades of officers as the National Assembly may, by resolution direct, as provided for by Section 23(1) of the Financial Administration and Audit Act, Chapter 73:01. In addition, the Auditor General may authorise any officer in his Office to perform on his behalf any of his duties or functions under that Act other than the certification and reporting on the Public Accounts to the National Assembly.
- 2.2 The authorised staff strength of the OAG for the period under review was 256. The following gives a break-down of the staffing under the various designations:-

DESIGNATIONS	NUMBER
Auditor General	1
Snr. Deputy Auditor General	1
Deputy Auditor General	2
Assistant Auditor General	13
Principal Auditor	28
Auditor	43
Assistant Auditor	20
Senior Audit Clerk	32
Audit Clerk	70
Support Staff	46
TOTAL	256

- 2.3 During the period under review, the work of the OAG was organised in two(2) groups, each headed by a Deputy Auditor General. The work was further subdivided into ten (10) divisions, each headed by an Assistant Auditor General. The organisational chart depicting the reporting relationships is shown at Appendix I.
- 2.4. Management meetings, comprising the Auditor General, Deputy Auditors General and Assistant Auditors General were held on a monthly basis to review performance for the previous month and to discuss plans for the following month. These meetings culminated in an annual staff conference where the OAG's performance for the year was reviewed and plans for the following year unfolded.

3. REVIEW OF PERFORMANCE IN 2000

- 3.1. Despite severe staff constraints, the OAG completed the audits of the Public Accounts of Guyana and the accounts of Ministries/Departments/Regions for the fiscal years ended 31 December 1998 and 31 December 1999 and submitted its reports to the Minister of Finance on 28 April 2000 and 17 November 2000 respectively. The report for the year 1998 was presented to the National Assembly and was examined by the Public Accounts Committee. At the time of reporting, however, the 1999 Report was still to be laid in National Assembly.
- 3.2. In respect of audits of other entities, the OAG finalised the audits of 238 such entities, out of 250 targeted, including those of statutory bodies, public enterprise undertakings, local authorities, trade unions and foreign funded projects. This performance represents an increase of 29% when compared with the previous year's achievement of 165.
- 3.3. The rationalisation of pay and grades within the Public Service continued to adversely affect the staffing of the OAG, and several of the better trained and qualified officers left the OAG either for other public sector jobs or for the Private Sector. Indeed, the OAG found it increasingly difficult to retain existing staff and to recruit persons to fill existing vacancies so much so that at the time of reporting the vacancy level was 39% of the authorised staff strength, as shown below:-

DESIGNATION	AUTHORISED	ACTUAL	VACANT
Auditor General	1	1	0
Snr. Deputy Auditor General	1	0	1
Deputy Auditor General	2	2	0
Assistant Auditor General	13	9	4
Principal Auditor	28	21	7
Auditor	43	16	27
Assistant Auditor	20	9	11
Senior Audit Clerk	32	30	2
Audit Clerk	70	52	18
Support Staff	46	15	31
TOTAL	256	155	101
PERCENTAGE VACANCY			39

- 3.4. In view of the depleted staffing situation, the OAG was forced to engage, as in previous years, the services of Chartered Accountants in public practice to provide external auditing services to the Public Corporations and other such entities. The costs involved were obviously significantly higher. Despite the high costs involved, the contracting out arrangements have worked well, and there is now greater transparency, accountability and timeliness in the financial reporting on the part of the entities audited.
- 3.5. In order to address the staffing problems the OAG had recommended, as a short-term measure, an upward review of the emoluments of officers with a view to ensuring full staffing as this approach was likely to yield significant savings to the State.
- 3.6. In the final analysis, the OAG should be given the flexibility to recruit and remunerate staff at competitive rates so as to ensure that it is provided with adequate staffing. This is consistent with practice prevailing in other countries such as the UK, Canada, United States, Australia and New Zealand.

4. Staff Training

- 4.1 Staff training continued to be among the highest priorities of the Audit Office, and officers at virtually all levels participated in overseas, local or in-house training activities.
- 4.2. One officer participated in the Canadian Comprehensive Audit Foundation Course for nine(9) months with the National Audit Office of Canada. She returned in June 2000 and has since resumed duties.
- 4.3. Mr. Ashni Singh, Deputy Auditor General continued studies in the U.K. leading to a Ph.D. in Accounting and Finance. This programme was financed by the British Government through the Chevening Award. At the time of reporting, this officer has returned and assumed duties.
- 4.4. Three (3) officers participated in three separate six-week training courses with the International Training Centre of the Comptroller and Auditor General of India. Two(2) of the courses were completed at the end of the year under review and the third course was completed in February 2001. These courses were funded by the Government of India through the Indian Technical Economic Co-operation Programme.

- 4.5. During the year, the National Audit Office of the United Kingdom and the General Accounting Office of the United States of America offered attachment courses to the Office of the Auditor General. Unfortunately, officers did not participate in these courses because of the difficulty in obtaining the necessary funds.
- 4.6. As regards local training, six(6) officers successfully completed studies in various disciplines at the University of Guyana. At the time of reporting, the OAG has twenty-three(23) first degree graduates and eleven(11) officers holding diplomas.
- 4.7. The Audit Technicians Programme (ATP) continued to be administered and conducted by the OAG. During the year, twenty-eight(28) officers completed Levels I and II of the programme and were promoted to the next higher grade in their respective categories. The ATP is a three (3) year in-house programme, and on successful completion of each level of the programme officers are promoted.
- 4.8. During the year, three(3) officers completed the Association of Accounting Technicians Examination (AAT) and another officer also completed the Certified Accounting Technician Examination (CAT). These officers were promoted in recognition of their academic achievements.
- 4.9. The Association of Accounting Technicians of the United Kingdom continued to approve of the OAG being an Approved Assessment Centre. In this regard, the OAG has received the Corporate Training Partner Certificate issued by the Association in October 2000.
- 4.10. The Government Audit Training Institute of the United States Department of Agriculture (USDA) Graduate School provided training to senior officers of the OAG, two(2) members of the Public Accounts Committee and two(2) officers from the Guyana Revenue Authority. The courses which were conducted at the National Agricultural Research Institute Training Centre, Mon Repos, East Coast Demerara, covered the following four (4) topics:-

- Conducting Performance Audits;
- Writing Audit Reports;
- Fraud and Forensic Auditing; and
- Environmental Auditing

4.11. Funds for this training were provided under a credit agreement between the International Development Association and the Government of Guyana for the Financial and Private Institutional Development Project No. 3290 GUA at a cost of US\$34,000. At the conclusion of the training, course instructors from the Graduate School presented certificates to the participants.

5. Pre-auditing of Superannuation Papers

5.1. During the period under review, the OAG examined and verified 988 superannuation papers, as compared to 799 papers for the previous year. In addition, Government took a decision to terminate the services of about twelve hundred (1200) security guards with effect from 1 November 2000 and these papers were also verified by the OAG.

6. Revenue and Expenditure

6.1. Revenue collected for the period under review exceeded the estimated collection by \$895,000. Out of an estimated amount of \$4.5M to be collected, actual collections were \$5.395M. Appendix II shows the OAG's unaudited revenue statement for 2000.

6.2. The OAG's prudent management of expenditure has resulted in a saving of \$1.3M under its Current Expenditure programme as shown at Appendix III. Under the Capital Expenditure programme, of an amount of \$3.050M budgeted, \$2.928M was expended, as shown in Appendix IV.

7. **International Relations**

7.1. The OAG continued its active membership of both the Caribbean Organisation of Supreme Audit Institutions (CAROSAI) and the International Organisation of Supreme Audit Institutions (INTOSAI). CAROSAI held its Fifth Triennial Congress of CAROSAI in St. Kitts/Nevis in November 2000 and the Auditor General represented the OAG at the Congress. The Auditor General also continued as the Chairman of the Regional Training Committee.

8. **General**

8.1 The Auditor General and staff wish to express their sincere gratitude to the clients of the OAG for their co-operation during the period under review. We appreciate this very much and look forward for their continued co-operation in the coming year.

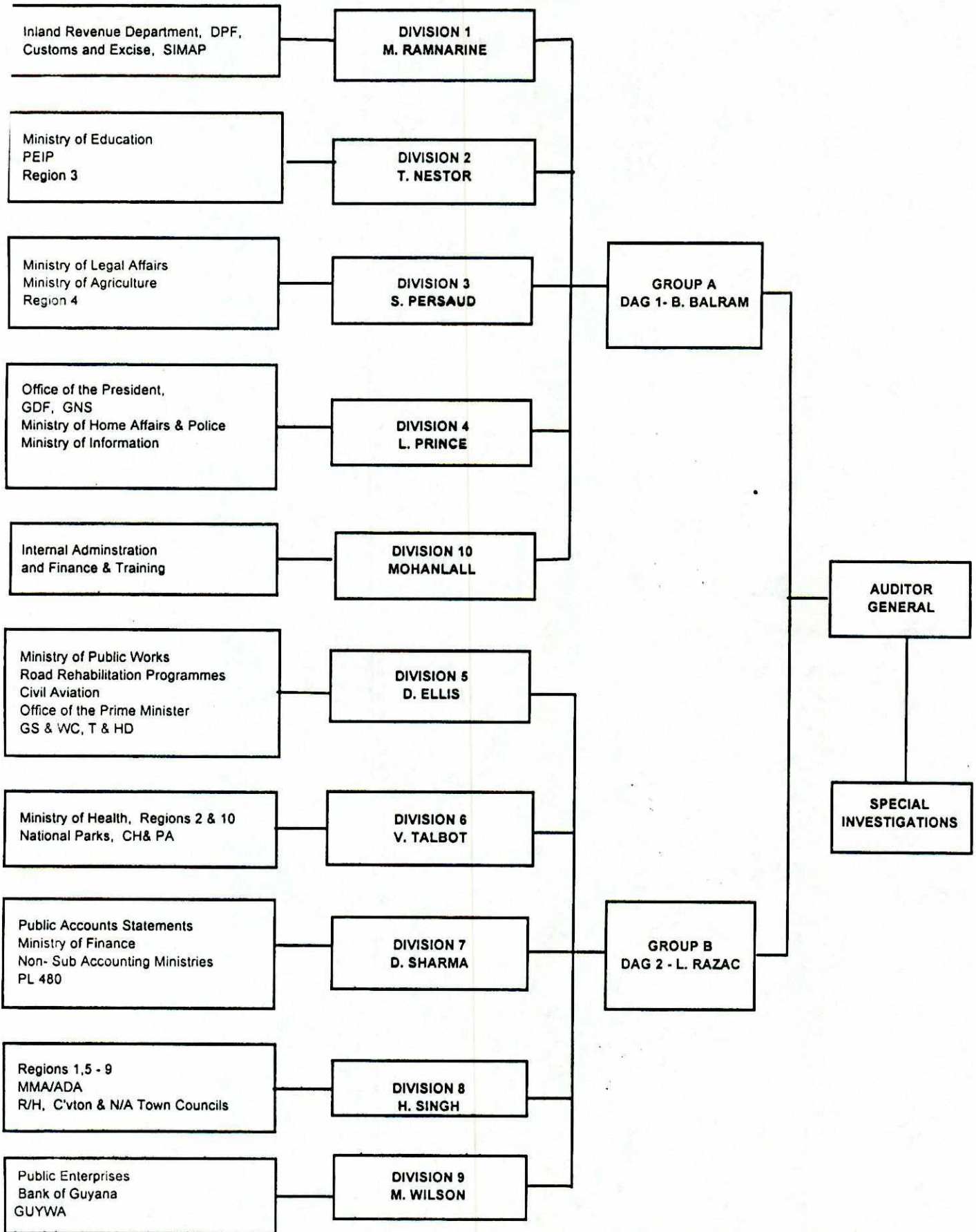


MOHANLALL

ASSISTANT AUDITOR GENERAL
(ACCOUNTING OFFICER)

30 May 2001

OFFICE OF THE AUDITOR GENERAL
ORGANISATIONAL CHART FOR THE YEAR 2000



APPENDIX II

OFFICE OF THE AUDITOR GENERAL
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2000

AD	DESCRIPTION	APPROVED ESTIMATES	AMOUNT COLLECTED	AMOUNT PAID INTO CONSOLIDATED FUND	AMOUNT DUE TO CONSOLIDATED FUND	UNDER THE ESTIMATED	OVER THE ESTIMATES
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Fees, Fines etc.						
	Audit Fees	4,500	5,395	5,395	-	-	895
		4,500	5,395	5,395	0	0	895

MOHANLALL
ASSISTANT AUDITOR GENERAL
OFFICE OF THE AUDITOR GENERAL

APPENDIX III

HEAD 08 - OFFICE OF THE AUDITOR GENERAL
CURRENT APPROPRIATION ACCOUNT
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2000

ACCT. CODE	DESCRIPTION	APPROVED ESTIMATES	VIREMENT +(-)	SUPPLE- MENTARY PROVISION	REVISED ESTIMATES	TOTAL EXPEND- ITURE	UNDER THE REVISED ESTIMATED	OVER THE REVISED ESTIMATES
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	TOTAL APPROPRIATION EXPENSES	103,486	0	0	103,486	102,162	1,324	0
	TOTAL EMPLOYMENT COSTS	81,767	1,667	0	83,434	82,623	811	0
	WAGES AND SALARIES	67,061	0	0	67,061	66,546	515	0
101	Administrative	38,028	1,529	-	39,557	39,173	384	-
102	Senior Technical	3,084	(74)	-	3,010	3,010	0	-
103	Other Technical and Craft Skilled	5,028	(198)	-	4,830	4,791	39	-
104	Clerical and Office Support	17,844	(1,187)	-	16,657	16,582	75	-
105	Semi Skilled Operatives & Unskilled	737	(154)	-	583	574	9	-
106	Contracted Employees	2,340	84	-	2,424	2,416	8	-
	OVERHEAD EXPENSES	14,706	1,667	0	16,373	16,077	296	0
201	Other Direct Labour Cost	3,600	(16)	-	3,584	3,375	209	-
203	Benefits and Allowances	7,820	316	-	8,136	8,091	45	-
204	National Insurance	3,286	1367	-	4,653	4,611	42	-
	OTHER CHARGES	21,719	(1,667)	0	20,052	19,539	513	0
123	Office Materials & Supplies	3,200	(100)	-	3,100	3,097	3	-
124	Print & Non-Print Materials	530	-	-	530	526	4	-
131	Fuel & Lubricants	700	(100)	-	600	568	32	-
142	Maintenance of Building	800	530	-	1,330	1,302	28	-
143	Janitorial & Cleaning Services	220	(60)	-	160	158	2	-
161	Local Travel & Subsistence	3,000	(712)	-	2,288	2,288	0	-
163	Postage, Telex & Cablegrams	200	-	-	200	198	2	-
164	Vehicles Spares and Services	360	-	-	360	347	13	-
171	Telephone Charges	1,025	(300)	-	725	685	40	-
172	Electricity Charges	1,800	(1,300)	-	500	359	141	-
173	Water Charges	300	(200)	-	100	0	100	-
181	Security Services	2,150	(609)	-	1,541	1,529	12	-
182	Equipment Maintenance	800	-	-	800	718	82	-
183	Cleaning & Extermination Services	150	38	-	188	174	14	-
184	Other	2,362	-	-	2,362	2,362	0	-
193	Refreshment & Meals	500	200	-	700	662	38	-
194	Other	250	254	-	504	504	0	-
212	Training (Including Scholarships)	350	735	-	1,085	1,083	2	-
221	Rates & Taxes	2,772	-	-	2,772	2,772	0	-
232	Subsidies & Contributions to Int. Org.	250	(43)	-	207	207	0	-

Under the Estimates	1,324
Over the Estimates	0
Net Under the Estimates	1,324
Issues from the Consolidated Fund Expenditure for 2000	103,486
Due to the Consolidated Fund	102,162
	1,324

MOHANLALL
ASSISTANT AUDITOR GENERAL
OFFICE OF THE AUDITOR GENERAL

APPENDIX IV
 DIVISION 505 - CONSTITUTIONAL AGENCIES
 OFFICE OF THE AUDITOR GENERAL
 CAPITAL APPROPRIATION ACCOUNT
 FOR THE FISCAL YEAR ENDED 31 DECEMBER 2000

ACCT. CODE	DESCRIPTION	APPROVED ESTIMATES	SUPPLEMENTARY PROVISION	REVISED ESTIMATES	TOTAL EXPENDITURE	UNDER THE REVISED ESTIMATED	OVER THE REVISED ESTIMATES
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	TOTAL APPROPRIATION EXPENSES	3,050	0	3,050	2,928	122	-
		=====	=====	=====	=====	=====	=====
12001	Building	1,300	-	1,300	1,199	101	-
25001	Office Equipment & Furniture	1,750	-	1,750	1,729	21	-
	Under the Estimates					122	
	Over the Estimates					0	
	Net Under the Estimates					122	
						=====	
	Issues from the Consolidated Fund Expenditure for 2000					3,050	
						2,928	
	Due to the Consolidated Fund					122	
						=====	

MOHANLALL
 ASSISTANT AUDITOR GENERAL
 ACCOUNTING OFFICER

APPENDIX V

OFFICE OF THE AUDITOR GENERAL
STATEMENT OF STATUTORY EXPENDITURE
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2000

ACCT. CODE	DESCRIPTION	APPROVED ESTIMATES	SUPPLE- MENTARY PROVISION	REVISED ESTIMATES	TOTAL EXPEND- ITURE	UNDER THE REVISED ESTIMATED	OVER THE REVISED ESTIMATES
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	TOTAL APPROPRIATION EXPENSES	6,352	840	7,192	6,895	297	-
		=====	=====	=====	=====	=====	=====
001	Wages and Salaries	3,152	840	3,992	3,964	28	-
002	Employment Overhead	3,200	-	3,200	2,931	269	-
	Under the Estimates					297	
	Over the Estimates					0	
	Net Under the Estimates					297	
						=====	
	Issues from the Consolidated Fund Expenditure for 2000					6,856	
						6,895	
	Due to the Consolidated Fund					(39)	
						=====	

MOHANLALL
ASSISTANT AUDITOR GENERAL
ACCOUNTING OFFICER